JUBILANT LIFE SCIENCES LIMITED
(CIN: L24116UP1978PLC004624)
Registered Office: Bhartiagram, Gajraula,
District Amroha - 244 223,
Uttar Pradesh, India
E-mail : investors@jubl.com
Website : www.jubl.com
Phone : +91-5924-252353-60
Fax : +91- 5924 -252 352

NOTICE

NOTICE is hereby given that the Thirty Sixth Annual General Meeting of members of Jubilant Life Sciences Limited will be held as under: -

DAY	:	**TUESDAY**
DATE	:	**SEPTEMBER 2, 2014**
TIME	:	**11:30 A.M.**
VENUE	:	**REGISTERED OFFICE: BHARTIAGRAM, GAJRAULA DISTRICT AMROHA - 244 223 UTTAR PRADESH, INDIA**

to transact the following business:-

ORDINARY BUSINESS

1. To consider and adopt the Audited Financial Statements of the Company for the year ended March 31, 2014 including Balance Sheet of the Company as at March 31, 2014 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Auditors and Directors thereon.

2. To declare dividend for the year ended March 31, 2014.

3. To appoint a Director in place of Mr. Shyamsundar Bang [DIN: 00011327], who retires by rotation and, being eligible, offers himself for re-appointment.

4. To appoint Auditors and to authorise the Board of Directors of the Company to fix their remuneration and for that purpose, to consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s B S R & Co. LLP, Chartered Accountants, (Registration Number 101248W with the Institute of Chartered Accountants of India), be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of Annual General Meeting to be held in the year 2018 (subject to ratification by the members at every Annual General Meeting to be held after this Annual General Meeting) on such remuneration as may be mutually determined between the said Auditors and Board of Directors of the Company."

SPECIAL BUSINESS

5. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014, read with Schedule IV of the Act (including any statutory modification(s) or re-enactment thereof for the time being in force), Ms. Sudha Pillai [DIN: 02263950] who was appointed as an Additional Director of the Company with effect from September 3, 2013 in terms of Section 260 of the Companies Act, 1956 [corresponding to Section 161(1) of the Act] and whose term of office expires at this Annual General Meeting, be and is hereby appointed as an Independent Director of the Company with effect from September 2, 2014 upto March 31, 2019 and shall not be liable to retire by rotation."

6. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014, read with Schedule IV of the Act (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. S. Sridhar [DIN: 00004272], who was appointed as a Director liable to retire by rotation, pursuant to the provisions of the Companies Act, 1956, be and is hereby appointed as an Independent Director of the Company with effect from September 2, 2014 upto March 31, 2019 and shall not be liable to retire by rotation."

7. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014, read with Schedule IV of the Act (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Shardul S. Shroff [DIN: 00009379], who was appointed as a Director liable to retire by rotation, pursuant to the provisions of the Companies Act, 1956, be and is hereby appointed as an Independent Director of the Company with effect from September 2, 2014 upto March 31, 2019 and shall not be liable to retire by rotation."

8. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014, read with Schedule IV of the Act (including any statutory modification(s) or re-enactment thereof for the time being in force), Dr. Inder Mohan Verma [DIN: 00365881], who was appointed as a Director liable to retire by rotation, pursuant to the provisions of the Companies Act, 1956, be and is hereby appointed as an Independent Director of the Company with effect from September 2, 2014 upto March 31, 2019 and shall not be liable to retire by rotation."

9. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014, read with Schedule IV of the Act (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Suresh Kumar [DIN: 05352800], who was appointed as a Director liable to retire by rotation, pursuant to the provisions of the Companies Act, 1956, be and is hereby appointed as an Independent Director of the Company with effect from September 2, 2014 upto March 31, 2019 and shall not be liable to retire by rotation."

10. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

    "RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s J. K. Kabra & Co., Cost Accountants, (Registration Number: 9 with the Institute of Cost Accountants of India) appointed by the Board of Directors of the Company as the Cost Auditors, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2015, be paid the remuneration of ₹ 3,00,000/- (Rupees Three Lacs only) and reimbursement of out of pocket expenses, if any, plus applicable taxes."

By **Order of the Board**
For Jubilant Life Sciences Limited

Lalit Jain
May 26, 2014 — Company Secretary

NOTES:

1 The Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013 ("the Act"), in respect of the Special Business to be transacted at the 36th Annual General Meeting ("AGM") is annexed.

2. Brief profiles and other information of Directors proposed to be appointed/ re-appointed are annexed.

3. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON POLL, TO VOTE INSTEAD OF HIMSELF/ HERSELF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

   THE INSTRUMENT APPOINTING THE PROXY, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY, DULY COMPLETED AND SIGNED, NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING. MEMBERS/PROXIES SHOULD FILL THE ATTENDANCE SLIP FOR ATTENDING THE MEETING.

   A person can act as proxy on behalf of members not exceeding fifty (50) and holding in aggregate not more than ten percent of the total share capital of the Company carrying voting rights. However, a member holding more than ten percent of the total share capital of the Company, may appoint a single person as proxy and such person shall not act as proxy for another person or member.

4. Corporate members intending to send their authorised representative(s) to attend the meeting are requested to send a certified copy of the Board Resolution authorising their representative(s) to attend and vote on their behalf at the meeting.

5. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, August 23, 2014 to Tuesday, September 2, 2014 (both days inclusive) for the purpose of determining eligibility for payment of dividend.

   The dividend, as recommended by the Board of Directors of the Company (₹ 3/- per equity share of ₹ 1/- each), if declared at the meeting, will be paid on or before Wednesday, October 1, 2014 to those members or their mandates:

   a. whose names appear as Beneficial Owners as at the end of business hours on Friday, August 22, 2014 in the lists of Beneficial Owners furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held in electronic form;

   b. whose names appear as members in the Register of Members of the Company after giving effect to valid share transfers in physical form lodged with the Company on or before Friday, August 22, 2014.

6. **Change of Address or Other Particulars**

   Members are requested to intimate change, if any, in their address (with PIN Code), E-mail ID, nominations, bank details, mandate instructions, National Electronic Clearing Service ("NECS") mandates, etc. under the signature of the registered holder(s) to:

   - The Registrar and Transfer Agent ("RTA") of the Company in respect of shares held in physical form; and
   - Their Depository Participants in respect of shares held in electronic form.

7. Pursuant to Section 72 of the Act, member(s) of the Company may nominate a person in whom the shares held by him/them shall vest in the event of his/ their unfortunate death. Accordingly, members holding shares in physical form, desirous of availing this facility may submit nomination in Form SH. 13 to RTA of the Company. In respect of shares held in dematerialised form, the nomination form may be filed with concerned Depository Participant.

8. **Payment of Dividend Electronically**

   Dividend will be paid, preferably through National Electronic Clearing Service ("NECS"), wherever such facility is available, under intimation to the members. In case dividend cannot be paid through NECS, it will be paid through dividend warrants/demand drafts.

   In cases where the payments to the members holding shares in dematerialized form are made by dividend warrants, particulars of bank account registered with their Depository Participant will be considered by the Company for printing the same on dividend warrant.

9. **Bank Mandate**

   Members who hold shares in physical form are requested to intimate the Company's RTA under the signature of the Sole/First holder, the following information relating to their bank accounts to be incorporated in the dividend warrants:

   a) Bank account number

   b) Account type, whether savings or current

   c) Name of the Bank and complete address of the branch with PIN Code

   d) MICR and IFSC Codes

   e) Name of Sole / First holder

10. Dividends pertaining to the financial years upto and including 1993-94, remaining unpaid/unclaimed, have been transferred to the General Revenue Account of the Central Government. Members having valid claims of unpaid/ unclaimed dividend for any of those financial years may approach the Registrar of Companies, U.P. and Uttarakhand or authority to be constituted by the Central Government.

    Dividends pertaining to the financial years 1994-95 to 2005-06, remaining unpaid/unclaimed, have been transferred to the Investor Education and Protection Fund ("the Fund") established under Section 205C of the Companies Act, 1956. No claims shall lie against the Company for the amounts transferred as above. Members having valid claims of unpaid/ unclaimed dividend for any of those financial years may approach the authority to be constituted by the Central Government.

    Members may kindly note that unpaid/unclaimed dividend for the year 2006-07 is due for transfer to the Fund, in October 2014. Members are, therefore, requested to lodge their claims with RTA, well in advance to avoid any hardship. Once transferred, Members having valid claims of unpaid/unclaimed dividend for the year 2006-07 may approach the authority to be constituted by the Central Government. No claims shall lie against the Company for the amounts transferred to the Fund.

    Members who hold shares in physical form in multiple folios with identical names or hold multiple joint accounts in the same order of names, are requested to send the share certificates to the Company's RTA for consolidation into a single folio.

11. The Company has a dedicated E-mail address investors@jubl.com for members to mail their queries or lodge complaints, if any. We will endeavour to reply to your queries at the earliest.

    The Company's website www.jubl.com has a dedicated section on Investors. It also answers your frequently asked questions (FAQs).

12. The Securities and Exchange Board of India ("SEBI") vide its Circular Ref. No. MRD/DoP/SE/RTA/Cir-03/2010 dated January 7, 2010 has clarified that it shall be mandatory to furnish a copy of Permanent Account Number (PAN) in the following cases:

    - Deletion of name of the deceased shareholder(s), where the shares are held in the name of two or more shareholders.
    - Transmission of shares to the legal heir(s), where deceased shareholder was the sole holder of shares.
    - Transposition of shares – when there is a change in the order of names in which physical shares are held jointly in the names of two or more shareholders.

13. Certificates from Auditors of the Company that the Stock Option Plans have been implemented in accordance with the SEBI (Employee Stock Option Scheme & Employee Stock Purchase Scheme) Guidelines, 1999, will be placed at the AGM.

14. SEBI has placed the Company's shares under compulsory demat i.e. transactions in the Company's shares are required to be done only in the demat form. Further, considering the advantages of scripless trading like exemption from stamp duty, elimination of bad deliveries, reduction in transaction costs, improved liquidity etc., members are requested to

consider dematerialisation of their shareholding, if not already done, to avoid inconvenience in future.

15. The Company had sub-divided each equity share of ₹ 5/- into five equity shares of ₹ 1/- each w.e.f. March 24, 2006. Many members had not surrendered their old ₹ 10/- denominated share certificates of Ramganga Fertilizers Limited / Vam Organic Chemicals Limited / Jubilant Organosys Limited or ₹ 5/- denominated share certificates of Jubilant Organosys Limited, for exchange with new ₹ 1/- denominated share certificates.

    Pursuant to Clause 5A of the Listing Agreement with the Stock Exchanges, members who had not claimed share certificates as above had been sent three reminder letters to claim their equity shares. Thereafter, in terms of Listing Agreement, 27,31,320 equity shares pertaining to 4,845 members, which remained unclaimed, were transferred during the year 2011-12 to *JLL-Unclaimed Suspense Account*. However, during the year 2013-14, 55,600 equity shares pertaining to 88 members were transferred to the respective members. The voting rights on the remaining shares lying in this Account will remain frozen till the rightful owners of such shares claim the shares.

    Members may approach RTA to get their shares released from this Account.

16. Queries on the Annual Report and operations of the Company, if any, may please be sent to the Company at least seven days prior to the date of the AGM so that answers may be provided at the Meeting.

17. All share related correspondence may be sent to RTA at the following address:

    Alankit Assignments Limited
    (Unit: Jubilant Life Sciences Limited)
    205-208, Anarkali Complex,
    Jhandewalan Extension,
    New Delhi - 110 055, India
    Phone : +91 - 11 - 23541234/42541234
    Fax : +91 - 11 - 41543474
    E-mail : rta@alankit.com

    In all correspondence, please quote your DP ID / Client ID or Folio Number.

18. Your feedback/comments on various services for further improvement are welcome. You may fill up and submit the Feedback Form online on our website www.jubl.com

19. The Notice is being sent to all the members of the Company whose names appear in the Register of Members / Record of Depositories as on Friday, July 18, 2014 **("Cut-off date" or "Record date")**. Voting rights shall be reckoned on the paid up value of the shares registered in the name of the members of the Company as on Cut-off date / Record date i.e. July 18, 2014.

20. **Green Initiative** – Members are requested to participate in the Green Initiative by providing / updating their name, DP ID / Client ID or Folio Number, E-mail ID and consent to receive the Notice, Annual Report and other documents through electronic mode, by sending an email at rta@alankit.com

21. Notice of the AGM (along with Attendance Slip and Proxy Form) and the Annual Report for the financial year 2013-14 are being sent electronically to all the members whose E-mail IDs are registered with the Company/ Depository Participants(s) unless any member has requested for a physical copy of the same. For members who have requested for physical copy and not registered their email address, physical copies of the Notice and Annual Report are being sent through permitted mode.

22. Members may also note that the Notice of the AGM and the Annual Report for financial year 2013-14 will also be available on the Company's website www.jubl.com

23. All the documents referred to in the Notice are open for inspection at the Registered Office of the Company on all working days between 11:00 a.m. and 1:00 p.m. upto the date of the AGM.

24. Process and manner of e-Voting facility for members of the Company to enable them to cast their votes electronically is as under:

Voting through electronic means

In compliance with provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Clause 35B of the Listing Agreement with Stock Exchanges, the Company is providing facility to members to enable them to cast their votes electronically and the items of business given in the Notice for the AGM may be transacted through e-Voting services provided by National Securities Depository Limited ("NSDL").

The instructions for e-Voting are as under:

(a) In case of members receiving an e-mail from NSDL

(i) Open e-mail and open PDF file viz.; "JLL Info e-Voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password for e-Voting. Please note that the password is an initial password.

(ii) Launch internet browser by typing the following URL: https://www.evoting.nsdl.com/

(iii) Click on Shareholder - Login

(iv) If you are already registered with NSDL for e-Voting, then you can use your existing user ID and password for casting your vote.

(v) If you are logging for the first time, please enter the user ID and password provided in the PDF file attached with the email as initial password.

(vi) The password change menu appears on your screen. Change the password with new password of your choice with minimum 8 digits/ characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(vii) Once the e-Voting Home page opens, click on e-Voting> Active Voting Cycles.

(viii) Select Electronic Voting Event Number ("EVEN") of Jubilant Life Sciences Limited as given in the body of email. Now you are ready for e-Voting as Cast Vote page opens.

(ix) Cast your vote(s) by selecting appropriate options and click on "Submit" and also "Confirm" when prompted.

(x) Upon confirmation, the message "Vote cast successfully" will be displayed.

(xi) Once the votes on the resolutions are cast, the member shall not be allowed to change these subsequently.

(xii) Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter, etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorised to vote, to the Scrutinizer through e-mail at sanjaygrover7@gmail.com or JLL_agm2014@jubl.com with a copy marked to evoting@nsdl.co.in

(xiii) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-Voting user manual for Shareholders available at the Downloads section of www.evoting.nsdl.com

(xiv) You can also update your mobile number and email id in the user profile details of the folio which may be used for sending future communication(s).

(b) In case of members receiving physical copies of the Notice of the AGM

(i) Initial password, along with User ID and Electronic Voting Event Number ("EVEN") is provided at the bottom of Attendance slip.

(ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xiv) above, to cast vote.

(c) General Instructions

I. The e-Voting period commences at 9:00 a.m. on Monday, August 25, 2014 and ends at 6:00 p.m. on Wednesday, August 27, 2014. During this period, members of the Company, holding shares either in physical form or in dematerialised form, as on Cut-off date / Record date of July 18, 2014, may cast their vote electronically. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently. The e-Voting module shall be disabled by NSDL for voting thereafter.

II. Mr. Sanjay Grover, a Practicing Company Secretary (FCS No. 4223, C.P. No.: 3850) of M/s Sanjay Grover & Associates, Company Secretaries, has been appointed as "Scrutinizer" to scrutinize the e-Voting process in a fair and transparent manner.

III. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-Voting period, unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

IV. In the event of poll, please note that the members who have exercised their right to vote through electronic means as above shall not be eligible to vote by way of poll at the meeting. The poll process shall be conducted and report thereon shall be prepared in accordance with Section 109 of the Act read with relevant Rules. In such an event, votes cast under Poll taken together with the votes cast through e-Voting shall be counted for the purpose of passing of resolution(s). No voting by show of hands will be allowed at the AGM.

V. Subject to receipt of sufficient votes, the resolution(s) shall be deemed to be passed at the 36th AGM scheduled to be held on Tuesday, September 2, 2014. The results of voting on the resolutions set out in the Notice shall be declared on or after the AGM. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.jubl.com and on the website of NSDL, within two days of the passing of the resolutions at the AGM and the results shall also be communicated to Stock Exchanges.

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 IN RESPECT OF ITEM NOS. 5 To 10

ITEM NO. 5

Ms. Sudha Pillai is a Non-Executive Independent Director of the Company. She was co-opted by the Board of Directors ("the Board") as an Additional Director (Non-executive) with effect from September 3, 2013 pursuant to Section 260 of the Companies Act, 1956 [corresponding to Section 161(1) of the Companies Act, 2013 ("the Act")]. Ms. Sudha Pillai holds office till the date of this Annual General Meeting.

Pursuant to the provisions of Section 149 of the Act read with the Rules made thereunder, an Independent Director shall hold office for a term upto five consecutive years on the Board of a Company and not be liable to retire by rotation. Further, as per the provisions of Section 149 of the Act read with the Rules made thereunder, every listed company should have at least one Woman Director.

Notice along with deposit of requisite amount under Section 160 of the Act has been received from a member intending to propose Ms. Sudha Pillai as a candidate for the office of Director. The Company has also received a declaration from Ms. Sudha Pillai that she meets the criteria of Independence as prescribed both under Section 149(6) of the Act and Clause 49 of the Listing Agreement with Stock Exchanges.

Ms. Sudha Pillai is not disqualified from being appointed as a Director in term of Section 164 of the Act.

The Board considers that continued association of Ms. Sudha Pillai would be of immense benefit to the Company and it is desirable to continue to avail her services. In the opinion of the Board, Ms. Sudha Pillai fulfils the conditions specified in the Act read with the Rules made thereunder and the Listing Agreement with the Stock Exchanges for an Independent Director and is independent of the management of the Company.

In compliance with the provisions of Section 149 and Schedule IV of the Act read with the Rules made thereunder, the Board recommends the resolution in relation to the appointment of Ms. Sudha Pillai as an Independent Director effective from September 2, 2014 upto March 31, 2019, not liable to retire by rotation, for approval of members of the Company by way of an Ordinary Resolution.

The terms and conditions of appointment of Ms. Sudha Pillai shall be open for inspection by members at the Registered Office of the Company between 11:00 a.m. and 1:00 p.m. on all working days. The said terms and conditions are also posted on the Company's website www.jubl.com.

Ms. Sudha Pillai, being the proposed appointee, may be deemed to be concerned or interested in the resolution. None of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in this resolution.

ITEM NOS. 6 to 9

In compliance of the provisions of Clause 49 of the Listing Agreement with Stock Exchanges, the Company had appointed Mr. S. Sridhar, Mr. Shardul S. Shroff, Dr. Inder Mohan Verma and Mr. Suresh Kumar as Independent Directors at various times, liable to retire by rotation.

Now, in terms of the provisions of Section 149 and Schedule IV of the Companies Act, 2013 ("the Act") read with the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the Company is required to have at least one-third of the total number of Directors as Independent Directors, who shall not be liable to retire by rotation.

The Company has received notices along with deposits of requisite amounts under Section 160 of the Act proposing candidatures of each of Mr. S. Sridhar, Mr. Shardul S. Shroff, Dr. Inder Mohan Verma and Mr. Suresh Kumar, for the office of Director of the Company. The Company has also received declarations from all these Directors that they meet the criteria of Independence as prescribed both under Section 149(6) of the Act and Clause 49 of the Listing Agreement with Stock Exchanges.

Mr. S. Sridhar, Mr. Shardul S. Shroff, Dr. Inder Mohan Verma and Mr. Suresh Kumar are not disqualified from being appointed as Directors in terms of Section 164 of the Act.

The Board of Directors ("the Board") consider that continued association of these Directors would be of immense benefit to the Company and it is desirable to continue to avail their services. In the opinion of the Board, all the above Directors fulfil the conditions specified in the Act read with the Rules made thereunder and the Listing Agreement with the Stock Exchanges for an Independent Director and are independent of the management of the Company.

In compliance with the provisions of Section 149 and Schedule IV of the Act read with the Rules made thereunder, the Board recommends the resolutions in relation to the appointments of Mr. S. Sridhar, Mr. Shardul S. Shroff, Dr. Inder Mohan Verma and Mr. Suresh Kumar as Independent Directors effective from September 2, 2014 upto March 31, 2019, not liable to retire by rotation, for approval of members of the Company by way of Ordinary Resolutions.

The terms and conditions of appointments of above Directors shall be open for inspection by members at the Registered Office of the Company between 11:00 a.m. and 1:00 p.m. on all working days. The said terms and conditions are also posted on the Company's website www.jubl.com

Mr. S. Sridhar, Mr. Shardul S. Shroff, Dr. Inder Mohan Verma and Mr. Suresh Kumar may be deemed to be concerned or interested in the resolutions relating to their own appointments. None of the other Directors, Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in these resolutions.

ITEM NO. 10

The Board of Directors, on the recommendation of the Audit Committee, has approved at its meeting held on May 26, 2014 the appointment of M/s J. K. Kabra & Co., Cost Accountants, as the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending March 31, 2015, at a remuneration of ₹ 3,00,000/- (Rupees Three Lacs only) and reimbursement of out of pocket expenses, if any, plus applicable taxes.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be determined / ratified by the shareholders of the Company.

Accordingly, your Directors commend the resolution for approval of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2015, by way of an Ordinary Resolution.

None of the Directors, Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in this resolution.

INFORMATION PURSUANT TO CLAUSE 49(IV)(G) OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGES REGARDING THE DIRECTORS PROPOSED TO BE APPOINTED / RE-APPOINTED

1. MR. SHYAMSUNDAR BANG

Mr. Shyamsundar Bang, aged 63 years, graduated as Chemical Engineer from Nagpur University in 1971 and further obtained his Masters in Chemical Engineering from UDCT, Mumbai in 1973. He has rich experience of 41 years with various industries. He has been associated with Jubilant Bhartia Group since 1982, when he joined as Technical Manager. In his long stint with the Company, he has handled various responsibilities and has been instrumental in and has expertise in upgrading existing technologies, bringing new technologies, developing and managing projects and developing new business opportunities for the Company. He joined the Board of the Company in 1998 as an Executive Director. He is providing leadership to the teams responsible for manufacturing, supply chain, projects design & implementation and environment & safety. He is focussing on the training needs of employees and new systems to be introduced in the Company keeping the Company's vision. He is occupier of all factories and guides factory heads in complying with all regulations. His expertise in Technology Management and bringing manufacturing operations to world class has been beneficial for the Company.

Presently, he is a Managing Director of Jubilant Infrastructure Limited and also holds directorships in UC Gas Engineering Limited, Jubilant Generics Limited, Jubilant Chemsys Limited and PHD Chamber of Commerce and Industry.

Mr. Bang is a member of Stakeholders Relationship Committee of the Company and is also a member of Audit Committee of Jubilant Infrastructure Limited.

2. MS. SUDHA PILLAI

Ms. Sudha Pillai, aged 64 years, is a post graduate in Psychology (gold medalist), Punjab University and in Public Administration, Harvard University, USA with special areas of interest in Impact of Foreign Direct Investment on Employment & Growth, Macro Economic Policy, World Food System, Equity in Rural Development Policy and Leadership & Mobilization of Group Resources.

Ms. Pillai joined the Indian Administrative Service in 1972 at the age of 22 with Second Rank on all India basis. She has served as Sub-Collector and District Collector, Trivandrum, Chairman & Managing Director of Kerala Finance Corporation, Secretary Finance (Coordination), Govt. of Kerala and Principal Secretary (Finance), Govt. of Kerala. She has also served as Director in the Ministry of Industry; Joint Secretary, Department of Company Affairs; Additional Secretary, Ministry of Mines and held other positions under Government of India. Ms. Pillai was promoted as Secretary to Government of India in 2005. She served as Secretary, Ministry of Labour & Employment and Secretary, Planning Commission before being elevated as Member Secretary.

She has contributed immensely in promoting reforms and legal system in India and liberalisation of industrial licensing regime. She has also contributed in drafting of the Companies Bill, 1993, Panchayats Extension to Scheduled Areas Act, 1996, processing amendment of the Constitution of India, enactment of Unorganised Workers' Social Security Law, 2008, implementation of Bundelkhand Package 2009-12, formulation and implementation of New Land Use Policy for Mizoram 2009-12 and implementation of Integrated Action Plan for Naxal affected districts 2010-12.

Ms. Pillai has rich experience and expertise in policy formulation relating to Technology Transfer, Foreign Investment and Competition Law, National Skill Development Policy and Safety, Health & Environment at Workplace.

Ms. Pillai has also served as Member Secretary of Planning Commission (India) in the rank of Minister of State and has served as member of high powered bodies on infrastructure development.

Ms. Pillai has attended many conferences in India and abroad and in some of them, she has led the Govt. of India delegations.

She was an ex-officio member of National Highway Authority of India, Indian Infrastructure Finance Company Limited and the Central Councils of the Institute of Chartered Accountants of India, Institute of Company Secretaries of India & Institute of Cost Accountants of India. She has also served on the Boards of National Skill Development Corporation and Apollo Tyres Limited. She was on the Board of Trustees of the Skill Development Trust Fund housed in the Ministry of Finance and was also a member of the Board of Trustees of National Skill Development Corporation.

Presently, she is a Director of International Travel House Limited. She is neither related to any Director of the Company nor holds any shares / stock options in the Company.

3. MR. S. SRIDHAR

Mr. S. Sridhar, aged 63 years, is an Independent Director of the Company. He studied at the Indian Institute of Technology, Delhi and Jamnalal Bajaj Institute of Management Studies, Mumbai. He is a Fellow of the Indian Institute of Banking and Finance and a Fellow of the Royal Institute of Chartered Surveyors. He was awarded the Lord Aldington Banking Research Fellowship for the year 1984 by the Indian Institute of Bankers. He has received many awards / honours, particularly for his innovative business models.

He was Chairman and Managing Director of Central Bank of Indian until May 31, 2011 and earlier of National Housing Bank, India's regulator of Housing Finance Companies and the apex Financial Institution for housing. He is a banker with about 40 years experience and expertise in commercial and development banking of which 10 years were at the CEO / Board level. He is widely acknowledged to be an innovative, market oriented banker and strategic thinker having provided transformational leadership to the organisations he had worked for. He was a pioneer in championing the concept of affordable housing in India and contributed significantly to public policy formulation.

Mr. Sridhar started his career with State Bank of India, India's largest commercial Bank. He also worked as Executive Director and Chief Operating Officer of Export Import Bank of India, India's apex export financing institution between 2001 and 2006.

Currently, he serves as an Independent Director on the Boards of various companies, and also as a consultant to financial services companies. His advice is sought on certain matters of policy by the Government of India.

Mr. Sridhar has served / serves in various national level committees and task forces for framing financial sector policies. He was on the Managing Committee of the Indian Banks' Association, and was a member of the Board of Management of the Indian Institute of Foreign Trade. He has been an invited speaker at numerous national and international Conferences including Chatham House Lectures.

He also holds directorships in following companies:

Public companies:

- Strides Arcolab Limited
- Ferro Alloys Corporation Limited
- Binani Cement Limited
- DCB Bank Limited
- Frontier Leasing & Finance Limited
- India Infoline Housing Finance Limited

Private Companies:

- J P Morgan Mutual Fund India Private Limited
- Incube Trustee Co. Private Limited
- Strategic Research & Information Capital Services Private Limited
- NABARD Consultancy Services Private Limited
- Sewa Grih Rin Private Limited

He is the Chairman of Stakeholders Relationship Committee and Audit Committee of the Company. He is also a member of Audit Committee of Strides Arcolab Limited.

He is neither related to any Director of the Company nor holds any shares /stock options in the Company.

4. **MR. SHARDUL S. SHROFF**

Mr. Shardul S. Shroff, aged 58 years, has been associated with the Company as an Independent Director since 2010. He holds a Bachelor's degree in Commerce from Sydenhem College, Mumbai and an LL.B from Government Law College, Mumbai. Mr. Shroff is the Managing Partner of the law firm Amarchand & Mangaldas & Suresh A. Shroff & Co.

As a corporate attorney for 33 years, Mr. Shroff has extensive experience and expertise in areas of infrastructure, projects & project finance, privatisation and disinvestment, mergers and acquisitions, joint ventures, banking and finance, capital markets and commercial contracts.

Mr. Shroff is also a leading authority on legal matters related corporate governance, media law, technology law and policy and regulatory practices. He has been on several high committees appointed by the Government and States of India on various legislations, including the J.J. Irani Committee. Mr. Shroff has recently been honoured for his 'Outstanding Contribution to the field of law' by Chambers and Partners, 2012.

Mr. Shroff also serves on a number of committees of the Confederation of Indian Industry (CII) and the Federation of Indian Chambers of Commerce and Industry (FICCI).

He also holds directorships in following companies:

Public Companies:

- IDFC Limited *(formerly Infrastructure Development Finance Company Limited)*
- Ashok Leyland Limited
- Jindal Power Limited
- Hindustan Media Ventures Limited
- Visa Power Limited

Private companies:

- Amarchand Towers Property Holdings Private Limited
- Amarchand Mangaldas Properties Private Limited
- PSNSS Properties Private Limited
- Baghbaan Properties Private Limited
- First Commercial Services India Private Limited
- UVAC Centre (India) Private Limited
- First Universal Virtual International Arbitration Centre Private Limited
- First Full Services Private Limited
- Avanti Realty Private Limited

He is a member of Audit Committee and Investors Grievance Committee of IDFC Limited *(formerly Infrastructure Development Finance Company Limited)*. He is also a member of Audit Committee of Hindustan Media Ventures Limited.

He is neither related to any Director of the Company nor holds any shares in the Company. He holds 15,000 stock options granted to him under JLL Employees Stock Option Plan 2011.

5. **DR. INDER MOHAN VERMA**

Dr. Inder Mohan Verma, aged 66 years, is an Independent Director of the Company. He holds a masters degree in biochemistry from Lucknow University and a doctorate from Weizmann Institute of Science, Rehovoth, Israel. Dr. Verma completed his post-doctoral training under the Nobel laureate, Dr. David Baltimore, at the Massachusetts Institute of Technology, USA. Dr. Verma joined the faculty of the Salk Institute, California in 1974, where he currently holds American Cancer Society Professorship and the Irwin and Joan Jacobs Chair in Exemplary Science and is also the Director of the laboratory of genetics.

Dr. Verma and his colleagues have pioneered the development of a gene therapy vector based on a stripped-down version of HIV that can deliver genes to non dividing cells, which constitutes the majority of the cells in a human body. He has expertise in Cancer, Genetics and Signaling Mechanisms.

He has been on the editorial boards of a number of international scientific journals and has served as founding editor-in-chief of Molecular Therapy, a journal that focuses on gene therapy. He is presently the Editor-in-Chief of Proceedings of the National Academy of Sciences (PNAS). He has been conferred with many honours and awards including one of 25 Lifetime American Cancer Society Professorships (1990) and Outstanding Investigator Award from the National Institute of Health, USA (1988). Dr. Inder Mohan Verma is also the recipient of the Cozzarelli Prize (2007), the Vilcek Prize (2008) and the Spector prize (2009). He was also conferred an honorary doctorate of science from the University of Hyderabad in 2009.

Dr. Verma is a member of National Academy of Sciences (USA), Institute of Medicine, American Philosophical Society and is foreign associate of Indian Academy of Sciences. Dr. Inder Mohan Verma has published over 300 scientific articles.

He was appointed on Board of the Company in January 2010. He is a member of Audit Committee of the Company. Dr. Verma is presently a Director on the Board of Jubilant Biosys Limited, a subsidiary of the Company. He is neither related to any Director of the Company nor holds any shares in the Company. He holds 17,638 stock options granted to him under JLL Employees Stock Option Plan 2011.

6. **MR. SURESH KUMAR**

Mr. Suresh Kumar, aged 58 years, is an Independent Director of the Company. He received his economics degree from Delhi University and his MBA from University of Bombay.

As an executive, Mr. Kumar's two decades plus career has straddled every facet of business across continents. He has successfully led multimillion dollar global businesses, started and scaled emerging markets enterprises, developed and introduced new products, and led the regional and global roll out of brands and franchises to deliver superior revenue, profit and market share growth. He has expertise in International trade and worked with multinational companies like Johnson & Johnson, and Warner Lambert in top positions.

Mr. Suresh Kumar was nominated by President Obama and unanimously confirmed by the U.S. Senate as Assistant Secretary of Commerce and Director General of the US & Foreign Commercial Service (USFCS). Mr. Kumar spearheaded US trade promotion and exports in the Obama Administration, and led the USFCS to extraordinary results.

As a consultant, he assists businesses in regional and global expansion, developing efficient go to market processes and marketing programs and helps establish public-private collaborations that spur development. Between 2004 and 2010, Mr. Kumar served the Bill & Melinda Gates and Clinton Foundations, the African Development Bank, the Alliance for a Green Revolution in Africa (AGRA) and national governments. He helped shape policies and procurement programs that led to food security in Sub Saharan Africa. Mr. Kumar also served as Special Advisor to the Clinton Foundation and facilitated collaborations between governments in Africa and global corporations.

Mr. Kumar is Distinguished Visiting Professor of International Business at George Washington University. He has served as Adjunct Professor at Rutgers University EMBA program, at the Schulich School of Business at York University in Toronto, Canada and at Bombay University in India. A prolific speaker, Mr. Kumar has published on globalization and management practices, and was news and sports anchor on national television in India between 1970 and 1985.

He is a member of the Stakeholders Relationship Committee of the Company. He is neither related to any Director of the Company nor holds any shares in the Company. He holds 7,500 stock options granted to him under JLL Employees Stock Option Plan 2011.

By **Order of the Board**
For Jubilant Life Sciences Limited

Lalit Jain
Company Secretary

May 26, 2014

THE ANNUAL REPORT INCLUDING FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 2013-14 IS BEING DESPATCHED SEPARATELY

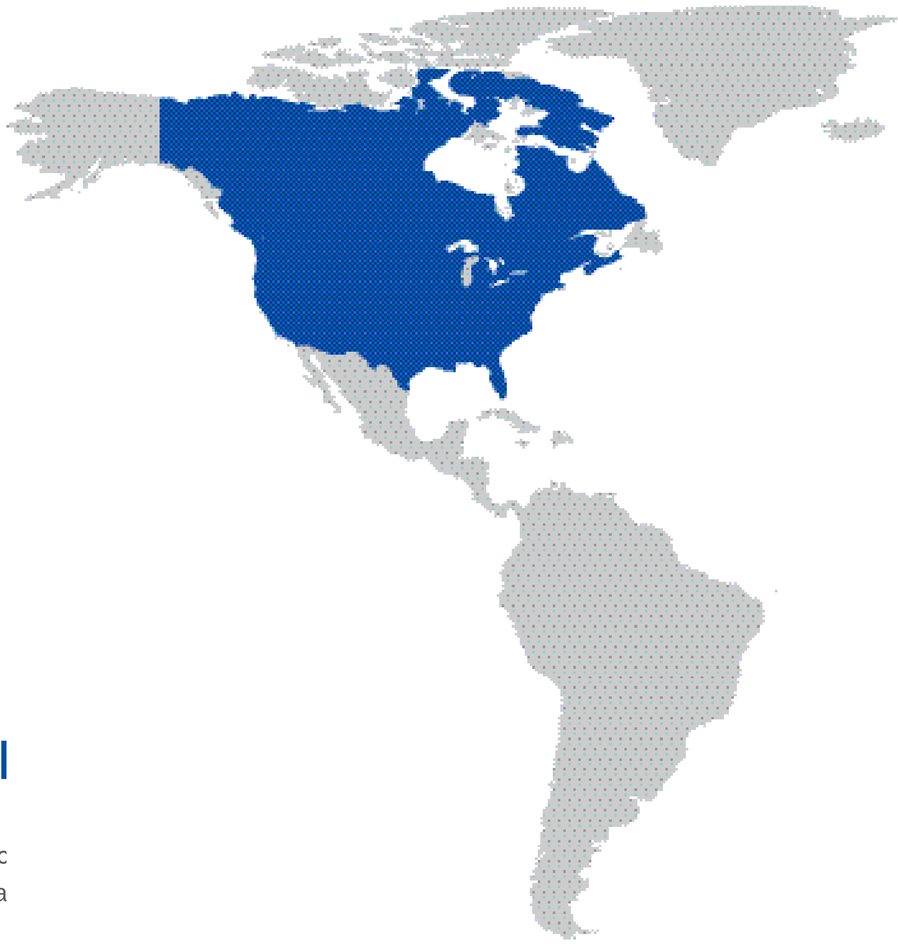
Annual Report 2013-14

Partnering for a better life

- Employs ~6,200 people including ~1,000 in R&D and ~1,500 in North America
- 10 world class manufacturing facilities, 7 in India and 3 in North America
- Drug Discovery Centre in India and multiple R&D centres in India & overseas
- Present in India, North America, Europe and China
- International sales in over 100 countries

Contents

Global Presence



NORTH AMEI

Kirkland, Quebec, Canada
USFDA approved facility for Cc
Manufacturing of Sterile Injecta
and Radiopharmaceuticals
DDDS Office

Spokane, Washington, USA
USFDA approved facility for Contract
Manufacturing of Sterile Injectables and
Allergy Therapy Products

Horsham, Pennsylvania, USA
Jubilant Cadista - Sales &
Marketing Head Office

Malvern, Pennsylvania, USA
DDDS Office & R&D Facility

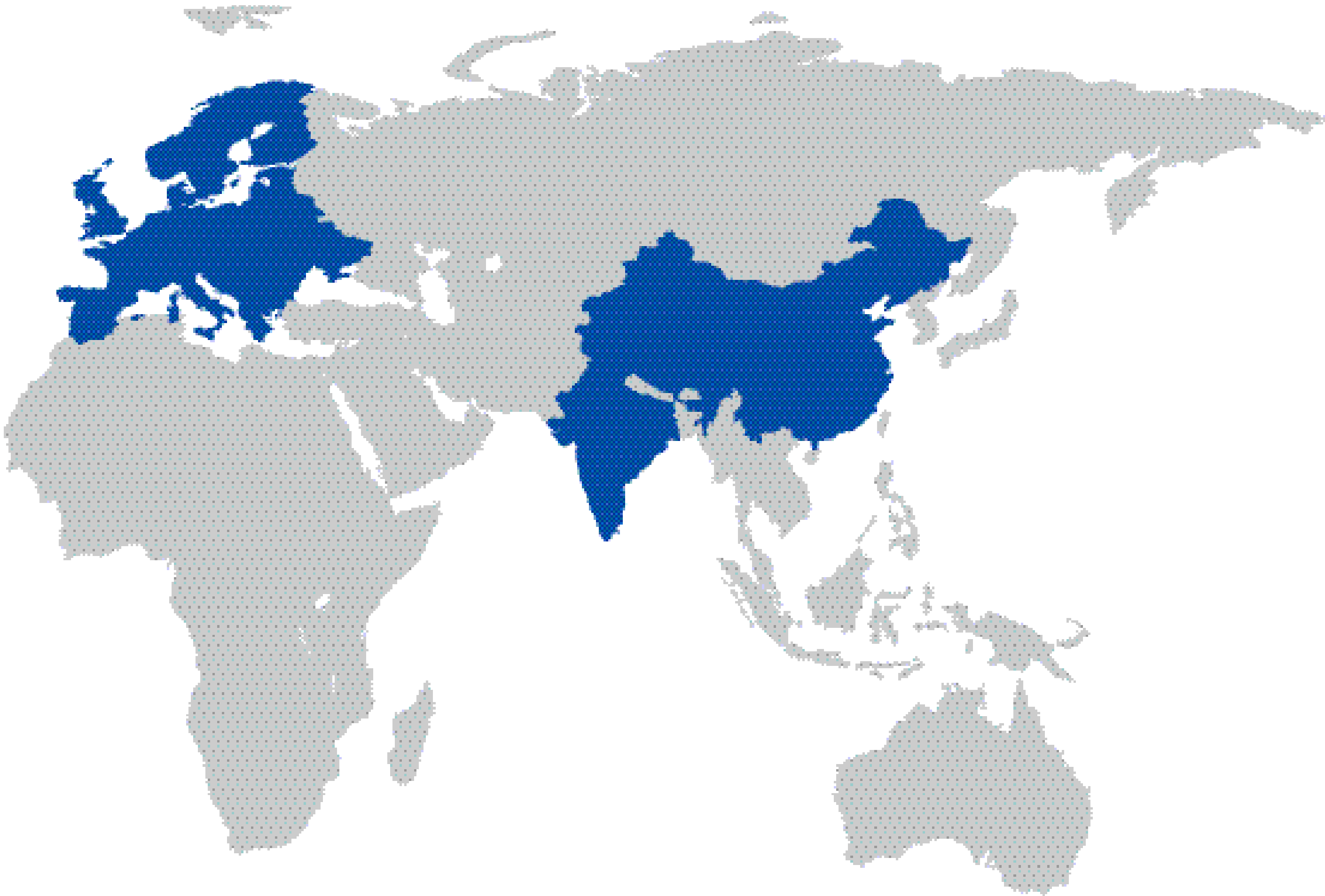
Salisbury, Maryland, USA
USFDA approved facility for Generics
(Tablets & Capsules)

Bedminster, New Jersey, USA
Jubilant Clinsys and
Jubilant Life Sciences Marketing Office

EUROPE

Merelbeke, Belgium
Regulatory & Generic Marketing

Dusseldorf, Germany
Jubilant Clinsys, Europe Office



INDIA

Noida, Uttar Pradesh
Corporate Office & R&D Centres

Roorkee, Uttarakhand
USFDA, UKMHRA, ANVISA Brazil and PMDA Japan approved facility for Generics

Gajraula, Uttar Pradesh
Largest integrated Pyridine & its derivatives facility in the world

Samlaya, Gujarat
Nutrition Products

Bharuch, Gujarat
SEZ for Vitamins and Life Science derivatives

Ambernath, Maharashtra
Fine Ingredients - Pyridine derivatives

Nira, Maharashtra
Life Sciences Chemicals

Bengaluru, Karnataka
State-of-art Discovery Centre

Nanjangud, Karnataka
USFDA, AFSSAPS France and PMDA Japan approved APIs facility

CHINA

Shanghai
Marketing Office

OUR VISION

- To acquire and maintain global leadership position in chosen areas of businesses
- To continuously create new opportunities for growth in our strategic businesses
- To be among the top 10 most admired companies to work for
- To continuously achieve a return on invested capital of at least 10 points higher than the cost of capital

OUR VALUES

OUR PROMISE

Caring, Sharing, Growing

We will, with utmost care for the environment and society, continue to enhance value for our customers by providing innovative products and economically efficient solutions; and for our stakeholders through growth, cost effectiveness and wise investment of resources

Awards & Recognition

- **Entrepreneurs of the Year 2013** – Presented to Mr. Shyam S Bhartia & Mr. Hari S Bhartia, by Hon'ble President of India, Shri Pranab Mukherjee, at AIMA's Managing India Award ceremony
- **NDTV Profit 'Business Leadership Award 2012'** awarded to Jubilant Life Sciences, under Corporate Social Responsibility category
- **FICCI Quality System Excellence Awards 2012** - Gajraula plant won Silver prize under large scale category
- **CII – National Award for Excellence in Energy Management 2013** - Gajraula plant awarded as Energy Efficient Unit
- **Lifetime Achievement Award** - Presented to Mr. Shyam S Bhartia, by Mr. Anand Sharma, Minister of Commerce and Industry, Govt. of India at CHEMEXCIL's Export Award 2010-11 ceremony
- **Shri Janeshwar Mishra Export Award** - Excellence Award for the best performance in the field of Export under the category of Chemicals, Pharmaceuticals & Cosmetic Products
- **Annual Greentech Safety Award 2013** – Gajraula unit received Silver Award, under chemical sector
- **Express, Logistics & Supply Chain Leadership Award** under the category of Excellence in Manufacturing Supply Chain in "Chemical" during Express Logistics & Supply Chain Conclave
- **Amity Global Business School – CSR Award 2013** in appreciation of outstanding work in the CSR domain
- **Bio Excellence Award 2014** conferred to Jubilant Biosys under the category Bio-Services, presented at 'Bangalore India Bio 2014'
- **14th Annual Greentech Environment Award 2013** for Gajraula plant, India
- **Certificate from Coca Cola for compliance to Global Food Safety Initiative** as per TCCC norms for the year 2013, presented to Gajraula plant, India

Board of Directors

Shyam S Bhartia
Chairman & Managing Director

Hari S Bhartia
Co-Chairman & Managing Director

Shyamsundar Bang
Executive Director

Abhay Havaldar
Director

Shardul S Shroff
Director

Inder Mohan Verma
Director

Suresh Kumar
Director

S Sridhar
Director

Sudha Pillai
Director

Senior Leadership Team

Shyam S Bhartia
Chairman & Managing Director

Hari S Bhartia
Co-Chairman & Managing Director

R Sankaraiah
Executive Director
Finance

Shyamsundar Bang
Executive Director
Manufacturing & Supply Chain

Chairmen's Message

Shyam S Bhartia
Chairman &
Managing Director

Hari S Bhartia
Co-Chairman &
Managing Director

Dear Shareholders,

We are currently going through a very important phase in our country's evolution. People expect the policy decision process to be expedited which will accelerate growth and play a significant role in economic revival across all sectors.

International activity and world trade picked up in the second half of 2013, as the US economy led global economic recovery. Deloitte's Global life sciences outlook expects India's pharmaceutical sales to reach US $ 27.0 billion in 2016, up from US $ 22.6 billion in 2012.

The pharmaceutical sector is also witnessing constant evolution and innovation. This is led by enhanced focus on unmet medical needs balanced by affordable healthcare. We, at Jubilant Life Sciences, are cognizant of our role in maximising the wealth of our shareholders and constantly working towards contributing to the society at large.

BUSINESS OBJECTIVES

Jubilant Life Sciences today is a global integrated pharmaceutical and life sciences player with over 35 years of proven track record. We have a well-diversified portfolio across segments of Pharmaceuticals and Life Science Ingredients. Strategically, we have pursued a cohesive business model across the entire Pharmaceutical ecosystem and have positioned ourselves as a one-stop-shop for the global Pharmaceutical and Life Sciences industry.

We continue to deliver meaningful innovations in health care and are also building a more agile company to seize evolving market opportunities. Our competitive strength lies in our integrated low cost production and our innovative product portfolio backed by efficient R&D capabilities and manufacturing capabilities.

We enjoy global and regional leadership positions across our key business products. New products have contributed to over 9% of our revenues during the last five years. In FY 2014, our spending on R&D stood at 5% of our Pharmaceuticals segment revenues and we continue to make significant investments on R&D, backed by a team of around 1,000 employees. Therefore, our business model is well-poised to tap enormous opportunities in the global Pharmaceutical industry.

We continue to remain committed to our long held values of inspiring confidence in our workforce and stretching ourselves to be cost-effective and efficient while nurturing the tradition of innovation and caring for environment and safety. We continue to remain committed to the triple bottom line approach of Economic, Environmental and Social performance. We continuously strive to undertake various programs to bring down our energy footprint. Our efforts resulted in contribution from green products of ₹ 24,310 million, which is 42% of our FY 2014 revenues.

International activity and world trade picked up in the second half of 2013. Deloitte's Global life sciences outlook expects India's pharmaceutical sales to reach US $ 27.0 billion in 2016, up from US $ 22.6 billion in 2012.

Engaging in vertical-integration has helped us in moving-up the value chain both in our Life Science Ingredients and Pharmaceuticals Segment. We have ably demonstrated this in Vitamin B3 in which we are now operating at full capacity. We have also developed an indigenous process to produce Symtet, which is the precursor for manufacturing Chlorpyrifos, one of the world's largest, safest and low-cost insecticide. We now look forward to reaping benefits from the same. Our inter-divisional sales, an indicator of the degree of integration of our businesses, stood at 11% for FY 2014.

We have implemented the management consolidation of Pharmaceuticals and Life Science Ingredients segments to enable faster and focused growth, going forward. In Pharmaceuticals segment, we have strengthened our Quality System for better compliance. Our recent financial arrangement with International Finance Corporation (IFC) will consolidate our Pharmaceuticals segment under Jubilant Pharma, Singapore, decoupling the Pharmaceuticals segment from the Life Science Ingredients segment and thus resulting in enhanced shareholder value. Having International Finance Corporation in our financial portfolio vindicates our Environment Health and Safety Management Systems and also our corporate governance model.

PERFORMANCE REVIEW

The year FY 2014 saw Income from Operations of ₹ 58,034 million, a growth of 12% year on year (YoY). Earnings before Interest, Taxes and Depreciation & Amortization (EBITDA) stood at ₹ 10,267 million with EBITDA margins of 17.7%. Profits before Exceptional Items, Tax and Minority Interest were at ₹ 4,218 million. The Profit after Tax (PAT) was reported at ₹ 1,090 million whereas the Normalised PAT after adjusting for exceptional items was at ₹ 3,235 million.

We continue to focus on expanding our business globally. Our products and services now reach out to customers in over 100 countries of the world. International revenues account for 75% of the revenue mix at ₹ 43,261 million with revenues primarily from North America, Europe and Japan.

In FY 2014, the Pharmaceuticals segment witnessed a revenue increase of 2% at ₹ 27,277 million, contributing 47% to the overall Income from Operations. This progression is driven by new product introduction and price improvements in Radiopharmaceuticals.

In Solid Dosage Formulations business, we have 46 commercial products and a pipeline of 455 filings pending approval including 37 ANDAs pending in the US, 7 in Canada and 3 in Europe. During the year, we made 121 filings including 7 in the US, 1 in Canada and 2 in Europe. In Active Pharmaceutical Ingredients business, we have 30 commercial APIs and a pipeline of 522 filings pending approval including 46 in the US, 16 in Canada and 9 CEPs. During the year, we made 33 filings including 9 in the US, 2 in Canada and 9 CEPs.

Regarding the warning letters at our CMO operations - the issue in Montreal has been resolved and in Spokane, we have responded to all of the FDA observations. We are confident of bringing back growth in CMO of Sterile Injectables business on the back of strong order book and better compliance.

During the year, we sold our Hospital business to Narayana Health. The business has been transferred on a going concern basis as a slump sale, which will enable us to focus on our core businesses in Pharmaceuticals and Life Sciences.

In FY 2014, Life Science Ingredients segment delivered revenue growth of 23% to ₹ 30,757 million thus contributing to 53% to the overall Income from Operations. Volume growth along with the price hikes that we took in some of our key products aided our performance in this segment.

As of March 31, 2014, our Net Debt stood at ₹ 39,130 million. It comprises of ₹ 18,324 million in Net Long-Term Debt and ₹ 20,806 million in Working Capital Debt. Post adjustment for exchange rates, when compared with March 31, 2013, Net Debt was down by ₹ 2,604 million at ₹ 36,526 million.

DIVIDEND

With a stable performance on a consolidated basis, the Board has recommended a dividend of 300% or ₹ 3 per equity share of ₹ 1 for the year. This will result in a cash outgo of ₹ 559 million (including tax) post all approvals.

OUTLOOK

We expect strong growth momentum in both the segments of our businesses. The Pharmaceuticals business is expected to deliver on account of resolution of Warning Letter in Montreal, focused attention to resolve USFDA issues in Spokane, consolidation of global quality system for compliance, new product launches in Generics business and better price realisations and expected launch of Ruby-fill in Radiopharmaceuticals business. Growth in Life Science Ingredients business is to be led by higher capacity utilisation, better pricing and entry into new geographies. We will continue to be prudent in any incremental capital expenditure spending and look forward to improving our cash balances and reducing debt levels.

In FY 2014, Life Science Ingredients segment delivered revenue growth of 23% at ₹ 30,757 million thus contributing to 53% to the overall Income from Operations.

We wish to convey our earnest gratitude to all our esteemed stakeholders including customers, suppliers, vendors, bankers and shareholders for reposing faith in us and being supportive through all our endeavours. We would like to welcome Mrs. Sudha Pillai, who joined us as an Independent Director on our Board. We would also like to express a note of thanks to our employees, globally, for assisting us in the delivery of our broader agenda of profitable growth.

May the coming year be successful for all of us!

Shyam S. Bhartia

Shyam S Bhartia
(Chairman & Managing Director)

June 15, 2014

Hari S. Bhartia

Hari S Bhartia
(Co-Chairman & Managing Director)

Management Discussion & Analysis

KEY ECONOMIC AND INDUSTRY TRENDS

Global economic activity and trade are improving and the US central bank is rolling back quantitative easing in a measured manner. Likewise, the Euro zone is on the road to recovery from recession and growth is projected to improve in emerging economies. The Indian currency, which was among the world's worst-performing currencies amidst a rush of capital out of Indian financial markets, has rebounded handsomely.

The US continues to be a vital market for the Pharmaceutical industry, especially for Indian generics producers. Indian companies' share in the US generic market has risen substantially over the last few years. Large Indian generic companies already have a strong footing in traditional therapies and now the focus is shifting towards specialty therapies. Recent trend data in the US suggest that drug spend on specialty therapies is expected to grow multifold over the next couple of years. Indian generic players are expected to register handsome growth from incremental generic opportunities in the US in the next few years as their share increases in specialty and traditional drugs.

The USFDA has tightened scrutiny and controls have become more stringent for global players. Pharmaceutical companies worldwide, especially those with sterile manufacturing facilities, have been grappling with many compliance related issues in the recent past. While this has created temporary disruptions in the market, it would also lead to more robust compliance and better quality offerings in the long-term. Markets in other countries, especially emerging countries, continue to hold promise and can be great opportunities for the Indian pharmaceutical industry. For instance, India's exposure to Japan, the second-largest pharmaceutical market in the world, is miniscule at best. The domestic pharmaceutical industry continues to grow, led by increased disposable income and amplified health awareness. Companies that revise their existing business models and make suitable changes to capitalise on the opportunities will prosper in the long-term.

We are focused on our Pharmaceuticals and Life Science Ingredients segments and have built substantial presence in our chosen lines of business along with leadership positions in our key products. Our reputation as a 'Partner of Choice' to almost all the leading players within pharmaceutical and life sciences Industry is long-standing and we continue to reinforce the same. We have given due regard to strengthen our quality management systems and moving up the value chain in our product offerings, which will help us expand globally.

OUR BUSINESS STRATEGY

We are a global integrated pharmaceuticals and life sciences solutions provider with over 35 years of track record. Our overall business strategic objectives are as follows:

1. Strong growth, driven by new product launches, capitalising on strong customer relationship, regulatory compliance and continued geographic expansion

a. New product launches in the Pharmaceuticals segment and higher capacity utilisation in Life Science Ingredients to drive growth

b. Strong customer relationships and high-regulatory compliance orientation to help deliver sustainable growth

c. Entering into new geographies with expanded product portfolio capitalising on our low cost and high-service quality

2. Well-integrated business model, offering products across the entire value chain

a. Integrated production across the value chain, reducing dependence on third-party supplies

   i. Pharmaceuticals: From Active Pharmaceutical Ingredients to Dosage formulation manufacturing of Orals and Sterile Injectables

   ii. Life Sciences: From Life Sciences Chemicals to Advance Intermediates and Specialty Ingredients and Nutritional Products

b. Increasing proportion of inter-divisional sales

3. Optimise margins while maintaining prudent financial policies

a. Higher operating leverage by focusing on margin optimisation through enhanced capacity utilisation and moving up the value chain

b. Continue prudent execution of capital expenditure

c. Generate free cash flow to be used primarily towards debt reduction

Financials

Consolidated Income Statement

(₹ / million)

Consolidated Income Statement	FY 2013	FY 2014
Income from Operations	51,660	**58,034**
Other Income	299	**191**
Total Income	51,958	**58,224**
Material Cost	20,609	**24,421**
Power and Fuel Cost	3,567	**3,897**
Employee Cost	9,626	**11,052**
Other Expenditure	7,299	**8,588**
Earnings Before Interest, Taxes, Depreciation and Amortisation	10,858	**10,267**
Depreciation	2,538	**2,812**
Finance Cost	2,396	**2,613**
Forex Difference and Interest Swap Cost	591	**624**
Profit Before Tax and Exceptional Items	5,333	**4,218**
Exceptional Items	-1,922	**-2,145**
Tax Expenses	1,524	**696**
Minority Interest	361	**286**
Profit After Tax	1,527	**1,090**
Normalised Net Profit After Tax	3,449	**3,235**

Revenue

Revenue from operations increased 12% to ₹ 58,034 million in the fiscal year ended March 31, 2014 from ₹ 51,660 million in the fiscal year ended March 31, 2013. Volumes growth contributed 6% to increased revenues.

Revenue from markets outside India contributed 75% to total revenue in the fiscal year ended March 31, 2014, with a 13% increase in year-on-year growth. Key regulated markets, comprising North America, Europe and Japan contributed 60% of the total revenue with 8% year-on-year growth.

Total Expenditure

Expenses including Depreciation and Amortisation increased 16% to ₹ 50,769 million in the fiscal year ended March 31, 2014 from ₹ 43,638 million in the fiscal year ended March 31, 2013, primarily attributable to an increase in cost of materials consumed. Materials cost increased 18% to ₹ 24,421 million in the fiscal year ended March 31, 2014 from ₹ 20,609 million in the fiscal year ended March 31, 2013. Employee benefit expenses increased 15% to ₹ 11,052 million in the fiscal year ended March 31, 2014 from ₹ 9,626 million in the fiscal year ended March 31, 2013. Finance cost increased 9% to ₹ 2,613 million in the fiscal year ended March 31, 2014 from ₹ 2,396 million in the fiscal year ended March 31, 2013. Depreciation and amortisation expenses increased 11% to ₹ 2,812 million in the fiscal year ended March 31, 2014 from ₹ 2,538 million in the fiscal year ended March 31, 2013.

Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA)

In FY 2014, we recorded EBITDA of ₹ 10,267 million as against ₹ 10,858 million in FY 2013. The EBITDA margin was at 17.7%. While Pharmaceuticals segment contributed to 56% of business EBITDA with 22.4% EBITDA margins, Life Science Ingredients EBITDA margins stood at 15.7% for FY 2014.

Profit Before Tax

Profit before Tax for the fiscal year ended March 31, 2014 stood at ₹ 2,073 million.

Tax Expenses

Tax expenses decreased to ₹ 696 million in the fiscal year ended March 31, 2014 from ₹ 1,524 million in the fiscal year ended March 31, 2013.

Profit After Tax

Profit for the year stood at ₹ 1,090 million in the fiscal year ended March 31, 2014. However Normalised Net Profit after Tax was ₹ 3,235 million, with normalised Earnings per Share (EPS) at ₹ 20.31.

Indebtedness

Our Net Debt, comprising Working Capital Debt of ₹ 20,806 million and Net Long Term Debt of ₹ 18,324 million was ₹ 39,130 million as on March 31, 2014. Also, our Gross Debt stood at ₹ 43,925 million with cash and cash equivalents at ₹ 4,795 million. On a constant exchange rate basis, Net Debt was down by ₹ 2,604 million to ₹ 36,526 million on March 31, 2014 as compared to March 31, 2013. We continue to benefit from competitive average interest rate of 7% given the FOREX borrowing at about 4% and rupee borrowing at about 12%.

Capital Expenditure

During FY 2014, we have incurred capital expenditure of ₹ 3,074 million for the Company, including product development expenditures of ₹ 1,265 million for Pharmaceuticals. We will continue to be prudent in our capex going forward with the focus on reducing debt.

Operations Review - Strengths, Opportunities and Challenges

Our operations comprise of products and services across Pharmaceuticals and Life Science Ingredients segments. Our Pharmaceuticals segment includes operations of

(i) **Generics,** comprising Active Pharmaceutical Ingredients and Solid Dosage Formulations

(ii) **Specialty Pharmaceuticals (Sterile Products),** comprising Radiopharmaceuticals, Allergy Therapy Products and CMO of Sterile Injectables

(iii) **Drug Discovery & Development Solutions and others**

Life Science Ingredients segment includes products from our following businesses

(i) Advance Intermediates and Specialty Ingredients

(ii) Nutritional Products

(iii) Life Sciences Chemicals

The following table sets forth the net sales generated by each of our business segments on a consolidated basis for the periods indicated:

Segment Revenue Analysis	Revenue (₹ million)		Revenue Mix (%)	Y-o-Y Growth (%)
	FY 2013	FY 2014		
PHARMACEUTICALS	26,630	**27,277**	47%	2%
Generics				
Active Pharmaceutical Ingredients (APIs)	5,081	**5,285**	9%	4%
Solid Dosage Formulations	8,315	**8,756**	15%	5%
Specialty Pharmaceuticals (Sterile Products)				
CMO of Sterile Injectables	7,102	**6,963**	12%	-2%
Radiopharmaceuticals	2,089	**2,414**	4%	16%
Allergy Therapy Products	1,767	**1,833**	3%	4%
Drug Discovery and Development Solutions and Others				
Drug Discovery and Development Solutions (DDDS)	2,082	**1,836**	3%	-12%
Healthcare	194	**189**	0.30%	-3%
LIFE SCIENCE INGREDIENTS	25,030	**30,757**	53%	23%
Advanced Intermediates and Specialty Ingredients	11,211	**13,280**	23%	18%
Nutritional Products	2,648	**3,960**	7%	50%
Life Science Chemicals (LSC)	11,171	**13,517**	23%	21%
Income from Operations	51,660	**58,034**	100%	12%

Pharmaceuticals

Pharmaceuticals segment revenues contribute 47% to our total Income from Operations. Revenues from this segment increased to ₹ 27,277 million from ₹ 26,630 million last year.

GENERICS

Our Generics segment includes our Active Pharmaceutical Ingredients (APIs) and Solid Dosage Formulations business. Our total revenue from this segment increased to ₹ 14,041 million in the fiscal year ended March 31, 2014 from ₹ 13,396 million last year.

Active Pharmaceuticals Ingredients (APIs)

APIs are responsible for the therapeutic action of a drug. Often known as bulk drugs or drug actives, APIs form the core of a drug; finished dosages are produced by mixing APIs and other excipients to give tablets, capsules and liquids.

Our high product quality and superior service standards make Jubilant one of the preferred collaborators in the industry and we supply to leading generic drug manufacturers. Our portfolio of APIs is based on product leadership and sustained focus on niche areas. Our philosophy of partnering rather than competing in the marketplace allows us to service the opportunity optimally. Cardiovascular System (CVS) and Central Nervous System (CNS) APIs fall within our area of expertise. We also manufacture APIs in Anti-infectives besides few other therapeutic areas.

Jubilant is the global leader in products such as Carbamezipine, Oxcarbazepine, Citalopram and Lamotrigine and a top 3 manufacturer in products like Risperidone, Donepezil and Olanzapine. Overall we have 30 commercialised products as on March 31, 2014. The target markets for our APIs business are North America, Europe, Japan and the Emerging Markets. In our focus regulated markets, we have filed 9 new filings of new Drug Master Files (DMFs) in the US, 9 CEPs in Europe, 2 filings in Canada and 2 filings in Japan in the past one year.

We are strengthening our presence in the regulated markets of North America, Europe and Japan, as well as key emerging markets. The pipeline of products slated for launch is strong and we are confident that our chosen products will gain significant market share. We are planning to expand the geographic coverage of our products as our facility at Nanjangud is approved by most key regulators including FDA (US), AFFSAPPS (France), PMDA (Japan) and ANVISA (Brazil). We are confident of delivering sustained growth for the next 2-3 years based on these launches and geographic expansion.

Sartans have been a focus area for us and our Sartans portfolio comprises of key products such as Valsartan, Losartan, Candesartan and Irbesartan. We have earned a global niche in this class of products. Our growth will be supported by our expertise in the areas of CNS, CVS and our vertical integration to our Solid Dosage Formulations business.

The business had revenues of ₹ 5,285 million in the year FY 2014 up from ₹ 5,081 million in the previous year on the back of new launches during the year and increase in existing portfolio.

Solid Dosage Formulations

In Solid Dosage Formulations business, we focus on manufacturing and selling generic formulations in niche categories including CVS and CNS. Our business is supported by manufacturing presence at Maryland in the US and Roorkee in India. We have market leadership in Methylprednisolone, Lamotrigine & Terazosin and are ranked in top 3 in Meclizine, Cyclobenzaprine, Prochlorperazine, Donepezil, HCTZ Caps and Prednisone in the US. Our products are also distributed across other regulated markets such as Europe, where we typically grant production licenses under our registration and Japan. India is the centerpiece of our strategy and includes a global scale facility to manufacture Solid Dosage Formulations backed by R&D for our products. The hallmark of our model is backward integration with our integrated APIs business.

As of March 31, 2014, we have 46 commercialised products including 20 in North America, 26 in Europe and 23 in the Rest of the World. We have filed a total of 65 ANDA filings in the United States, 43 dossiers in Europe, 21 filings in Canada and over 600 filings in other countries so far. We have recieved 28 ANDA approvals in the United States, 14 filings in Canada and 40 dossiers in Europe. Overall 37 ANDAs in the United States, 7 filings in Canada and 3 filings in Europe await approval.

This business reported revenues of ₹ 8,756 million in FY 2014, up 5% from ₹ 8,315 million in the previous year. The performance was moderated due to correction in Methylprednisolone prices witnessed from the first quarter of FY 2014.

Going forward, we see good opportunity for growth in the United States on the back of increased market share and improved pricing, internal and external development of technologically challenging and high demand products and a large and growing pipeline of product registrations. In Canada, we have tied-up with local Canadian companies for supplies and are also looking at building our own distribution under the 'Jubilant' label. We are targeting the European markets with a two-pronged approach of licensing out and entering into distribution and profit sharing agreements. In Russia and CIS, we plan to supply to retail chains and distributors and out-license to local Russian companies. In Ukraine, we plan to out-license to local companies, tie-up with a company who will do the sales and marketing for us and open our own representative office by hiring a field force and marketing team in order to cater to the branded market. In Latin America, our growth will be driven by new launches and filings in Brazil and developing other markets. In South Africa, we are planning to supply to retail chains, out-license to local companies and create own distribution for government tender markets.

Specialty Pharmaceuticals (Sterile Products)

Our Specialty Pharmaceuticals (Sterile Products) segment includes our Radiopharmaceuticals, Allergy Therapy Products and our Contract Manufacturing Operations (CMO) of Sterile Injectables businesses. Our total revenue from this segment increased to ₹ 11,210 million in the fiscal year ended March 31, 2014 from ₹ 10,958 million last year.

CMO of Sterile Injectables

In CMO of Sterile Injectables business, the breadth of our services includes sterile injectables, lyophilisation, laboratory services, non-sterile topicals, liquids, tablets and capsules. Our facilities are in a position to undertake supplies for quantities ranging from clinical trials to commercial sales at the same time. Our chief customers are prominent names in the pharmaceutical and biopharmaceutical industries with patented products.

Our business approach has always been partnership driven, with innovators as our key customers. Hence, a guiding principal of our business strategy has been strong compliance and respect for Intellectual Property Rights. Our manufacturing locations are spread across North America and provide a unique strategic asset to service customers in this geography.

The business reported revenue of ₹ 6,963 million in FY 2014 from ₹ 7,102 million in FY 2013. While our Montreal facility saw resolution of the warning letter issued by the USFDA, our Spokane facility received a warning letter from the USFDA during the year. We have responded to all observations made by the USFDA in Spokane and have engaged advisory teams, including industry experts, to expedite early resolution of these issues. We have also restructured management and quality teams in this business and are optimistic of better regulatory compliance going forward.

We have taken measures to enhance the capacity utilisation by optimising the product mix. With a favorable resolution of the warning letter issued to the Montreal facility already in place, we are hopeful of normalisation in deliveries.

Radiopharmaceuticals

We develop, manufacture and commercialise Radiopharmaceuticals used for the diagnosis and treatment of various diseases. We serve customers and through them patients, globally with high quality and reliable products and services. The business is backed by a dedicated research establishment and manufacturing facility supported by a strong regulatory affairs department. Our areas of specialisation include cardiology, pulmonary and endocrine diseases.

We enjoy market leadership position in North America for I-131 radioiodine therapy (HICON®), Lung perfusion imaging (DRAXIMAGE® MAA) and bone imaging (DRAXIMAGE® MDP/MDP-25). We also market Sestamibi for myocardial perfusion imaging and Gluceptate for brain and kidney imaging. Our products are distributed mostly through commercial radiopharmacies and also directly to hospitals.

In FY 2014, we reported revenues of ₹ 2,414 million as compared to ₹ 2,089 million in the previous year. This performance was due in part to continued success with HICON®. However there were fluctuations in sales due to MAA and DTPA manufacturing challenges encountered throughout the year.

We took action on a number of fronts to address these challenges. We initiated communications with the USFDA and Health Canada to discuss manufacturing process improvements to ensure on-going availability of these critical products. Both regulators support the initiative and agreed to an expedited review of the new and automated process to manufacture MAA. Additionally, we initiated a review of our pricing strategy and adopted a value based approach which will contribute to revitalise nuclear medicine sales particularly in the area of Pulmonary Disease Diagnosis. We began discussions with key North American Nuclear Medicine Societies to partner in support of improved management of patients with lung disease or pulmonary embolism.

We believe that our approach will assure on-going sustainability and continuity of supply of MAA and DTPA. We are committed to the field of nuclear medicine and recognise our role and responsibility in supplying critical products to healthcare providers particularly in cases where we are the sole supplier of such products.

Our research set-up is well-honed to developing new products and we have a rich pipeline of candidates at various stages of approval. One of the prominent candidates is RUBY-FILL®, a sophisticated technology comprising a $^{82}Sr/^{82}Rb$ generator and an Elution System. RUBY-FILL® is a paradigm changing product that will help us gain a leadership position in Nuclear Medicine PET Cardiology. RUBY-FILL® $^{82}Sr/^{82}Rb$ generator and Elution System are currently under review with USFDA and we expect to launch it post receiving the required regulatory approvals.

Allergy Therapy Products

The Allergy Therapy Products business produces bulk extracts for trained providers to perform diagnostic testing and provide immunotherapy. Our manufacturing facility also provides patient prescriptions directly to our clients. We have a leadership business in immunotherapy within the United States, with over 90 years of experience in the industry. Our portfolio spans over 200 allergenic extracts and mixes, and a line of specialised skin test diagnostic devices. Innovation has been the center point of our strategy and we have consistently introduced novel products/tools to treat and cure allergies.

We are introducing our leading products in multiple new markets beyond the US – some of the key markets where we have built a strong presence are Canada, New Zealand, France, South Korea and Australia, whereas India and Mexico remain on the anvil.

Following the recall precipitated by glass delamination, we are re-introducing the product line in the spring of 2014 with higher quality glass. These entail using vials from a vendor designated through stringent tests and reducing the dating on the products from 36 months to 18 months where our diluents are packaged in glass tubing vials.

The business revenues for the year ended March 31, 2014 stood at ₹ 1,833 million as compared to ₹ 1,767 million a year ago. We are focused on improving our cost structure through efficiencies gained by lean manufacturing and driving significant improvements in sales force efficiency and expansion. New growth during the past year has been recorded in sales to the Otorhinolaryngology (ENT) and Primary Care (PCP) segments with losses primarily from diluent products with the stagnant Allergist segment.

We will continue to remain committed to the skin testing markets where series of business development and marketing initiatives will be taken. We are targeting deeper penetration in North America going forward. We hope that this, together with our accelerating growth, will help us attain leadership in US and deliver sales with improved margins.

Drug Discovery and Development Solutions (DDDS)

Through our Drug Discovery business, we provide integrated services platform across target validation, hit and lead identification and lead optimisation. Collaboration and partnership is the cornerstone of our strategy and we are working with the leading innovators in the world, with special emphasis on the therapeutic areas of oncology, metabolic disorders, CNS and pain & inflammation. Our scientists work across technology and therapeutic platforms to identify and validate novel small molecules and platforms. The business is integrated through three related subsidiaries, each possessing specialist skills in the value-chain of drug discovery and development. The objective is to align our set of offerings with the therapeutic strategies of the innovators.

This year we attained target milestones on several existing collaboration programmes with leading pharmaceuticals innovators. Our focus will remain on expanding the business development activity so as to broaden the engagement with existing customers while significantly enhancing our coverage of the potential customers.

Revenues in FY 2014 were at ₹ 1,836 million from ₹ 2,082 million in FY 2013. The revenues declined compared to previous year due to continued consolidation of R&D spend by global Pharma players and intense pressure on pricing, coupled with certain contract terminations. We are simultaneously rationalising our cost base so as to align it with current revenue momentum.

Others

Our Healthcare business contributed revenues of ₹ 189 million in FY 2014 from ₹ 194 million in the previous year. In March 2014, Jubilant First Trust Healthcare (JFTH), the wholly owned subsidiary of Jubilant Life Sciences sold its hospital business to Narayana Health. The business has been transferred on a going concern basis as a slump sale.

Life Science Ingredients

Our Life Science Ingredients segment comprises revenue from Advanced Intermediates and Specialty Ingredients, Nutritional Products and Life Science Chemicals businesses. Life Science Ingredients segment revenues continued to chart their growth trajectory at ₹ 30,757 million in FY 2014, contributing 53% of our total revenue mix on the back of 23% growth Y-o-Y.

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Advance Intermediates and Specialty Ingredients

Our Advanced Intermediates and Specialty Ingredients business enjoys a fully-integrated set-up for the development and production of value added intermediates used in the production of pharmaceutical, agrochemical and other life science industries. The business is run on a global scale in full compliance with most stringent environmental norms and on a cost-optimal basis. This gives us an unparalleled advantage and the business is, therefore, a preferred supplier of global repute to many of the world's premier pharmaceutical and agrochemical companies.

One of the important chemistry platform of Advanced Intermediates and Specialty Ingredients business is Pyridine Chemistry, which is further extended through value added Fine Ingredients products entailing deep capabilities in several complex chemistry and process engineering. We have acquired global leadership and competitive position in these products, having worked on them for over several decades. Through expertise developed in-house we have gained mastery over critical reactions important to development and production of pyridine and its derivatives. Pyridine, being both a solvent and a reagent, finds usage in a wide variety of active intermediates. Over a period of several years, we have developed leadership in Pyridine, Beta Picoline and 14 other derivatives. The anti-dumping duty of 24.6% imposed on Pyridine imports by Ministry of Commerce, Republic of China had limited impact on our business in light of the concurrent increase in price witnessed in that market.

Having made a strategic decision to pursue opportunities for value-addition, we have developed an indigenous process to produce Symtet (Tetra Chloro Pyridine). Symtet is precursor for manufacturing Chlorpyrifos, one of the world's largest, safest and low-cost insecticide. The quality of our product is widely appreciated and we are steadily building a global profile in this business. Symtet is offered through our Crop Science Ingredients business unit, which offers other products such as PCP (Penta Chloro Pyridine) and CDC (Chlormequat Dichloride). Demand and pricing trends continued to be robust for Symtet and it has met quality parameters of premier global customers. We have made substantial progress in stabilising the facility and remain committed to improving utilisation of the same.

We have recorded revenues of ₹ 13,280 million during the year in contrast to ₹ 11,211 million in the previous year. This has been supported by favorable pricing and volume trends for key products. Pricing was a key trend with end products driving up prospects of Beta Picoline and 3 Cyanopyridine. Supply contracts with leading agrochemical majors were renewed favorably and our endeavors continue to align on a long-term basis to meet their requirements.

We continued to retain leadership position in Pyridine bases this year. Globally, the key differentiation is primarily based on manufacturing efficiencies and the customer base is highly fragmented with a few big customers. China remains the largest and most competitive market for Advanced Intermediates.

We expect to maintain our leadership position in Pyridine in the coming months. We continue to endeavour to being the best in chemistry and technological capabilities leading to be the lowest cost manufacturer and ensuring 100%

compliance to environmental measures and Zero discharge. Our forward integration into the Vitamins business has been very successful. We are actively trying to work with innovator life science companies, for long-term contracts of projects having synergy with us.

We ensure global regulatory compliance including REACH for all our Advance Intermediates and Specialty Ingredients products including Symtet. Our dedicated regulatory team ensures that all forthcoming regulations are understood in advance and complied with.

Nutritional Products

We are one of the largest global producers of Vitamin B3 (Niacin and Niacinamide) for applications in food, feed, pharmaceuticals and personal care with standard as well as customised products. Customers rely on us for our manufacturing quality and high service standards. By design we are vertically-integrated into the raw materials (Beta Picoline), which gives us a competitive edge. Our reach is global owing to investments we have made in building distribution architecture worldwide.

By design we are vertically-integrated into the raw materials (Beta Picoline), which gives us a competitive edge.

The close integration that we enjoy with our own Pyridines and Beta Picoline business gives us the opportunity to be cost-efficient, most reliable and consistent player worldwide. Our facilities are in complete compliance with the leading and latest industry best practices and are Star-Kosher, Halal, GMP and FAMI-QS certified.

As we consolidate our market share, we plan to fully utilise the Vitamin B3 capacity at our SEZ in Bharuch (developed by Jubilant Infrastructure). As we tread up the value chain, we are further expanding our presence in human application and are in the process of adapting our facilities to meet additional demand.

We are also the biggest producers of Choline Chloride in the country. Our plant manufactures different forms of the product depending on the animal feed application. Another range of products we cater to is Specialty Feed Additives, including feed acidifiers, mycotoxin binders, specialised chelated minerals and liver treatment products for animal feed industry.

We enjoy the largest market share of India for our Ethyl Acetate and Acetic Anhydride for the last two decades. Globally, we are one of the fastest growing Acetyls Company.

Our revenues in FY 2014 were at ₹ 3,960 million as compared to ₹ 2,648 million in the last year, driven largely by volume growth and high capacity utilisation. The year was marked by price stabilisation in our key products and we expect that price hikes in near future will drive improvement in margins in the coming period.

Life Science Chemicals

Our Life Science Chemicals business is engaged in production of various organic intermediates including Acetic Acid, Monochloroacetic Acid, Acetic Anhydride, Ethyl Acetate and Sodium Monochloroacetic Acid. Acetyls are the building blocks of several downstream businesses that we as a Company operate including certain Advanced Intermediates and Active Pharmaceutical Ingredients. Because they are an essential part of important chemical reactions, Acetyls also find usage across a spectrum of industries.

We enjoy the largest market share of India for our Ethyl Acetate and Acetic Anhydride for the last two decades. Globally, we are one of the fastest growing Acetyls Company.

We reported revenues of ₹ 13,517 million in FY 2014 from ₹ 11,171 million in the previous year. Volumes expansion, which was driven by capacity enhancements that we had undertaken earlier, has supported this performance. Building on an improvement in our domestic market position, the exports of key Acetyl products has shown promise after we expanded operations in Europe. This year, we also had the benefit of lower average prices of input materials that translated into better earnings from this business.

Our strategic push into the European and Emerging Markets is gaining traction and it should translate into volumes upsides. We expect higher capacity utilisation to help us address increased demand in Europe and Emerging Markets. Simultaneously we endeavor to optimise the cost base through intelligent deployment of multi-modal transport and facilitating reverse logistic operations.

Business Enablers

Research & Development and Intellectual Property

At Jubilant, R&D is the lynchpin of innovation and thereby gateway to vital new revenue resources. A team consisting of around 1,000 well-qualified and experienced scientists in state-of-the-art R&D centers spread across multiple locations is specialised across value chain of pharmaceutical research.

The R&D team focuses on generics research including APIs & across dosage forms, drug discovery, chemistry/process development of advance intermediates, fine ingredients, contract research, analytical research and biological support including pharmacokinetics and clinical research. Our R&D has developed various environmentally friendly technologies using green chemistry wherein some batch processes have been replaced by continuous processes, recovery & recycling of solvents/reagents, removal/substitution/minimisation of hazardous chemicals and replacing chemical processes with enzymatic/chemo catalysis processes.

We dedicate considerable resources to R&D in order to develop new and improved products and processes, which in turn create value for our customers. Our R&D efforts have helped us avoid any intellectual property issues by developing designed around research strategies, better understanding of emerging challenges, identify newer opportunities and create intellectual property which is well protected in defined geographies of our business interests. Our efforts have fructified and our intellectual properties have grown over the years.

We have evolved our production technologies including specialised proprietary know-how over a period of time. We may grant licenses for our patents and know-how to third parties to accelerate our businesses whenever a befitting opportunity presents itself. We may also obtain licenses to manufacture and sell products of third parties using their technology and know-how after undertaking complete evaluation of the best available opportunity.

Manufacturing

The operations are driven by our excellence in manufacturing. We strive for an all-out effort towards sustainable growth with focus on innovation, waste reduction and resource conservation. During the year, we won the 14th Annual Greentech Environment award 2013 and CII – National Award for Excellence in Energy management for 2013 for our Gajraula Plant.

Our manufacturing facilities have kept up with the pace of our growth with reduced cost of operations, engineering initiatives and capacity de-bottlenecking. To maximise profitability, we have introduced world-class manufacturing techniques and Total Productive Maintenance (TPM). We endeavour to use the latest technologies for management of environment and safety concerns across all our projects.

We take pride in our facilities including 7 manufacturing plants in India and 3 manufacturing facilities across locations in North America. Our Solid Dosage Formulations facility in the United States is able to serve a large generics market of North America. To establish this business in other international markets, we plan to manufacture and supply products globally from our Roorkee, India plant. During the year, we were able to resolve the USFDA warning letter related issues at the Montreal, Quebec, Canada facility for the CMO of Sterile Injectable business. We have also responded to the USFDA concerns at Spokane, Washington, United States and hope for an early resolution to the matter.

We have taken great care to put in place robust systems in Quality, Environment and Safety for all our manufacturing facilities and they are qualified with accreditations by agencies like the USFDA, UKMHRA and PMDA (Japan).

Our pro-active approach to regulatory compliance reinstates the commitment to sustainable business and our compliance monitoring system is fully-integrated with our internal systems, which facilitates and tracks the compliance status giving us ample advance notice of any requirement. Our manufacturing

To maximise profitability, we have introduced world class manufacturing techniques and Total Productive Maintenance (TPM).

function continues to act as a support and catalyst for the organisation to achieve greater heights and deliver the right quality products in-time.

Supply Chain

Supply chain processes have to be flexible, efficient and agile to respond to the continuous dynamic customer needs. Focus is on speed and visibility within the supply chain processes with innovation and aggressive stretch targets built up in the planning, sourcing and logistic processes.

Transparent e-procurement purchasing electronic process (EJ-BUY) has been implemented in the Company focusing on end-to-end and also integration with the ERP platform. The scope of the EJ-BUY has been extended to all domestic & export logistics services on a Pan India basis. The EJ-BUY is in the process of being extended to further categories of material sourcing including R&D.

Online negotiations with real time Management Information System (MIS) has led to effectiveness, transparency, visibility and faster processing of transactions across the value chain and also contributing to environment protection. We are also working with our suppliers to take initiatives on making our supply chain more eco-friendly.

Business Excellence

Business Excellence function focuses on new improvement strategies to enhance the competitive advantage of the Company. These strategies focus on all key aspect of the Company viz Customer, Process and People and encompasses all facets of the business including Manufacturing, Sales and Marketing, R&D, Supply Chain, Corporate HR and Projects etc.

Business Excellence has adopted various improvement methodologies in-line with organisation priorities like Six Sigma, Lean, and Design for Six Sigma (DFSS), World-Class Manufacturing (WCM), Total Productive Maintenance (TPM), Supply Chain Re-engineering (SCOR), Theory of Constraints (TOC), Project Management (EPM), Operation Research (OR), Business Intelligence (BI), Maynard Operation Sequencing Technique (MOST) etc.

Business Excellence helped in aiding in Supply Chain re-engineering solutions through planning and sourcing and also providing business intelligence solutions in the contract manufacturing businesses aiding critical cost and quality improvement. Capacity debottlenecking projects through application of Lean Six Sigma and process simulation in APIs, Solid Dosage Formulations and Fine Ingredients business were also undertaken. More than 175 green belts are undergoing and 55 green belts have completed their requirements for certification by undergoing the Lean Six

Capacity debottlenecking projects through application of Lean Six Sigma and process simulation in APIs, Solid Dosage Formulations and Fine Ingredients business were also undertaken.

Sigma training and completing at least one Improvement project sponsored by their functional head.

Along with improvement in existing processes, a need was felt for a systematic mechanism for new product development and capital projects execution. In this framework, the Stage Gate approach was adopted for initialisation, execution & governance throughout the life cycle of the project. Quality by Design (QBD) has also been very well-integrated with new product development.

The Company won award and recognition from Confederation of Indian Industry (CII), Kaizen Institute and Frost and Sullivan for various accomplishments in manufacturing excellence.

With respect to bringing about improvement in the Company, knowledge based newsletters were shared across all businesses, yellow and green belt trainings for corporate functions were undertaken covering many employees and a Kaizen scheme was launched to generate number of ideas on cost reduction, capacity enhancement and quality improvement.

Human Resource Management

We consider human capital as a critical factor in order to achieve success. We believe in an open, fair and transparent culture and stand by Our Promise of Caring, Sharing, Growing and make efforts to make Jubilant Life Sciences one of the best places to work at.

We have been regularly conducting employee engagement surveys to gain insights towards driving and implementing action plans and towards becoming an employer of choice. As on today, we provide employment to 6185 employees across various businesses and functions.

We have established a Leadership Competency Framework that drives our leadership culture along with our core values. This set of 7 leadership competencies are utilised in our core HR processes of Performance management, Talent development through assessment centers and 360 degrees feedback.

We strive towards technology-enabled HR systems and processes that are based on globally adopted best practices enabling us to enhance the organisation effectiveness. In this direction, we have implemented world renowned PeopleSoft based Human Resource Information System (HRIS) in India and are in the process of doing so in our North America facilities. HRIS enables us to lay a solid platform of performance evaluation, career and succession planning and position and profile management. Our Rewards & Recognition policy that recognises performance and significant contribution through the Chairmen's Awards and Applause is an outcome of this process.

We ensure that there is full adherence to the code of business conduct and fair business practices. We have signed a policy on CII Code of Conduct on Affirmative Action that reconfirms our commitment that equal opportunity in employment for all sections of society is a component of our growth and competitiveness.

Internal Control Systems and Risk Management

Risk-taking is an inherent trait of any enterprise. It is essential for growth or creation of value in a company. At the same time it is important that the risks are properly managed and controlled, so that the Company can achieves its objectives effectively & efficiently.

Jubilant's Vision on Risk Management

To establish and maintain enterprise wide risk management capabilities for active monitoring and mitigation of organisational risks on a continuous and sustainable basis.

Risk Management Strategy

Jubilant has a strong risk management framework in place that enables regular and active monitoring of business activities for identification, assessment and mitigation of potential internal or external risks. The Company has in place established processes and guidelines, along with a strong overview and monitoring system at the Board and senior management levels.

Our senior management team sets the overall tone and risk culture through defined and communicated corporate values, clearly assigned risk responsibilities and appropriately delegated authority. We have laid down procedures to inform Board members about the risk assessment and risk minimisation procedures. As an organisation, we promote strong ethical values and high levels of integrity in all our activities, which by itself significantly mitigates risk.

Risk Management Structure

Our risk management structure comprises the Board of Directors and Audit Committee at the Apex Level, supported by Executive Directors, Heads of Businesses, Chief Financial Officer, Functional Heads, Unit Heads and Head of Management Assurance function. As risk owners, the Heads are entrusted with the responsibility of identification and monitoring of risks. These are then discussed and deliberated at various review forums chaired by the Executive Directors and actions are drawn upon. Progress against the risk management plan is periodically monitored and validated.

The Audit Committee, Executive Directors and Head of Management Assurance act as a governing body to monitor the effectiveness of the internal controls framework. There is a perpetual internal audit activity carried out by M/s Ernst & Young Pvt. Ltd. and the in-house internal audit team, who make an independent assessment of our risk mitigating measures and provide suggestions for improvement.

The Audit Committee, on a quarterly basis, reviews the adequacy and effectiveness of the internal controls being exercised by various businesses and support functions and advises the Board on matters of core concern for appropriate redressal.

Risk Mitigation Methodology

We have a comprehensive internal audit plan and a robust Enterprise Risk management (ERM) exercise, which helps to identify risks at an early stage and take appropriate steps to mitigate the same. Every year an independent assessment of mitigation plan provided by business is done by in-house internal audit team. Further, a status update for change in key risks is provided by businesses.

We have a quarterly certification process, wherein, the concerned control/ process owners certify the correctness of entity level and process level controls. The certification process is in operation from last eight years and covers about 1800 controls. The process level controls covers a wide variety of key operating, financial and compliance related areas, while the entity level controls cover integrity and ethical values, adequacy of audit and control mechanism and effectiveness of internal and external communication thereby, strengthening the internal controls systems and processes with clear documentation on key control points. This has made our internal controls and processes stronger and also serves as the basis for compliance with revised Clause 49 requirements mandated by the Securities and Exchange Board of India (SEBI). The newly enacted Companies Act, 2013 has now become mandatory and the Company is

We have a comprehensive internal audit plan and a robust Enterprise Risk management (ERM) exercise which helps to identify risks at an early stage and take appropriate steps to mitigate the same.

geared up to meet the enhanced control requirements under the same.

Management's Assessment of Risk

The Company identifies and evaluates several risk factors and draws out appropriate mitigations plans associated with the same. Some of the key risks affecting its businesses are laid out below:

Competition

Since a significant share of the Company's business comes from exports, it faces stiff competition from both domestic as well as international markets.

Manufacturers in China, who aided by economies of scale, favourable policies and lower costs amongst others may pose a risk in terms of threatening the Company's ability to maintain its market leadership, achieve planned growth and generate planned margins. Additional risk of competition manifests in the form of certain competitors being suppliers of core raw materials for Life Science Chemicals business, new entrants resorting to penetration pricing to make inroads, dumping strategy by Chinese manufacturers to fuel price wars from local players amongst others and excess availability in market, which can force decreased price and margin.

The Company has taken several steps to deal with the above challenges, viz.:

- Building economies of scale in manufacturing, distribution channel and procurement to maintain cost advantage and sustained entry barrier

Significant R&D has been done focusing on improving raw material and utility consumptions and increasing the manufacturing efficiencies.

- Building long-term relationship with key customers by offering improved quality and service experience
- Micro level planning of inventory
- Introducing cost improvement initiatives and manufacturing efficiency improvement plans at plant
- Undertaking cost optimisation opportunities, which will help in successfully taking on international competition
- Developed new suppliers for certain key raw materials
- Significant R&D has been done focusing on improving raw material and utility consumptions and increasing the manufacturing efficiencies

Cost Competitiveness

Constant and rising input prices amidst inflationary market conditions pose a risk to the Company's ability to retain price competitiveness and build reserves to drive future growth. There is also a risk that we may not be able to procure the planned quantities at planned prices, thereby, adversely impacting the margins. Volatility in raw material prices, sugar industry trends (Life Science Chemicals business), and increase in input prices of core material such as Acetic Acid, Alcohol, Ammonia have cascading impact on other businesses in terms of increased cost of input materials. Depreciation of rupee and its consequential impact on fuel prices adversely impacts the logistic cost, thereby, putting additional pressure on the margin of the Company when competing globally.

The Company believes that it is a low-cost manufacturer for most of its products and is a major contender for outsourcing opportunities with global corporations offering products that also conform to quality standards set in developed markets. In particular the Company has taken following steps for mitigation of this risk:

- Wherever feasible, the Company enters into long-term contracts with volume commitments and prices which are linked to key input material prices to mitigate risks.
- Undertaking projects on lean six sigma to identify least cost matrix
- Developing cheaper alternatives and re-engineering costs to counter increase in input cost
- Passing on the increase in raw material prices to customers on the strength of excellent customer relationship and sales and distribution network

- Developing local contract manufacturing facilities, thereby, de-risking the impact of price movement in raw materials (especially from China)
- Developing new suppliers to mitigate the risk of higher input prices and non-availability of raw material in-time

Foreign Currency and Interest Rate Exposures

There has been a significant movement in exchange rates in the last couple of years. Due to the global operations, the Company has got a significant foreign currency exposures. Adverse movement in exchange rates can significantly impact the financial result of the Company. Volatility and uncertainty in foreign exchange rate creates complexity and challenges in determining the price, which balances margin protection goal and at the same time is attractive to customers. Increase in borrowing cost may also adversely impact the profitability of the Company.

To mitigate foreign currency related risks, the Company has a strategy in place to take measured risks through hedges and forward covers. It has a Committee of dedicated experts and professionals to periodically advice on matters relating to foreign currency risk management. The risk management team formulates policies and guidelines, which are periodically reviewed to align with external environment and business exigency. Further, if required, currency and interest rate swaps are taken on loans and interest rate exposures. A quarterly update on foreign exchange exposures, outstanding forward contracts and derivatives is placed before the Board. The Company also actively pursues opportunities for reduction in borrowing costs.

Capacity Planning and Optimisation

There is a risk that insufficient capacity threatens Jubilant's ability to meet customer demands and to be competitive, while excess capacity threatens the organisation's ability to generate competitive profit margins.

Delayed commissioning, cost overruns and inability to deliver as per standards can significantly threaten expected Return on Investment (ROI) amidst issues relating to customer dissatisfaction and adverse impact on reputation. Repeated break-downs, faulty designs and idle capacities contribute to inefficiencies in manufacturing process, escalate costs and impair the ability to service its customers effectively.

The Company ensures that capacity creation is in sync with business plans. The business teams regularly tracks the trends for each product to ensure that there is sufficient capacity to meet the demand. The Company has robust processes in place to continuously monitor plant capacities, utilisation and drive improvements aligned with good manufacturing practices such as preventive maintenance schedules, modifications to plant designs in case of repeated breakdown. It periodically undertakes de-bottlenecking and other initiatives to improve efficiencies in terms of throughput, cost reduction and build additional capacities without committing significant capital outlay, thereby, generating better ROI. Further, project management processes are aligned with business goals. Reasons for delays are critically analysed so as to take corrective measures for execution of future projects. Stage Gate process has also been initiated for all large capex as well as new product commercialisation to ensure timely delivery of projects.

R&D Effectiveness

Innovation, speed-to-market and a robust product pipeline are critical factors to ensure success for a life sciences Company. Failure of R&D to provide innovative and cost-effective products would result in non-achievement of top line/bottom-line goals. Similarly, an R&D function which fails to meet the expectations of the business such as meeting target product costs and minimising product cost deviations between R&D and operational phase, will adversely impact the Company's ability to launch its products competitively and, hence, put to risk its ability to command market share. Risk of Company failing to develop products which are compliant with accepted

The Company has institutionalised robust processes and proven R&D methodologies to ensure successful commercialisation and minimum surprises during scale-up.

standards documentation, will significantly dent Company's reputation in addition to the financial loss associated with the failed launch. Further, emergence of new cost-effective methods for producing core products supplied by the Company (Advance Intermediaries, Vitamins business) or emergence of alternative platforms and substitutes for APIs can pose a risk to the Company's competitive position.

The Company has an effective strategy in place to mitigate this risk with earmarked budgets and investments in R&D commensurate with the business plans. R&D set up at various plant locations continuously works on cost reduction of existing products and development of new products. Further, the focus is on development of processes within minimum time limits at optimum cost. The Company has institutionalised robust processes and proven R&D methodologies to ensure successful commercialisation and minimum surprises during scale-up. The R&D keeps itself updated with the regulations, upcoming technological changes and trends and proactively aligns with pharmacopeia methods and industry best practices.

Human Resources – Acquire and Retain Talent

Acquisition and retention of right talent is critical to maintain desired operational standards. There is a risk that an insufficient focus on human resources processes (e.g. recruiting, talent management, labour management, development and training) threatens the possibility for Jubilant to recruit and/or hold the qualified personnel required to maintain desired operational standards. Further, given the Company's dependence on R&D activity, it is imperative that it recruits and retains high quality R&D specialists. Lack of credible successors or effective knowledge transition mechanism may adversely affect the Company's position in case of unexpected departures in key positions. Lack of availability of qualified resources, the inability to create a positive brand image amongst potential employees or inability to put in place strong systems to ensure timely recruitment of suitable candidates, could limit the ability of the Company to attract appropriate resources. Shortfall of talents could set in motion downward spiral of deterioration business performance itself reducing attractiveness and so on.

The Company has committed substantial resources to this effort given the competition for qualified and experienced scientists from biotechnology, pharmaceutical and chemical companies, as well as universities and research institutes, in India and outside India. Job enrichment is provided to employees at all levels. To execute its growth and diversification plans, while on one hand the Company continues to hire new, highly-skilled scientific and technical personnel staff, employees get rewarded under Reward & Recognition Programme based on performance. As part of our Strategic Talent & Succession Management Process, the leadership invests valuable time in identifying High Potential and Succession Candidates for the critical positions and planning their development for next higher role. Individual development programme are also being regularly conducted to develop the next line of managers.

Portfolio and Mix: Customer and Product Concentration

It is important to have a balanced portfolio in terms of customers, markets and products so as to be able to execute business strategies and monitor and assess impact of decisions.

A change in customer organisation, behaviour, needs and/or expectations may lead to a decrease in market attractiveness and/or adverse competitive position. The Company needs to seek the right balance between high-margin, low-volume products and low-margin, high-volume products. A high customer concentration poses a risk in terms of sudden dip in market share in the event of loss of key customers or share of business due to shift of customer's preference to competitors. An over-dependence on single product or few customers may adversely impact the realisation of long-term business objectives in the event of any regulation limiting the

The Company also undertakes training and orientation programmes to keep the relevant process owners updated on new regulations and changes in the existing laws.

end use application. In case of high dependence on specific geography, failure to accurately forecast socio-political-economic trends or regulatory changes in key customers' market may significantly impact business performance.

The Company has taken the following step to mitigate the above risk:

- Developing new geographies/market globally to reduce dependence on a particular market
- Robust customer and account management programmes to safeguard itself against shift in customer preference
- Investment in R&D to broaden the product mix and widen the portfolio to support forward integration with value added products such as Vitamins and Symtet businesses to overcome dependence on single/few products
- Exploring new downstream opportunities in terms of applications and alternate use of the products available in its portfolio.

Compliance and Regulatory

Over the last few years the various regulators and law enforcing agencies are adopting a zero tolerance approach towards non-compliance. The Company needs to comply with a broad range of regulatory controls on testing, manufacturing and marketing of our products in the pharmaceutical and life sciences space. Besides there is a host of local laws that the Company need to comply with. In some countries, including the US, regulatory controls have become increasingly demanding leading to increased costs and reduced operating margins for our line of products and services. Failure to achieve regulatory approval of new products can mean that we do not recoup our R&D investment through the sale of final products. Any change in regulations or reassessment of safety and efficacy of products based on new scientific knowledge or other factors could result in the amendment or withdrawal of existing approvals to market our products, which in turn could result in revenue loss. This may occur even if regulators take action falling short of actual withdrawal.

The Company has adopted measures to address these stricter regulations by increasing the efficiency of our R&D process, reducing the impact of extended testing and making our products available on time. Company is proactively following-up with regulatory authorities on pending approvals and deficiencies raised by authorities are timely responded. Further, estimation of risk factor on account of failure/delay in obtaining approvals is duly considered while designing business plans. Company has also put in place a compliance management system to ensure compliance with all applicable laws and regulations. The Company also undertakes training and orientation programmes to keep the relevant process owners updated on new regulations and changes in the existing laws.

Environment Health and Safety (EHS)

In the current business climate of reputational threats and rising political backlash, corporates need to tread carefully to maintain public trust. Social acceptance and Corporate Social Responsibility (CSR) have become increasingly

At Jubilant, the challenges due to Company's operations related to EHS aspects of the business, employees and society are mapped and mitigated through a series of systematic and disciplined sets of policies and procedures.

important over the last decade. Compliance with stringent emission standards for the manufacturing facilities and other environmental regulations may adversely affect the business. R&D, life science services and manufacturing of products involve dangerous chemicals, process and by-products and are subjected to stringent regulations. The Company anticipates that environmental laws and regulations in the jurisdictions, where it operates, may become more restrictive and be enforced more strictly in the future. It also anticipates that customer requirements as to the quality and safety of products will continue to increase. In anticipation of such requirements, the Company has incurred substantial expenditure and allocated other resources to proactively adopt and implement manufacturing processes to increase its adherence to environmental quality standards and enhance its industrial safety levels.

At Jubilant, the challenges due to Company's operations related to EHS aspects of the business, employees and society are mapped and mitigated through a series of systematic and disciplined sets of policies and procedures. For further details, investors may kindly refer to the Corporate Sustainability Report of the Company, which is available on the website, www.jubl.com under the 'Sustainability' section.

Protecting Intellectual Property Rights (IPRs)

Our success will depend, in part, on our ability in the future to obtain and protect IPRs and operate without infringing the same of others. There is a risk that our competitors may have filed patent applications, or hold issued patents, relating to products or processes that compete with those we are developing, or their patents may impair our ability to do business in a particular geography.

Besides patents, the Company relies on trade secrets, knowhow and other proprietary information and, hence, our employees, vendors and suppliers sign confidentiality agreements.

Annual Accounts

Directors' Report

Your Directors are happy in presenting the Thirty Sixth Annual Report together with the Audited Standalone and Consolidated financial statements for the year ended March 31, 2014.

Overview

Jubilant Life Sciences Limited ('the Company' or 'Jubliant') is a global Pharmaceutical and Life Sciences Company engaged in manufacture and supply of Active Pharmaceuticals Ingredients, Solid Dosage Formulations, Radiopharmaceuticals, Allergy Therapy Products and Life Sciences Ingredients. It also provides services in Contract Manufacturing of Sterile Injectables and Drug Discovery and Development. The Company's strength lies in its unique offerings of Pharmaceutical and Life Sciences products and services across the value chain. With 10 world-class manufacturing facilities in India, US and Canada and a team of about 6,200 multicultural people across the globe, the Company is committed to deliver value to its customers spread across over 100 countries. The Company is well recognized as a "Partner of Choice" by leading pharmaceuticals and life sciences companies globally. For more information please visit the Company's website www.jubl.com.

Financial Results (Standalone)

(₹ /million)

	Year ended March 31, 2014	Year ended March 31, 2013*
Income from Operations	**36,275**	30,947
Other Operating Income	**453**	516
Total Income from Operations	**36,728**	31,463
Total Expenditure	**30,911**	26,622
Operating Profit	**5,817**	4,841
Other Income	**299**	350
EBITDA including Other Income	**6,116**	5,191
Depreciation	**1,753**	1,522
Finance Costs	**2,776**	2,560
Profit after Interest but before Exceptional Items	**1,587**	1,109
Exceptional Item - (Loss)	**(2,269)**	(1,237)
Tax Expenses	**(690)**	305
Reported Net Profit / (Loss) After Tax and Minority Interest	**8**	(433)
Profit brought forward from previous year	**6,871**	7,863
Adjustment on account of consolidation of Jubilant Employees Welfare Trust	**53**	-
PROFIT AVAILABLE FOR APPROPRIATION	**6,932**	7,430
Which the Directors have appropriated as follows:		
- Proposed Dividend on Equity shares	**463**	478
- Tax on Dividend on Equity Shares	**81**	81
- Transfer to General Reserve	**-**	-
Balance to be carried forward	**6,388**	6,871

* Previous Year's figures have been re-grouped/re-arranged wherever considered necessary to conform to Current Year's classification.

Financial Highlights

(i) Standalone Financials

Income from Operations

In FY2014, the Company recorded income from operations of ₹ 36,728 million, which grew by 17% over previous year.

International Revenues

International business contributed 61% to the Net Revenue from operations at ₹ 22,254 million.

EBITDA

For the year ended March 31, 2014, EBITDA stood at ₹ 6,116 million with EBITDA margins at 16.7%.

Reported Net Profit/(Loss) After Tax and EPS

Reported Net Profit After Tax was ₹ 8 million in FY2014. Basic EPS stood at ₹ 0.05. However, Normalised Net Profit After Tax stood at ₹ 2,277 million after adjusting for exceptional items of ₹ 2,269 million, mainly on account of unrealised exchange losses. Normalised EPS stood at ₹ 14.29 for the FY2014.

(ii) Consolidated Financials

Income from Operations

In FY2014, income from operations was ₹ 58,034 million, up from ₹ 51,660 million in previous year reporting a growth of 12%.

International Revenues

International business contributed 75% to the Revenue from Operations at ₹ 43,261 million. Sales from key developed markets were at ₹ 34,553 million contributing 60% to the Revenue of the Company.

Pharmaceuticals Segment

This segment comprises revenue lines of Active Pharmaceuticals Ingredients (APIs), Solid Dosage Formulations, Radiopharmaceuticals, Allergy Therapy Products, CMO of Sterile Injectables, Drug Discovery and Development Solutions (DDDS) and Healthcare services. In FY 2014, income from operations from this segment was ₹ 27,277 million contributing 47% to the total revenue of the Company, EBITDA stood at ₹ 6,102 million, down from ₹ 7,391 million in previous year, reporting de-growth of 17% in Pharmaceuticals segment with EBITDA margins at 22% due to of lower profitability in CMO of Sterile Injectables business on account of warning letter.

Life Science Ingredients Segment

This segment comprises Advanced Intermediates & Specialty Ingredients (AISI), Nutritional Products and Life Science Chemicals (LSC). In FY 2014, Income from operations from this segment was ₹ 30,757 million, up from ₹ 25,030 million in previous year, recording a growth of 23%. EBITDA stood at ₹ 4,832 million with 16% margins for the year as compared to ₹ 4,069 million with 16% margins in previous year. Life Science Ingredients segment EBITDA was up 19% on back of higher volumes and price improvements in all our key business segments.

EBITDA

For the year ended March 31, 2014, EBITDA stood at ₹ 10,267 million with EBITDA margins at 18%.

Reported and Normalised Profit After Tax and EPS

Reported Profit After Tax was ₹ 1,090 million in FY 2014. Basic EPS stood at ₹ 6.85. However, Normalised Profit After Tax stood at ₹ 3,235 million after adjusting for exceptional items of ₹ 2,145 million. Exceptional items consisted of unrealised mark-to-market book loss of ₹ 1,224 million mainly on account of currency movement in US dollar from the base rate of ₹ 54.29 last year to ₹ 59.91 on March 31, 2014 with respect to the rupee loans of ₹ 8,500 million swapped into a US dollar loan; interest swap income of ₹ 505 million; FCMITDA amortisation of ₹ 1,000 million on account of unrealised exchange loss amortised over a period of the tenure of the loan as per the Indian Accounting Standards and Forex loss of ₹ 444 million due to exchange losses on short term loans. Normalised EPS stood at ₹ 20.31 for the FY 2014.

Dividend

The Board is pleased to recommend a dividend of 300% i.e.₹ 3 per fully paid up equity share of ₹ 1 for the year ended March 31, 2014. Total dividend payout inclusive of ₹ 81.21 million as tax on dividend will amount to ₹ 559.05 million based on existing capital. The payment of dividend is subject to the approval of the shareholders at the forthcoming Annual General Meeting (AGM) of the Company.

Capital Structure

(a) Employees Stock Options (ESOPs)

During the year, 12,187 Options were granted under JLL Employees Option Plan 2011 ('Plan 2011'). However, no Stock Options were granted under Jubilant Employees Stock Option Plan 2005 ('Plan 2005').

As on March 31, 2014, 132,684 Options were outstanding under Plan 2005. Each Option entitles the holder to acquire five equity shares of ₹ 1 each at the exercise price fixed at the time of grant being market value as per the SEBI (Employee Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 ('SEBI Guidelines'). A maximum of 663,420 shares will be allotted by the Company / transferred from Jubilant Employees Welfare Trust upon exercise of these Options.

As on March 31, 2014, 1,428,939 Options were outstanding under Plan 2011. Each Option entitles the holder to acquire one equity share of Re 1 at the exercise price fixed at the time of grant being market value as per the SEBI Guidelines. A maximum of 1,428,939 shares will be allotted by the Company / transferred from Jubilant Employees Welfare Trust upon exercise of these Options.

No dilution of capital is expected due to exercise of ESOPs as it is envisaged to transfer the shares held by Jubilant Employees Welfare Trust to employees on exercise.

Disclosure as required under Regulation 12 of the SEBI Guidelines is given in **Annexure - A** and forms part of this Report.

(b) Share Capital

During the year, there has been no change in the authorised, subscribed and paid-up share capital of the Company. As at March 31, 2014, the paid-up share capital stood at ₹ 159,281,139 comprising of 159,281,139 equity shares of ₹ 1 each, the same as in previous year.

Subsidiaries

As on March 31, 2014, the Company had 48 subsidiaries. Brief particulars of principal subsidiaries are given below:

Jubilant HollisterStier LLC

This subsidiary is based in Spokane, State of Washington, USA. It is a wholly owned subsidiary of HSL Holdings Inc. It is in contract manufacturing of sterile injectables, which includes, lyophilized products, liquid fills, biologics, suspensions, WFI/ Diluents. This company provides a complete range of services to support drug manufacturing in the pharmaceutical and biopharmaceutical industries. Additionally, it is an innovator, manufacturer and distributor of allergenic extracts, targeted primarily at treating allergies and asthma.

Its contract manufacturing capabilities include aseptic liquid fill / finishing and lyophilization of small lot parenterals for commercial and clinical requirements. Its capabilities can be applied to a variety of projects from pre-clinical through commercial scale across a multitude of dosage forms including microspheres, suspensions, WFI/diluents, biologics (proteins), lyophilized products and liposomes. Jubilant HollisterStier is approved across global regulated markets including FDA (both CDER and CBER), EMA, Japan, Brazil and Canada. Its contract manufacturing business serves customers including innovators ranging from small biotechnology to large pharmaceutical companies.

Jubilant DraxImage Inc.

This company is a wholly owned subsidiary of your Company through Jubilant Pharma Limited, Singapore. It deals in radiopharmaceuticals which is a niche, high entry barrier business. DraxImage develops, manufactures and markets innovative diagnostic imaging radiopharmaceuticals solutions and therapeutic radiopharmaceutical products for the global market. The application of these products extends to cardiology, thyroid uptake and scan, lung scan, kidney imaging, bone scan etc.

This company is the major supplier of lyophilised radiopharmaceutical kits for use with Technetium - 99m including DRAXIMAGE MAA, MDP, DTPA, Glucoheptonte and Sestamibi. Its I-131 products are the market leaders in the US with more than 70% market share. Radiopharmaceuticals are used for both therapeutic and diagnostic molecular imaging applications to customers comprising hospitals, imaging centres and cardiology/ oncology clinics.

DraxImage also markets non-radioactive products, which are solid in lyophilized form.

DraxImage operates a US FDA and Health Canada approved manufacturing facility in Montreal at Canada. It is recognised globally for its quality and execution capabilities, strong regulatory track record and has an established customer base comprising large innovator and specialty pharmaceutical companies.

Jubilant Biosys Limited

This company is a subsidiary of your Company through Jubilant Biosys (Singapore) Pte. Ltd., a wholly owned subsidiary of your Company, which holds 66.98% equity of this company.

This company provides Drug Discovery Services to Global Pharmaceutical and Biotech companies in:

- Stand alone Service Model
  - Functional services in area of Discovery Informatics, Structural Biology and In Vivo & Invitro Biology and Insilico on FTE or Fee based model
- Collaborative / Partnership Model
  - Integrated discovery program across a single or a portfolio of molecules
  - Risk / Reward sharing option
- Research Funding
- Payments for scientific milestones including bonus achieved through Discovery and Development phase
- Royalties on successful commercialization of drug

Jubilant Discovery Services Inc.

This Delaware based USA corporation is a wholly owned subsidiary of Jubilant Biosys Limited. This company, apart from providing sales, marketing and liaisoning services to Jubilant Biosys Limited for its US based customers, is also providing electrophysiology services to Jansen Pharmaceutica NV, Mnemosyne and now added Orion apart from few fee for service projects. During the year, company has expanded its existing drug discovery alliance with Jansen Pharamaceutica NV into multiple thereapeutic areas owing to Jubilant's diversified skill set in various therepuetic areas.

Jubilant Chemsys Limited

This company is a subsidiary of your Company through Jubilant Drug Development Pte. Ltd., a wholly owned subsidiary of your Company, which holds entire equity of this company. This company offers following services to drug discovery companies based out of US, Europe and Japan on Full Time Equivalent and Molecule basis:

- Discovery Chemistry Functions;
- Hit-to-Lead and Lead Optimization;
- Medicinal Chemistry Services; and
- Scaling up from mg to kg in kilo lab and pilot plant.

It also works closely with Jubilant Biosys Limited in collaborative drug discovery research services arena.

Jubilant Clinsys Limited

This company is a wholly owned subsidiary of your Company through Jubilant Drug Development Pte. Ltd.

This company is a full service, scientifically-focused contract research organization that provides pharmaceutical, biotechnology and medical device companies with a wide range of services in support of Phase I-IV drug and device development. These services range from all phases of clinical trials, biostatistics, clinical data management, medical and scientific support including medical writing, drug safety, regulatory, quality assurance, end-to-end project management, clinical monitoring, site management, investigator and site recruitment.

During the year, this company has transferred its BA/BE business segment to your Company under Business Transfer Agreement.

Jubilant Clinsys Inc.

This New Jersey based USA corporation is a wholly owned subsidiary of Jubilant Pharma Holdings Inc.

During the year, its Board took the decision to close this business and accordingly, all the customers have been notified. This company is working with its customers to ensure appropriate closure of the ongoing engagements. The process is expected to be completed in the first half of 2014-15. This company has, however, decided to continue with Clinical Research Data Management services provided through TrialStat platform.

Jubilant Infrastructure Limited

This wholly-owned subsidiary of your Company had entered into a Memorandum of Understanding (MOU) with the Government of Gujarat during the 'Vibrant Gujarat' conference in 2007 for development of Sector Specific Special Economic Zone (SEZ) for Chemicals in Gujarat. About 107 hectares land was taken on lease from Gujarat Industrial Development Corporation (GIDC) in Bharuch District, Gujarat.

This SEZ became operational in October 2011 with best in class infrastructure facilities & utilities Plants like Boiler, Gas Turbine, Effluent Treatment, Incinerator and DM Water.

Your Company has set up two units in this SEZ and both the units have commenced their commercial production. The Finished products of Unit-1 are fully backward integrated and using in-house Developed innovative technologies. The Global scale plants of Vitamin B3 & 3-Cynopyredine at SEZ make your Company the largest producer of Vitamin B in India and second largest globally.

Last year, the commercial production of Symtet, a crop science ingredient for one of the world's largest and safest low cost insecticide, commenced in Unit-2 through an environment friendly process. This will make your Company the world's largest producer of the crop science ingredient for the insecticide through green route. The operations of this unit are stabilizing in steps.

Jubilant First Trust Healthcare Limited and Asia Healthcare Development Ltd.

Jubilant First Trust Healthcare Limited ('JFTHL') is a wholly owned subsidiary of your Company. 95.8% of its capital is being held directly by your Company and 4.2% by First Trust Medicare Private Limited.

With a vision to build high quality and affordable healthcare, this company was engaged in the business of owning, operating and managing hospitals in India including a multi-specialty hospital in West Bengal under the name and style of 'Jubilant Kalpataru Hospital'. Asia Healthcare Development Ltd. ('AHDL'), a wholly owned subsidiary of this company, was also operating a low cost model multispecialty hospital under the name and style of 'Rabindranath Thakur Diagnostic and Medical Care Centre' in West Bengal on a Public-Private-Partnership (PPP) with the Govt. of West Bengal.

In order to focus on the core pharmaceutical products and services and life sciences ingredient products in the medium term, your Company, being the ultimate holding company of JFTHL & AHDL, decided to exit the healthcare business, being a specialized service business and therefore, JFTHL sold the hospital business undertaking to M/s. Narayana Hrudayalaya Private Limited ('NHPL'), Bangalore on a going concern basis by way of a 'slump sale' as defined in Section 2 (42C) of the Income Tax Act, 1961 with effect from February 28, 2014, Also, the entire shareholding in AHDL was transferred to NHPL. As a result thereof, AHDL ceased to be a subsidiary of your Company with effect from March 3, 2014.

Cadista Holdings Inc. and Jubilant Cadista Pharmaceuticals Inc.

i) Cadista Holdings Inc., a corporation incorporated in Delaware, is registered with the Securities and Exchange Commission (SEC) since July 2011. The registration was obtained pursuant to section 12(g) of the Securities and Exchange Act of 1934, on the number of shareholders exceeding 500. However, such registration did not constitute an offering of securities by this company and no fresh money was raised pursuant to such registration. Your Company, through its subsidiary, Jubilant Generics Inc. (*formerly known as Generic Pharmaceuticals Holdings Inc.*), holds 82.38% of common stock of this company.

ii) Jubilant Cadista Pharmaceuticals Inc., a corporation incorporated in Delaware, is a wholly owned subsidiary of Cadista Holdings Inc. This company is in the business of manufacturing solid dosage forms of generic pharmaceuticals at its US FDA approved manufacturing facility in Salisbury, Maryland, USA. Its customer base includes all the large wholesalers, retail and grocery chains. Besides manufacturing its own label products, it also provides Product Development and Contract Manufacturing Services. As of March 31, 2014, there were 19 products commercialized in the US with focus in the therapeutic areas of CVS, CNS, Anti Allergic, Steroids etc. This company is the US market leader in 3 products and ranked top 2 in 2 products.

Jubilant Life Sciences (USA) Inc.

This corporation incorporated in Delaware, USA is a wholly owned subsidiary of your Company. It undertakes sales and distribution of advance intermediates, nutrition ingredients, fine chemicals and APIs in the USA.

Jubilant Life Sciences (Shanghai) Limited

This wholly owned subsidiary of your Company is held through Jubilant Pharma Limited, Singopore. It undertakes sales and distribution of products in China. This company is engaged in trading of advance intermediates - pyridine & its derivatives, vitamins, fine chemicals and crop protection chemicals. It is catering to pharmaceutical, animal feed and agrochemical industries in China. This subsidiary is also a sourcing hub of raw materials for your Company.

Jubilant Pharmaceuticals NV

This is a wholly owned subsidiary of your Company through Jubilant Pharma NV, Belgium, which holds 99.8% of its shares and Jubilant Pharma Limited, Singapore which holds the balance shares, both of which are wholly owned subsidiaries of your Company. This company is engaged in the business of licensing of generic dosage forms providing regulatory services to generic pharmaceutical companies.

PSI Supply NV

This is a wholly owned subsidiary of your Company. 99.5% of its shares are held by Jubilant Pharma NV and balance by Jubilant Pharma Limited, Singapore. It is engaged in the supply of generic dosage forms to European markets.

Jubilant Life Sciences NV

During the year, this company was incorporated as a wholly owned subsidiary of your Company. 99.999% of its shares are held by your Company and balance by Jubilant Infrastructure Limited. It is engaged in the supply of bulk chemicals such as acetyls and acetic anhydride and vitamins to European markets.

Jubilant DraxImage Limited

This is a wholly owned subsidiary of your Company through Draximage Limited, Cyprus. It operates under the Jubilant India Branded Pharmaceuticals Banner in India. This company is engaged in marketing of innovative diagnostic imaging radiopharmaceutical solution and therapeutic radiopharmaceutical products. It has launched the Lyophilized kits MDP, MAA and Sestamibi and would soon be launching DTPA and DMSA. It is also involved in distribution of wide range of radioisotopes which include Tc-99m Generator (used in the diagnosis of Bone Cancer, Renal Imaging, Cerebral Perfusion Imaging, Myocardial Perfusion Imaging), Thallium-201 and Iodine-131 capsules and solution (for the diagnosis and treatment of Thyroid and its related disease),Lutetium-177, Gallium-68 generator and Rhenium-188 generator via various partnerships across the world. The target customers are Nuclear Medicine physicians, Cardiologists & Oncologists of various hospitals and imaging labs.

Other subsidiaries as at the year end are as follows:

First Trust Medicare Private Limited

Jubilant Innovation (India) Limited

Vanthys Pharmaceutical Development Private Limited

Jubilant Generics Limited@

Jubilant Innovation Pte. Limited

Jubilant Biosys (Singapore) Pte. Limited

Jubilant Drug Development Pte. Limited

Drug Discovery and Development Solutions Limited^

Jubilant Pharma Limited

Jubilant Life Sciences International Pte. Limited

Jubilant Innovation (BVI) Limited

Jubilant Life Sciences (BVI) Limited

Jubilant Biosys (BVI) Limited

Jubilant Innovation (USA) Inc.

Jubilant Generics Inc., (*formerly known as Generic Pharmaceuticals Holdings, Inc.*)

Jubilant Pharma Holdings Inc. (*formerly known as Jubilant Life Sciences Holdings Inc.*)

HSL Holdings Inc.

Draximage LLC.

Jubilant DraxImage (USA) Inc.

Deprenyl Inc., USA

Draxis Pharma LLC

Jubilant HollisterStier Inc.

Draximage Limited, Cyprus

Draximage Limited, Ireland

Jubilant Pharma NV

6963196 Canada Inc.

6981364 Canada Inc.

Jubilant Drug Discovery & Development Services Inc.

DAHI Animal Health (UK) Limited

Draximage (UK) Limited

Jubilant Life Sciences (Switzerland) AG

@ Became a subsidiary with effect from November 25, 2013.

^Became a subsidiary with effect from August 6, 2013.

Partnerships

Jubilant HollisterStier General Partnership

It is a Canada based partnership among two subsidiaries of your Company - Jubilant HollisterStier Inc. and Draxis Pharma LLC. This partnership is a recognized contract manufacturer of Sterile and Non-Sterile products in semi-solid and solid dosage forms. Semi-solid dosage forms offerings are Dermatological creams, Antibiotic Ointments, Syrups, Suspensions and Gels. Solid dosage forms offerings are Capsules, Tablets and Powder blends.

Draximage General Partnership

It is a Canada based partnership among two subsidiaries of your Company - Jubilant DraxImage Inc. and 6981364 Canada Inc.

Consolidated Financial Statements

The Consolidated Financial Statements, in terms of Clause 32 of the Listing Agreement with the Stock Exchanges and in compliance with the Accounting Standard - 21 on Consolidated Financial Statements (AS-21) as specified in Companies (Accounting Standards) Rules, 2006, form part of Annual Report.

Particulars required as per Section 212 of The Companies Act, 1956

In terms of general exemption granted by the Ministry of Corporate Affairs (MCA), Government of India vide its general circular no. 2/2011 dated February 08, 2011, from attaching the Directors' Reports, Balance Sheets, Statement of Profit & Loss and other particulars of the subsidiary companies subject to fulfillment of certain conditions mentioned therein, the same have not been attached to this Report. The Company will make available the Annual Accounts of the subsidiary companies and the related detailed information upon request by any member of the Company or its subsidiary companies. The Annual Accounts of the subsidiary companies will also be kept open for inspection by any member at the registered office of the Company and of the subsidiary companies during business hours.

Fixed Deposits

No fresh deposits have been accepted by your Company during the year from the public. As on March 31, 2014, your Company had no outstanding, overdue and unclaimed deposits.

Cost Audit

Pursuant to Section 233B of the Companies Act, 1956 ('the Act'), the Central Government has prescribed audit of cost records for certain products.

Based on the recommendations of the Audit Committee and subject to the approval of the Central Government, the Board of Directors had re-appointed M/s. J. K. Kabra & Co., Cost Accountants, [Firm Registration Number - 9] as Cost Auditors of the Company under Section 233B of the Act to conduct the cost audit for the financial year 2013-14.

The relevant compliance report and cost audit report for the financial year 2012-13 were filed with the Central Government in the eXtensible Business Reporting Language ('XBRL') format on September 23, 2013 & September 24, 2013 respectively, against the due date of being September 27, 2013.

Secretarial Audit

As a voluntary initiative for good corporate governance, since last two years, the Company has been appointing M/s. Sanjay

Grover & Associates, Company Secretaries, to conduct Secretarial Audit of the Company. Their report for FY 2013-14 confirms compliance of applicable corporate laws.

Directors

During the year, Mr. S. Sridhar was appointed as an Additional Director with effect from June 15, 2013. The members in the AGM held on August 27, 2013 appointed Mr. Sridhar as a Director of the Company.

Also, during the year, Ms. Sudha Pillai was appointed as an Additional Director of the Company with effect from September 3, 2013 in terms of Section 260 of the Companies Act, 1956.

Mr. Shyamsundar Bang retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment. The Board commends his re-appointment.

Directors' Responsibility Statement

Your Directors, based on the representation received from the management, confirm:

- that in the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- that your Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on March 31, 2014 and of the profit of the Company for the year ended March 31, 2014;
- that your Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- that your Directors had prepared the annual accounts on a going concern basis; and
- that proper systems are in place to ensure compliance of all laws applicable to the Company.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

Information relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo, required to be made pursuant to Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, is given in **Annexure - B** and forms part of this Report.

Employees

Particulars of employees, as required under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, are given in **Annexure - C** and form part of this Report.

Corporate Governance

As a responsible corporate citizen, the Company is committed to maintain the highest standards of Corporate Governance and believes in adhering to the best corporate practices prevalent globally.

A detailed Report on Corporate Governance (**Annexure - D**) alongwith a certificate from a Practising Company Secretary (**Annexure - E**) confirming compliance of the conditions of Corporate Governance, as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges, has been given separately.

A Certificate from the Chairman & Managing Director (**Annexure - F**) confirming that all the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended March 31, 2014 is attached to the Corporate Governance Report and forms part of this Report.

A Certificate from CEO/CFO (**Annexure - G**) confirming the correctness of the financial statements, adequacy of the internal control measures etc. is also enclosed and forms part of this Report.

Secretarial Audit Report from M/s Sanjay Grover & Associates, Company Secretaries **(Annexure - H)** is also enclosed and forms part of this Report.

Management Discussion & Analysis Report

The Management Discussion and Analysis Report on the operations of the Company, as required under Listing Agreement with the Stock Exchanges, has been given separately and forms part of the Annual Report.

Risk Management

Risk-taking is an inherent trait of any enterprise. However, if risks are not properly managed and controlled, they can affect the Company's ability to attain its objectives. Risk management and internal control systems play a key role in directing and guiding the Company's various activities by continually preventing and managing risks. The Board, Audit Committee and Senior Management team collectively set the overall tone and risk culture of the Company by identifying the risks impacting the Company's business and documenting their process of risk identification, risk minimization, risk optimization as a part of risk management policy through defined and communicated corporate values, clearly assigned risk responsibilities, appropriately delegated authority, and a set of processes and guidelines.

There exists a critical risk management framework across the Company and the same is overseen once every six months by the Board. Some of the critical risks identified in various businesses of the Company are:

- Trade barriers in major markets
- Product portfolio
- Competition
- Market dynamics and changing trends
- Production capacity
- Disaster/ business interruption
- Input cost/ availability
- Foreign exchange fluctuations

The Company promotes strong ethical values and high levels of integrity in all our activities, which in itself is a significant risk mitigator. With the growth strategy in place, risk management holds the key to the success of the Company's journey of continued competitive sustainability in attaining the desired business objectives.

A detailed note on Risk Management is given as part of "**Management Discussion & Analysis**".

Certifications

Your Company follows several externally developed initiatives in the economic, environmental and social areas. Manufacturing Plants of the Company at Gajraula, Nira, Savli, Nanjangud, Ambernath and Bharuch are ISO 9001:2008 certified for Quality Management System. Plants at Gajraula, Nira, Savli, Nanjangud, and Bharuch are also ISO 14001:2004 certified for Environmental Management System and OHSAS 18001:2007 for Occupational Health and Safety at work place. Plants at Gajraula, Nira, Savli and Bharuch are certified for IMS (Integrated Management System).

ANU (Animal Nutrition Unit) at Savli is certified for FAMI-QS Code Version 5 in Feed Safety Management System.

Vitamins plant at Bharuch is certified for FAMI-QS Code Version 5 (in Feed Safety Management System), Kosher, Halal-India, Halal- Malaysia, Halal Indonesia, ISO 2000: 2005 (in Food Safety Management system), HACCP (Hazard Analysis and Critical Control Points) cGMP and is FSSC 22000:2010 (Global Food Safety) Compliant.

Gajraula Quality Control Laboratory has also been certified for chemical testing by NABL (National Accreditation Board for Testing and Calibration Laboratories) in accordance with the ISO/IEC 17025:2005. In addition to this, Gajraula Carbon Dioxide manufacturing facility has been certified for FSSC 22000:2010 (Food Safety System Certification) for production and dispatch of Carbon Di-Oxide for Beverages of food grade Carbon Dioxide. Ethyl Acetate & Acetic Anyhydride manufacturing facility has been approved for KOSHER certification. 2 Acetyl Pyridine, 3 Hydroxyl Methyl Pyridine, Acetic Anhydride, Beta Picoline, Cetyl Pyridinium Chloride, Ethyl Acetate, Glacial Acetic Acid, Niacin and Pyridine facility are certified for KOSHER certification.

Ethyl Acetate and Acetic Anhydride manufacturing facility at Nira Plant has been approved for KOSHER and HALAL certification. Dosage Forms facility at Roorkee follows Good Manufacturing Practices (GMP) as per World Health Organisation (WHO) specifications in manufacturing and testing of pharmaceutical products and hence has been granted WHO GMP certificate by the Drug Licensing and Controlling Authority, Uttarakhand. The facility is also approved by UK-MHRA (UK- Medicines and Healthcare Products Regulatory Agency) to export drugs to European Market and USFDA (United States Food & Drug Administration) to export drugs to the US market. The other approvals for the Plant are FDA (Jordan), ANVISA (Brazil), PMDA (Japan), MCC (Medicines Control Council, South Africa), Health Canada, TGA (Therapeutic Goods Administration) (Australia) and several Ministries of Health like Uganda,Tanzania, Ivory Coast ,Taiwan, Kenya, Zimbabwe, Botswana and Belarus.

Nanjangud Plant has got USFDA approval for exporting certain products to the US market, ANSM (agence nationale de securite du medicament et des produits de santé -the French Health Products Safety Agency) approval, GMP approval for exporting certain products to EU Countries , PMDA approval (Pharmaceuticals and Medical Devices Agency, Japan) for exporting certain products to the Japanese market , KFDA (Korea Food and Drug Administration) approval for exporting Valsartan and Losartan to Korean market, COFEPRIS approval (Federal Commission for Protection against Health Risks) for exporting Pinaverium Bromide to Mexican market, ANVISA, Brazil approval for exporting Carbamazepine to Brazil market and TGA, Australia approval for exporting certain products to Australia. This Plant was audited by CDSCO (Central drugs standard control organization) and received written confirmation to export 38 products to EU countries.

Human Resources

At Jubilant, we consider human capital as a critical factor in order to achieve success. We believe in an open, fair and transparent culture and stand by our promise of *Caring*, *Sharing, Growing* and make efforts to make Jubilant one of the best places to work for. We have adopted a comprehensive human resource strategy that focuses on key aspects of human resource development such as employee engagement, talent management, performance management and capability development in order to build organizational capability that will enable the Company to sustain competitiveness in the global market place.

We have established a Leadership Competency Framework that drives our leadership culture. This set of 7 leadership competencies are utilized in our core HR processes of performance management & talent development through assessment centers and 360^{O} Feedback.

The Company has laid down tremendous focus on succession planning through identification of second level of managers based on development centers for all units, locations, functions with intent of building strong leadership pipeline. We strive toward technology enabled HR systems and processes that are based on globally adopted best practices. In this direction we have implemented world renowned PeopleSoft based Human Resource Information System (HRIS) in India and are in the process of doing so in our North America facilities.

At Jubilant, we ensure that there is full adherence to the Code of Business Conduct and Fair Business Practices. We have signed a policy on CII Code of Conduct on Affirmative Action that reconfirms our commitment that equal opportunity in employment for all sections of society is a component of our growth and competitiveness.

As of March 31, 2014, 623 employees at our manufacturing plants at Savli, Nira, Gajraula and Nanjangud were members of unions or had collective bargaining capability. During the year, we enjoyed cordial relations with our employees and there have been no instances of major strikes, lockouts or other disruptive labour disputes.

The Company has adopted a Policy on Prevention of Sexual Harassment at workplace. The Company has not received any complaint during the year under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

A detailed note on HR Management is given in the "**Management Discussion & Analysis**".

Investor Services

Your Company values its investors immensely. With a view to keeping its investors well informed of its activities, your Company has taken following initiatives:

- E-mailing to the shareholders quarterly results, press releases and other similar communications soon after they are sent to the stock exchanges; e-mailing Annual Reports and Corporate Sustainability Report;
- User friendly Investor Section on the website of the Company www.jubl.com;
- A dedicated e-mail ID viz. investors@jubl.com for interacting on various matters with respect to share transfer, transmission, dividends and other related issues with the Company Secretary / Compliance Officer;
- Mailing feedback forms to investors on annual basis so as to obtain valuable feedback and suggestions for improvement. The Company has also placed an online Investor Feedback Form on its website www.jubl.com under the head "Investor Feedback Form" to facilitate electronic submission of the Form;
- Earnings calls are conducted and the transcripts are uploaded on the website www.jubl.com. The Earnings call is typically accompanied by Results Presentation and Release that are also uploaded on the website; and
- The Company also meets institutional investors and analysts throughout the year and participates in various Investor Conferences.

Awards and Accolades

During the year, various awards and accolades were received by the Company/its management. These are:

- '14th Annual Greentech Environment Award 2013' won by Gajraula plant, India;
- 'Certificate from CocaCola for compliance to Global Food Safety Initiative as per TCCC norms for the year 2013' presented to Gajraula plant, India;
- 'Amity Global Business School - CSR Award 2013' won by the Company in appreciation of outstanding work in the CSR domain;
- 'Shri Janeshwar Mishra Export Award' - Excellence Award for the Best Performance in the field of Export and First Award for performance in the field of Export under the category of Chemicals, Pharmaceuticals & Cosmetic Products;
- 'Annual Greentech Safety Award 2013' - Silver Award under chemical sector won by Gajraula plant, India;
- 'Express, Logistics & Supply Chain Leadership Award' under the category Excellence in Manufacturing Supply Chain in Chemical;
- 'CII – National Award for Excellence in Energy Management 2013' won by Gajraula plant as Energy Efficient Unit; and
- 'Lifetime Achievement Award 2010-11' won by Mr. Shyam S. Bhartia, presented by Mr. Anand Sharma, Minister of Commerce and Industry, Govt. of India at CHEMEXCIL's Export Award

Green Initiatives

With the aim of going green and minimising our impact on the environment, the Company continued with its green initiatives in its operations which include:

- Conducting Paperless Board /Committee Meetings;
- Publishing and circulating Corporate Sustainability Report in CD form; and
- E-mailing Annual Reports to shareholders who have opted for the electronic version.

Corporate Social Responsibility

Corporate Social Responsibility ('CSR') at Jubilant is our commitment of business towards Inclusive Growth. The Company's approach to sustainable development focuses on the triple bottom line of Economic, Environmental and Social performance. As a responsible corporate citizen, the Company is constantly engaged in delivering value to its stakeholders through its promise of *Caring, Sharing & Growing.*

During the year 2013-14, Jubilant continued its CSR initiatives in various fields.

At Jubilant, we ensure transparency and accountability of our practices. We present our values and disclose our economic, environmental & social performance through our Sustainability Report. Jubilant is an Organisational Stakeholder of the Global Reporting Initiative (GRI), an international not-for-profit organisation which sets guidelines for sustainability reporting. The Company's first Corporate Sustainability Report was published in the year 2003. Since then, Sustainability Reports are released annually in accordance with the GRI Guidelines and are externally assured by Ernst & Young. In the year 2013, we also started voluntary reporting of sustainability performance in line with National Voluntary Guidelines (NVG). Jubilant also ensures to report community & social initiatives in line with United National Millennium Development Goals. As a part of our Sustainability Policy with the aim of mitigating impact on environment, like last year, this year too we are sending Corporate Sustainability Report in CD form alongwith the Annual Report to shareholders. The same is also available on your Company's website at www.jubl.com.

CSR initiatives of the Company are conceptualized and implemented through Jubilant Bhartia Foundation (JBF), the social wing of Jubilant Bhartia Group, established in 2007 as a not-for-profit organisation. JBF works on 4P model (Public-Private-People-Partnership) for empowering communities and believes that for sustainable social intervention, participation of communities must be ensured in the Company's CSR projects/programmes. Jubilant's role is to act as a catalyst and facilitate the process.

JBF's objectives include various community development works, health care, culture & sports, environment preservation initiative, vocational training, women empowerment and educational activities.

With these initiatives beginning to show results, Jubilant plans to continue to focus on the social initiatives of the Company and slowly spread its area of influence in terms of geography. A summary of the activities of JBF is provided on its website www.jubilantbhartiafoundation.com. Details of Sustainability initiatives are given in the **Corporate Sustainability Report**.

Business Restructuring

During the year under review, with the objective of consolidating and re-organizing the Company's pharmaceutical business segment under its wholly owned subsidiary Jubilant Pharma Limited, Singapore (JPL), the Board of Directors of the Company accorded approval to:

- Transfer and vest the two business undertakings *namely* (i) Active Pharmaceuticals Ingredients (API) Business and (ii) Dosage Forms Business of the Company, together with all assets and liabilities on a going concern basis, by way of a 'slump sale' (as defined in Section 2(42C) of the Income Tax Act, 1961); and
- Transfer 200 shares representing 18% share capital of Jubilant Pharma Holdings Inc., USA *(formerly known as Jubilant Life Sciences Holdings Inc.),* and 13,900,000 shares representing 77.65% share capital of Jubilant Pharma NV, Belgium, held by the Company to Jubilant Generics Limited, a wholly owned subsidiary of JPL.

The members of the Company, on March 21, 2014, have accorded their approval to both the above matters by passing Special Resolutions through Postal Ballot mechanism subject to JPL and/or its Subsidiaries achieving financial closure in order to meet the obligations to purchase the Business Undertakings and the said shares and authorised the Board of Directors to decide whether to make this approval effective.

JPL has received an approval from the Foreign Investment Promotion Board in this regard and subsequent to the year end, the Board approved the Share Purchase Agreements between the parties for above mentioned sale of shares held by the Company.

Acknowledgments

Your Directors acknowledge with gratitude the co-operation and assistance received from the Central and State Government Authorities. Your Directors thank the Shareholders, Private Equity Investors, Financial Institutions, Banks/other lenders, Customers, Vendors and other Business Associates for their confidence in the Company and its management and look forward to their continued support. The Board wishes to place on record its appreciation for the dedication and commitment of your Company's employees at all levels, which has continued to be our major strength. We look forward to their continued support in the future.

For and on behalf of the Board

Place: Noida **Shyam S. Bhartia**

Date: May 26, 2014 Chairman & Managing Director

Annexure - A

Disclosure as per Regulation 12 of SEBI (ESOP & ESPS) Guidelines, 1999

S. No.	Particulars	Plan 2005	Plan 2011
a)	Options granted during 2013 -14	None	12,187
b)	Options granted upto March 31, 2014	754,250	1,821,921
c)	Pricing formula	Market Price of Share as on the date of Grant, as per SEBI Guidelines	
d)	Options vested upto March 31, 2014	456,935	403,811
e)	Options exercised upto March 31, 2014	328,969	None
f)	Total number of shares arising as a result of exercise of Options upto March 31, 2014	1,644,845 Equity Shares of ₹ 1 each	None
g)	Options lapsed/forfeited upto March 31, 2014	292,597	392,982
h)	Variation of terms of Options during 2013-14	**Modification made on August 27, 2013:** In order to align the Plan with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and Listing Agreement with the Stock Exchanges which required that no ESOP/ESPS shall involve acquisition of securities from secondary market, suitable modifications were made in the definitions of 'Trust' and 'Trust Deed'	**Modification made on August 27, 2013:** In order to align the Plan with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and Listing Agreement with the Stock Exchanges which required that no ESOP/ESPS shall involve acquisition of securities from secondary market, suitable modifications were made in the definitions of 'Trust' and 'Trust Deed'
i)	Money realized by exercise of Options upto March 31, 2014	Received by the Company as subscription for allotment of 114,835 shares - ₹ 23,170,959	NIL
		Received by Jubilant Employees Welfare Trust on transfer of 1,530,010 shares - ₹ 309,427,888	NIL
		Total - ₹ 332,598,847	NIL
j)	Total number of Options in force as on March 31, 2014	132,684	1,428,939
k)	Employee-wise details of Options granted during 2013-14 to:		
	i) Senior Management Personnel	NIL	NIL
	ii) any other employee who received a grant in any one year of Options amounting to 5% or more of Options granted during that year	NIL	NIL
	iii) identified employees who are granted Options, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	NIL	NIL

S. No.		Particulars	Plan 2005	Plan 2011
l)		Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of Option calculated in accordance with Accounting Standard (AS) - 20 'Earning Per Share'	Shares held by Jubilant Employee Welfare Trust are in excess of employees' Options granted and outstanding. Therefore, the effect of outstanding employees' Options is NIL on computation of diluted EPS.	
m)		Where the Company has calculated the employee compensation cost using the intrinsic value of the Options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options, the impact of this difference on profits and on EPS of the Company.	Pro Forma Adjusted Net Income and Earnings Per Share:	
			Particulars	₹ /million
			Net Income - As Reported	8.24
			Add: Intrinsic Value Compensation Cost	Nil
			Less: Fair Value Compensation Cost	22.36
			Adjusted Pro Forma Net Income	**(14.12)**
			Earnings Per Share of ₹ 1 each:	
			Basic (In ₹):	
			As Reported	0.05
			Adjusted Proforma	(0.09)
			Earnings Per Share of ₹ 1 each	
			Diluted (In ₹):	
			As Reported	0.05
			Adjusted Proforma	(0.09)
n)		Weighted-average exercise prices and weighted-average fair values of Options.	(i) Where exercise price equals the market price of the Options: - Weighted average of exercise prices of Options: ₹ 223.90 - Weighted average of fair values of Options: ₹ 94.18	(i) Where exercise price equals the market price of the Options: - Weighted average of exercise prices of Options: ₹ 210.49 - Weighted average of fair values of Options: ₹ 84.90
			(ii) Where exercise price exceeds the market price of the Options: **Not Applicable**	(ii) Where exercise price exceeds the market price of the Options: **Not Applicable**
			(iii) Where exercise price is less than the market price of the Options: **Not Applicable**	(iii) Where exercise price is less than the market price of the Options: **Not Applicable**
o)		Description of the method and significant assumptions used during the year to estimate the fair values of Options, including the following weighted-average information:	Not applicable as no Options were granted during the year	The fair value has been calculated using the Black Scholes Option Pricing Model
	i)	date of grant		May 7, 2013
	ii)	risk-free interest rate		7.74%
	iii)	expected life		3.65 years
	iv)	expected volatility		38.36%
	v)	expected dividends		1.10%
	vi)	price of the underlying share in market at the time of Option grant		₹ 176

Annexure - B

DISCLOSURE UNDER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956 READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988

A. Conservation of Energy

(a) Energy Conservation Measures Taken

- To reduce Raffinate norm from 2.6 to 1.4 MT/MT, NH3 norm from 0.55 to 0.50 MT/MT, Steam norm from 9.0 MT/MT to 8.0 MT/MT and Power Norm from 1450 KW/MT to 1350 KW/MT in 3 CP plant
- Liquid fuel replacement with Bio-Gas in Lutidine furnace
- To reduce Ethyl Acetate consumption norms from 1.50 to 1.0 kg/kg in CPC plant
- To reduce Steam Consumption norms from 5.0 MT/MT to 4.2 MT/MT in Niacinamide plant
- To reduce the THF consumption norm by recovery and recycle of spent THF from 71 % to 85 % in Azacyclonol plant
- Solid Effluent load reduction by 50 MT/ Month by isolation salts in Oxcabazepine plant
- To reduce the steam norms from 0.39 MT/KL to 0.28 MT/KL in Incinerator-3 plant
- To reduce Steam Consumption Norm from 2.56 to 2.50 in EA(I & II) Plant
- To reduce Organic Raffinate Generation from 300 to 200 KL/Month in TCP and CDFP plant

(b) Additional Investment and Proposals, if any, being implemented for reduction of consumption of energy

- To reduce raffinate norm on incinerator from 3.6 to 2.7 KL/MT in 3CP plant
- To reduce benzene norm from 0.05 to 0.020 KL/MT in Pyridine and Picoline plant
- MEE 2 feeding capacity from 18 KL/Hrs to 22 KL/Hrs by capacity enhancement of MEE Flush column (Incineration load reduction by 2.0 KL/Hour)
- To reduce residue consumption in incinerator-1 plant
- To reduce the Ethyl Acetate consumption norms from 0.8 to 0.50 kg/kg in CPC plant
- To reduce Organic Raffinate Generation from 424 to 190KL/MT in Fine Chemical plant
- To replace liquid fuel by Organic residue as a Fuel in Furnace in Fine Chemical plant
- To reduce steam consumption from 2.50 MT/MT to 2.40 MT/MT in EA I / II and from 2.78 MT/MT to 2.40 MT/MT in EA III Plant
- To reduce steam consumption from 2.10 MT/MT to 2.00 MT/MT in Acetic Anhydride plant
- To reduce Effluent norm from 1.2 to 0.8 M3/MT in Ethyl Acetate plant
- Raffinate norm reduction from 2.1 to 1.5 MT/MT in 3CP plant
- To reduce steam norms in EA plants from 2.88 MT/MT to 2.68 MT/MT by heat recovery from hot streams to pre heat cold streams
- To reduce the Steam Cons norm from 4.2 to 3.5 MT/MT in Niacinamide.

Expected investment in above initiatives is ₹ 32.7 million approx.

(c) Impact of measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods

- Reduction in steam and power consumption norms
- Improvements in process & norms
  1. Saving due to (a) conservation of energy: ₹ 140 million per annum, approx.
  2. Saving due to (b): ₹ 100 million per annum, approx.

(d) Total Energy Consumption and Energy Consumption per unit of Production

FORM A

A. Power & Fuel Consumption

			2013-14	2012-13
1.	**Electricity**			
	A. Purchased			
	Units	KWH	121,543,150.07	109,084,790.99
	Total Amount	₹ in million	790.00	779.34
	Rate / Unit	₹ / KWH	6.50	7.14
	B. Own Generation			
	- Through DG			
	Units	KWH	4,000,370.00	4,810,654.00
	Unit per litre of RFO/LDO	KWH/LTR	3.50	3.38
	Cost / Unit	₹ / KWH	13.35	12.84
	- Through Steam Turbine Generator *			
	Units	KWH	149,907,035.00	143,689,896.00
	Units per MT of Steam	KWH/MT	506.06	509.76
	Cost / Unit	₹ / KWH	2.72	2.69
2.	**Coal****			
	Quantity	MT	438,563.25	411,592.45
	Total Cost	₹ in million	1,906.69	1,843.22
	Average Rate	₹ / MT	4,347.57	4,478.27
3.	**Steam Purchased**			
	Quantity	MT	324,855.83	231,728.03
	Total Cost	₹ in million	447.49	338.80
	Average Rate	₹ / MT	1,377.51	1,462.08
4.	**Furnace Oil**			
	Quantity	KL	4,053.32	11,466.65
	Total Cost	₹ in million	218.17	490.42
	Average Rate	₹ / KL	53,825.37	42,769.44
5.	**Natural Gas**			
	Quantity	SM^3	1,885,813.00	1,619,524.00
	Total Cost	₹ in million	70.67	44.98
	Average Rate	₹ / SM^3	37.47	27.77
6.	**Biomass Briquetts**			
	Quantity	MT	54.16	8,057.38
	Total Cost	₹ in million	32.42	45.32
	Average Rate	₹ / MT	598,706.80	5,625.25
7.	**Bio Diesel**			
	Quantity	KL	3,031.90	965.26
	Total Cost	₹ in million	125.92	38.88
	Average Rate	₹ / KL	41,531.50	40,281.05
8.	**Others/Internal Generation**			
	Internal Generation - Biogas			
	Quantity	NM^3	27,651,772.00	30,219,147.00
	Total Cost ***	₹ in million	17.25	17.06
	Average Rate	₹ / NM^3	0.62	0.56

* Steam is produced in boilers using coal, fuel and gas.

** E grade coal is used for power generation and C/D grade is used for steam generation.

*** No raw material cost as it is produced from waste water only.

B. Consumption per Unit of Production

		2013-14	2012-13
Pharmaceuticals & Life Science Chemicals			
Electricity	KWH/MT	384.77	375.82
Steam	MT/MT	3.36	3.38
Furnace Oil	LT/MT	5.23	9.78
Coal	MT/MT	0.03	0.02
Natural Gas	SM^3/MT	3.65	1.91
Bio Gas	NM^3/MT	44.38	44.71
Pharmaceuticals & Life Science Chemicals (Dosage)			
Electricity	KWH/NO.	0.01	0.01

B. Technology Absorption

(e) Efforts made in technology absorption as per Form B below:

FORM B

Research and Development (R&D):

The Company has R&D Centres in India at Noida, Gajraula, Nanjangud and Savli. The Company has 528 R&D Employees out of which 81 are doctorates and others are post graduates and graduates. R&D supports the activities of various businesses through new product and process development, process intensification, absorption technology and establishing technologies at commercial scale, focusing green chemistry guidelines. R&D is a focal point for the continuous improvements of existing processes throughout the life cycle of the product.

1. Specific areas in which R&D carried out by the Company:

(i) Active Pharmaceutical Ingredients and Dosage Forms

- Non-infringing Process development of generic APIs
- Non-infringing process development of generic high potency APIs
- Selection & optimisation of optimum PolyState Form of generic APIs
- Value creation in existing APIs through process improvement/intensification
- Development of chiral molecules through chemical and biological process
- Development of generic solid oral dosage forms for Human and Veterinary use meeting the Global Regulatory requirements
- Development of Novel Drug Delivery System
- Development of injectable generic and ophthalmic products
- Development of new validated analytical methods for non-compendia products and sending them to Pharmacopoeial committee for inclusion in the Pharmacopoeia
- Electronic submissions of ANDA/DMF filings in Regulated and Emerging markets

(ii) Biotechnology

- Bioethanol
- Microbial processes for the treatment of industrial effluents
- Bio composting

(iii) Fine Chemicals and Proprietary Products

- Product/process developments in the area of pyridine and its derivatives and related heterocyclic chemistry
- Development of advance heterogeneous catalysts
- Extension of chemistry skills to non-heterocyclic compounds
- Value creation in existing key products through process improvements / process intensification
- Chiral compounds
- Technology development of vitamins, especially B-3
- Development of animal health care products

(iv) Contract Manufacturing Outsourcing (CMO) and Drug Discovery & Development Services (DDDS)

- Process development & optimization for Innovator, Biotech & generic Pharmaceutical companies on FTE and Molecule basis, by providing creative solutions
- Analytical protocol development service on FTE and Molecule basis
- Small-scale exclusive custom synthesis for pre-clinical and clinical studies

2. **Benefits derived as a result of the above R&D**

- Strong position in generic Pharma businesses in regulated markets
- During the year, 7 Abbreviated New Drug Applications (ANDAs) were filed with the USFDA and 3 ANDAs approvals received, 2 EU MA's were filed and 5 EU MA's approvals received, 1 ANDS was filed and 7 ANDSs approvals received from Health Canada and 111 ROW applications were filed & 104 approvals received
- 37 ANDAs in US, 7 ANDSs in Canada and 3 MA's in EU are under review with the regulatory agencies
- During the year, the Company filed 9 USDMFs, 1 EDMF, 2 Canada DMFs, 1 AUS DMF, 9 CEPs (COSs), 2 Japan DMFs and 3 Row DMFs
- Partners of Choice for global pharmaceuticals and agrochemical companies
- Global leadership in selected segments of our business
- Development of new products
- Generation of own Intellectual Property Rights (IPRs) to provide competitive edge. During the year, 23 Process Patents were filed and 8 Process Patents granted for Chemicals and Life Science Ingredients
- Application to make generic production in Brazil
- Marketing authorization application in Australia
- Major growth in export of our products
- Competitiveness in cost and quality
- Effective effluent management

3. **Future Action Plan**

- Process development for identified Active Pharmaceuticals Ingredients
- Process development for identified dosage forms
- Novel Drug Delivery System research for new dosage forms
- Process development/improvement of new derivatives of Pyridine and related heterocyclic chemicals
- Process development for non-heterocyclic chemicals leveraging existing skills
- Development of New Vitamins technologies
- Bio transformations for the manufacture of fine and specialty chemicals
- Synthesis of chiral compounds
- Improvement in the fermentation technology and effluent management
- Continued use of statistical tools (six sigma) in R&Ds for enhanced efficiency
- Radio Pharmaceutical & Allergy Research
- Development of value added animal nutrition products

4. **Expenditure on R&D**

(₹ / million)

		2013-14	2012-13
(a)	Capital	775.61	990.52
(b)	Recurring	538.87	446.98
(c)	**Total**	**1,314.47**	**1,437.50**
(d)	Total R&D expenditure as a percentage of Turnover	3.58%	4.57%

Technology Absorption, Adaptation and Innovation:

1. **Efforts, in brief, made towards technology absorption, adaptation and innovation**

   Research & Development (R&D) plays a vital role in developing and adopting new technologies to enhance our operational efficiencies. We develop new technologies at the lab scale and the scientists and manufacturing engineers work in close co-ordination to seamlessly scale-up the processes to commercial scale without losing on the efficiency of the process with a lead-time comparable to the best in the industry. Six Sigma initiatives at Plants and R&Ds support the adoption of new technologies and enhancing the efficiencies of our manufacturing plants to provide better services to our customers.

2. **Benefits derived as a result of the above efforts.**

   Innovation in all the areas of our business results in new and more efficient products helps in improvement of the performance of our customers. Our R&D is grounded in business reality and we measure the performance of our R&D through the new product launches over the last five years and their contribution to the net sales of our Company.

   These continuous efforts result in more cost effective and improved services to our customers.

3. **In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year)**

   Not Applicable.

C. Foreign Exchange Earnings and Outgo

(f) Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services; and export plans

- **Activities relating to exports**
  Jubilant achieved 22% export growth over the previous year in value terms. During FY 2014, exports were ₹ 22,004 million, as compared to ₹ 18,086 million in previous year. Exports continued to contribute over 61% of Net Revenue from Operations during FY 2014.

- **Initiatives taken to increase exports**
  The Company performed well in its exports to Americas & Europe and its growth was 27% during FY 2013-14 as compared to the previous year. The Company's exports to Americas & Europe were ₹ 14,113 million during FY 2013-14 as against ₹ 11,096 million of the previous year. The Company during the year expanded its geographical base with its entry in new European countries, Latin America and emerging markets. The Company is making big inroads in Neutraceuticals intermediaries markets in South East and Far East Asia including Korea, Japan and now, in China. In case of Pyridine segment, in China, though the prices were under pressure, the Company maintained its market share, rather increased in volumetric terms. Acetyls demand is growing substantially in European market through our own warehousing at Antwerp. Our finished dosage forms are now exported to over 40 countries across various continents.

  The Company continues to focus on Customer Satisfaction, through "Customer Satisfaction Index" on quarterly basis.

- **Development of new export markets for products and services**
  Several new customers were added within the existing markets of Asia Pacific, Middle-East and Latin America. The Company started exporting its finished products to countries like UAE, HongKong, Taiwan, Columbia. Our finished dosage forms exports to Japan continued to gain strengths and almost doubled in the financial year. We have continued our endeavour to have discussions with large pharmaceutical companies for development of intermediates in markets of China, South Korea, Japan, USA and Europe. We filed our first product in China in the financial year. Also, we received our first approval in Canada during the course of the financial year.

  The Company substantially increased Bulk exports of its Acetyls products which cater to major end use segments of Packaging, Printing ink, Starch Derivatives and Cellulose Acetate manufacturing in Europe, through its own warehouse in Antwerp, Belgium which helps in quick and timely deliveries to customers.

  Similarly, warehousing and storage of Niacinamide at Antwerp has given us better and quick accessibility to major European customer base.

  The Company enhanced its presence in core activity of Life Sciences Ingredients by adding new products to the existing portfolio for the global pharmaceutical and agro chemical majors. The Company had developed several key intermediates. The Company has continued its foray as responsible and reliable suppliers of intermediaries and services to global Pharmaceutical and Agrochemical majors which have resulted in exclusive manufacturing and development contracts.

- **Export Plans**
  Going forward, the Company intends to keep its focus on being Pharmaceuticals and Life Sciences major across the established markets and introduce number of products in the new markets. Your Company would strive to sustain the existing business in China. The Company is focusing on Asian markets for Acetyls and Nutritional products. Your Company would emphasize on giving customized service and being reliable partner, as product's quality is already well established in Europe, USA and Japan.

  Your Company plans to launch more products in Asian markets like Philippines, HongKong, Taiwan, Vietnam; CIS countries like Ukraine, Belarus, Georgia, Russia; Latin American markets like Costa Rica, Peru, Columbia, Brazil; and Canada. A lot of launches are also expected in smaller African countries.

  Your Company has already entered into contracts with major Agrochemical companies to ensure smooth supplies of Symtet, an intermediate for Chloroprifos, from Company's new SEZ manufacturing site from May 2012 onwards. Your Company has entered into contracts with major consumers of 2-Chloro Pyridine in Korea and Japan to cater to Antimicrobial segments for Health Care, Paints, Water Treatment etc in a sustainable way.

- **Approach towards Foreign Exchange Risk Management**
  The Company enters into foreign exchange forward contracts, currency and interest rate derivative transactions for the purpose of managing the risks on its receivables/payables, managing its assets or liabilities or in connection with a line of business and not for any purpose other than those permitted by the Reserve Bank of India.

(g) Total Foreign Exchange used and earned

(₹ / million)

	2013-14	2012-13
Foreign Exchange Used	11,766	8,464
Foreign Exchange Earned	22,004	18,086

Annexure - C

STATEMENT UNDER SECTION 217 (2A) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 AND FORMING PART OF DIRECTORS' REPORT FOR THE YEAR ENDED MARCH 31, 2014

S. No.	Employee Name	Designation & Nature of Duties	Qualification	Total Work Experience (Years)	Date of Commencement of Employment	Age	Remuneration (₹)	Previous Employment held	
								Designation	Name of the Company
A	EMPLOYED FOR FULL YEAR AND IN RECEIPT OF REMUNERATION FOR THE YEAR WHICH IN AGGREGATE WAS NOT LESS THAN ₹ 6,000,000								
1	Agarwal Ashutosh (Dr.)	CSO - Chemicals & Life Science Ingredients	M.Sc, Ph.D	34	Aug. 20, 1998	56	20,891,602	DGM - Organic Chemical Business	Ballarpur Industries Ltd.
2	Agrawal Neeraj	CEO - Generics	B.Tech (Elect.), MBA	17	June 02, 2003	41	24,026,619	Business Strategy	Mckinsey & Company
3	Arora Amit	Senior Vice President - Financial Planning & Analysis	CA, CWA	20	Aug. 12, 2010	43	9,500,037	Vice President - Finance Operations	HSBC Electronic Data Processing India Pvt. Ltd.
4	Bansal Sudhir Mohan	Vice President-Demand Planning	B.Tech (Mech), Diploma in Mgt.	25	September 1, 2010	52	6,358,771	AVP - Supply Chain Management	FIAT India Automobiles Ltd.
5	Bisht Prakash Chandra	Senior Vice President - Group Accounts	B. Com, CA	27	Apr. 23, 2009	50	10,004,077	Head-Accounts	Apollo Tyres Ltd.
6	Chantati Varada Rajulu	Vice President - Engineering	Bachelor of Engineering, Diploma in Business	34	January 30, 2012	56	6,133,163	Plant Head	CCIL
7	Gaur Anil	Vice President - HR	PGDBM, LL.B	21	Mar. 19, 2013	48	7,001,559	GM - HR	Maruti Suzuki India Ltd.
8	Gupta Kulbhushan	Head of Business Excellence & Six Sigma	B.E.	19	Aug. 18, 2003	42	11,029,307	Quality Leader Training Development	IGE Ltd.
9	Gupta Amit	Vice President - Operations	B.E (Mech)	34	July 23, 2003	57	6,751,586	GM -Engineering	Indo Rama Synthetics
10	Gupta Praveen Kumar	Head - Direct Taxation	B.Com, CA, CS	17	January 25, 2005	40	6,500,039	DGM -Taxation	Ballarpur Industries Ltd.
11	Holkar Anil (Dr.)	Associate Vice President - R&D (API)	Doctor of Philosophy ,B.Sc.	15	April 10, 2009	51	6,164,324	R&D-Head	Atul Ltd.
12	Jain Lalit Kumar	Senior Vice President & Company Secretary	M.Com, LL.B, CS	34	October 25, 2004	59	6,223,219	General Manager-Company Law	Escorts Ltd.

S. No.	Employee Name	Designation & Nature of Duties	Qualification	Total Work Experience (Years)	Date of Commencement of Employment	Age	Remuneration (₹)	Previous Employment held	
								Designation	Name of the Company
13	Kamat Anand	Vice President - Procurement	B.Tech (Chemical),M. Tech (Chemical), Master in Financial Management	24	August 2, 2010	49	6,668,080	Materials Planning Manager	Shell India Pvt. Ltd.
14	Khanna Ajay	President-Strategy & Corporate Affairs	B. Com, LL.B	33	June 01, 2009	54	18,902,331	Partner	Accenture India
15	Khare V. P.	President - International Sales	B.Sc., Diploma in Export Marketing	39	May 15, 1998	57	8,853,889	Deputy General Manager	Rajasthan Petro & Synthetics Ltd.
16	Khubchandani Anil	Senior Vice President & Growth Unit Head-Fine Chemicals	B. Tech.	11	July 19, 2002	44	7,052,848	Plant Manager-Technical	Duncans Industries
17	Kulshrestha Vimal Deep	Senior Vice President & Business Unit Head - Ethanol & Specialty Gases	B.Tech (Chemical Engg.)	27	June 28, 1995	49	8,464,835	Assistant Manager - Poly	Modipon Fibers Company
18	Mahadevan S.	Vice President - Legal	B.Sc., CWA, CS, LL.B	21	January 19, 2012	54	7,624,928	Head - Legal	Landmark Retail Holding, Dubai
19	Mehta Umesh	CIO - India	B.Sc.,PGLSCM	25	Sep. 1, 2010	48	8,175,146	Vice President	Asia Motor Work Ltd.
20	Muhuri Goutam (Dr.)	President R&D - Dosage Forms	M.Pharma, Ph.D	23	Dec. 15, 2010	55	16,484,842	Director-Pharmaceutical Research and Development	Teva Pharmaceuticals Inc., New York
21	Pande Anant	President - Manufacturing	B.E.(Hons)-Chemical, M.Sc.(Hons)-Chemistry	27	April 12, 2010	51	14,323,888	Chief Operating Officer	Indo Greenfuel Pvt. Ltd.
22	Reddy Yoganjaneya	Vice President - Operations	M.Sc.	23	September 3, 2012	46	6,045,195	Chief Executive Officer	RAMKY Group
23	Sankaraiah R.	Executive Director - Finance	B.Sc., CA	30	Sept. 09, 2002	55	36,046,748	GM Finance	SRF Ltd.
24	Sengar Chandan Singh	President-Acetyls & Ethanol	B.Sc., MBA	28	July 13, 1988	50	12,199,033	Assistant Officer	J.K.Synthetics Ltd.

S. No.	Employee Name	Designation & Nature of Duties	Qualification	Total Work Experience (Years)	Date of Commencement of Employment	Age	Remuneration (₹)	Previous Employment held	
								Designation	Name of the Company
25	Sharma Arun K.	Senior Vice President - Group Finance	B.Sc., CA	25	Aug. 27, 2003	48	10,412,557	GM - Treasury & Financial Resources	Escorts Ltd.
26	Shukla Ramakant (Dr.)	Senior Vice President - CQA & Regulatory Affairs	M.Sc., Ph.D	24	Aug. 22, 2012	50	6,891,565	Corporate Quality & Regulatory Affairs	Alembic Pharmaceuticals
27	Soni Manoj Devendra	President - Supply Chain	B.Tech (Mechanical)	29	July 20, 2007	52	9,740,745	GM - Supply Chain	New Holland Tractors
28	Srivastava A. P.	Senior Vice President - Corporate Affairs	BA	41	Nov. 17, 1990	68	8,976,708	Manager	Reliance Industries Ltd.
29	Srivastava Rajesh Kumar	CEO-Fine Chemicals & CRAMS	B.Tech, MMM	27	Aug. 19, 2000	49	21,485,884	Marketing Manager	Ranbaxy Fine Chemicals Ltd.
30	Treasure Cecil Prem	Chief of Human Resources	PG in Personnel Management, LL.B	24	Oct. 18, 2011	53	9,200,965	Director HR	Thermo Fisher Scientific Inc.
31	Venkatraman Prakash	Growth Unit Head - API	B.E., MBA	23	May 10, 2010	48	10,428,708	Associate Vice President	Wockhardt Ltd.
32	Vir Dharam (Dr.)	Head - API (R&D)	B.Sc.,M.Sc., Ph.D	26	Dec. 9, 2008	53	8,106,669	Associate Director	Ranbaxy Labs Ltd.
33	Yadav Pramod	CEO - Advance Intermediates & Nutritional Products	B.Sc. (Tech), MMM	27	Sep. 04, 1995	51	21,313,006	Marketing Manager (North)	Bhansali Engg. Polymers Ltd.
B.	**EMPLOYED FOR PART OF THE YEAR AND IN RECEIPT OF REMUNERATION WHICH IN AGGREGATE WAS NOT LESS THAN ₹ 500,000 P.M.**								
1	Agrawal Ravi	Head - Investor Relations	B. Com, Diploma in Management	9	August 5, 2013	42	4,096,530	Lead Analyst	Standard Chartered Securities Ltd.
2	Aggarwal Nidhi	Senior Vice President - Investor Relations	B.Com, MBA, DBF	23	Sep. 01, 2010	47	2,925,774	AED - Investor Relation	Dalmia Cement (Bharat) Ltd.
3	Bhaskar Rajesh	Head - R&D Formulations	M.Pharma	29	July 26, 2004	54	5,285,121	Associate Director	Ranbaxy Laboratories Ltd.
4	Gupta Vijayesh Kumar (Dr.)	President - India Generics	MBBS, MD	20	Feb. 14, 2013	50	6,429,624	BU Head and Senior Vice President	Zydus Cadila
5	Kumar R.	Vice President &Growth Unit Head-Advance Intermediates	CWA, MBA	27	February 3, 2014	50	1,203,414	Director	Management Consultant

S. No.	Employee Name	Designation & Nature of Duties	Qualification	Total Work Experience (Years)	Date of Commencement of Employment	Age	Remuneration (₹)	Previous Employment held	
								Designation	Name of the Company
6	Natarajan Ravi	Associate Vice President - Procurement	Post Graduate Diploma, MBA	23	March 3, 2014	47	456,691	GM - Materials	Ranbaxy Laboratories Ltd.
7	Nigam Manish Chandra	Vice President & Growth Unit Head - ANU	Bachelor of Pharmacy, MBA	19	April 16, 2013	42	6,253,292	Business Head	Piramal Healthcare Ltd.
8	Parmar Tarminder Singh	President- India Branded Pharmaceuticals	B,Sc., Master of Management Studies	26	August 19, 2013	49	7,151,390	Director	Zydus Biochem
9	Rao Venkataswara T.	Business Unit Head - Fine Chemicals	B.Sc., PGDBM	31	July 17, 1986	56	7,122,899	Sales Officer	Punjab Alkalies & Chemicals Ltd.
10	Ravikumar N.	Sr. Vice President - Formulations (Solid Dosage)	B.Pharma, M.Pharma	19	August 1, 2013	45	6,445,395	VP & Head Of Pharmaceutical R&D	Amneal Pharmaceuticals Co (I) Pvt. Ltd.
11	Sahrawat Samai Singh	Senior Vice President - HR	MSW	35	April 3, 1989	59	7,482,579	Assistant Manager	Hero Honda Motors Ltd.
12	Singh Pratul	Vice President & Growth Unit Head - External Manufacturing	Bachelor of Engineering, Master of Engineering	22	June 5, 2013	48	4,621,453	Chief Scientific Manager	Syngene International Ltd.
13	Tripathy Ganesh Chandra	Chief Sustainability Officer	APICS - Supply Chain	23	May 16, 2013	47	9,172,412	VP-EOHS	Vedanta-HZL
14	Venugopal Mandapati Giridhar	Vice President-Strategic Marketing & Business Development	M. Pharma, Masters in Marketing Management	23	October 16, 2013	46	3,491,969	Director	Ranbaxy Labs Ltd.

Notes:

1. Employments of above named officials are governed by the rules and regulations of the Company from time to time.
2. All above persons are/were full time employees of the Company.
3. None of the above employees is related to any Director of the Company.
4. No employee out of above, falls within the meaning of Section 217(2A)(a)(iii) of the Companies Act, 1956.
5. Remuneration comprises salary, allowances, perquisites/ taxable value of perquisites etc. including perquisite value of ESOPs exercised.

Abbreviations: AED - Associate Executive Director; API - Active Pharmaceutical Ingredient; BU - Business Unit; CEO - Chief Executive Officer; CIO - Chief Information Officer; CSO - Chief Scientific Officer; CRAMS - Contract Research and Manufacturing Services; DGM - Deputy General Manager; ED - Executive Director; GM - General Manager; HR - Human Resources, R&D- Research & Development, VP- Vice President,

Report on Corporate Governance

Annexure - D

a) Company's Philosophy

At Jubilant Life Sciences Limited ('the Company' or 'Jubilant'), Corporate Governance is both a tradition and a way of life. We believe in delivering on our promise of *Caring, Sharing, Growing,* which spells:

"We will, with utmost care for the environment, continue to enhance value for our customers by providing innovative products and economically efficient solutions and for our shareholders through sales growth, cost effectiveness and wise investment of resources."

The Company's Corporate Governance philosophy is led by core principles of:

- Caring for the environment which includes caring for the society around us;
- Enhancement of stakeholders' value through pursuit of excellence, efficiency of operations, quest for growth and continuous innovation;
- Transparency, promptness and fairness in disclosures to and communication with all stakeholders including shareholders, government authorities, customers, suppliers, lenders, employees and the community at large; and
- Complying with laws in letter as well as in spirit.

Highlights of Jubilant's Corporate Governance Regime are:

- Appropriate mix of Executive and Non-Executive Directors on the Board;
- Constitution of several Committees for focused attention and proactive flow of information;
- Emphasis on ethical business conduct by the Board, management and employees;
- Employees Stock Option Plans – to attract, reward and retain key senior executives;
- Active employee participation in place; one top executive on the Board of Directors;
- Business excellence through 'Velocity' initiatives like Six Sigma, lean and world class manufacturing;
- Online monitoring of internal controls on all operations spanning around 1800 control assertions through especially designed software to institutionalize a quarterly system of certification to enable CEO/CFO certification of internal controls as per Clause 49 of the Listing Agreement as stipulated by the Securities and Exchange Board of India (SEBI);
- Robust Risk Management and Control Mapping for each of the businesses and for the Company as a whole;
- Timely, transparent and regular disclosures;
- Effective control on statutory compliances by quarterly online reporting and presentation;
- Paperless meetings of Board and Committees;
- Comprehensive Corporate Sustainability Management System;
- Established Codes of Conduct for Directors and Senior Management as also for other employees;
- Robust Whistle Blower Mechanism and Ombudsman Process;
- Code of Conduct for Prevention of Insider Trading;
- Focus on hiring, retaining and nurturing best talent and to promote a culture of excellence across the organisation. Exhaustive HRD Policies cover succession planning, training and development, employee grievance handling etc.; and
- Regular communication with shareholders including e-mailing of quarterly results and press releases just after release to Stock Exchanges, e-mailing of Annual Reports and Corporate Sustainability Report and obtaining regular & also online feedback.

SEBI regulates Corporate Governance for listed companies through Clause 49 of the Listing Agreement with the Stock Exchanges. Jubilant is in full compliance with the Clause 49.

b) Board of Directors:

(i) Composition

The Board of Jubilant, as of date, comprises of nine members of which five are Non-Executive Independent Directors, one Non-Executive Nominee Director, two Managing Directors and one Executive Director.

The Board of Directors along with its Committees provides leadership and strategic guidance to the Company's management while discharging its fiduciary responsibilities, thereby ensuring that the management adheres to high standards of ethics, transparency and disclosures.

(ii) Policy on positive attributes of Independent Directors

An Independent Director on the Board is expected to:

- Uphold ethical standards of integrity and probity;
- Act objectively and constructively while exercising his duties;
- Exercise his responsibilities in a *bona fide* manner in the interest of the Company;
- Devote sufficient time and attention to his professional obligations for informed and balanced decision making;
- Not to make any unlawful gain of his position;
- Refrain from any action that would lead to loss of his independence;
- Avoid conflict of interest, and in case of any situation of conflict of interest, make appropriate disclosures to the Board;

- Assist the Company in implementing the best Corporate Governance practices;
- Exhibit his total submission to the limits of law in drawing up the business policies, including strict adherence to and monitoring of legal compliances at all levels;
- Have ability to read and understand financial statements; and
- Protect confidentiality of the confidential and proprietary information of the Company. Such information should be used only for the purpose of business of the Company. This obligation continues even after leaving the directorship of the Company.

(iii) Meetings of the Board

Meetings of the Board are generally held at the Corporate Office of the Company at 1A, Sector 16A, Noida – 201 301, Uttar Pradesh, India. During the year, Jubilant's Board met six times i.e. on May 7, 2013, May 28, 2013, August 1, 2013, October 4, 2013, October 29, 2013 and February 6, 2014.

The Company held a minimum of one Board Meeting in each Quarter and maximum gap between any two meetings did not exceed four months which is in compliance with the Listing Agreement.

An annual calendar of meetings is prepared and shared with the Directors in the beginning of the year, to enable them to plan their attendance at the meetings. Directors are expected to attend Board Meetings, spend the necessary time and meet as frequently as the situation warrants to properly discharge their responsibilities.

Concerned executives of the Company communicate to the Company Secretary, matters requiring approval of the Board, well in advance, so that these can be included in the Agenda for the scheduled Board/ Committee Meeting.

Agenda papers are e-mailed to the Directors, well in advance before the Board Meetings. Draft Minutes of the Board meetings are circulated to the Directors of the Company for their comments thereon and, thereafter, confirmed by the Board in their next Meeting.

Composition of the Board of Directors as on March 31, 2014, and attendance at the Board meetings and the last Annual General Meeting are given in **TABLE** below:

COMPOSITION OF BOARD AND ATTENDANCE OF DIRECTORS AT BOARD MEETINGS AND THE LAST AGM

Name and Designation	Category	Attendance at Meetings		
		No. of Board Meetings		Last AGM Attended
		Held During Tenure	Attended	
Mr. Shyam S. Bhartia# *Chairman & Managing Director*	Executive and Promoter	6	6	Yes
Mr. Hari S. Bhartia# *Co-Chairman & Managing Director*	Executive and Promoter	6	6	Yes
Mr. Shyamsundar Bang *Executive Director – Manufacturing & Supply Chain*	Executive	6	6	Yes
Mr. Abhay Havaldar@ *Director*	Non-Executive, Nominee	6	6	No
Dr. Inder Mohan Verma *Director*	Non-Executive, Independent	6	4	No
Mr. Shardul S. Shroff *Director*	Non-Executive, Independent	6	3	No
Mr. Suresh Kumar *Director*	Non-Executive, Independent	6	5	No
Mr. S. Sridhar$ *Director*	Non-Executive, Independent	4	2	Yes
Ms. Sudha Pillai^ *Director*	Non-Executive, Independent	3	3	NA

\# Mr. Shyam S. Bhartia and Mr. Hari S. Bhartia are related to each other, being brothers

@ Nominee of GA Global Investments Limited - Private Equity Investor

$ Appointed as director w.e.f. June 15, 2013

^ Appointed as director w.e.f. September 3, 2013

(iv) Other Directorships

Number of directorships and memberships/chairmanships of Board and its Committees held by the Directors in other bodies corporate as on March 31, 2014 are as given in **TABLE** below:

Name of Director	No. of Directorships in Other Companies#			No. of Chairmanships/ Memberships of Committees*	
	Public	Private	Foreign	Chairmanships	Memberships
Mr. Shyam S. Bhartia	7	23	6	0	1
Mr. Hari S. Bhartia	10	23	5	0	2
Mr. Shyamsundar Bang	3	0	0	0	3
Mr. Abhay Havaldar	1	1	0	0	1
Dr. Inder Mohan Verma	1	0	0	1	2
Mr. Shardul S. Shroff	6	9	0	0	3
Mr. Suresh Kumar	0	0	0	0	0
Mr. S. Sridhar	6	5	0	1	3
Ms. Sudha Pillai	1	0	0	0	0

\# Excluding non-profit companies

* Pursuant to Clause 49 of the Listing Agreement with Stock Exchanges, only Audit and Investors Grievance Committees of Indian Public Companies, whether listed or not, have been considered. Committees of Jubilant are also included

(v) Code of Conduct

The Company has formulated and implemented a Code of Conduct for its Directors and Senior Management. Requisite annual affirmations of compliance with the Code have been made by the Directors and Senior Management of the Company. A declaration signed to this effect by Mr. Shyam S. Bhartia, Chairman & Managing Director, is enclosed as **Annexure - F** at the end of this Report. The Code of Conduct is posted on the Company's website www.jubl.com.

(vi) Information Given to the Board

The Board and its Committees have complete access to all relevant information. Such information is submitted either as a part of the agenda papers in advance of the meetings or by way of presentations and discussion material during the meetings. Such information, *inter-alia*, includes the following:

- Annual operating plans and budgets and any updates;
- Capital budgets and any updates;
- Quarterly results of the Company and its operating divisions or business segments;
- Minutes of the meetings of various Committees of the Board;
- Information on recruitment and remuneration of senior officers just below the Board level;
- Show cause, demand, prosecution notices and penalty notices, which are materially important;
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems;
- Material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company;
- Issues which involve possible public or product liability claims of substantial nature;
- Details of any joint venture or collaboration agreement;
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property;
- Significant labour problems and their proposed solutions including any significant development in Human Resources / Industrial Relations front;
- Sale of material nature, of investments, subsidiaries, assets, which is not in normal course of business;
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material;
- Minutes of Board Meetings of unlisted subsidiary companies;
- Statement of significant transactions or arrangements made by unlisted subsidiary companies; and
- Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.

The Company has substantially complied with the Secretarial Standards (SS) recommended by the Institute of Company Secretaries of India (ICSI) from time to time.

In sync with its policy of environmental preservation, the Company sends documents relating to Board and Committee meetings, including agenda papers and supplementary documents, to the Directors in electronic form.

Important decisions taken at the Board/ Committee meetings are promptly communicated to the concerned departments/divisions. Action Taken Report (ATR) on the decisions of the previous meeting(s) is placed at the next meeting of the Board/Committee.

c) Committees of the Board

To focus effectively on the issues and ensure expedient resolution of diverse matters, the Board has constituted several Committees of Directors with specific terms of reference. The Committees operate as empowered agents of the Board as per their Terms of Reference that set forth their purposes, goals and responsibilities. Committee members are appointed by the Board with the consent of individual Directors. These Committees meet as often as required, or as statutorily required. Committees that are constituted voluntarily for effective governance of the affairs of the Company, may also include Company executives.

The minutes of the meetings of all the Committees of the Board are placed quarterly at Board meetings for noting.

Major Committees are/were:

- Audit Committee
- Nomination, Remuneration and Compensation Committee
- Stakeholders Relationship Committee *(earlier Investors Grievance Committee)*
- Sustainability & CSR Committee *(earlier Sustainability Committee)*
- Corporate Governance Committee
- Finance Committee
- Fund Raising Committee
- Compensation Committee *(since dissolved)*
- Remuneration Committee *(since dissolved)*

Detailed terms of reference, composition, quorum, meetings, attendance and other details of these Committees are as under:

Audit Committee

The Audit Committee primarily constitutes a formal and transparent arrangement for accurate financial reporting and strong internal controls. The Committee through regular interaction with external and internal auditors and review of various financial statements ensures that the interests of stakeholders are properly protected.

All members of the Audit Committee are financially literate and a majority have accounting or financial management expertise.

(i) Terms of Reference

The Audit Committee functions according to its terms of reference that define its composition, authority, responsibility and reporting functions in accordance with the provisions of Companies Act and Clause 49 of the Listing Agreement with the Stock Exchanges which, inter-alia, currently include the following:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration, terms of appointment of cost auditor and statutory auditor including replacement or removal;
3. Approval for payment to statutory auditors for any other permitted services rendered by statutory auditors;
4. Reviewing and examining, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
    a. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report;
    b. Changes, if any, in accounting policies and practices and reasons for the same;
    c. Major accounting entries involving estimates based on the exercise of judgment by management;
    d. Significant adjustments made in the financial statements arising out of audit findings;
    e. Compliance with listing and other legal requirements relating to financial statements;
    f. Disclosure of any related party transactions;
    g. Draft Auditors' report including qualifications, if any.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
6. Reviewing and monitoring, with the management, the statement of uses / application of funds raised through an issue/public offers (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Reviewing and monitoring with the management, independence and performance of statutory and internal auditors, adequacy of the internal control systems, and effectiveness of the audit processes;

8. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
9. Discussion with internal auditors on any significant findings and follow up there-on;
10. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
11. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
12. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
13. To ensure establishment of and to review the functioning of the Whistle Blower Policy (Vigil Mechanism);
14. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate;
15. Approval or any subsequent modification of transactions of the Company with related parties;
16. Scrutiny of inter-corporate loans and investments;
17. Valuation of undertakings or assets of the Company, wherever it is necessary;
18. Evaluation of internal financial controls and risk management system;
19. Review of Management discussion and analysis of financial condition and results of operations;
20. Review of Management letters / letters of internal control weaknesses issued by the statutory auditors;
21. Review of Internal Audit reports relating to internal control weaknesses;
22. Review of Financial statement, in particular, investments made by the subsidiary company(s);
23. Any other role as may be prescribed by law, from time to time.

(ii) Composition

As on date, the Committee comprises of Mr. S. Sridhar (Chairman), Mr. Abhay Havaldar, Dr. Inder Mohan Verma and Ms. Sudha Pillai. Mr. Shyamsundar Bang was co-opted as a member of the Committee during the year, but during the year only, he ceased to be a member of the Committee.

Invitees:

Mr. R. Sankaraiah (Executive Director-Finance) and Mr. Shyamsundar Bang (Executive Director-Manufacturing & Supply Chain) are permanent invitees to all Audit Committee meetings.

The Statutory Auditors, Internal Audit firm's representative and Head of the Management Assurance Department attend the meetings. Cost Auditor and other Executives, as desired by the Committee, attend the meetings as invitees.

Secretary

Mr. Lalit Jain, Company Secretary, officiates as the Secretary of the Committee.

(iii) Meetings, Quorum and Attendance

The Audit Committee meets at least four times in a year with a gap of not more than four months between any two meetings. The quorum for the meetings is two members.

During the year, the Committee met four times, i.e. on May 7, 2013, August 1, 2013, October 29, 2013 and February 6, 2014.

Attendance details of the members are given in **TABLE** below:

Name of the Committee Member	Meetings Held During Tenure	Meetings Attended
Mr. S. Sridhar (Chairman)*	3	2
Mr. Abhay Havaldar	4	4
Dr. Inder Mohan Verma#	4	3
Mr. Shyamsundar Bang^	1	1
Ms. Sudha Pillai**	NA	NA

* Appointed as member w.e.f. June 15, 2013
\# Appointed as member w.e.f. May 2, 2013
^ Appointed as member w.e.f. May 2, 2013 and ceased w.e.f. June 28, 2013
** Appointed as member w.e.f. May 26, 2014

Nomination, Remuneration and Compensation Committee

The Committee has been constituted on May 26, 2014, as per the requirements of Section 178 of the Companies Act, 2013. The erstwhile Nomination Committee, Remuneration Committee and Compensation Committee have been dissolved with effect from that date.

(i) Terms of Reference

The role of the Committee will be:

1. To identify persons who are qualified to become director in accordance with the criteria laid down and recommend to the Board, their appointment / removal;
2. To identify persons who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board, their appointment / removal;

3. To formulate criteria for performance evaluation of independent directors and the Board and to carry out evaluation of every director's performance;
4. To formulate the criteria for determining qualifications, positive attributes and independence of a director;
5. Devising a policy on Board diversity;
6. To formulate and recommend to the Board policies relating to the remuneration for:
   a. Directors;
   b. Key Managerial Personnel; and
   c. Other Employees of the Company.
7. To discharge the roles envisaged under SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, as under:
   a) To administer and supervise the Employee Stock Option Scheme ("ESOS");
   b) To formulate the detailed terms and conditions of ESOS including:
      (i) The quantum of options to be granted under ESOS per employee and in the aggregate;
      (ii) The conditions under which options vested in employees may lapse in case of termination of employment for misconduct;
      (iii) The exercise period within which the employee should exercise the option and that option would lapse on failure to exercise the option within the exercise period;
      (iv) the specified time period within which the employee shall exercise the vested options in the event of termination or resignation of an employee;
      (v) The right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period;
      (vi) The procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others;
      (vii) The grant, vest and exercise of option in case of employees who are on long leave;
      (viii) The procedure, if any, for cashless exercise of options;
   c) To frame suitable policies and systems to ensure that there is no violation of:
      - SEBI (Prohibition of Insider Trading) Regulations, 1992; and
      - SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003.
8. Any other role as may be prescribed by law, from time to time.

(ii) Composition

The Committee comprises of Ms. Sudha Pillai (Chairperson), Mr. Shyam S. Bhartia, Mr. Shardul S. Shroff and Mr. S. Sridhar. The quorum for the meetings is two members.

Invitee

Mr. R. Sankaraiah (Executive Director- Finance) would be a permanent invitee to all Nomination, Remuneration and Compensation Committee meetings.

Secretary

Mr. Lalit Jain, Company Secretary, would officiate as the Secretary of the Committee.

Stakeholders Relationship Committee *(earlier Investors Grievance Committee)*

The Board has delegated the power of share transfer and other related matters to this Committee. The Committee meets as often as required. Additionally, the Board has authorised Executive Director-Finance and Company Secretary to jointly exercise powers of approving transfer / transmission of shares. Normally, transfers/transmissions are approved once in a fortnight.

Apart from the above, the Committee is empowered to perform all the functions of the Board in relation to handling of investors' grievances / complaints and overseeing investor services.

(i) Terms of Reference

The role of Committee currently is:

a. To address security holders' complaints/ grievances like non-transfer of securities, non-receipt of annual report, non-receipt of dividends/ interest, etc.;
b. To deal with all matters relating to issue of duplicate certificates, transmission of securities, etc.;
c. To approve transfer of securities as per powers delegated by the Board and to note transfer of securities approved by the Executive Director-Finance and Company Secretary of the Company;
d. Any other role as may be prescribed by law, from time to time.

(ii) Composition

As on date, the Committee comprises of Mr. S. Sridhar (Chairman), Mr. Shyam S. Bhartia, Mr. Shyamsundar Bang and Mr. Suresh Kumar.

Invitee

Mr. R. Sankaraiah (Executive Director- Finance) is a permanent invitee to all meetings of this Committee.

Secretary

Mr. Lalit Jain, Company Secretary, officiates as the Secretary of the Committee. He is also the Compliance Officer, as stipulated under the Listing Agreement.

(iii) Meetings, Quorum and Attendance

The Committee normally meets once in a quarter and additionally, whenever required. During the year, four meetings were held. The quorum for the meetings is two members.

Attendance details of the members are given in **TABLE** below:

Name of the Committee Member	Meetings Held During Tenure	Meetings Attended
Mr. S. Sridhar (Chairman)*	NA	NA
Dr. Inder Mohan Verma#	3	0
Mr. Shyam S. Bhartia	3	3
Mr. Shyamsundar Bang	3	3
Mr. Suresh Kumar*	NA	NA

* Appointed as member w.e.f. May 26, 2014

\# Ceased w.e.f. May 26, 2014

(iv) Investors Complaints

During the year, the Company received 23 complaints, which were duly resolved. No complaint was pending as on March 31, 2014.

(v) Transfers and Transmissions approved

During the year, the Company received 76 cases (representing 53,585 shares) of share transfer / transposition out of which 45 cases (representing 30,655 shares) were approved and 31 cases (representing 22,930 shares) were rejected on technical grounds.

The Company had around 25,560 investors as on March 31, 2014.

The Committee was earlier called 'Investors Grievance Committee'. With effect from May 26, 2014, it was renamed as 'Stakeholders Relationship Committee'.

Sustainability & CSR Committee (earlier Sustainability Committee)

This Committee was originally constituted to oversee the performance of the Company on triple bottom line indicators viz. Environmental, Economic and Social factors. With effect from May 26, 2014, the name of the Committee has been changed to 'Sustainability & CSR Committee'

(i) Terms of Reference

The role of Committee currently is:

i. Sustainability:

- To take all steps and decide all matters relating to triple bottom line indicators viz. Economic, Environmental and Social factors.

ii. CSR:

- To formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company;
- To recommend the amount of expenditure to be incurred on the activities referred in the CSR Policy and review the same;
- To monitor the CSR Policy including CSR projects/programmes;
- Any other role as may be prescribed by law, from time to time.

(ii) Composition

As on date, the Committee comprises of Mr. Shyam S. Bhartia (Chairman), Mr. Hari S. Bhartia, Mr. Shyamsundar Bang, Dr. Inder Mohan Verma, Mr. Suresh Kumar and Ms. Sudha Pillai.

Invitee

Mr. R. Sankaraiah (Executive Director- Finance) is a permanent invitee to all meetings of this Committee.

Secretary

Mr. Lalit Jain, Company Secretary, officiates as the Secretary of the Committee.

(iii) Meetings, Quorum and Attendance

The Committee meets once in every six months. The quorum for the meetings is two members.

During the year, the Committee met twice, i.e. on May 7, 2013 and October 29, 2013.

Attendance details of the members are given in **TABLE** below:

Name of the Committee Member	Meetings Held During Tenure	Meetings Attended
Mr. Shyam S. Bhartia (Chairman)	2	2
Mr. Hari S. Bhartia	2	2
Mr. Shyamsundar Bang	2	2
Dr. Inder Mohan Verma	2	2
Mr. Suresh Kumar*	NA	NA
Ms. Sudha Pillai*	NA	NA

* Appointed as member w.e.f. May 26, 2014

Corporate Governance Committee

(i) Terms of Reference

The Corporate Governance Committee is responsible for evaluating adoption of the Corporate Governance Voluntary Guidelines.

(ii) Composition

The Committee comprises of Mr. Hari S. Bhartia (Chairman), Mr. Abhay Havaldar, Mr. Shardul S. Shroff and Mr. R. Sankaraiah*.

*Not a Director

Secretary

Mr. Lalit Jain, Company Secretary, officiates as the Secretary of the Committee.

(iii) Meetings, Quorum and Attendance

The Committee meets as frequently as circumstances necessitate. The quorum for the meetings is two members.

No meeting of the Committee was held during the year.

Finance Committee

The Board of Directors of the Company has delegated to the Finance Committee the powers to borrow moneys and to avail financial assistance from banks, financial institutions etc.

(i) Terms of Reference

(a) To avail financial assistance from Banks, Financial Institutions, NBFCs, Mutual Funds, Insurance Companies or any other Lenders by way of term loans, working capital loans or any other funding method;

(b) To approve creation of the mortgages/charges in favour of lenders;

(c) To give corporate guarantees to Banks/Financial Institutions for financial assistance availed by wholly owned subsidiaries.

(ii) Composition

As on date, the Committee comprises of Mr. Shyam S. Bhartia (Chairman), Mr. Hari S. Bhartia and Mr. Shyamsundar Bang.

Invitee

Mr. R. Sankaraiah (Executive Director- Finance) is a permanent invitee to all Finance Committee meetings.

Secretary

Mr. Lalit Jain, Company Secretary, officiates as the Secretary of the Committee.

(iii) Meetings, Quorum and Attendance

The Committee meets as frequently as circumstances necessitate. The quorum for the meetings is two members.

During the year, the Committee met five times i.e., on April 15, 2013, July 5, 2013, September 3, 2013, January 10, 2014 and February 26, 2014.

Attendance details of the members are given in **TABLE** below:

Name of the Committee Member	Meetings Held During Tenure	Meetings Attended
Mr. Shyam S. Bhartia (Chairman)	5	5
Mr. Hari S. Bhartia	5	5
Mr. Shyamsundar Bang	5	5

Fund Raising Committee

The Fund Raising Committee was constituted to decide the modalities of the consolidation and re-organisation of the Company's pharmaceuticals business segment, comprising of the Pharma Business and the Drug Discovery Business under two separate subsidiaries of the Company.

(i) Terms of Reference

The Committee is authorised to take all steps and decide all matters to explore the options and opportunities for raising money by listing the Pharma business and to finalise and execute the consolidation, reorganisation and listing of the Pharma business.

(ii) Composition

The Committee comprises of three members namely Mr. Shyam S. Bhartia (Chairman), Mr. Hari S. Bhartia and Mr. Abhay Havaldar.

Invitee

Mr. R. Sankaraiah (Executive Director- Finance) is a permanent invitee to all meetings of this Committee .

Secretary

Mr. Lalit Jain, Company Secretary, officiates as the Secretary of the Committee.

(iii) Meetings, Quorum and Attendance

The Committee meets as frequently as circumstances necessitate. The quorum for the meetings is two members.

During the year, the Committee met five times, i.e. on May 28, 2013, June 7, 2013, June 11, 2013, August 1, 2013 and August 2, 2013

Attendance details of the members are given in **TABLE** below:

Name of the Committee Member	Meetings Held During Tenure	Meetings Attended
Mr. Shyam S. Bhartia (Chairman)	5	5
Mr. Hari S. Bhartia	5	5
Mr. Abhay Havaldar	5	3

Compensation Committee

The Compensation Committee had been constituted for administration and superintendence of Jubilant Employees Stock Option Plan 2005 and JLL Employees Stock Option Plan 2011.

The Committee framed suitable policies and systems for grant of Options so that there is full compliance with the relevant provisions of the law. It also monitored the quantum of Options to be granted under Employees Stock Option Plans.

(i) Terms of Reference

- To determine the quantum of Options to be granted under Employees Stock Option Plans per employee and in the aggregate;
- To formulate the conditions under which Options vested in employees may lapse in case of termination of employment for misconduct;
- To specify the exercise period within which the employees should exercise the Options and that Options would lapse on failure to exercise within the exercise period;
- To specify the time period within which the employee shall exercise the vested Options in the event of termination or resignation;
- To establish the right of an employee to exercise all the vested Options at one time or at various points of time within the exercise period;
- To formulate the procedure for making a fair and reasonable adjustment to the number of Options and to the exercise price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others and in case of employees who are on long leave and the procedure, if any, for cashless exercise of Options;
- To frame suitable policies and systems to ensure compliance with the SEBI (Prohibition of Insider Trading) Regulations, 1992 and the SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003; and
- To supervise Jubilant Employees Welfare Trust and to resolve any issue(s) that arise in the administration of the Plans through the Trust and to direct the trustee(s) as and when required for smooth and proper administration of the Plans.

(ii) Composition

The Committee comprised of Mr. Abhay Havaldar (Chairman), Mr. Hari S. Bhartia and Mr. Shardul S. Shroff.

Invitees

Mr. R. Sankaraiah (Executive Director- Finance) and the Head - HR were permanent invitees to all Compensation Committee meetings.

Secretary

Mr. Lalit Jain, Company Secretary, officiated as the Secretary of the Committee.

(iii) Meetings, Quorum and Attendance

The Committee met as frequently as circumstances necessitated. The quorum for the meetings was two members.

The Committee met once during the year, i.e., on May 7, 2013, to consider grant of Options to employees and modification in Stock Option Plans. The meeting was attended by Mr. Abhay Havaldar and Mr. Hari S. Bhartia.

With effect from May 26, 2014, the Committee has been dissolved. A ‘Nomination, Remuneration and Compensation Committee’ has been constituted.

Remuneration Committee

The Remuneration Committee was responsible for framing policy on executive remuneration and for fixing the remuneration packages of Executive / Managing Directors. It also ensured that the levels of remuneration are sufficient to attract, retain and motivate Directors to run the Company successfully.

(i) Terms of Reference

The Committee was empowered to decide and approve the remuneration of the Executive Board Members of the Company.

(ii) Composition

The Committee comprised of Mr. Suresh Kumar (Chairman), Mr. Shardul S. Shroff and Mr. Abhay Havaldar.

Invitee

Mr. R. Sankaraiah (Executive Director- Finance) was a permanent invitee to all Remuneration Committee meetings.

Secretary

Mr. Lalit Jain, Company Secretary, officiated as the Secretary of the Committee.

(iii) Meetings, Quorum and Attendance

The Committee met as and when necessary. The quorum for the meetings was two members.

The Committee met once during the year, i.e., on May 7, 2013, to approve the payment of remuneration to Mr. Shyamsundar Bang, Executive Director, upon his re-appointment. The meeting was attended by Mr. Suresh Kumar and Mr. Abhay Havaldar.

With effect from May 26, 2014, the Committee has been dissolved. A ‘Nomination, Remuneration and Compensation Committee’ has been constituted.

Apart from the above, there are several Executive Committees comprising of Managing Directors /Whole-time Director and Senior Executives of the Company.

d) Remuneration of Directors

(i) Remuneration to Managing/Whole-Time Directors

- Mr. Shyam S. Bhartia, Chairman & Managing Director and Mr. Hari S. Bhartia, Co-Chairman & Managing Director, were re-appointed for a period of five years each w.e.f. April 1, 2012. Mr. Shyamsundar Bang was re-appointed as Whole-time Director for a period of five years w.e.f. November 1, 2013.

  During the year, no remuneration was paid to Managing Directors and Whole-time Director.

- **Service Contracts, Notice Period and Severance Fees**
  Appointments of Managing Directors and Whole-time Director are contractual.

  Appointment of Whole-time Director is terminable on 3 months' notice or salary in lieu thereof.

- Mr. Shyamsundar Bang was given 50,591 Options on October 24, 2011 and 56,310 Options on December 5, 2012 under JLL Employees Stock Option Plan 2011. Each Option confers a right to acquire one Equity Share of ₹ 1 at an exercise price of ₹ 200.05 per share and ₹ 220.90 per share in respect of grants made on October 24, 2011 and December 5, 2012 respectively (being the market price at the time of grant). Till March 31, 2014, 36,557 Options had vested with Mr. Shyamsundar Bang

(ii) Remuneration to Non-Executive Directors

Details of Sitting Fees for Board/Committee Meetings paid to Non-Executive Directors for the year ended on March 31, 2014 are shown in **TABLE** below:

Name	Sitting Fees (₹)
Mr. Abhay Havaldar$	-
Dr. Inder Mohan Verma	120,000
Mr. Shardul S. Shroff@	60,000
Mr. Suresh Kumar	105,000
Mr. S. Sridhar	60,000
Ms. Sudha Pillai	60,000
Total	**405,000**

No commission for 2013-14 was proposed for Non-executive Directors

$ Opted not to take any remuneration

@ During the year, the Company has paid ₹ 4,999,075 as professional fees to M/s. Amarchand & Mangaldas & Suresh A. Shroff & Co., a firm in which Mr. Shardul S. Shroff, Director of the Company, is Managing Partner

Number of Equity Shares/Options in the Company held by Non-Executive Directors as on March 31, 2014 is given in **TABLE** below:

Name	No. of Equity Shares of ₹ 1/- held	No. of Options under Plan 2005	No. of Options under Plan 2011
Mr. Abhay Havaldar	Nil	NA	NA
Dr. Inder Mohan Verma	Nil	Nil	17,638@
Mr. Shardul S. Shroff	Nil	Nil	15,000@
Mr. Suresh Kumar	Nil	Nil	7,500@
Mr. S. Sridhar	Nil	Nil	Nil
Ms. Sudha Pillai	Nil	Nil	Nil

@ 7,500 Options were granted on December 5, 2012. Each Option entitles the holder to one Equity Share of ₹ 1 at an exercise price of ₹ 220.90 per Equity Share. The balance Options were granted on October 24, 2011, each Option entitling the holder to one Equity Share of ₹ 1, at an exercise price of ₹ 200.05 per Equity Share

Other than holding Shares/Options and remuneration indicated above, the Non-Executive Directors did not have any pecuniary relationship or transactions with the Company during the year.

(iii) Criteria for making payment to Non-Executive Directors

The Company considers the time and efforts put in by the Non-Executive Directors in deliberations at Board/ Committee meetings. They are remunerated by way of Sitting Fees for attending the meetings and also through Commission, as approved by the Board and members.

e) Remuneration Policy for Managing Directors/Whole-Time Directors

Remuneration policy aims at encouraging and rewarding good performance / contribution to the Company's objectives. The remuneration of Managing Directors/ Whole-time Director is based on their qualifications, experience, past performance and achievements, and is in line with the remunerations paid in other companies, similar in terms of size and complexity as Jubilant. Further, the remuneration payable is linked to the Company's financial performance, and is in compliance with current statutory requirements.

f) General Body Meetings

(i) Date, time and location of the Annual General Meetings held during the last three years

Financial Year	Date	Time	Location
2012-13 (35th AGM)	August 27, 2013	11.30 a.m.	Registered Office: Bhartiagram, Gajraula – 244 223 District Amroha, U.P.
2011-12 (34th AGM)	August 28, 2012		
2010-11 (33rd AGM)	August 23, 2011		

Following are the Special Resolutions passed at Annual General Meetings held in last three years:

Meeting	Subject Matter of Special Resolutions Passed
35th AGM	Modification of the Jubilant Employees Stock Option Plan 2005 and JLL Employees Stock Option Plan 2011
34th AGM	Approval for payment of commission to Non-Executive Directors
33rd AGM	1. Issue of Options to eligible employees of the Company 2. Issue of Options to eligible employees of subsidiary/holding Companies 3. Grant of authority to Jubilant Employees Welfare Trust to acquire and hold Equity shares of the Company, and to allocate/transfer these shares to eligible employees under JLL Employees Stock Option Plan 2011

(ii) Special Resolutions passed through Postal Ballot last year

The details of Special Resolutions passed through Postal Ballot during the year 2013-14, and the pattern of voting are as below:

S. No.	Particulars of Resolutions	Votes in Favour of Resolution	Votes Against Resolution
1	Sale of Business Undertakings to Jubilant Generics Limited	108,535,937	10,130
2	Sale of shareholding of the Company in certain subsidiaries to Jubilant Generics Limited	108,536,507	9,560
3	Alteration of Articles of Association	108,535,906	9,415

The Company had appointed Mr. Sanjay Grover, a Fellow Member of the Institute of Company Secretaries of India and a Practising Company Secretary having Registration No 3850, as the Scrutinizer to conduct the Postal Ballot process.

(iii) Whether any Special Resolutions are proposed to be passed through Postal Ballot

Special Resolution(s) as may be necessary under Companies Act, 2013/Listing Agreement with the Stock Exchanges would be passed through Postal Ballot.

(iv) Procedure for Postal Ballot

- The notices containing the proposed resolutions and explanatory statements thereto are sent to the shareholders at the addresses registered with the Company alongwith a Postal Ballot Form and a postage pre-paid envelope containing the address of the Scrutinizer appointed by the Board for carrying out Postal Ballot process;
- The Postal Ballot Forms received within 30 days of despatch are considered by the Scrutinizer;
- The Scrutinizer submits his report to the Chairman & Managing Director of the Company, who on the basis of the report announces the results; and
- The Company has entered into agreements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for providing e-voting facility to its shareholders. Under this facility, shareholders will be provided an electronic platform to participate and vote on the resolutions to be passed through Postal Ballot.

g) Disclosures

(i) The Company does not have any material unlisted Indian subsidiary company;

(ii) There are no materially significant transactions with the related parties viz. promoters, directors or the management, their subsidiaries or relatives, etc. that may have a potential conflict with the interests of the Company at large. Related party transactions are given at **Note No. 53 of Notes to the Accounts;**

(iii) The Company has complied with various rules and regulations prescribed by Stock Exchanges, Securities and Exchange Board of India or any other statutory authority relating to the capital markets during the last three years. During the last three years, no penalties or strictures have been imposed by them on the Company;

(iv) Listing fees for the financial year 2014-15 have been paid to the Stock Exchanges on which the shares of the Company are listed;

(v) The Company has established a Whistle Blower Policy to make the workplace at Jubilant conducive to open communication regarding business practices and to protect the employees and directors from unlawful victimization, retaliation or discrimination for their having disclosed or reported fraud, unethical behaviour, violation of Code of Conduct, questionable accounting practices, grave misconduct etc.

The Policy has been posted on the Company's intranet viz: "myjubilant". During the year, no personnel were denied access to the Audit Committee;

(vi) Detailed notes on risk management are included in Management Discussion & Analysis Section.

h) Means of Communication

(i) The quarterly results are regularly submitted to the Stock Exchanges and are normally published in leading Business Newspapers of the country like 'Mint' and regional newspapers like 'Hindustan' in accordance with the Listing Agreement with the Stock Exchanges;

(ii) The official news releases, including the quarterly, half yearly and annual results and presentations are posted on the Company's website www.jubl.com;

(iii) Various sections of the Company's website www.jubl.com keep the investors updated on material developments of the Company by providing key and timely information like details of Directors, financial information, press releases, presentations, stock information etc.;

(iv) Regular communications are sent to Shareholders including e-mailing of quarterly results just after release to Stock Exchanges, e-mailing of Annual Reports and Corporate Sustainability Report, obtaining regular and also online feedback; and

(v) The Company works towards excellence in stakeholder communication. It believes in sharing all material information that may directly or indirectly affect the financial and operational performance of the Company and consequently the share price.

An extensive investor outreach program includes hosting a quarterly conference call to share the financial results of the Company along with discussion on the performance of the businesses by the leadership team. This is followed by question and answer session such that whosoever has a question for the management can raise it in the forum. In the four quarterly calls that were conducted during the year 2013-14, around 100 participants from leading brokerage houses, foreign and domestic institutional investors, banks, insurance and portfolio management companies and rating agencies, besides media and others logged into the conference each time to listen to the management discussion and analysis. A detailed docket on the financials and business highlights is released after the Board approves the results for the period. Transcript of the investor call is also available on the website. The Company, as a process, disseminates material information on specific business updates through business or press releases, as is appropriate.

As an ongoing Investor relations activity, one on one calls and meetings with analysts from intermediary broking outfits and institutional shareholders (current and potential) are organized. The Company also participates in Investor conferences organized by various brokers and goes on non-deal road shows, in India and internationally, which helps reach out to a larger investing fraternity. This helps not only in improving the overall visibility of the Company for potential investors but also enhances the understanding about the various business lines that the Company is engaged in.

i) General Shareholders' Information

(i) Date, time and venue for 36th Annual General Meeting:

As per notice of 36th Annual General Meeting.

(ii) Financial Year and Financial Calendar- The Company observes April 1 to March 31 as its Financial Year. The Financial Calendar for year 2014-15 is as follows:

Item	Tentative Dates *
First Quarter Results	Tuesday, August 5, 2014
Second Quarter Results	Tuesday, October 28, 2014
Third Quarter Results	Tuesday, February 3, 2015
Audited Annual Results for the year	Tuesday, May 12, 2015

* As approved by the Board. However, these dates are subject to change

(iii) Book Closure & Dividend Payment Dates

As per Notice of 36th Annual General Meeting. The Dividend, if declared, will be paid within 30 days from the date of the Annual General Meeting.

(iv) Listing

The names of the Stock Exchanges at which the securities of the Company are listed and the respective stock codes are as under:

S. No.	Name of the Stock Exchange	Security Listed	Stock Code
1.	BSE Limited	Equity Shares	530019
2.	National Stock Exchange of India Limited	Equity Shares	JUBILANT

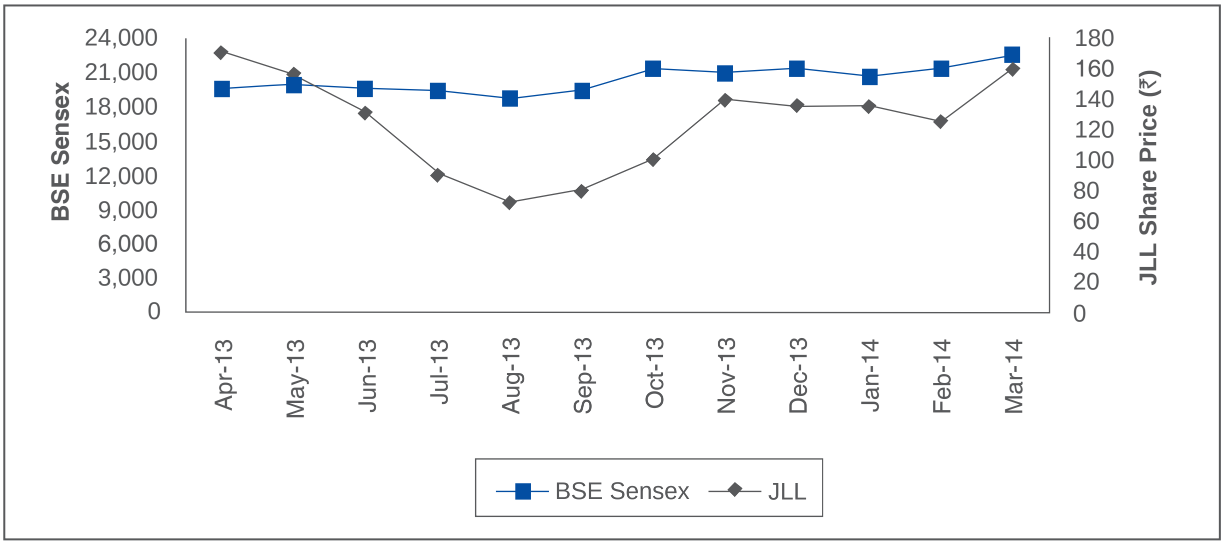
(v) Market Information

Monthly high/low of the market price of the Company's Equity Shares (of ₹ 1 each) traded on the Stock Exchanges during 2013-14 is given hereunder:

(Amount in ₹)

Month	BSE Limited		National Stock Exchange of India Limited	
	High	Low	High	Low
Apr-13	186.50	162.00	187.80	161.05
May-13	186.80	142.10	187.00	135.15
Jun-13	164.00	117.30	161.00	116.95
Jul-13	138.00	80.00	138.00	80.85
Aug-13	94.30	65.10	94.70	66.10
Sep-13	92.55	66.10	92.60	66.25
Oct-13	114.90	72.00	114.70	72.10
Nov-13	139.40	97.20	139.85	96.50
Dec-13	150.00	112.75	150.35	112.15
Jan-14	139.60	121.00	139.50	120.15
Feb-14	144.00	111.00	144.30	111.50
Mar-14	164.95	124.55	164.75	124.70

(vi) Performance of the Company's Equity Shares vis-a-vis BSE Sensex during 2013-14



The above chart is based on the monthly closing prices of the Equity Shares of the Company and monthly closing BSE Sensex.

(vii) Growth in Equity Capital

Year	Particulars	Increase in Number of Shares	Cumulative Number of Shares	Face Value (₹)/ Per Share
1978	Issue of Shares to initial subscribers	1,200	1,200	10
1981	Issued to Indian promoters	608,370	609,570	10
1981	Issued to Foreign collaborators	655,430	1,265,000	10
1981	Issued to Public through public issue	2,200,000	3,465,000	10
1982-1983	Rights Issue 1: 5	693,000	4,158,000	10
1984-1985	Forfeited on account of non-payment of allotment money	-3,200	4,154,800	10
1986-1987	Conversion of loan into Equity Shares	1,006,180	5,160,980	10
1995-1996	Issued to shareholders of Ramganga Fertilizers Ltd. upon merger with the Company	256,522	5,417,502	10
1999-2000	Issued to Shareholders of Anichem India Limited & Enpro Speciality Chemicals Ltd. upon merger with the Company	839,897	6,257,399	10
2001-2002	Conversion of 1,500,000 Warrants issued to promoters on preferential basis	1,500,000	7,757,399	10
2002-2003	Sub-division of shares from ₹ 10/- to ₹ 5/-	7,757,399	15,514,798	5
2002-2003	Cancellation of shares as per Scheme of Amalgamation of the Company with Vam Leasing Limited & Vam Investments Ltd.	-851,234	14,663,564	5
2003-2004	Issue of Bonus Shares in the ratio of 3: 5	8,798,139	23,461,703	5
2004-2005	Issued to foreign investors on preferential basis	2,424,273	25,885,976	5
2004-2005	Part conversion of FCCBs	27,379	25,913,355	5
2005-2006	Part conversion of FCCBs	1,448,348	27,361,703	5
2005-2006	Issued to foreign investors on preferential basis	990,000	28,351,703	5
2005-2006	Sub-division of shares from ₹ 5/- to ₹ 1/-	113,406,812	141,758,515	1
2005-2006	Part conversion of FCCBs	684,480	142,442,995	1
2006-2007	Part conversion of FCCBs	999,339	143,442,334	1

Year	Particulars	Increase in Number of Shares	Cumulative Number of Shares	Face Value (₹)/ Per Share
2006-2007	Issue of shares upon exercise of Options under Jubilant Employees Stock Option Plan, 2005	3,000	143,445,334	1
2007-2008	Part conversion of FCCBs	2,675,375	146,120,709	1
2007-2008	Issue of shares upon exercise of Options under Jubilant Employees Stock Option Plan, 2005	65,205	146,185,914	1
2008-2009	Issue of shares upon exercise of Options under Jubilant Employees Stock Option Plan, 2005	46,630	146,232,544	1
2008-2009	Part conversion of FCCBs	1,309,714	147,542,258	1
2009-2010	Issue of Shares to Qualified Institutional Buyers	11,237,517	158,779,775	1
2010-2011	Issue of Shares under Scheme of Amalgamation & Demerger with Jubilant Industries Ltd and Others	501,364	159,281,139	1

(viii) Appreciation in Share Price

A person who invested ₹ 1 lac in the Company in April, 2001 has holdings worth approximately ₹ 41.06 lacs now as computed below:

Date	Action	No. of Resultant Shares of JLL	Face Value of JLL Shares (₹)	No. of Resultant Shares of JIL	Face Value of JIL Shares (₹)
April 02, 2001	Purchased shares @ ₹ 62.90 per share (BSE Ope ning Price)	1,589.83	10	NA	NA
November 21, 2002	Sub-division of shares from ₹ 10/- to ₹ 5/-	3,179.65	5	NA	NA
March 18, 2004	Issue of Bonus Shares 3: 5	5,087.44	5	NA	NA
March 24, 2006	Sub-division of shares from ₹ 5/- to ₹ 1/-	25,437.20	1	NA	NA
November 26, 2010	Issue of Shares by JIL pursuant to Demerger	-	-	1,271.86	10

Market Value of 25,437.20 Equity Shares of JLL as at the end of Financial Year 2013-14 @ ₹ 158.90 per share is ₹ 4,041,971.08 and Market Value of 1271.86 Equity Shares of JIL as at the end of Financial Year 2013-14 @ ₹ 50.15 per share is ₹ 63,783.78 resulting in an aggregate of ₹ 4,105,754.86. Thus, the investor has multiplied his wealth over 41 times in 13 years, implying a Compounded Annual Growth Rate of 33% approximately. In addition, he has got handsome dividends.

(Note: JLL means Jubilant Life Sciences Limited and JIL means Jubilant Industries Limited)

(ix) Compliance Officer

Mr. Lalit Jain, Company Secretary, is the Compliance Officer appointed by the Board. He can be contacted for any investor related matter relating to the Company. His contact no. is +91 120 4361000; Fax no. +91 120 4234895 and e-mail id is investors@jubl.com.

(x) Registrar and Transfer Agent

For share related matters, members are requested to correspond with the Company's Registrar and Transfer Agents - M/s. Alankit Assignments Limited quoting their Folio No./DP ID & Client ID at the following address:

M/s. Alankit Assignments Limited (Unit: Jubilant Life Sciences Limited), 205-208 Anarkali Complex, Jhandewalan Extension, New Delhi-110 055; Tel: +91-11-23541234, 42541234; E-mail: rta@alankit.com.

(xi) Share Transfer System

Stakeholders Relationship Committee *(earlier Investors Grievance Committee)* is authorised to approve transfers of shares. Share transfers which are received in physical form, are processed and the share certificates are normally returned within a period of 15 days from the date of receipt subject to the documents being valid and complete in all respects. The dematerialised shares are transferred directly to the beneficiaries by the depositories.

(xii) Shareholder Satisfaction Survey

Like every year, the Company conducted a survey during the year to assess the shareholders' satisfaction level on the investor services being rendered by the Company, comprising:

1. Timely receipt of Annual Report
2. Quality & content of Annual Report
3. Dissemination of information about the Company
4. Response time & satisfaction level experienced
5. Interaction with Company's officials
6. Interaction with Registrar & Transfer Agents
7. Investor service section of Company's website
8. Overall rating of our investor services

The Shareholders were asked to give one of the following four possible ratings to each of the above:

- Excellent
- Very Good
- Good
- Poor

The responses were converted into numbers after assigning appropriate weightages for each of the above 4 ratings.

The Composite Satisfaction Index arrived as above for the year 2013-14 is 68.26%.

(xiii) Distribution of Shareholding as on March 31, 2014

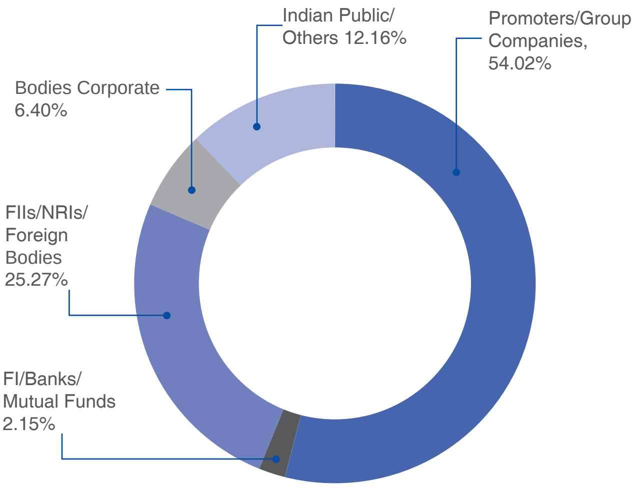
(a) Value wise

Shareholding of Nominal Value in ₹	Shareholders		Shareholding	
	Number	% of Total	Number	% of Total
Upto 5000	25,046	97.985	10,293,703	6.463
5001 to 10000	236	0.923	1,687,321	1.059
10001 to 20000	97	0.379	1,410,719	0.886
20001 to 30000	41	0.16	1,030,770	0.647
30001 to 40000	28	0.11	1,007,145	0.632
40001 to 50000	16	0.063	726,950	0.456
50001 to 100000	28	0.11	1,995,976	1.253
100001 and above	69	0.27	141,128,555	88.603
Total	**25,561**	**100.000**	**159,281,139**	**100.00**

(b) Category wise

S. No.	Category	No. of Shares	Shareholding as a Percentage of Total Number of Shares
A	**Promoters & Promoter Group**	**86,051,056**	**54.02**
B	**Public Shareholding:**		
	1. Financial Institutions / Banks	1,130,204	0.71
	2. UTI / Mutual Funds	2,294,538	1.44
	3. Domestic Companies	10,187,881	6.40
	4. Non Resident Indians	951,491	0.60
	5. FII / Foreign Bodies	39,299,431	24.67
	6. Indian Public / Trusts / Others	19,366,538	12.16
	Grand Total	**159,281,139**	**100.00**

Graphic depiction of above is given below:



(xiv) Code of Conduct for Prevention of Insider Trading

In accordance with the SEBI (Prohibition of Insider Trading) Regulations, 1992, the Company has implemented a Code of Conduct for Prevention of Insider Trading in Equity Shares of the Company for observance by its Directors and identified executives.

The Company Secretary is the Compliance Officer in this regard.

(xv) Unclaimed Dividends

Dividends pertaining to the financial years upto and including 1993-94, remaining unclaimed, have been transferred to the General Revenue Account of the Central Government. Shareholders having valid claims of unpaid dividend for any of these financial years may approach the Registrar of Companies, Uttar Pradesh and Uttarakhand, Kanpur.

Dividends pertaining to the financial years 1994-95 to 2005-06 remaining unpaid, have been transferred to the Investor Education and Protection Fund ('the Fund') established under Section 205C of the Companies Act, 1956.

In respect of unpaid/unclaimed dividends for the year 2006-07 onwards, the shareholders are requested to write to the Company. Dividends remaining unclaimed for seven years from the date of transfer to unpaid dividend account will be transferred to the Fund as per Section 124(5) of the Companies Act, 2013.

Shareholders who have not encashed their dividend warrants relating to the dividends specified in the **TABLE** given below are requested to immediately approach the Registrar and Transfer Agent for issue of duplicate warrants.

Financial Year	Date of Dividend Declaration	Due Date for Transfer to the Fund
2006-07	September 25, 2007	October 30, 2014
2007-08	September 27, 2008	October 30, 2015
2008-09	August 28, 2009	October 01, 2016
2009-10	September 28, 2010	October 31, 2017
2010-11	August 23, 2011	September 24, 2018
2011-12	August 28, 2012	September 29, 2019
2012-13	August 27, 2013	September 30, 2020

(xvi) Information Pursuant to Clause 49 IV(G)(i) of the Listing Agreement with the Stock Exchanges

Information pertaining to particulars of Directors to be appointed/re-appointed at the forthcoming Annual General Meeting is being included in the Notice convening the Annual General Meeting.

(xvii) Compliance Certificate of Practicing Company Secretary

The Company has obtained a Certificate from a Practicing Company Secretary confirming compliance of conditions of Corporate Governance, as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges. The Certificate is attached as **Annexure - E**.

(xviii)(a) Dematerialisation of Shares

The shares of the Company fall under the category of compulsory delivery in dematerialised mode by all categories of investors. The Company has signed agreements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As on March 31, 2014, 157,732,161 Equity Shares of the Company (99.03% of the Paid-up capital) were in dematerialised form.

Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE700A01033.

(b) Liquidity

The Equity Shares of the Company are frequently traded on the National Stock Exchange as well as on the Bombay Stock Exchange (Group B).

(xix) Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, Conversion Date and Likely Impact on Equity

(a) As on March 31, 2014, there were no FCCBs/GDRs/ADRs/Warrants outstanding.

(b) Employees Stock Options

The Company has two Stock Option Plans in place, namely, Jubilant Employees Stock Option Plan, 2005 ('Plan 2005') and JLL Employees Stock Option Plan, 2011 ('Plan 2011'). The Board has decided not to grant any further Options under Plan 2005. Each Option under Plan 2005 entitles the holder to five Equity Shares of ₹ 1 each at the grant price being the market value as per the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ('SEBI Guidelines') at the time of grant. Each Option under Plan 2011 entitles the holder to one Equity Share of ₹ 1 at the grant price being the market value as per SEBI Guidelines at the time of grant.

The Company during the year 2013-14, granted 12,187 Options under Plan 2011. As on March 31, 2014, 132,684 Options were outstanding under Plan 2005 and 1,428,939 Options were outstanding under Plan 2011.

No dilution of capital due to exercise of Options is expected, as Jubilant Employees Welfare Trust is envisaged to transfer the shares held by it to employees on exercise.

(c) Paid-up Capital

The Paid-up Capital as at March 31, 2014 stands at ₹ 159,281,139 comprising of 159,281,139 Equity Shares of ₹ 1 each, the same as in previous year.

(xx) Location of the Manufacturing Facilities

Uttar Pradesh Bhartiagram, Gajraula, District Amroha - 244 223	**Gujarat** 1. Block 133, Village Samalaya, Taluka Savli, District Vadodara – 391 520 2. Plot No. P-1-L-1 (Plot No. 5 of Jubilant SEZ), Vilayat GIDC, Taluka Vagra, District Bharuch, Gujarat
Maharashtra 1. Village Nimbut, Rly Stn. Nira, Tal-Baramati, District Pune - 412 102 2. B-34, MIDC, Ambernath - 421 501 3. N- 34, MIDC Anand Nagar, Addl. Ambernath - 421 506	**Karnataka** 56, Industrial Area, Nanjangud, District Mysore - 571 302
Uttarakhand Sikanderpur Bhainswal, Bhagwanpur, Roorkee - 247 661, District Haridwar Uttarakhand	

(xxi) R&D Centres

Uttar Pradesh (Central R&D) C-26, Sector 59, Noida - 201 301 D-12, Sector 59, Noida - 201 301 C- 46, Sector 62, Noida - 201 301	**Uttar Pradesh (Gajraula R&D)** Bhartiagram, Gajraula, District Amroha - 244 223 **Karnataka (Nanjangud R&D)** 51-56, KIADB Industrial Area, Nanjangud, District Mysore - 571 302 **Gujarat (Savli R&D)** Block 133, Village Samalaya, Taluka Savli, District Vadodara - 391 520

(xxii) Address for Correspondence

Jubilant Life Sciences Limited
1A, Sector 16A
Noida, U.P.- 201 301
Tel: +91 120 4361000
Fax: +91 120 4234895
E-mail: investors@jubl.com
Website: www.jubl.com

(xxiii) Corporate Identity Number (CIN)

L24116UP1978PLC004624

(xxiv) Equity Shares in Suspense Account

Pursuant to Clause 5A of the Listing Agreement with the Stock Exchanges, shareholders holding physical shares and not having claimed share certificates, had been sent three reminder letters to claim their Equity Shares. In terms of aforesaid clause, Equity Shares, which remained unclaimed, were transferred during 2011-12 to JLL-Unclaimed Suspense Account. Details required under Clause 5A of the Listing Agreement are given in **TABLE** below:

Particulars	Number of Shareholders	Number of Equity Shares
Aggregate number of shareholders and the outstanding shares in the Unclaimed Suspense Account lying as on April 1, 2013	4,701	2,650,985
Aggregate number of shareholders and the outstanding shares transferred to Unclaimed Suspense Account during 2013-14	0	0
Number of shareholders who approached the Company for transfer of shares from the Unclaimed Suspense Account during 2013-14	88	55,660
Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during 2013-14	88	55,660
Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account as on March 31, 2014	4,613	2,595,325

The voting rights on the shares lying in JLL-Unclaimed Suspense Account will remain frozen till the rightful owners of such shares claim the shares.

Compliance with Clause 49 of the Listing Agreement with the Stock Exchanges

(a) Mandatory Requirements

The Company has complied with all mandatory requirements of the Clause 49 as detailed below:

Particulars	Clause of the Listing Agreement	Compliance Status
I. Board of Directors		
(A) Composition of Board	49(IA)	Complied
(B) Non- Executive Directors' compensation and disclosures	49(IB)	Complied
(C) Other provisions as to Board and Committees	49(IC)	Complied
(D) Code of Conduct	49(ID)	Complied
II. Audit Committee		
(A) Qualified and Independent Audit Committee	49(IIA)	Complied
(B) Meeting of Audit Committee	49(IIB)	Complied
(C) Powers of Audit Committee	49(IIC)	Complied
(D) Role of Audit Committee	49(IID)	Complied
(E) Review of information by Audit Committee	49(IIE)	Complied
III. Subsidiary Companies	**49(III)**	**Complied**
IV. Disclosures		
(A) Basis of Related Party Transactions	49(IVA)	Complied
(B) Disclosure of Accounting Treatment	49(IVB)	Complied
(C) Board Disclosures- Risk Management	49(IVC)	Complied
(D) Proceeds from public issues, right issues, preferential issues etc.	49(IVD)	Complied
(E) Remuneration of Directors	49(IVE)	Complied
(F) Management	49(IVF)	Complied
(G) Shareholders	49(IVG)	Complied
V. CEO/CFO Certification	**49(V)**	**Complied**
VI. Report on Corporate Governance	**49(VI)**	**Complied**
VII. Compliance	**49(VII)**	**Complied**

(b) Extent to which Non-Mandatory requirements have been adopted

1. The Board

- **Non Executive Chairman's Office**

  Not applicable as Chairman is executive.

- **Tenure of Independent Directors Not to exceed 9 Years**

  Adopted.

2. Remuneration Committee

The Company had set up a Remuneration Committee. The composition, terms of reference and other details of the same are given in preceding pages.

3. Shareholders' Rights

Quarterly and year to date results along with press releases are sent to those shareholders whose e-mail IDs are available with the Company.

4. Audit Qualifications

Financial statements of the Company contain no audit qualifications.

5. Training of Board Members

Directors are inducted through a suitable familiarisation process covering their roles, responsibilities and liabilities.

Every Director has the ability to understand the basic financial statements & information, and related documents/papers.

The Board of Directors is periodically updated on the business model, company profile, entry into new products and markets, risk profile, responsibilities of Directors, changes in legal environment etc.

6. Mechanism for Evaluating Non-Executive Board Members

Not Adopted.

7. Whistle Blower Policy

Jubilant has a robust Whistle Blower Policy and Ombudsman Process in place to enable any full time employee or Director to voice concerns without fear of retaliation/ victimization/discrimination which is a sine qua non for an ethical organization. Any issue or concern may be reported by way of e-mail by an employee or a Director. The Audit Committee periodically reviews functioning of 'Whistle Blower Mechanism' and the 'Ombudsman Process'.

Corporate Governance Voluntary Guidelines 2009

The Central Government promulgated in December 2009, a set of Voluntary Guidelines on Corporate Governance "Corporate Governance Voluntary Guidelines ('Voluntary Guidelines')" for all companies to serve as benchmark for the corporate sector and help them achieve the highest standards of Corporate Governance. The Company has implemented many of the Voluntary Guidelines.

Compliance with Code of Conduct

A Certificate by the Chairman & Managing Director confirming that all the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct of the Company for the year ended March 31, 2014 is enclosed as **Annexure - F**.

CEO/CFO Certification

In compliance with Clause 49(V) of the Listing Agreement with the Stock Exchanges, a Cerificate by the CEO, i.e. the Chairman & Managing Director and the CFO, i.e. the Executive Director- Finance, is enclosed as **Annexure - G** which, *inter- alia,* certifies to the Board the accuracy of financial statements and the adequacy of internal controls for the financial reporting purpose.

Secretarial Audit Report

The Company has voluntarily got Secretarial Audit conducted by M/s Sanjay Grover & Associates, Company Secretaries, for the year 2013-14. Their Secretarial Audit Report is enclosed as **Annexure - H.**

Annexure - E

CERTIFICATE BY PRACTICING COMPANY SECRETARY ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE AS PER CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGES

To,
The Members of
JUBILANT LIFE SCIENCES LIMITED

1. We have examined the compliance of the conditions of Corporate Governance by Jubilant Life Sciences Limited ('the Company') for the year ended on 31st of March, 2014, as stipulated under Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.
2. The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.
3. In our opinion and to the best of our information and according to the explanations given to us and the representation made by the directors and the management, we certify that the Company has complied with the mandatory conditions of Corporate Governance as stipulated in Clause 49 of the above-mentioned Listing Agreement.
4. We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

For **Tanuj Vohra & Associates**
Company Secretaries

Place : Delhi
Date : 26.05.2014

Tanuj Vohra
C.P. No. 5253

Annexure - F

TO WHOM IT MAY CONCERN

This is to confirm that all the Board members and senior management personnel have affirmed compliance with the Code of Conduct of the Company for the year ended March 31, 2014.

For **Jubilant Life Sciences Limited**

Place : Noida
Date : May 26, 2014

Shyam S. Bhartia
Chairman & Managing Director

Annexure - G

CERTIFICATE OF CEO/CFO

This is to certify that:

(a) We have reviewed financial statements and the cash flow statement for the year 2013-14 and that to the best of our knowledge and belief:

   i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   ii. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.

(c) We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

(d) We have indicated to the auditors and the Audit committee:

   i. significant changes in internal control over financial reporting during the year;

   ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

   iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

For **Jubilant Life Sciences Limited**

Shyam S. Bhartia
Chairman & Managing Director

R. Sankaraiah
Executive Director – Finance

Place : Noida
Date : May 26, 2014

Annexure - H

SECRETARIAL AUDIT REPORT

The Board of Directors
Jubilant Life Sciences Limited
Noida

We have examined the registers, records and documents of Jubilant Life Sciences Limited (hereinafter referred to as "the Company") for the financial year ended on March 31, 2014 according to the provisions of-

- The Companies Act, 1956 ("the Act") and the Rules made thereunder;
- The Companies Act, 2013 and the Rules made thereunder(to the extent applicable);
- The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')
  - The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations 2011;
  - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - The Equity Listing Agreements with BSE Limited and National Stock Exchange of India Limited.

1. Based on our examination and verification of the registers, records and documents produced before us and according to the information and explanations given to us by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company during the audit period covering the financial year 2013-14 has complied with the provisions of the Act/applicable provisions of the Companies Act, 2013 and the Rules made thereunder and the Memorandum and Articles of Association of the Company, with regard to:

   I. maintenance of various statutory registers and documents and making necessary entries therein;

   II. closure of the Register of Members;

   III. forms, returns, documents and resolutions required to be filed with the Registrar of Companies, Uttar Pradesh & Uttarakhand, Stock Exchanges and the Central Government.

   IV. service of documents by the Company on its Members;

   V. notice of the Board Meetings and Committee meetings of Directors;

   VI. the meetings of Directors and Committees of Directors including passing of resolutions by circulation;

   VII. the 35^{th} Annual General Meeting held on August 27^{th}, 2013;

   VIII. minutes of proceedings of General Meetings (including Postal Ballot under Section 192A of the Act) and of Board and its Committees;

   IX. approvals of the Members, the Board of Directors, the Committees of Directors and Government Authorities, wherever required;

X. constitution of the Board of Directors / Committee(s) of Directors and appointment & retirement of Directors;

XI. payment of remuneration to the Directors including the Managing Director and Whole- time Directors;

XII. appointment and remuneration of Auditors and Cost Auditors;

XIII. transfer and transmission of the company's shares;

XIV. declaration and payment of dividend;

XV. borrowings and registration of charges;

XVI. investment of the Company's funds including loans and investments;

XVII. form of Balance Sheet as prescribed under Part I of Revised Schedule VI to the Act and requirements as to Statement of Profit & Loss as per Part II of the said Schedule;

XVIII. contracts, common seal, registered office and publication of name of the Company;

2. We further report that:

   I. The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the code of Conduct for Directors and Senior Management;

   II. The Company has obtained all necessary approvals under the various provisions of the Act/Companies Act, 2013, wherever applicable;

   III. During the period of Audit, there was no prosecution initiated against or show cause notice received by the Company, its Directors and Officers under the provisions of the Act/applicable provisions of the Companies Act, 2013, SEBI Act, and Listing Agreement(s).

3. We further report that :

   I. The Company has complied with the requirements under the Equity Listing Agreements entered into with the BSE Limited and the National Stock Exchange of India Limited.

   II. The Company has complied with the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

   III. The Company has complied with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 including the provisions with regard to disclosures and maintenance of records required under the Regulations.

For **SANJAY GROVER & ASSOCIATES**
COMPANY SECRETARIES

SANJAY GROVER
FCS No.4223
C.P No.3850

Date : May 23, 2014
Place : New Delhi

Independent Auditor's Report

To the Members of Jubilant Life Sciences Limited

Report on Financial Statements

We have audited the accompanying financial statements of Jubilant Life Sciences Limited ('the Company') which comprise the Balance Sheet as at 31 March 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for 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 Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956, read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 (together referred to as the "Act"). This responsibility includes the design, implementation and maintenance of internal control 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 conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

Opinion

In our opinion, and to the best of our information and according to the explanations given to us, the 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:

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2014;

(b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and

(c) in the case of the Cash Flow Statement, of the 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, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
   (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
   (b) in our opinion, proper books of account as required by law have been kept by the Company so far as 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 Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013; and
   (e) on the basis of written representations received from the directors as on 31 March 2014 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

Akhil Bansal
Partner
Membership No.: 090906

Place: Noida
Date: 26 May 2014

Annexure to the Auditor's Report

The Annexure referred to in our report to the members of Jubilant Life Sciences Limited ('the Company') for the year ended 31 March 2014. We report that:

(i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of its fixed assets.

(b) According to the information and explanations given to us, the Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year. As informed to us, no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

(c) Fixed assets disposed off during the year were not substantial and, therefore, do not affect the going concern assumption.

(ii) (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. For stocks lying with third parties at the year-end, written confirmations have been obtained.

(b) In our opinion and according to the information and explanations given to us, the procedures for physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) The Company is maintaining proper records of inventory. As informed to us, the discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly adjusted in the books of account.

(iii) (a) According to the information and explanations given to us, the Company has granted unsecured loans to two subsidiary companies covered in the register maintained under Section 301 of the Act. The maximum amount involved during the year and the year-end balance of such loans aggregated to ₹ 2,472.80 million and ₹ 2,430.42 million respectively.

(b) In our opinion, the rate of interest and other terms and conditions of such loans are not prima facie prejudicial to the interest of the Company.

(c) In respect of the aforesaid loans, the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest as applicable.

(d) In respect of the aforesaid loans, there is no overdue amount more than ₹ One Lakh.

(e) The Company has taken unsecured loan from a subsidiary company covered in the register maintained under Section 301 of the Act. The maximum amount involved during the year and the year-end balance of that loan aggregated to ₹ 357.50 million and ₹ 357.50 million respectively.

(f) In our opinion, the rate of interest and other terms and conditions of such loans are not prima facie prejudicial to the interest of the Company.

(g) In respect of the aforesaid loans, the Company is regular in repaying the principal amounts, as stipulated, and is also regular in payment of interest, as applicable.

(iv) In our opinion, and according to the information and explanations given to us, and having regard to the explanation that purchase of certain items of inventories and fixed assets are for the Company's specialised requirements and similarly certain goods sold are for the specialised requirements of the buyers and suitable alternative sources are not available to obtain comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventories and fixed assets and for the sale of goods and services. In our opinion, and according to the information and explanations given to us, we have not been informed or observed any major weakness in the internal control system during the course of the audit.

(v) (a) In our opinion, and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.

(b) In our opinion, and according to the information and explanations given to us, the transactions made in pursuance of contracts and arrangements referred to in paragraph 4(v)(a) above and exceeding the value of ₹ 5 lakh with any party during the year, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time except for the purchases of certain items of inventories which are for Company's specialised requirements and similarly for sale of certain goods for the specialised requirements of the buyers and for which suitable alternative sources are not available to obtain comparable quotations. However, on the basis of information and explanations provided, the same appear reasonable.

(vi) According to the information and explanations given to us, the Company has not accepted any deposits from the public.

(vii) According to the information and explanations given to us, we are of the opinion that the Company has an internal audit system commensurate with the size of the Company and nature of its business.

(viii) We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under section 209(1)(d) of the Act, in respect of its products and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and any other statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and any other statutory dues were in arrears as at 31 March 2014 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 Wealth Tax which have not been deposited with the appropriate authorities on account of any dispute. According to the information and explanations given to us, the following dues of Income Tax, Sales Tax, Excise Duty, Service Tax and Custom Duty have not been deposited by the Company on account of disputes:

Name of the Statute	Nature of the Dues	Amount involved* (₹ in million)	Amount paid under protest (₹ in million)	Financial year to which the amount relates	Forum where dispute is pending
Income-tax Act, 1961	Income Tax	265.17	-	1988-89, 1997-98, 2001-08	Income Tax Appellate Tribunal
		94.39	-	1987-88, 1990-91, 1992-94, 1995-97	High Court, Allahabad
Central Excise Act, 1944	Excise Duty	10.38	-	1996-97, 2003-12	Custom Excise and Service Tax Appellate Tribunal
		2.48**	-		
		236.90	-	2006-12	Commissioner
		140.43**	-		
		42.12	-	2011-13	Additional Commissioner/ Commissioner

Name of the Statute	Nature of the Dues	Amount involved* (₹ in million)	Amount paid under protest (₹ in million)	Financial year to which the amount relates	Forum where dispute is pending
Service Tax, Finance Act, 1994	Service Tax	1.59	-	2002-03	High Court, Allahabad
		99.20**	-	2006-12	Custom Excise and Service Tax Appellate Tribunal
		0.15	-	2007-09	Commissioner (Appeals)
		5.95	-	2007-11	Additional Commissioner
Customs Act, 1962	Custom Duty	19.99	-	2000-02, 2012-14	Assistant Commissioner
		0.08	-	2000-02	Deputy Commissioner
		11.23	-	2001-11	Additional Commissioner
UP VAT Act, 2008	UP Vat Tax	2.87	-	2000-08	Sales Tax Appellate Tribunal
		45.88	-	2010-14	Supreme Court
Central Sales Tax Act, 1956	Sales Tax	2.84	-	2008-13	Sales tax appellate Tribunal

* amount as per demand orders including interest and penalty, wherever indicated in the order.

** a stay order has been received against the amount disputed and not deposited.

The above table excludes the disputed cases pertaining to the businesses demerged into Jubilant Industries Limited pursuant to the Scheme of Amalgamation and Demerger as sanctioned by Hon'ble Allahabad High Court in the earlier year, though some of the same are still being pursued in the Company's name.

(x) The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the current financial year and in the immediately preceding financial year.

(xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to its bankers or to any financial institutions. The Company has not issued debentures during the year.

(xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) According to the information and explanations given to us, the Company is not a chit fund or a nidhi/mutual benefit fund/society.

(xiv) According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.

(xv) In our opinion, and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by a subsidiary company from banks during the year are not prejudicial to the interest of the Company.

(xvi) Based on our examination of books of account and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.

(xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that the no funds raised on short-term basis have been used for long-term investment.

(xviii) The Company has not made any preferential allotment of shares during the year.

(xix) The Company did not have any outstanding debentures during the year.

(xx) The Company has not raised any money by public issues.

(xxi) Based on our examination of the books of account and in accordance with 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 number: 101248W

Akhil Bansal
Partner
Membership No.: 090906

Place: Noida
Date: 26 May 2014

Balance Sheet as at 31 March 2014

(₹ in million)

	Note	As at 31 March 2014		As at 31 March 2013	
EQUITY AND LIABILITIES					
Shareholders' Funds					
Share capital	3	154.46		159.30	
Reserves and surplus	4	17,173.08		18,276.58	
			17,327.54		18,435.88
Non-current liabilities					
Long-term borrowings	5	11,410.50		20,512.53	
Deferred tax liabilities (net)	6	1,734.20		2,601.60	
Other long term liabilities	7	104.06		50.47	
Long-term provisions	8	2,104.13		2,273.50	
			15,352.89		25,438.10
Current liabilities					
Short-term borrowings	9	10,971.26		10,426.99	
Trade payables	10	5,992.45		5,152.22	
Other current liabilities	11	14,682.49		4,652.98	
Short-term provisions	12	2,146.01		810.82	
			33,792.21		21,043.01
Total			**66,472.64**		**64,916.99**
ASSETS					
Non-current assets					
Fixed assets					
Tangible fixed assets	13	20,458.89		20,901.22	
Intangible fixed assets	14	1,052.47		953.62	
Capital work-in-progress	13	211.62		257.60	
Intangible assets under development	14	2,207.80		1,875.97	
Non-current investments	15	20,056.92		19,785.06	
Long-term loans and advances	16	2,989.76		3,438.37	
Other non-current assets	17	4.99		2.18	
			46,982.45		47,214.02
Current assets					
Current investments	18	3.75		-	
Inventories	19	7,335.18		6,124.80	
Trade receivables	20	5,295.97		3,932.51	
Cash and bank balances	21	1,787.10		2,558.85	
Short-term loans and advances	22	5,050.78		4,493.76	
Other current assets	23	17.41		593.05	
			19,490.19		17,702.97
Total			**66,472.64**		**64,916.99**
Significant accounting policies	2				
Notes to the financial statements	1-57				

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

As per our report of even date attached

For and on behalf of the Board of Directors of **Jubilant Life Sciences Limited**

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

Akhil Bansal
Partner
Membership No.: 090906

Shyam S. Bhartia
Chairman and Managing Director

Place: Noida
Date : 26 May 2014

Lalit Jain
Company Secretary

R. Sankaraiah
Executive Director-Finance

Hari S. Bhartia
Co-Chairman and Managing Director

Statement of Profit and Loss for the year ended 31 March 2014

(₹ in million)

	Note	For the year ended 31 March 2014		For the year ended 31 March 2013	
REVENUE					
Revenue from operations (gross)	24	38,095.13		32,663.57	
Less: excise duty		(1,367.21)		(1,200.54)	
Revenue from operations (net)			36,727.92		31,463.03
Other income	25		298.81		349.72
Total revenue			**37,026.73**		**31,812.75**
EXPENSES					
Cost of materials consumed	26		18,330.49		15,285.77
Purchases of stock-in-trade	27		1,740.18		1,917.38
Changes in inventories of finished goods, work-in-progress and stock-in-trade	28		(212.07)		(241.75)
Employee benefits	29		2,982.32		2,490.17
Finance costs	30		2,775.91		2,559.79
Depreciation and amortisation	13-14		1,752.87		1,521.67
Other expenses	31		8,069.98		7,170.49
Total expenses			**35,439.68**		**30,703.52**
Profit before exceptional items and tax			**1,587.05**		**1,109.23**
Exceptional items	32		2,268.63		1,237.32
Loss before tax			**(681.58)**		**(128.09)**
Tax expenses:	47				
- Deferred tax (credit)/charge			(689.82)		305.14
			(689.82)		**305.14**
Profit/(Loss) for the year			**8.24**		**(433.23)**
Basic earnings per share of ₹ 1 each (In Rupees)	55		0.05		(2.72)
Diluted earnings per share of ₹ 1 each (In Rupees)	55		0.05		(2.72)
Significant accounting policies	2				
Notes to the financial statements	1-57				

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

As per our report of even date attached

For and on behalf of the Board of Directors of **Jubilant Life Sciences Limited**

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

Akhil Bansal
Partner
Membership No.: 090906

Shyam S. Bhartia
Chairman and Managing Director

Place: Noida
Date : 26 May 2014

Lalit Jain
Company Secretary

R. Sankaraiah
Executive Director-Finance

Hari S. Bhartia
Co-Chairman and Managing Director

Cash Flow Statement for the year ended 31 March 2014

(₹ in million)

	For the year ended 31 March 2014	For the year ended 31 March 2013
A. Cash flows from operating activities		
Net loss before tax	(681.58)	(128.09)
Adjustments :		
Depreciation and amortisation	1,752.87	1,521.67
Loss on sale/disposal/discard/impairment of fixed assets(net)	36.89	66.75
Finance costs	2,775.91	2,559.79
Amortisation of FCMITDA	1,000.21	631.61
Provision for doubtful debts	18.78	13.55
Bad debts/irrecoverable advances written off (net off provisions written-back)	(21.86)	(10.98)
Unrealised foreign exchange differences (including mark-to-market on currency and interest rate swaps)	1,009.72	809.08
Interest income	(208.50)	(260.56)
	6,364.02	5,330.91
Operating cash flow before working capital changes	**5,682.44**	**5,202.82**
Increase in trade receivables, loans and advances and other assets	(1,005.56)	(43.59)
Increase in inventories	(1,206.39)	(167.80)
Increase in trade payables, provisions and other liabilities	2,330.01	3,449.14
Cash generated from operations	**5,800.50**	**8,440.57**
Income tax and wealth tax paid (net of refund)	(10.40)	(168.36)
Net cash generated from operating activities	**5,790.10**	**8,272.21**
B. Cash flow from investing activities		
Acquisition/purchase of fixed assets/CWIP (including capital advances)	(1,517.31)	(3,024.80)
Proceeds from sale of fixed assets	6.05	12.74
Investment in subsidiaries	(275.61)	(187.82)
Loans to subsidiaries	(836.43)	(409.98)
Payment for business acquisitions	(87.00)	-
Movement in other bank balances*	710.00	(708.63)
Interest received	62.47	323.98
Net cash used in investing activities	**(1,937.83)**	**(3,994.51)**
C. Cash flow from financing activities		
Repayment of long term borrowings	(1,696.25)	(3,489.86)
Proceeds from short term borrowings (net of repayments)	606.74	1,596.17
Receipt of capital subsidy	3.00	-
Loans from subsidiaries	563.70	457.20
Dividend paid (including dividend distribution tax)	(552.36)	(548.30)
Finance costs paid	(2,836.10)	(2,472.48)
Net cash used in financing activities	**(3,911.27)**	**(4,457.27)**
Net decrease in cash and cash equivalents (A+B+C)	(59.00)	(179.57)
Add: cash and cash equivalents at the beginning of year	1,843.81	2,023.38
Adjustment: cash and cash equivalents on consolidation of ESOP trust	0.06	-
Cash and cash equivalents at the end of the year	**1,784.87**	**1,843.81**
Components of cash and cash equivalents		
Balances with banks:*		
- On current accounts	1,597.38	391.74
- On dividend accounts	28.18	21.49
- On deposits accounts with original maturity upto three months	104.74	1,315.86
Cash on hand	1.75	0.66
Others		
- Funds in transit	51.43	112.90
- Imprest and gift/meal vouchers	1.39	1.16
	1,784.87	**1,843.81**

* ₹ Nil (Previous year ₹ 1,600 million) as security against loan and ₹ 140.14 million (Previous year ₹ 454.57 million) has restricted use.

Note:

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 and on behalf of the Board of Directors of **Jubilant Life Sciences Limited**

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

Akhil Bansal
Partner
Membership No.: 090906

Shyam S. Bhartia
Chairman and Managing Director

Place: Noida
Date : 26 May 2014

Lalit Jain
Company Secretary

R. Sankaraiah
Executive Director-Finance

Hari S. Bhartia
Co-Chairman and Managing Director

Notes to the financial statements for the year ended 31 March 2014

1. Corporate information

Jubilant Life Sciences Limited (the Company) is a public limited company domiciled in India and incorporated under the provisions of Companies Act, 1956. Its shares are listed on Bombay Stock Exchange and National Stock Exchange of India. The Company is a global Pharmaceutical and Life Sciences player engaged in manufacture and supply of Generics (including Active Pharmaceutical Ingredients (APIs) and Solid Dosage Formulations) and Life Science Ingredients (including Advance Intermediates and Specialty Ingredients, Nutritional Products and Life Science Chemicals). The Company's strength lies in its unique offerings of Pharmaceuticals and Life Sciences products and services across the value chain. It is well recognised as a 'Partner of Choice' by leading pharmaceuticals and life sciences companies globally.

2. 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 prescribed in the Companies (Accounting Standards) Rules, 2006 issued by the Central Government, which as per a clarification issued by the Ministry of Corporate Affairs continue to apply under section 133 of the Companies Act, 2013 (which has superseded section 211(3C) of the Companies Act, 1956 w.e.f. 12 September 2013), the other relevant provisions of the Companies Act, 1956 (including the new notified sections under Companies Act, 2013, to the extent applicable), pronouncements of the Institute of Chartered Accountants of India, guidelines issued by the Securities and Exchange Board of India ("SEBI"), to the extent applicable. The financial statements are presented in Indian rupees rounded off to the nearest million.

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

Previous year's figures have been regrouped/rearranged wherever considered necessary to conform to current year's classification.

B. Use of estimates

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

C. Current–non-current classification

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

Assets

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

a. it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;

b. it is held primarily for the purpose of being traded;

c. it is expected to be realised within 12 months after the reporting date; or

d. it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

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

All other assets are classified as non-current.

Liabilities

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

a. it is expected to be settled in the company's normal operating cycle;

b. it is held primarily for the purpose of being traded;

c. it is due to be settled within 12 months after the reporting date; or

d. the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could,

Notes to the financial statements for the year ended 31 March 2014 (Continued)

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/ amortisation/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.

Exchange differences (favorable as well as unfavorable) arising in respect of translation/settlement of long term foreign currency borrowings attributable to the acquisition of a depreciable asset are also included in the cost of the asset.

In case of fixed assets acquired at the time of amalgamation of certain entities with Company, the same are recognised at book value in case of amalgamation in the nature of merger and at book value/fair value in case of amalgamation in the nature of purchase in line with Accounting Standard (AS) 14 -“Accounting for Amalgamations”.

Expenditure incurred on start up and commissioning of the project and/or substantial expansion, including the expenditure incurred on trial runs (net of trial run receipts, if any) up to the date of commencement of commercial production are capitalised. Subsequent expenditures related to an item of fixed asset are capitalised to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance. Losses arising from the retirement of, and gains or losses arising from disposal of fixed assets are recognised in the Statement of Profit and Loss.

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

Insurance spares/standby equipments are capitalised as part of the mother asset and are depreciated at applicable rates, over the remaining useful life of the mother assets.

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.

Internally generated intangible assets

Internally generated goodwill is not recognised as an asset. With regard to other internally generated intangible assets:

- Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in the Statement of Profit and Loss as incurred.

- Development activities involve a plan or design for the production of new or substantially improved products or processes. Development expenditure including regulatory cost and legal expenses leading to product registration/market authorisation relating to the new and/or improved product and/or process development capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use the asset. The expenditure capitalised includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use, and directly attributable borrowing costs (in the same manner as in the case of tangible fixed assets). Other development expenditure is recognised in the Statement of Profit and Loss as incurred.

E. Depreciation and amortisation

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

Depreciation, in respect of assets added/installed up to December 15, 1993, is provided at the rates applicable at the time of additions/installations of the assets, as per

Notes to the financial statements for the year ended 31 March 2014 (Continued)

the Companies Act, 1956 and depreciation, in respect of assets added/installed during the subsequent period, is provided at the rates, mentioned in Schedule XIV to the Companies Act, 1956 read with Notification dated 16th December, 1993 issued by Department of Company Affairs, Government of India except for the following classes of fixed assets which are depreciated as under;

a. Research and development related equipments and machineries: ten years.

b. Dies and punches for manufacture of dosage formulations: one to two years.

c. Motor vehicles: five years.

d. Motor vehicles under finance lease: tenure of lease or five years whichever is shorter.

e. Computer and information technology related assets: three to five years.

f. Certain employee perquisite related assets: five years, being the period of the perquisite scheme.

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

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

Depreciation on exchange fluctuation capitalised, in view of the option exercised by the Company for accounting the exchange differences arising on reporting of long term foreign currency monetary items in line with Para 46 and 46A of Accounting Standard (AS) 11 on "The Effects of Changes in Foreign Exchange Rates", is charged over the remaining useful life of assets.

Leased assets including leasehold land are amortised over the lease period on straight line basis subject to minimum rates defined under Schedule XIV to the Companies Act 1956.

Intangible assets in the nature of Product registrations/ Market authorisations (Products) are amortised on a straight-line basis over a period of five years in case of internally developed products (intangibles) and 10 years in case of bought out product (intangibles), from the date of regulatory approval or the date of product going off-patent whichever is later. Software systems are being amortised over a period of five years being their useful life. Rights are amortised over the useful life.

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

F. Impairment of fixed assets

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

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

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

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

G. Leases

Finance leases

Assets leased by the Company in its capacity as lessee where substantially all the risks and rewards of ownership vest in the Company are classified as finance leases. Such leases are capitalised at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments and a liability is created for an equivalent amount. Lease payment is allocated between the liability and finance charges so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

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.

Notes to the financial statements for the year ended 31 March 2014 (Continued)

H. Valuation of Inventories

Inventories are valued at lower of cost or net realisable value except scrap, which is valued at net estimated realisable value.

The methods of determining cost of various categories of inventories are as follows:

Raw materials	Weighted average method
Stores and spares	Weighted average method
Work-in-process and finished goods (manufactured)	Variable cost at weighted average including an appropriate share of variable and fixed production overheads. Fixed production overheads are included based on normal capacity of production facilities
Fuel, consumables, packing material etc.	Weighted average method
Finished goods (traded)	Cost of purchase
Goods in transit	Cost of purchase

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

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products. Raw materials and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

The comparison of cost and net realisable value is made on an item-by-item basis.

I. 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 revised Schedule VI.

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.

Investments in foreign subsidiary companies are expressed in Indian currency at the rates prevailing on the date when the remittance for the purpose was made/ foreign currency balance lying abroad was used, as the case may be.

J. 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 realisation 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. Deferred tax consequences of timing differences that originate in the tax holiday period and reverse after the tax holiday period are recognised in the period in which the timing differences originate. Timing differences that originate and reverse within the tax holiday period are not considered for deferred tax purposes.

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

Notes to the financial statements for the year ended 31 March 2014 (Continued)

Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period.

K. Foreign Currency transactions, derivatives and hedging

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

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

(a) Exchange differences pertaining to long term foreign currency monetary items that are related to acquisition of depreciable assets are adjusted in the carrying amount of the related fixed assets; and

(b) Exchange differences arising on other long-term foreign currency monetary items are accumulated in 'Foreign Currency Monetary Item Translation Difference Account' (FCMITDA), and are amortised over the balance period of the relevant foreign currency item.

A monetary asset or liability is termed as a long-term foreign currency monetary item, if the asset or liability is expressed in a foreign currency and has a term of 12 months or more at the date of origination of the asset or liability.

Foreign Exchange Forward Contracts: The premium or discount arising at the inception of forward exchange contracts entered into to hedge an existing monetary item, is amortised as expense or income over the life of the contract. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognised as income or as an expense for the period.

The forward exchange contracts taken to hedge existing assets or liabilities are translated at the closing exchange rates and resultant exchange differences are recognised in the same manner as those on the underlying foreign currency asset or liability.

In conformity with ICAI announcement on early application of Accounting Standard 30 (AS 30) on "Financial Instruments :Recognition and Measurement", the Company has adopted AS 30 issued by ICAI so far as the adoption does not conflict with existing mandatory accounting standards and other authoritative pronouncements, Company Law and other regulatory requirements.

Apart from forward exchange contracts taken to hedge existing assets or liabilities, the Company also enters into derivative contracts in the nature of foreign currency swaps, forward contracts, interest rate swaps etc. with an intention to hedge its existing assets and liabilities, firm commitments and highly probable forecasted transactions.

All other derivative contracts (except those derivative contracts which are designated as a hedging instrument for highly probable forecasted transactions) are marked-to-market and the resultant gain/loss from these contracts are recognised in the Statement of Profit and Loss.

The Company has a comprehensive risk management system, based on which hedging instruments and hedged items are identified and designated in accordance with requirements of AS 30. Hedges are classified as cash flow hedge when they meet the conditions specified in AS 30. The hedged item and the hedging instrument are assessed for its effectiveness as per the criteria specified in AS 30.

In respect of cash flow hedge, that is determined to be an effective hedge, the effective portion of the gain or loss on the hedging instrument is recognised directly in hedging reserve account and the ineffective portion of the gain or loss on the hedging instrument is recognised in the Statement of Profit and Loss. If the hedging instrument no longer meets the hedging criteria for hedge accounting, expires or sold, terminated or exercised, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognised in hedging reserve remains there until the forecasted transaction occurs. If the forecast transaction is no longer expected to occur, then the balance in hedging reserve is recognised immediately in Statement of Profit and Loss. In other cases, the amount recognised in the hedging reserve is transferred to Statement of Profit and Loss in the same period during which the hedged item affects the Statement of Profit and Loss.

L. Provisions, contingent liabilities and contingent assets

The Company recognises 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.

M. Employee benefits

(i) *Short-term employee benefits*: All employee benefits

Notes to the financial statements for the year ended 31 March 2014 (Continued)

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

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

a. Gratuity

The liability in respect of Gratuity, a defined benefit plan, is recognised in the books of accounts 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 an 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. Superannuation

Certain employees of the Company are also participants in the superannuation plan ('the Plan'), a defined contribution plan. Contribution made by the Company to the plan during the year is charged to Statement of Profit and Loss.

c. Provident fund

i) The Company makes contribution to the recognised provident fund - "VAM EMPLOYEES PROVIDENT FUND TRUST" (a multiemployer trust) for most of its employees in India, which is a defined benefit plan to the extent that the Company has an obligation to make good the shortfall, if any, between the return from the investments of the trust and the notified interest rate. The Company's obligation in this regard is determined by an independent actuary and provided for if the circumstances indicate that the Trust may not be able to generate adequate returns to cover the interest rates notified by the Government. The Company's contribution towards provident fund is charged to Statement of Profit and Loss.

ii) For other employees, provident fund is deposited with Regional Provident Fund Commissioner. This is treated as defined contribution plan. Company's contribution to the provident fund is charged to Statement of Profit and Loss.

(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.

N. Borrowing costs

Borrowing costs are interest and other costs (including exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred by the Company in connection with the borrowing of funds.

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.

O. Revenue recognition

Revenue from sale of products is recognised when the significant risks and rewards of ownership of the products have been transferred to the buyer, recovery of the consideration is probable and the amount of revenue can be measured reliably. Revenues include excise duty and are shown net of sales tax and value added tax, if any.

Revenue includes only those sales for which the Company has acted as a principal in the transaction, takes title to the products, and has the risks and rewards of ownership, including the risk of loss for collection, delivery and returns. Any sales for which the Company has acted as an agent or broker without assuming the risks and rewards of ownership have been reported on a net basis.

Notes to the financial statements for the year ended 31 March 2014 (Continued)

Goods sold on consignment are recorded as inventory until goods are sold by the consignee to the end customer.

Revenue from time and material contracts is recognised as hours are incurred, multiplied by contractual billing rates. Revenue from unit-based contracts is recognised as units are completed.

Revenue from fixed-price contracts are recorded on a proportional completion method.

Revenue related to contract manufacturing arrangements, development contracts and licensing and regulatory services is recognised when performance obligations are fulfilled.

Sale of utility is recognised on delivery of the same to the consumers and no significant uncertainty exists as to its realisation.

Royalty revenue is recognised on an accrual basis in accordance with contractual agreements when all significant contractual obligations have been fulfilled, the amounts are determinable and collection is reasonably assured.

Export incentives/benefits are accounted for on accrual basis in the year in which exports are made and where recovery is probable.

Upfront non-refundable payments are recorded as deferred revenue. These amounts are recognised as revenues as obligations are fulfilled under contractual arrangement and/or as milestones are achieved as the case may be.

Dividend income is recognised when the unconditional right to receive the income is established. Income from interest on deposits, loans and interest bearing securities is recognised on time proportionate method.

P. Segment reporting

The accounting policies adopted for segment reporting are in line with accounting policies of the Company. Revenues, expenses, assets and liabilities have been identified to segments on the basis of their relationship to operating activities of the segments (taking into account the nature of products and services and, risks and rewards associated with them) and internal management information systems and the same is reviewed from time to time to realign the same to conform to the business units of the Company. Revenues, expenses, assets and liabilities, which are common to the enterprise as a whole and are not allocable to segments on a reasonable basis, have been treated as "Common Revenues/Expenses/ Assets/ Liabilities", as the case may be.

Q. 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.

R. Employee stock option schemes

The Company follows Securities and Exchange Board of India (SEBI) guidelines for accounting of employee stock options. The cost is calculated based on the intrinsic value method i.e. the excess of market price of underlying equity shares as of the date of the grant of options over the exercise price of such options is regarded as employee compensation and in respect of the number of options that are expected to ultimately vest, such cost is recognised on a straight line basis over the period over which the employees would become unconditionally entitled to apply for the shares. The cost recognised at any date at least equals the intrinsic value of the vested portion of the option at that date. Adjustment, if any, for difference in initial estimate for number of options that are expected to ultimately vest and related actual experience is recognised in the Statement of Profit and Loss of that period. In respect of vested options expire unexercised, the cost is reversed in the Statement of Profit and Loss of that period.

During the current period, the Company has changed its policy with respect to treatment of shares issued to Jubilant Employee Welfare trust ('Trust'). As per a recent opinion of the Expert Advisory Committee ('EAC') of The Institute of Chartered Accountants of India, as on the reporting date, the shares issued to a trust but yet to be allotted to employees be shown as a deduction, from the Share Capital to the extent of face value of the shares and Securities Premium to the extent of amount exceeding face value of shares, with a corresponding adjustment to the, loan receivable from Trust, Capital Reserve (for the amount of profit on sale of shares) and Surplus (to the extent of dividend received net of operating expenses). (Refer to note 43)

Notes to the financial statements for the year ended 31 March 2014 (Continued)

(₹ in million)

		As at 31 March 2014	As at 31 March 2013
3.	**SHARE CAPITAL**		
	Authorised		
	655,000,000 equity shares of ₹ 1 each	655.00	655.00
	(Previous Year 655,000,000 equity shares of ₹ 1 each)		
		655.00	**655.00**
	Issued and Subscribed		
	159,313,139 equity shares of ₹ 1 each	159.31	159.31
	(Previous Year 159,313,139 equity shares of ₹ 1 each)		
		159.31	**159.31**
	Paid up		
	159,281,139 equity shares of ₹ 1 each	159.28	159.28
	(Previous Year 159,281,139 equity shares of ₹ 1 each)		
	Add: Equity shares forfeited (paid up)	0.02	0.02
		159.30	**159.30**
	Less: Shares held in trust for employees under ESOP Scheme (Refer note 43)	(4.84)	-
		154.46	**159.30**

Notes:

3.1 Paid up capital includes, 501,364, equity shares of ₹ 1 each allotted and issued pursuant to the Scheme of Amalgamation and Demerger, to the shareholders of erstwhile Pace Marketing Specialities Limited for consideration other than cash during the year ended 31 March 2011.

3.2 The Company has only one class of shares referred to as equity shares having par value of ₹ 1 each. Holder of each equity share is entitled to one vote per share. 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. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

3.3 The details of shareholders holding more than 5% shares is set out below:

Equity shares of ₹ 1 each fully paid-up held by	As at 31 March 2014		As at 31 March 2013	
	Number	% of total shares	Number	% of total shares
Jubilant Stock Holding Private Limited	29,676,992	18.63%	21,740,992	13.65%
SSB Consultants & Management Services Private Limited	21,007,665	13.19%	21,007,665	13.19%
HSB Corporate Consultants Private Limited	18,698,979	11.74%	15,824,979	9.94%
GA Global Investments Limited	11,707,200	7.35%	11,707,200	7.35%

3.4 The reconciliation of the shares outstanding at the beginning and at the end of the year:

Particulars	As at 31 March 2014		As at 31 March 2013	
	Number	₹ in million	Number	₹ in million
At the beginning and end of the year	159,281,139	159.28	159,281,139	159.28

3.5. a) 114,835 (Previous year 114,835), equity shares of ₹ 1 each allotted on exercise of the vested stock options in accordance with the terms of exercise under the “Jubilant Employees Stock Option Plan, 2005”.

b) Under the Jubilant Employees Stock Option 2005 Plan, as at 31 March 2014 - 132,684 (Previous year 145,443) options are outstanding convertible into 663,420 (Previous year 727,215) shares. (Refer note 42).

c) Under the Jubilant Employees Stock Option 2011 Plan, as at 31 March 2014 - 1,428,939 (Previous year 1,585,055) options are outstanding convertible into 1,428,939 (Previous year 1,585,055) shares. (Refer note 42).

3.6 The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

Notes to the financial statements for the year ended 31 March 2014 (Continued)

(₹ in million)

	As at 31 March 2014	As at 31 March 2013
4. RESERVES AND SURPLUS		
Capital Reserve		
At the commencement of the year	80.10	80.10
Add: Capital subsidy received	3.00	-
Add: Adjustments on account of consolidation of ESOP Trust (Refer note 43)	104.77	-
At the end of the year	**187.87**	**80.10**
Capital Redemption Reserve		
At the commencement and at the end of the year	**9.86**	**9.86**
Securities Premium Account		
At the commencement of the year	5,878.41	5,878.41
Less: Adjustments on account of share held in ESOP Trust (Refer note 43)	(577.59)	-
At the end of the year	**5,300.82**	**5,878.41**
Amalgamation Reserve		
At the commencement and at the end of the year	**13.21**	**13.21**
General Reserve		
At the commencement and at the end of the year	**5,745.31**	**5,745.31**
Hedging Reserve (net of related tax effect- (Refer note 50(iv)))		
At the commencement of the year	354.14	148.93
(Deduction)/addition during the year	(344.91)	205.21
At the end of the year	**9.23**	**354.14**
Foreign Currency Monetary Item Translation Difference Account (FCMITDA) (Refer note 49)		
At the commencement of the year	(675.45)	(727.42)
Exchange loss during the year on foreign currency term loan	(805.49)	(579.64)
Amount amortised during the year in the Statement of Profit and Loss	1,000.21	631.61
At the end of the year	**(480.73)**	**(675.45)**
Surplus		
At the commencement of the year	6,871.00	7,863.28
Add: Net profit/(loss) after tax transferred from Statement of Profit and Loss	8.24	(433.23)
Add: Adjustments on account of consolidation of ESOP Trust (Refer note 43)	52.82	-
Amount available for appropriation	**6,932.06**	**7,430.05**
Less: Appropriations		
Proposed dividend on equity shares*#	463.34	477.84
Distribution tax on proposed equity dividend*	81.21	81.21
At the end of the year	**6,387.51**	**6,871.00**
	17,173.08	**18,276.58**

* For the year ended 31 March 2014, dividend of 300 % (Previous year 300%) i.e. ₹ 3 (Previous year ₹ 3) per fully paid up equity share has been recognised as distributions to equity shareholders.

*# Amount for the year ended 31 March 2014 is net of dividend on equity shares held by ESOP trust (Refer note 43).

Notes to the financial statements for the year ended 31 March 2014 (Continued)

(₹ in million)

	As at 31 March 2014	As at 31 March 2013
5. LONG TERM BORROWINGS		
Term loans		
From Banks		
- Indian rupee loans (secured)	5,438.92	9,744.44
- Foreign currency loans (secured)	2,845.72	2,714.50
From other parties		
- Foreign currency loans (secured)	2,096.85	7,600.60
- Indian rupee loans from subsidiaries (unsecured) (Refer note 53(25))	1,015.90	428.70
Finance lease obligations (secured)	13.11	24.29
	(1) **11,410.50**	(1) **20,512.53**
The above amount includes		
Secured borrowings	10,394.60	20,083.83
Unsecured borrowings	1,015.90	428.70
	11,410.50	**20,512.53**

(1) Refer note 11 for current maturities of long term borrowings.

5. Nature of security of long term borrowings and other terms of repayment

5.1 Indian rupee loans amounting to ₹ 9,744.48 million (Previous year ₹ 9,100.00 million) from Corporation Bank, Axis Bank Limited, Central Bank of India and Indian Bank, External commercial borrowings amounting to ₹ 2,995.50 million (Previous year ₹ 3,165.09 million) from Citibank N.A., London and DBS Bank Limited, Singapore and foreign currency loans amounting to ₹ 2,695.95 million (Previous year ₹ 2,714.50 million) from Export Import Bank of India are secured by a first pari-passu charge amongst the lenders by way of: -

a. Mortgage of the immovable fixed assets both present and future situate at Bhartiagram, District Amroha, Uttar Pradesh and immovable fixed assets situate at Village Samlaya, Taluka Savli, District Vadodara, Gujarat, and

b. Hypothecation on the entire movable fixed assets, both present and future of the Company.

5.2 Foreign currency loans amounting to ₹ 5,691.45 million (Previous year ₹ 5,157.55 million) from Housing Development Finance Corporation Limited is secured by first mortgage by way of deposit of original title deeds of specified land and buildings situated at Noida, Greater Noida, Nanjangud, Nira, Roorkee, Ambernath and also at Bharuch owned by one of the subsidiaries of the Company. Land mortgaged at Chittorgarh demerged into a group company consequent upon the Scheme of demerger is under process of release.

5.3 Rupee Term Loan amounting to ₹ Nil (Previous year ₹ 1,600.00 million) is secured by Fixed Deposits.

5.4 Indian rupee loans amounting to ₹ 2,700.00 million (Previous year ₹ 2,700.00 million) and ₹ 1,000.00 million (Previous year ₹ 1,000.00 million) from Corporation Bank is repayable in two equal yearly installments commencing from February 2015 and March 2015 respectively.

5.5 Indian rupee loans amounting to ₹ 3,000.00 million (Previous year ₹ 3,000.00 million) from Axis Bank Limited is repayable in four equal half yearly installments commencing from September 2014.

5.6 Indian rupee loans amounting to ₹ 1,800.00 million (Previous year ₹ 2,400.00 million) from Central Bank of India. Balance is repayable in two yearly installments from March 2015.

5.7 Indian rupee loans amounting to ₹ 1,244.48 million (Previous year ₹ 1,600.00 million) from Indian Bank. Balance is repayable in three yearly installments from March 2015.

5.8 External commercial borrowing amounting to ₹ 2,995.50 million (Previous year ₹ 2,714.50 million) from DBS Bank Limited, Singapore is repayable in four yearly installments commencing from December 2014.

5.9 Foreign currency loans amounting to ₹ 2,695.95 million (Previous year ₹ 2,714.50 million) from Export Import Bank of India. Balance is repayable in three yearly installments from May 2014.

5.10 Foreign currency loans amounting to ₹ 5,691.45 million (Previous year ₹ 5,157.55 million) from Housing Development Finance Corporation Limited is repayable in single installment in July 2014.

5.11 Loans from subsidiaries are repayable at end of five years from the date of respective disbursement.

5.12 Finance Lease obligations are secured by hypothecation of specific assets taken under such lease. The same are repayable within two to five years.

5.13 The Indian rupee loans carry interest rate ranging from 9.5% to 12.75% and foreign currency loan carry interest rate of Libor plus spread ranging from 250 to 450 basis points. Libor are reset at periodic intervals as per the terms of the loan.

Notes to the financial statements for the year ended 31 March 2014 (Continued)

(₹ in million)

	As at 31 March 2014	As at 31 March 2013
6. DEFERRED TAX LIABILITIES(NET)		
Deferred tax liabilities on account of:		
- Depreciation and amortisation	2,902.71	2,800.92
- Research and development expenses	673.32	576.28
	3,576.03	**3,377.20**
Deferred tax assets on account of:		
- Provision for compensated absences and gratuity	198.67	160.54
- Expenditure covered by section 43B of Income-tax Act,1961	21.70	29.09
- The losses carried forward	1,607.12	557.19
- Others*	14.34	28.78
	1,841.83	**775.60**
Deferred tax liabilities (net)	**1,734.20**	**2,601.60**

* Net of ₹ 4.75 million (Previous year ₹ 182.33 million) representing deferred tax on hedging reserve balance.

(₹ in million)

	As at 31 March 2014	As at 31 March 2013
7. OTHER LONG TERM LIABILITIES		
Income received in advance/unearned revenue	104.06	50.47
	104.06	**50.47**

(₹ in million)

	As at 31 March 2014	As at 31 March 2013
8. LONG TERM PROVISIONS		
Provision for employee benefits (Refer note 51)	443.89	376.73
Mark-to market losses on derivative contracts (Refer note 50(iii))	1,660.24	1,896.77
	2,104.13	**2,273.50**

(₹ in million)

	As at 31 March 2014	As at 31 March 2013
9. SHORT TERM BORROWINGS		
Loan repayable on demand		
- **From Banks**		
- Secured	5,071.76	6,277.77
- Unsecured	4,930.85	3,784.27
- **From Others**		
- Secured	898.65	271.45
- **From related parties (unsecured)-(Refer note 53(25))**	70.00	93.50
	10,971.26	**10,426.99**
The above amount includes		
Secured borrowings	5,970.41	6,549.22
Unsecured borrowings	5,000.85	3,877.77
	10,971.26	**10,426.99**

9. Nature of security of short term borrowings and other terms of repayment

9.1 Working capital facilities (including cash credit) sanctioned by consortium of banks and notified financial institutions comprising of ICICI Bank Limited, Corporation Bank, Punjab National Bank, State Bank of India, The Hongkong and Shanghai Banking Corporation Limited, ING Vysya Bank Ltd., Central Bank of India, Yes Bank Limited, DBS Bank Limited and Export Import Bank of India, are secured by a first charge by way of hypothecation, ranking pari passu inter-se Banks, of the entire book debts and receivables and inventories both present and future, of the Company wherever the same may

Notes to the financial statements for the year ended 31 March 2014 (Continued)

be or be held. The working capital sanctioned limits also include commercial paper programme of ₹ 3,000 million (Previous year ₹ 3,000 million) as sublimit carved out from the funded limits, against which the balance outstanding as at year end is ₹ Nil (Previous year ₹ Nil). Maximum balance of commercial paper outstanding at any time during the year was ₹ Nil (Previous year ₹ 600.00 million). Other working capital loans are repayable as per terms of agreement within one year.

9.2 Short term loans are availed in Indian rupees and in foreign currency. Indian rupee loans carry interest rate ranging from 9.50% to 13.85% and foreign currency loan carry interest rate of Libor plus spread ranging from 75 to 250 basis points. Libor are reset periodic intervals as per the term of loan.

(₹ in million)

	As at 31 March 2014	As at 31 March 2013
10. TRADE PAYABLES		
Trade payables-due to micro, small and medium enterprises under MSMED Act, 2006 (Refer note 36)	12.01	8.92
Trade payables-others	5,980.44	5,143.30
	5,992.45	**5,152.22**

(₹ in million)

	As at 31 March 2014	As at 31 March 2013
11. OTHER CURRENT LIABILITIES		
Current maturities of long term debt (secured-Refer note 5.1 to 5.11)	10,745.89	1,677.60
Current maturities of finance lease obligations (secured - Refer note 5.12)	11.78	13.06
Trade deposits and advances	2,795.15	1,601.08
Interest accrued but not due on borrowings	150.02	232.69
Income received in advance/unearned revenue	4.59	2.89
Unpaid matured deposits and interest accrued thereon	-	0.31
Unpaid dividends	28.18	21.49
Creditors for capital supplies and services	224.45	355.78
Other payables (includes employee benefits and statutory dues etc.)	722.43	748.08
	14,682.49	**4,652.98**

(₹ in million)

	As at 31 March 2014	As at 31 March 2013
12. SHORT-TERM PROVISIONS		
Provision for employee benefits (Refer note 51)	162.08	115.42
Dividends on equity shares (Including dividend distribution tax)	544.55	559.05
Provision for wealth tax	0.74	2.00
Mark-to market losses on derivative contracts (Refer note 50(iii))	1,438.64	134.35
	2,146.01	**810.82**

Notes to the financial statements for the year ended 31 March 2014 (Continued)

13. TANGIBLE ASSETS

(₹ in million)

Description	GROSS BLOCK - COST / BOOK VALUE					DEPRECIATION / AMORTISATION / IMPAIRMENT				NET BLOCK	
	As at 31 March 2013	Additions consequent of Acquisition	Additions/ adjustments during the year	Deductions/ adjustments during the year	As at 31 March 2014	As at 31 March 2013	Provided during the year	Deductions/ adjustments during the year	As at 31 March 2014	As at 31 March 2014	As at 31 March 2013
Tangible assets:											
Land											
(a) Freehold	340.98	-	1.09	-	342.07	-	-	-	-	342.07	340.98
(b) Leasehold	529.35	-	1.00	-	530.35	81.11	6.09	-	87.20	443.15	448.24
Buildings											
(a) Factory	2,083.41	-	48.99	-	2,132.40	266.84	69.81	-	336.65	1,795.75	1,816.57
(b) Others	1,796.50	-	119.71	0.04	1,916.17	161.82	30.16	-	191.98	1,724.19	1,634.68
Plant and equipment	23,719.14	73.98	721.00	22.31	24,491.81	7,770.71	1,260.30	6.77	9,024.24	15,467.57	15,948.43
Furniture and fixtures	369.49	5.91	16.58	7.32	384.66	149.38	27.38	4.52	172.24	212.42	220.11
Vehicles											
(a) Owned	49.52	0.02	19.99	1.15	68.38	38.25	5.68	1.09	42.84	25.54	11.27
(b) Leased	54.55	-	8.20	14.39	48.36	20.90	13.16	7.13	26.93	21.43	33.65
Office equipments	526.21	1.72	45.88	8.87	564.94	206.90	56.83	6.05	257.68	307.26	319.31
Railway sidings	159.38	-	-	-	159.38	31.40	8.47	-	39.87	119.51	127.98
TOTAL	**29,628.53**	**81.63**	(1) **982.44**	**54.08**	**30,638.52**	**8,727.31**	**1,477.88**	**25.56**	**10,179.63**	**20,458.89**	**20,901.22**
Previous Year	25,132.44	-	4,587.90	91.81	29,628.53	7,469.34	1,315.92	57.95	8,727.31		
Capital work in progress (CWIP)										211.62	257.60
										20,670.51	**21,158.82**

Notes :

(1) Includes ₹ 63.19 million (Previous year ₹ 1,002.28 million) in respect of R&D Assets.

(2) Capital research and development expenditure aggregating to ₹ 70.58 million (Previous year ₹ 335.38 million) incurred during the year included in additions to fixed assets/capital work in progress.

(3) Addition to fixed assets (including movement in CWIP) includes ₹ 281.00 million (Previous year ₹ 170.75 million) on account of exchange loss/(gain) (Refer note 49).

Notes to the financial statements for the year ended 31 March 2014 (Continued)

14. INTANGIBLE ASSETS

(₹ in million)

Description	GROSS BLOCK - COST / BOOK VALUE					DEPRECIATION / AMORTISATION / IMPAIRMENT				NET BLOCK	
	As at 31 March 2013	Additions consequent of Acquisition	Additions/ adjustments during the year	Deductions/ adjustments during the year	As at 31 March 2014	As at 31 March 2013	Provided during the year	Deductions/ adjustments during the year	As at 31 March 2014	As at 31 March 2014	As at 31 March 2013
Intangible assets:											
Intangibles											
a) Internally generated											
- Product registration/ market authorisation	1,077.93	-	327.40	-	1,405.33	280.63	209.18	-	489.81	915.52	797.30
b) Others											
- Rights	81.66	-	25.93	-	107.59	53.14	14.24	-	67.38	40.21	28.52
- Software	261.46	1.04	19.47	-	281.97	133.66	51.57	-	185.23	96.74	127.80
TOTAL	**1,421.05**	**1.04**	**(1) 372.80**	**-**	**1,794.89**	**467.43**	**274.99**	**-**	**742.42**	**1,052.47**	**953.62**
Previous Year	1,000.67	-	426.62	6.24	1,421.05	263.09	205.75	1.41	467.43		
Intangible assets under development (including R&D expenditure in the nature of intangibles) [CWIP]										2,207.80	1,875.97
										3,260.27	**2,829.59**

Notes :

(1) Includes ₹ 353.32 million (Previous year ₹ 384.30 million) in respect of R&D assets.

(2) Capital research and development expenditure aggregating to ₹ 705.03 million (Previous year ₹ 655.14 million) incurred during the year included in additions to fixed assets/Intangible assets under development.

Notes to the financial statements for the year ended 31 March 2014 (Continued)

(₹ in million)

			As at 31 March 2014	As at 31 March 2013
15. NON-CURRENT INVESTMENTS (at cost)				
Number	**Face value per unit**	**All unquoted unless otherwise specified**		
		Trade Investments (Long Term)		
		Investment in equity instruments (fully paid up equity shares)		
		Investment in subsidiary companies		
375 (375)	No Par Value	- Jubilant Life Sciences (USA) Inc.	17.11	17.11
13,900,000 (13,900,000)	EURO 1	- Jubilant Pharma NV (Belgium) (1)	743.79	743.79
326,758,994 (322,558,994)	USD 1	- Jubilant Pharma Limited (Singapore) (2) (formerly known as Jubilant Pharma Pte. Ltd)	14,902.26	14,967.77
200 (200)	No Par Value	- Jubilant Pharma Holdings Inc. (USA) (formerly known as Jubilant Life Sciences Holdings Inc.)	1,660.44	1,660.44
34,484,000 (34,484,000)	₹ 10	- Jubilant Infrastructure Limited	1,297.40	1,297.40
14,963,171 (14,963,171)	₹ 10	- Jubilant First Trust Healthcare Limited	690.55	690.55
100,000 (100,000)	₹ 10	- First Trust Medicare Private Limited	30.00	30.00
437,503 (-)	USD 1	- Jubilant Life Sciences International Pte. Limited	2.91	-
9,999 (-)	No Par Value	- Jubilant Life Sciences NV	7.81	-
1 (-)	USD 1	- Drug Discovery and Development Solutions Limited (2)	330.40	-
		Investment in preference shares **Investment in subsidiary companies**		
		- Jubilant Chemsys Limited		
6,200,000 (6,200,000)	₹ 10	8% optionally convertible non-cumulative redeemable preference shares fully paid.	62.00	62.00
		- Jubilant Clinsys Limited		
20,475,000 (20,850,000)	₹ 10	6% optionally convertible non-cumulative redeemable preference shares fully paid.	204.75	208.50
6,200,000 (6,200,000)	₹ 10	8% optionally convertible non-cumulative redeemable preference shares fully paid.	62.00	62.00
		Other Investments (Long term) **Investment in equity instruments (fully paid up equity shares)**		
4,550,000 (4,550,000)	₹ 10	- Forum I Aviation Limited	45.50	45.50
192,086 (-)	₹ 10	Jubilant Industries Limited (Quoted) (Issued to Jubilant Employee Welfare Trust in accordance with the Scheme of Amalgamation & Demerger) (Also Refer note 42 and 43)	-	-
		Total non-current investments	**20,056.92**	**19,785.06**
		Aggregate amount of quoted investments:		
		- Cost	**-**	-
		- Market Value	**9.63**	-
		Aggregate amount of unquoted investments	**20,056.92**	**19,785.06**

Notes:

(1) Includes one share held through nominee.

(2) ₹ 330.40 million in pursuance of gift of shares held by Jubilant Pharma Limited, Singapore held in Jubilant Innovation (BVI) Limited and Jubilant Life Sciences (BVI) Limited, to Drug Discovery and Development Solutions Limited, Singapore, a 100% Subsidiary of the Company.

(3) Figures in ( ) are in respect of previous year.

Notes to the financial statements for the year ended 31 March 2014 (Continued)

(₹ in million)

	As at 31 March 2014	As at 31 March 2013
16. LONG TERM LOANS AND ADVANCES		
(Unsecured and considered good)		
Capital advances	14.58	16.01
Security deposits	68.11	70.82
Loans to related parties [Refer note 53(28)]	-	439.39
Advance recoverable in cash or kind		
- From related parties (Refer note 53(32))*	25.00	25.00
- Others	367.97	381.58
MAT credit entitlement	2,085.80	2,085.80
Advance payment of income tax/wealth tax (including TDS)	428.30	419.77
	2,989.76	**3,438.37**

* Due from an officer of the Company

(₹ in million)

	As at 31 March 2014	As at 31 March 2013
17. OTHER NON-CURRENT ASSETS		
(Unsecured and considered good)		
Other bank balances		
- Deposits with original maturity of more than 12 months	4.50	0.50
- Margin money deposit	0.49	1.68
	(1) 4.99	**(1) 2.18**

(1) ₹ 4.99 million (Previous year ₹ 2.18 million) has restricted use.

(₹ in million)

Number	Face value per unit	All unquoted unless otherwise specified	As at 31 March 2014	As at 31 March 2013
18. CURRENT INVESTMENTS (at cost)				
		Current portion of non-current investments		
		Trade Investments		
		Investment in preference shares		
		Investment in subsidiary companies		
		- Jubilant Clinsys Ltd.		
375,000 (-)	₹ 10	6% optionally convertible non-cumulative redeemable preference shares fully paid.	3.75	-
		Total current investments	**3.75**	**-**
		Aggregate amount of unquoted investments	**3.75**	**-**

Notes:
(1) Figures in ( ) are in respect of previous year.

Notes to the financial statements for the year ended 31 March 2014 (Continued)

(₹ in million)

	As at 31 March 2014	As at 31 March 2013
19. INVENTORIES		
(Valued at the lower of cost and net realisable value)		
Raw materials (including goods-in-transit ₹ 404.32 million (Previous year ₹ 164.39 million))	3,672.56	2,792.75
Work-in-progress	1,522.26	1,153.02
Finished goods	1,327.21	1,434.81
Stock-in-trade	18.76	68.33
Stores and spares (including goods-in-transit ₹ 48.92 million (Previous year ₹ 6.88 million))	313.94	241.00
Others-process chemicals, fuels and packing material etc. (including goods-in-transit ₹ 42.78 million (Previous year ₹ 162.36 million))	480.45	434.89
	7,335.18	**6,124.80**

(₹ in million)

	As at 31 March 2014	As at 31 March 2013
20. TRADE RECEIVABLES		
Outstanding for a period exceeding six months from the date they become due for payment		
Unsecured and considered good	45.44	61.13
Doubtful	33.71	14.93
	79.15	**76.06**
Provision for doubtful receivables	33.71	14.93
(A)	**45.44**	**61.13**
Other receivables		
Unsecured and considered good	5,250.53	3,871.38
(B)	**5,250.53**	**3,871.38**
Total (A+B)	(1) **5,295.97**	(1) **3,932.51**

(1) [Refer note 34(C)(i)]

(₹ in million)

	As at 31 March 2014	As at 31 March 2013
21. CASH AND BANK BALANCES		
Cash and cash equivalents		
Balances with banks:		
- On current accounts	1,597.38	391.74
- On dividend accounts	28.18	21.49
- On deposits accounts with original maturity upto three months	104.74	1,315.86
Cash on hand	1.75	0.66
Others		
- Funds in transit	51.43	112.90
- Imprest and gift/meal vouchers	1.39	1.16
	1,784.87	**1,843.81**
Other bank balances:		
- Deposits with original maturity of more than three months	-	712.96
- As margin money	2.23	2.08
	(1) **1,787.10**	(1) **2,558.85**

(1) ₹ Nil (Previous year ₹ 1,600 million) as security against loan and ₹ 135.15 million (Previous year ₹ 452.39 million) has restricted use.

Notes to the financial statements for the year ended 31 March 2014 (Continued)

(₹ in million)

	As at 31 March 2014	As at 31 March 2013
22. SHORT TERM LOANS AND ADVANCES		
(Unsecured and considered good)		
Loans to related parties	2,951.64	2,083.84
(Refer note 35 and 53(28))		
Deposits	55.88	22.55
Deposits/Balances with excise/sales tax authorities	644.99	718.04
Advances recoverable in cash or kind		
- From related parties (Refer note 53(29) and 53(32))*	575.83	381.69
- Claims recoverable	430.63	736.78
- Others	391.81	550.86
	5,050.78	**4,493.76**

* Includes due by directors and private companies having common director aggregating to ₹ 106.09 million (Previous year ₹ Nil)

(₹ in million)

	As at 31 March 2014	As at 31 March 2013
23. OTHER CURRENT ASSETS		
Other current assets	17.41	593.05
[Including mark to market recoverable ₹ 4.62 million (Previous year ₹ 558.22 million)] [Refer note 50(iv)]		
	17.41	**593.05**

(₹ in million)

	For the year ended 31 March 2014	For the year ended 31 March 2013
24. REVENUE FROM OPERATIONS		
Sales of products	37,606.32	32,135.85
Sales of services	36.03	11.54
Other operating revenue (Refer note 39)	452.78	516.18
Revenue from operations (gross)	**38,095.13**	**32,663.57**
Less: excise duty	(1,367.21)	(1,200.54)
Revenue from operations (net)	**36,727.92**	**31,463.03**
24.1 BREAK-UP OF REVENUE FROM SALES OF PRODUCTS		
Organic chemicals including specialty chemicals and its intermediates	28,569.52	23,711.97
Active pharma ingredients (API)	5,249.67	4,963.67
Tablets, capsules and injectables	2,796.17	2,504.99
Dry and aqueous choline chloride	733.03	494.74
Feed premixes	171.00	378.18
Power and steam	86.93	82.30
	37,606.32	**32,135.85**
24.2 BREAK-UP OF REVENUE FROM SALES OF SERVICES		
Income from utility services rendered	36.03	11.54
	36.03	**11.54**

(₹ in million)

	For the year ended 31 March 2014	For the year ended 31 March 2013
25. OTHER INCOME		
Interest Income	208.50	260.56
Other non-operating income	90.31	89.16
	298.81	**349.72**

Notes to the financial statements for the year ended 31 March 2014 (Continued)

(₹ in million)

	For the year ended 31 March 2014	For the year ended 31 March 2013
26. COST OF MATERIALS CONSUMED		
Raw and process materials consumed	18,330.49	15,285.77
	18,330.49	**15,285.77**
26.1 BREAK-UP OF COST OF MATERIALS CONSUMED		
Molasses	1,166.18	1,079.39
Alcohol	4,455.32	3,255.99
Acetic Acid	5,359.81	4,226.94
Process chemicals	3,714.69	3,083.79
Chemicals for API/Dosage/Feed Additives	3,340.13	3,448.71
Others	294.36	190.95
	18,330.49	**15,285.77**

	%	₹ in million	%	₹ in million
26.2 BREAK-UP OF IMPORTED AND INDIGENOUS MATERIALS CONSUMED				
Imported	42.98	7,877.88	38.15	5,832.17
Indigenous	57.02	10,452.61	61.85	9,453.60
	100.00	**18,330.49**	**100.00**	**15,285.77**

(₹ in million)

	For the year ended 31 March 2014	For the year ended 31 March 2013
27. PURCHASE OF STOCK-IN-TRADE		
Purchase of stock-in-trade	1,740.18	1,917.38
	1,740.18	**1,917.38**
27.1 BREAK-UP OF PURCHASE OF STOCK-IN-TRADE		
Organic chemicals including specialty chemicals and its intermediates	1,514.50	1,525.08
Feed premixes	89.38	266.23
Active pharma ingredients (API)	122.72	120.58
Tablets, capsules and injectables	13.58	5.49
	1,740.18	**1,917.38**

(₹ in million)

	For the year ended 31 March 2014	For the year ended 31 March 2013
28. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
Stock at close - Work-in-progress	1,522.26	1,153.02
Stock at close - Finished goods	1,327.21	1,434.81
Stock at close - Stock-in-trade	18.76	68.33
	2,868.23	**2,656.16**
Stock at commencement - Work-in-progress	1,153.02	1,015.30
Stock at commencement - Finished goods	1,434.81	1,294.19
Stock at commencement - Stock-in-trade	68.33	23.02
	2,656.16	**2,332.51**
Increase in stocks	212.07	323.65
Less: Adjustment on account of capitalisation	-	(81.90)
	212.07	**241.75**

Notes to the financial statements for the year ended 31 March 2014 (Continued)

(₹ in million)

	For the year ended 31 March 2014	For the year ended 31 March 2013
28.1 BREAK-UP OF INVENTORIES		
Break-up of Work-in-progress		
Organic chemicals including specialty chemicals and its intermediates	903.11	643.88
Dry and aqueous choline chloride	16.52	4.55
Active pharma ingredients (API)	501.49	401.72
Tablets, capsules and injectables	101.14	102.87
	1,522.26	**1,153.02**
Break-up of Finished goods		
Organic chemicals including specialty chemicals and its intermediates	974.04	1,195.72
Feed premixes	9.25	19.57
Dry and aqueous choline chloride	32.80	15.27
Active pharma ingredients (API)	273.94	183.13
Tablets, capsules and injectables	37.18	21.12
	1,327.21	**1,434.81**
Break-up of Stock-in-trade		
Organic chemicals including specialty chemicals and its intermediates	4.31	61.23
Feed premixes	9.43	5.06
Active pharma ingredients (API)	5.02	2.04
	18.76	**68.33**

(₹ in million)

	For the year ended 31 March 2014	For the year ended 31 March 2013
29. EMPLOYEE BENEFITS		
Salaries, wages, bonus, gratuity and allowances (Refer note 51)	2,661.13	2,197.80
Contribution to provident and superannuation fund (Refer note 51)	141.18	136.96
Staff welfare expenses	180.01	155.41
	2,982.32	**2,490.17**

(₹ in million)

	For the year ended 31 March 2014	For the year ended 31 March 2013
30. FINANCE COSTS		
Interest expense	2,635.82	2,446.81
Other borrowings cost	20.86	33.68
Exchange difference to the extent considered as an adjustment to borrowing cost	119.23	79.30
(Refer note 45)	**2,775.91**	**2,559.79**

Notes to the financial statements for the year ended 31 March 2014 (Continued)

(₹ in million)

	For the year ended 31 March 2014	For the year ended 31 March 2013
31. OTHER EXPENSES		
Power and fuel	3,601.69	3,360.88
Stores, spares, chemicals and packing materials consumed	1,518.48	1,333.50
Processing charges	138.19	178.53
Excise duty related to increase/decrease in inventory of finished goods	(36.01)	19.97
Rent (Refer note 44)	117.41	117.31
Rates and taxes	139.15	85.34
Insurance	72.85	61.40
Advertisement, publicity and sales promotion	82.05	47.85
Travelling and other incidental expenses	220.64	253.14
Repairs		
- Building	50.14	43.03
- Machinery	756.35	510.12
- Others	208.86	164.45
Vehicle running and maintenance	23.69	19.32
Printing and stationery	25.77	26.29
Communication expenses	38.90	42.55
Staff recruitment and training	36.68	34.42
Donation (Refer note 41)	65.03	37.75
Auditors Remuneration - As Auditors	2.40	2.02
- For tax audit and taxation matters	0.60	1.65
- For other services	(1) 5.03	3.70
- Out of pocket expenses	(1) 0.27	0.44
Legal, professional and consultancy charges	248.84	182.25
Freight and forwarding (including ocean freight)	440.13	360.47
Directors' sitting fees	0.41	0.47
Directors' commission	-	40.69
Miscellaneous expenses	55.65	40.33
Bank charges	72.04	65.93
Discounts and claims to customers and other selling expenses	104.40	46.03
Commission on sales	69.01	76.90
Loss on sale/disposal/discard of fixed assets(net)	11.33	11.19
Provision/write off Bad debts/Irrecoverable advances (net)	-	2.57
	8,069.98	**7,170.49**

(1) Includes ₹ 3.53 million in respect of erstwhile auditors.

	%	₹ in million	%	₹ in million
31.1 PARTICULARS OF IMPORTED AND INDIGENOUS STORES, SPARES, CHEMICALS CONSUMED				
Imported	12.73	193.39	8.03	107.17
Indigenous	87.27	1,325.09	91.97	1,226.33
	100.00	**1,518.48**	**100.00**	**1,333.50**

(₹ in million)

	For the year ended 31 March 2014	For the year ended 31 March 2013
Research and development expenses (excluding finance cost, depreciation and amortisation) comprises as mentioned hereunder:-		
Cost of material consumed	185.19	141.89
Employee benefits	433.53	376.99
Utilities-power	33.39	29.31
Other expenses	511.42	453.54
	1,163.53	**1,001.73**
Less: Transferred to intangibles/assets under development	(624.66)	(554.75)
Balance charged to revenue	**538.87**	**446.98**

Notes to the financial statements for the year ended 31 March 2014 (Continued)

(₹ in million)

	For the year ended 31 March 2014	For the year ended 31 March 2013
32. EXCEPTIONAL ITEMS		
Amortisation of Foreign Currency Monetary Item Translation Difference Account (FCMITDA)	1,000.21	631.61
Mark to market in respect of currency and interest rate swap contracts and forward covers outstanding (Refer note 50(iii))	764.55	314.53
Foreign exchange loss	422.53	235.62
Impairment of intangibles (Refer note 46)	25.56	55.56
Other litigation expenses	55.78	-
	2,268.63	**1,237.32**

33. Commitments as at year end:

a) Capital Commitments:

Estimated amount of contracts remaining to be executed on capital account (Net of advances) ₹ 239.89 million (Previous year ₹ 173.25 million).

b) Other Commitments:

I) Exports obligation undertaken by the Company under EPCG scheme to be completed over a period of five/eight years on account of import of capital goods at concessional import duty and remaining outstanding is ₹ Nil (Previous year ₹ 6.60 million). Similarly export obligation under Advance License Scheme/DFIA scheme on duty free import of specific raw materials, remaining outstanding is ₹ 6,125.53 million (Previous year ₹ 4,550.88 million).

II) Outstanding export obligation amounting to ₹ 2,663.57 million (Previous year ₹ 1,554.84 million), against equivalent supplier advance received from a step down wholly owned subsidiary.

III) For lease commitments refer note 44.

34. Contingent liabilities to the extent not provided for:

A. Guarantees:

i. The Company has given following corporate guarantee on behalf of its subsidiaries to secure financial facilities:

Name of Subsidiary	Bank	As at 31 March 2014	As at 31 March 2013
Jubilant HollisterStier Inc.	ICICI Bank Canada	USD 4.20 million	USD 20.93 million
Jubilant Life Sciences International Pte. Limited	ICICI Bank Limited Singapore	SGD Nil	SGD 22.00 million

Total effective guarantee as on 31 March 2014 is ₹ 251.78 million (Previous year ₹ 2,098.11 million)

ii. Outstanding guarantees furnished by banks on behalf of the Company is ₹ 518.27 million (Previous year ₹ 498.58 million).

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

(₹ in million)

	As at 31 March 2014	As at 31 March 2013
Central Excise	1,093.17	514.46
Customs	11.49	31.63
Sales Tax	51.59	7.08
Income Tax	563.52	563.52
Service Tax	222.68	175.74
Others	27.19	47.03

Excluding demands in respect of business transferred in earlier year to Jubilant Industries Limited in terms of the scheme of demerger though the demands may be continuing in the name of the Company.

Notes to the financial statements for the year ended 31 March 2014 (Continued)

Future cash outflows in respect of the above matters as well as for matters listed under 34(C) below are determinable only on receipt of judgments/decisions pending at various stages/forums.

C. Other contingent liabilities as at 31 March 2014:

i. Liability in respect of bills discounted with banks is ₹ 699.85 million (Previous year ₹ 1,149.38 million).

ii. The Company's writ petition against the levy of transport fee by the State of Maharashtra on consumption of rectified spirit and molasses within Nira factory has been allowed by the Hon'ble Bombay High Court with consequential refund. The Company has filed a refund claim for an amount of ₹ 2.51 million (Previous year ₹ 2.51 million) deposited during the period when the dispute was pending before the High Court. The total amount of disputed transport fee is ₹ 193.06 million (Previous year ₹ 171.66 million). The State of Maharashtra has filed a special leave petition in the Supreme Court and has sought a stay on the operation of the High Court order.

iii. The Company has challenged before the Hon'ble Allahabad High Court, the increase in denaturing fee by the State of Uttar Pradesh w.e.f 1 April 2004 on denaturing of rectified spirit in the Gajraula factory and the writ petition has been admitted by the court. The Company has deposited ₹ 24.45 million (Previous year ₹ 22.52 million) under protest which is shown as deposits.

iv. Zila Panchayat at J.P. Nagar (in respect of the Company's Gajraula plant) served a notice demanding a compensation of ₹ 277.40 million (Previous year ₹ 277.40 million) allegedly for, percolation of poisonous water stored in lagoons and flowing through the land of Zila Panchayat resulting in loss of crops and cattle of the farmers and for putting poisonous fly ash on national highway which caused loss to the health and damages to eyes and skin of people.

District Magistrate issued a recovery certificate along with 10% collection charges inflating the demand to ₹ 305.14 million (Previous year ₹ 305.14 million). In the opinion of the Company, the Zila Panchayat has no jurisdiction in raising this demand. The demand was challenged in Hon'ble Allahabad High Court and the court stayed the demand till further orders.

v. The Company has challenged, before the Hon'ble Allahabad High Court, the levy of license fees of ₹ 2.87 million (Previous year ₹ 2.87 million) by State of Uttar Pradesh, for grant of PD-2 license for manufacture of ethyl alcohol for industrial use. The writ petition has been admitted and is being listed for final hearing. Though the amount has been deposited and shown as such, no provision against this has been made as the issue is covered by the earlier favorable judgment of the Hon'ble Supreme Court of India.

vi. The State of Uttar Pradesh (UP) has imposed levy on import of denatured spirit into the State of Uttar Pradesh (UP). The Company has imported denatured spirit into the State of Uttar Pradesh and has challenged levy amounting to ₹ 90.00 million (Previous year ₹ 90.00 million) before Hon'ble Allahabad High Court. The writ petition has been allowed by the High Court in favour of the Company. The State of Uttar Pradesh filed a special leave petition (SLP) with Hon'ble Supreme Court. The SLP has been admitted but the Hon'ble Supreme Court has declined the request of the State of Uttar Pradesh (UP) to stay the operation of High Court Order.

vii. The Hon'ble Supreme Court has quashed the levy of license fee by State of Uttar Pradesh on captive consumption of denatured spirit in the Gajraula factory, and has ordered the refund of the fee paid during the period of dispute subject to condition that the amount has not been collected from the Company's customers. Further the Court has directed the State to investigate whether the Company has collected the disputed fee from its customers to the extent bank guarantees were furnished.

The Company is entitled to a refund of ₹ 84.06 million (Previous year ₹ 84.06 million) as the amount paid during the period of dispute or secured by bank guarantees was not collected from its customers. Accordingly the Company has approached the State of Uttar Pradesh for the refund of the said amount. The amount paid has been shown as deposit.

viii. A group of villagers from Nira in Pune District of Maharashtra State, had filled a Public Interest Litigation against the Company on account of ground water contamination against which National Green Tribunal (NGT), Pune Bench passed an order on 16 May 2014. In this order, NGT has instructed the Company to comply with the recommendations of National Environmental Engineering Research Institute (NEERI), Maharashtra Pollution Control Board (MPCB) and Central Ground Water Board (CGWB), to ensure zero discharge and remediation to contaminated ground water. NGT in its order has also instructed the district authority to form a committee to conduct an enquiry around 2 Km radius of Nira unit to ascertain extent of loss and recommend the loss if any, caused to agriculturist due to effluent discharge to Nira river and asked Company to deposit adhoc amount of ₹ 2.50 million with the Collector of Pune.

Notes to the financial statements for the year ended 31 March 2014 (Continued)

35. Loans to Subsidiary Companies, including interest accrued thereon pursuant to information required to be disclosed under clause 32 of listing agreement (Refer note 53(28) and 53(29)).

(₹ in million)

Particulars	Outstanding amount (including interest accrued thereon)		Maximum balance outstanding during the year	
	As at 31 March 2014	As at 31 March 2013	2014	2013
Jubilant Biosys Limited	1,727.76	1,589.33	1,727.76	1,589.33
Jubilant Pharma Limited Singapore	920.02	570.04	959.01	570.04
Jubilant Pharma Holding Inc.USA	527.14	-	537.22	-

The above companies have not invested in the securities of the Company.

36. Micro, Small and Medium Business Entities

There are no Micro, Small & Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31 March 2014. The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) has been determined to the extent such parties have been identified on the basis of information available with the Company.

(₹ in million)

	As at 31 March 2014	As at 31 March 2013
Principal amount payable to suppliers at the year end	12.01	8.92
Interest due on the remaining unpaid amount to the suppliers as at the end of the year	-	-
Amount of interest paid by the Company in terms of section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year	-	-
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED.	-	-
Amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
Amount of further interest due and payable in the succeeding year	-	-

37. During the year, the Company has acquired BA/BE business from Jubilant Clinsys Limited(a step-down wholly owned subsidiary of Company) for a consideration of ₹ 87.00 million on fair value basis, in order to bring synergy with dosage formulation business of the Company. The purchase consideration has been allocated to various assets acquired, as per respective fair value on the date of acquisition.

38. The Company plans to consolidate its Pharmaceuticals business under its wholly owned subsidiary Jubilant Pharma Limited Singapore (JPL) and evaluate the option and opportunity to raise money to reduce the consolidated debt of the Company. Accordingly, the Board in its meeting held on 4 October 2013 approved transfer of Active Pharmaceutical Ingredients (API) and Dosage Forms business of the Company by way of a slump sale on going concern basis and shares held by it in Jubilant Pharma Holdings Inc USA and Jubilant Pharma NV Belgium, to a wholly owned Indian subsidiary of JPL for a net consideration of ₹ 11,451 million (net of debts). The shareholders of the Company on 21 March 2014 have approved the aforesaid sale subject to the concerned subsidiaries achieving financial closure to meet their obligation under the said purchase, and authorised the Board to decide whether to make this approval effective. JPL has received an approval from the Foreign Investment Promotion Board in this regard and subsequent to the year end, the board approved the share purchase agreement between the parties for above mentioned sale of shares held by the Company.

39. Other operating income is in the nature of export incentives, scrap sales, licensing income, etc.

40. During the previous year, the Company has changed useful life of dies and punches, used for manufacturing of dosages formulations from five years to “one to two years”. Accordingly the depreciation for the previous year was higher by ₹ 17.09 million.

41. Donation includes ₹ 38.80 million payments made to Satya Electoral Trust (Previous year ₹ 10.00 million to General Electoral Trust) during the year.

Notes to the financial statements for the year ended 31 March 2014 (Continued)

42. Employee Stock Option Scheme

The Company has two stock option plans in place namely:

- Jubilant Employees Stock Option Plan, 2005 ("Plan 2005")
- JLL Employees Stock Option Plan, 2011 ("Plan 2011")

The Board of Directors had constituted Compensation Committee ('Committee') comprising a majority of Independent Directors for administration and supervision of the Stock Option Plans.

Under Plan 2005, as amended, and under Plan 2011, upto 1,100,000 Stock Options and upto 5,352,000 Stock Options, respectively, can be issued to eligible directors (other than promoter directors) and other specified categories of employees of the Company/Subsidiaries. Options are to be granted at market price. As per the SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 ('Guidelines'), the market price is taken as the closing price on the day preceding the date of grant of options, on the stock exchange where the trading volume is the highest. Under Plan 2005, each option, upon vesting, shall entitle the holder to acquire five equity shares of ₹ 1 each. Options granted upto 28 August 2009 will vest entirely within two years from the grant date, with certain lock-in provisions. Options granted after 28 August 2009 will vest gradually over a period of 5 years from the grant date, without any lock-in provisions.

Under Plan 2011, each option, upon vesting, shall entitle the holder to acquire one equity share of ₹ 1 each. Options granted will vest gradually over a period of 3 years from the grant date. Vesting of Options is a function of achievement of performance criteria or any other criteria, as specified by the Committee and communicated in the grant letter.

Summary of vesting and lock-in provisions are given below

	PLAN 2005						PLAN 2011		
	Vesting schedule (With lock in) Applicable for grants made upto 28 August 2009			Vesting schedule (Without lock in) Applicable for grants made after 28 August 2009			Vesting schedule		
Sr. No.	% of options scheduled to vest	Vesting date	Lock-in period	% of options scheduled to vest	Vesting date	Lock-in period	% of options scheduled to vest	Vesting date	Lock-in period
1.	10	1 year from grant date	Nil	10	1 year from grant date	Nil	20	1 year from grant date	Nil
2.	15	2 years from grant date	Nil	15	2 years from grant date	Nil	30	2 years from grant date	Nil
3.	20	2 years from grant date	1 year from vesting date	20	3 years from grant date	Nil	50	3 years from grant date	Nil
4.	25	2 years from grant date	2 years from vesting date	25	4 years from grant date	Nil			
5.	30	2 years from grant date	3 years from vesting date	30	5 years from grant date	Nil			

In 2008-09, members approved constitution of Jubilant Employees Welfare Trust ('Trust') for the purpose of acquisition of equity shares of the Company from the secondary market or subscription of shares from the Company, to hold the shares and to allocate/transfer these shares to eligible employees of the Company/subsidiaries from time to time on the terms and conditions specified under respective Plans. The members authorised grant of loan(s) from time to time to the Trust in one or more tranches, upto ₹ 1,000 million either free of interest or at interest agreed between the Board and the Trust. The outstanding loan to the Trust as at 31 March 2014 is ₹ 424.89 million (Previous year ₹ 439.39 million- Also Refer note 43).

Notes to the financial statements for the year ended 31 March 2014 (Continued)

Upto 31 March 2014, the Trust has purchased 6,363,506 equity shares of the Company from the open market, out of interest free loan provided by the Company, of which 1,530,010 shares were transferred to the employees on exercise of Options. The Trust has also been issued 192,086 equity shares of Jubilant Industries Limited in accordance with the Scheme of Amalgamation & Demerger amongst the Company, Jubilant Industries Ltd. and others.

The movement in the stock options under both the Plans, during the year, is set out below:

Under Plan 2005

Particulars	31 March 2014		31 March 2013	
	Number of options	Weighted Average Exercise Price (₹)	Number of options	Weighted Average Exercise Price (₹)
Options outstanding at the beginning of the year	145,443	227.05	164,562	226.89
Options forfeited during the year	(12,759)	259.78	(19,119)	225.67
Options outstanding at the end of the year	132,684	223.89	145,443	227.05

Under Plan 2011

Particulars	31 March 2014		31 March 2013	
	Number of options	Weighted Average Exercise Price (₹)	Number of options	Weighted Average Exercise Price (₹)
Options outstanding at the beginning of the year	1,585,055	210.47	860,580	199.20
Granted during the year	12,187	176.00	918,351	219.01
Options forfeited during the year	(168,303)	207.81	(193,876)	200.96
Options outstanding at the end of the year	1,428,939	210.49	1,585,055	210.47

The Company has opted for intrinsic value method of accounting for Employee Stock Options. As market price of the options is equal to the exercise price on the date of grant, intrinsic value is ₹ Nil. Hence, there is no cost charged to the Statement of Profit and Loss on account of options granted to employees under the Employee Stock Option Plans of the Company.

43. During the current period, the Company has changed its policy with respect to treatment of shares issued to Jubilant Employee Welfare trust ('Trust'). The Trust primarily holds equity shares of the Company which are to be transferred to employees of the Company and it's subsidiaries upon exercise of their stock options under various Employee Stock Option Plans (ESOP) in force. As per a recent opinion of the Expert Advisory Committee ('EAC') of The Institute of Chartered Accountants of India, as on the reporting date, the shares issued to a trust but yet to be allotted to employees be shown as a deduction, from the Share Capital to the extent of face value of the shares and Securities Premium to the extent of amount exceeding face value of shares, with a corresponding adjustment to the, loan receivable from Trust, Capital Reserve (for the amount of profit on sale of shares) and Surplus (to the extent of dividend received net of operating expenses). Consequently, the face value of 4,833,496 equity shares held by trust as at 31 March 2014 amounting to ₹ 4.84 million is reduced from the share capital and the excess of net worth (after elimination of inter-company loans) of ₹ 420.00 million has been adjusted from securities premium ₹ 577.59 million, capital reserve (₹ 104.77 million) and surplus (₹ 52.82 million).

44. Leases:

a) The Company's significant operating lease arrangements are in respect of premises (residential, offices, godown etc.). These leasing arrangements, which are cancellable, range between 11 months and 3 years generally and are usually renewable by mutual agreeable terms. The aggregate lease rentals payable are charged as expenses. Rental payments under such leases are ₹ 80.59 million (Previous year ₹ 94.20 million).

b) Also, the Company has significant operating lease arrangements which are non-cancellable for a fixed period of 25 years. The lease rental is subject to escalation whereby the Lessor is entitled to increase the lease rental by 10% of the average lease rental of preceding three years blocked period.

Notes to the financial statements for the year ended 31 March 2014 (Continued)

The schedule of future minimum lease rental payments in respect of non-cancellable operating leases is set out below:

(₹ in million)

	Minimum lease payments	
	As at 31 March 2014	As at 31 March 2013
Not later than one year	15.10	14.84
Later than one year but not later than five years	65.79	63.69
Later than five years	360.82	378.03

Rental recognised under such leases during the year are ₹ 36.82 million (Previous year ₹ 36.82 million).

c) Assets acquired under finance lease:

The Company has taken vehicles under finance lease. Future minimum lease payments and their present values under finance leases are as follows:

(₹ in million)

	Minimum lease payments		Present value of minimum lease payments		Future interest	
	As at 31 March 2014	As at 31 March 2013	As at 31 March 2014	As at 31 March 2013	As at 31 March 2014	As at 31 March 2013
Not later than one year	14.28	17.13	11.78	13.06	2.50	4.07
Later than one year but not later than five years	14.66	28.16	13.11	24.29	1.55	3.87
Later than five years	-	-	-	-	-	-

There is no element of contingent rent or sub lease payments. The Company has option to purchase the assets at the end of the lease term. There are no restrictions imposed by these lease arrangements regarding dividend, additional debt and further leasing.

45. In line with the applicable Accounting Standards, during the year, interest amounting to ₹ 80.37 million (Previous year ₹ 223.65 million) and expenditure incurred on start up and commissioning of the project and/or substantial expansion and development, including the expenditure incurred on trial runs (Net of trial run receipts, if any) up to the date of capitalisation amounting to ₹ 16.10 million (Previous year ₹ 406.34 million) have been capitalised. The said expenditure (net of trial run receipts), so capitalised are accumulated as capital work in progress to be allocated to fixed assets on capitalisation.

46. The carrying value of internally generated intangible asset – product development and other intangibles under progress has been reviewed and based on financial and technical assessment, carrying value of certain internally generated intangible assets/other intangibles under development of ₹ 25.56 million (Previous year ₹ 55.56 million) have been charged to the Statement of Profit and Loss.

47. Consequent to re-evaluation of certain tax provisions pertaining to earlier years (including deferred taxes), tax benefit is amounting to ₹ 591.86 million has been recognised in the current year.

48. Disclosure required by Accounting Standard 29 (AS-29) "Provisions, contingent liabilities and contingent assets"

Movement in provisions:

(₹ in million)

Sr. No.	Particulars of disclosure	Provision for MTM Losses
1.	Balance as at 1 April 2013	2,031.12 (1,198.42)
2.	Additional provision during the year	1,202.11 (832.70)
3.	Provision used during the year	134.35 (-)
4.	Balance as at 31 March 2014	3,098.88 (2,031.12)

Figures in ( ) are in respect of previous year.

49. The Company has opted for accounting the exchange difference arising on reporting of long term foreign currency monetary items in line with Para 46A of Accounting Standard 11 (AS-11) – "The Effects of Changes in Foreign Exchange Rates" notified by the Ministry of Corporate Affairs on 29 December 2011. Accordingly during year ended 31 March 2014, the Company has capitalised exchange difference amounting to ₹ 281.00 million (Previous Year ₹ 170.75 million) to the cost of fixed assets and ₹ 805.49 million (Previous year ₹ 579.64 million) to foreign currency monetary item translation

Notes to the financial statements for the year ended 31 March 2014 (Continued)

difference account (FCMITDA). During the year ₹ 1,000.21 million (Previous Year ₹ 631.61 million) has been amortised to the Statement of Profit and Loss in terms of the said notification and balance of ₹ 480.73 million (Previous Year ₹ 675.45 million) is carried in Balance Sheet as on 31 March 2014.

50. Hedging and Derivatives:

i) The Company uses various derivative instruments such as foreign exchange forward contracts, interest rate swaps and currency swaps to selectively hedge its exposures to movement in foreign exchange rates and interest rates. These derivatives are not used for speculative or trading purposes.

The following are the outstanding derivative contracts entered into by the Company:

Category	Currency	Cross Currency	Amount (In million)	Buy/Sell
As at 31 March 2014:				
Forward Contracts	USD	INR	USD 70.00	Sell
Currency and Interest Swap	INR	USD	USD 188.57	
As at 31 March 2013:				
Forward Contracts	USD	INR	USD 320.00	Sell
Forward Contracts	USD	INR	USD 62.60	Buy
Currency Swap (Loan of JPY 842.42 million)	JPY	USD	USD 8.30	
Currency and Interest Swap	INR	USD	USD 201.90	

Refer note iv below

ii) **Foreign currency exposure not hedged by derivative instrument:**

	Amount (foreign currency in million)			
	As at 31 March 2014		As at 31 March 2013	
Amount receivable on account of sale of goods and services and loans and advances.	USD	79.99	USD	62.73
	EURO	10.57	EURO	12.36
	GBP	0.13	GBP	0.20
	CAD	1.94	CAD	1.59
	CHF	0.01	CHF	0.01
Amount payable on account of purchase of goods and services, loans etc.	USD	321.70	USD	264.91
	JPY	0.15	JPY	0.03
	EURO	2.25	EURO	1.92
	GBP	0.03	GBP	-
	CAD	0.34	CAD	0.10
Amount outstanding as deposits with banks	USD	25.15	USD	5.11

Foreign currency exposure in relation to forward contracts taken for hedging currency risk of highly probable forecasted transaction and currency swap (including currency and interest rate swap)-refer note (i) above.

iii) Mark to market losses in respect of currency and interest rate swaps contracts amounting to ₹ 764.55 million (Previous year ₹ 314.53 million) has been charged to the Statement of Profit and Loss. The accumulated mark to market losses on currency swaps (including currency and interest rate swaps) as at 31 March 2014 is ₹ 3,098.88 million (Previous year ₹ 2,031.12 million).

iv) The Company has opted for hedge accounting in respect of certain transactions including forward contracts under Accounting Standard 30 issued by the Institute of Chartered Accountants of India. Accordingly during the year:

a) An amount of ₹ 9.23 million (Previous Year ₹ 354.14 million), net of related tax effect, has been credited to Hedge Reserve Account on account of outstanding forward contracts of USD 70 million (Previous Year USD 258 million) for which highly probable forecast sale of USD 70 million (Previous Year USD 258 million) is expected to occur between April 2014 and Aug 2014.

Notes to the financial statements for the year ended 31 March 2014 (Continued)

b) An amount of ₹ 479.65 million (Previous Year ₹ 181.03 million) net of tax has been transferred from Hedge Reserve Account to Statement of Profit and Loss under sales on occurrence of highly probable forecast transactions.

51. Employee Benefits have been calculated as under:

(A) Defined Contribution Plans

a. Provident fund*

b. Superannuation fund

During the year the Company has contributed following amounts to:

(₹ in million)

	For the year ended 31 March 2014	For the year ended 31 March 2013
Employers contribution to provident fund	6.86	6.63
Employers contribution to employee's pension scheme 1995	23.49	22.67
Employers contribution to superannuation fund	11.99	14.09

*For certain employees where provident fund is deposited with Government authorities e.g. Regional Provident Fund Commissioner.

c. State plans

During the year the Company has contributed following amounts to:

(₹ in million)

	For the year ended 31 March 2014	For the year ended 31 March 2013
Employers contribution to employee state insurance	2.82	3.57

(B) Defined Benefit Plans

i. Gratuity

In accordance with Accounting Standard 15(AS 15)-"Employee Benefits (Revised 2005)", an actuarial valuation has been carried out in respect of gratuity. The discount rate assumed is 9.40% p.a. (Previous year 8.00% p.a.) which is determined by reference to market yield at the Balance Sheet date on Government bonds. The retirement age has been considered at 58 years and mortality table is as per IALM (2006-08) (Previous year IALM (1994-96)).

The estimates of future salary increases, considered in actuarial valuation is 10% p.a. for first three years and 6% p.a. thereafter (Previous year 5% p.a.), taking into account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The plans assets are maintained with Life Insurance Corporation of India in respect of gratuity scheme for certain employees of two units of the Company. The details of investments maintained by Life Insurance Corporation are not available with the Company, hence not disclosed. The expected rate of return assumed on plan assets is 9.00% p.a. (Previous year 9.00% p.a.).

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

(₹ in million)

	Gratuity	
	31 March 2014	31 March 2013
Present value of obligation at the beginning of the year	329.04	277.70
Current service cost	43.53	33.21
Interest cost	26.32	22.22
Actuarial loss	44.65	27.97
Benefits paid	(37.43)	(32.06)
Present value of obligation at the end of the year	406.11	329.04

Notes to the financial statements for the year ended 31 March 2014 (Continued)

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

(₹ in million)

	Gratuity	
	31 March 2014	31 March 2013
Present value of obligation at the end of the year	406.11	329.04
Fair value of plan assets at period end	(21.66)	(17.91)
Net liabilities recognised in the Balance Sheet	(384.45)	(311.13)

Cost recognised for the period (included under salaries, wages, allowances, bonus and gratuity):

(₹ in million)

	Gratuity	
	31 March 2014	31 March 2013
Current service cost	43.53	33.21
Interest cost	26.32	22.22
Actuarial loss	44.65	29.02
Expected return on plan assets	(1.61)	(1.21)
Net cost recognised during the year	112.89	83.24

Fair Value of Plan Assets:**

(₹ in million)

	Gratuity	
	31 March 2014	31 March 2013
Plan assets at the beginning of the year	17.91	13.44
Expected return on plan assets	1.61	1.21
Contribution by employer	5.85	5.46
Actual benefits paid	(3.65)	(1.15)
Actuarial losses	(0.06)	(1.05)
Plan assets at the end of the year	21.66	17.91

** In respect of certain employees of Nanjangud and Ambernath Unit.

Company's best estimate of contribution during next year is ₹ 101.84 million (Previous year ₹ 92.26 million).

Experience adjustment

(₹ in million)

	31 March 2014	31 March 2013	31 March 2012	31 March 2011	31 March 2010
Defined benefit obligation	406.11	329.04	277.70	241.63	241.89
Plan assets	21.66	17.91	12.64	9.96	8.15
Surplus/(deficit)	(384.45)	(311.13)	(265.06)	(231.67)	(233.74)
Experience adjustment of plan liabilities-(loss)/gain	(11.41)	(26.39)	(20.33)	34.81	(5.08)
Experience adjustment on plan assets-(loss)/gain	(0.08)	(0.85)	(0.90)	0.17	0.24

ii. Provident Fund

The Guidance on implementation of AS 15, Employee Benefits (Revised 2005) issued by Accounting Standard Board (ASB) states that benefits involving provident funds, which require interest shortfall to be compensated, are to be considered as defined benefit plans. The actuary has worked out a liability of ₹ Nil (Previous year ₹ 9.67 million) likely to arise towards interest guarantee. The trust is managing common corpus of some of the group companies. The total liability of ₹ Nil (Previous year ₹ 9.67 million) as worked out by the actuary has been allocated to each entity based on the corpus value of each entity as on 31 March 2014. Accordingly, liability of ₹ Nil (Previous year ₹ 8.40 million) has been allocated to Company and ₹ Nil (Previous year ₹ 1.26 million) has been charged to Statement of Profit and Loss during the year. The Company has contributed ₹ 115.16 million (Previous year ₹ 104.16 million) to Provident Fund for the year.

(C) Other long term benefits

(₹ in million)

	31 March 2014	31 March 2013
Present value of obligation at the end of the year	220.88	172.61

Notes to the financial statements for the year ended 31 March 2014 (Continued)

52. Segment Reporting :

i) Based on the guiding principles given in Accounting Standard 17 (AS-17) on " Segment Reporting", the Company's Primary Business Segments were organised around customers on industry and product lines as under:

a. Pharmaceuticals :

Generics, comprising Active Pharmaceuticals Ingredients (APIs) and Solid Dosage Formulations

b. Life Sciences Ingredients :

i) Advance Intermediates and Specialty Ingredients ii) Life Sciences Chemicals iii) Nutritional Products

ii) In respect of secondary segment information, the Company has identified its geographical segments as:

(i) Within India

(ii) Outside India.

iii) Inter segment transfer pricing

Inter segment transfer prices are based on market prices.

iv) The financial information about the primary business segments is presented in the table given below:

(₹ in million)

	Particulars	Pharmaceuticals		Life Sciences Ingredients		Total	
		31 March 2014	31 March 2013	31 March 2014	31 March 2013	31 March 2014	31 March 2013
1)	**Segment revenue**	8,199.67	7,641.40	29,931.12	25,049.02	38,130.79	32,690.42
	Less: Inter segment revenue	-	-	35.66	26.85	35.66	26.85
	Less: Excise duty on sales	88.97	76.78	1,278.24	1,123.76	1,367.21	1,200.54
	Revenue from operations(net)	**8,110.70**	**7,564.62**	**28,617.22**	**23,898.41**	**36,727.92**	**31,463.03**
2)	**Segment results**	1,853.54	1,513.32	3,119.13	2,737.00	4,972.67	4,250.32
	Less : Interest (finance cost)					2,775.91	2,559.79
	Other un-allocable expenditure (net of un-allocable income)					2,878.34	1,818.62
	Total profit/(loss) before tax	**1,853.54**	**1,513.32**	**3,119.13**	**2,737.00**	**(681.58)**	**(128.09)**
3)	**Capital employed**						
	(Segment assets - segment liabilities)						
	Segment assets	12,467.03	11,546.11	24,714.50	23,658.42	37,181.53	35,204.53
	Add: Unallocated assets					29,291.11	29,712.46
	Total assets	**12,467.03**	**11,546.11**	**24,714.50**	**23,658.42**	**66,472.64**	**64,916.99**
	Segment liabilities	1,560.30	1,494.54	8,412.24	6,412.81	9,972.54	7,907.35
	Add: Unallocated liabilities					4,298.93	3,341.98
	Total liabilities	**1,560.30**	**1,494.54**	**8,412.24**	**6,412.81**	**14,271.47**	**11,249.33**
	Segment capital employed	10,906.73	10,051.57	16,302.26	17,245.61	27,208.99	27,297.18
	Add: Unallocated capital employed					24,992.18	26,370.48
	Total capital employed	**10,906.73**	**10,051.57**	**16,302.26**	**17,245.61**	**52,201.17**	**53,667.66**
4)	Segment capital expenditure	1,057.36	1,271.65	594.74	1,368.15	1,652.10	2,639.80
	Add: Unallocated capital expenditure					94.61	367.72
	Total capital expenditure	**1,057.36**	**1,271.65**	**594.74**	**1,368.15**	**1,746.71**	**3,007.52**
5)	Depreciation and amortisation(net)	668.38	604.43	1,033.84	887.04	1,702.22	1,491.47
	Add: Unallocated Depreciation					50.65	30.20
	Total depreciation and amortisation	**668.38**	**604.43**	**1,033.84**	**887.04**	**1,752.87**	**1,521.67**

Notes to the financial statements for the year ended 31 March 2014 (Continued)

v) Secondary segments (Geographical segments):

(₹ in million)

	Particulars	31 March 2014	31 March 2013
a)	**Revenue from operations by geographic location of customers (Net of excise duty)**		
	Within India	14,473.70	13,063.59
	Outside India	22,254.22	18,399.44
	Total	**36,727.92**	**31,463.03**
b)	**Carrying amount of segment assets**		
	Within India	42,998.06	43,137.85
	Outside India	23,474.58	21,779.14
	Total	**66,472.64**	**64,916.99**
c)	**Capital expenditure**		
	Within India	1,746.71	3,007.52
	Outside India	-	-
	Total	**1,746.71**	**3,007.52**
d)	**Revenue from operations by geographic markets**		
	India	14,473.70	13,063.59
	Americas and Europe	14,113.58	11,096.27
	China	3,798.46	3,499.11
	Others	4,342.18	3,804.06
	Total	**36,727.92**	**31,463.03**

Notes:

1) The Company has disclosed Business Segment as the Primary Segment.

2) Segments have been identified and reported taking into account the nature of products and services, the differing risk and returns, the organisation structure and the internal financial reporting systems.

3) The Segment revenue, results, assets and liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.

53. Related Party Disclosures

1. Related parties where control exists:

a) Subsidiaries including step-down subsidiaries:

Jubilant Pharma Limited (formerly known as Jubilant Pharma Pte. Ltd), Draximage Limited, Cyprus, Draximage Limited, Ireland, Draximage LLC, Jubilant DraxImage (USA) Inc., Deprenyl Inc., USA, Jubilant DraxImage Inc., 6963196 Canada Inc., 6981364 Canada Inc. DAHI Animal Health (UK) Limited, Draximage (UK) Limited, Jubilant Pharma Holdings Inc. (formerly known as Jubilant Life Sciences Holdings Inc.), Jubilant Clinsys Inc., Cadista Holdings Inc., Jubilant Cadista Pharmaceuticals Inc., Jubilant Life Sciences International Pte. Limited, HSL Holdings Inc., Jubilant HollisterStier LLC, Jubilant Life Sciences (Shanghai) Limited, Jubilant Pharma NV, Jubilant Pharmaceuticals NV, PSI Supply NV, Jubilant Life Sciences (USA) Inc., Jubilant Life Sciences (BVI) Limited, Jubilant Biosys (BVI) Limited, Jubilant Biosys (Singapore) Pte. Limited, Jubilant Biosys Limited, Jubilant Discovery Services, Inc., Jubilant Drug Development Pte. Limited, Jubilant Chemsys Limited, Jubilant Clinsys Limited, Jubilant Infrastructure Limited, Jubilant First Trust Healthcare Limited, Asia Healthcare Development Limited (ceased to be a subsidiary with effect from 3 March 2014), Jubilant Innovation (BVI) Limited, Jubilant Innovation Pte. Limited, Jubilant DraxImage Limited India, Jubilant Innovation (India) Limited, Jubilant Innovation (USA) Inc, Jubilant HollisterStier Inc., Draxis Pharma LLC, Jubilant Generics Inc. (formerly known as Generic Pharmaceuticals Holdings, Inc.), Jubilant Life Sciences (Switzerland) AG, First Trust Medicare Private Limited, Jubilant Drug Discovery & Development Services Inc., Vanthys Pharmaceutical Development Private Limited, Jubilant Life Sciences NV, Jubilant Generics Limited, Drug Discovery and Development Solutions Limited.

b) Other Entities:

Jubilant HollisterStier General Partnership Canada, Draximage General Partnership Canada (controlled through subsidiaries/step down subsidiaries).

Notes to the financial statements for the year ended 31 March 2014 (Continued)

2. **Other Related parties with whom transactions have taken place during the year.**

   a) **Enterprise over which certain key management personnel have significant influence:**

   Jubilant Enpro Private Limited, Jubilant Oil & Gas Private Limited, Jubilant FoodWorks Limited, Tower Promoters Private Limited, B&M Hot Breads Private Limited, Jubilant Industries Limited, Jubilant Agri and Consumer Products Limited, Jubilant Motors Private Limited, Jubilant Aeronautics Private Limited, Jubilant Fresh Private Limited, Sankur Chalets Private Limited.

   b) **Key management personnel:**

   For the year ended 31 March 2014: Mr. Shyam S. Bhartia, Mr. Hari S. Bhartia , Mr. R. Sankaraiah, Mr. Shyamsundar Bang, Mr. Lalit Jain.

   For the year ended 31 March 2013: Mr. Shyam S. Bhartia, Mr. Hari S. Bhartia , Mr. R. Sankaraiah, Mr. Shyamsundar Bang, Mr. Pramod Yadav, Mr. Rajesh Srivastava, Mr. Neeraj Agrawal, Mr. Chandan Singh.

   c) **Others:**

   Vam Employees Provident Fund Trust, Jubilant Employee Welfare Trust*, Jubilant Bhartia Foundation, Vam Officers Superannuation Fund.

   *Refer note 43

3. **Transactions with related parties during the year**

(₹ in million)

Sr. No.	Particulars	Subsidiaries	Enterprise over which certain key management personnel have significant influence	Key management personnel and relatives	Others
1.	Sales of goods and services	9,874.90 (7,687.05)	201.32 (426.39)		
2.	Interest on loans granted	163.86 (153.80)			
3.	Purchase of goods and services	826.87 (1,034.63)	120.16 (94.87)		
4.	Recovery of expenses and utilities charges	172.32 (184.67)	102.89 (88.77)		
5.	Reimbursement of expenses	174.20 (124.98)	- (0.28)		
6.	Remuneration and related expenses			42.27 (242.76)	
7.	Company's contribution to PF Trust				115.16 (104.16)
8.	Company's contribution to superannuation fund				11.99 (14.09)
9.	Rent expenses		57.49 (56.39)		
10.	Donation				17.20 (24.61)
11.	Sharing of licensing fees	42.89 (58.07)			
12.	R&D services rendered	- (13.35)			
13.	Lease rental expenses	14.84 (14.22)			
14.	Business transfer consideration	87.00 (-)			
15.	Purchase of tangible/intangible assets	- (13.90)	9.18 (6.15)		
16.	Purchase of investments	2.91 (-)			

Notes to the financial statements for the year ended 31 March 2014 (Continued)

(₹ in million)

Sr. No.	Particulars	Subsidiaries	Enterprise over which certain key management personnel have significant influence	Key management personnel and relatives	Others
17.	Investments in equity share capital	272.70 (307.82)			
18.	Interest paid on loans	55.12 (11.64)			
19.	Redemption of optionally convertible non-cumulative redeemable preference shares	- (120.00)			
20.	Loans given	854.86 (409.98)			
21.	Loans received back	18.44 (-)			- (14.50)
22.	Loans taken	633.90 (530.20)			
23.	Loans repaid	70.20 (73.00)			
24.	Advance from customer against goods/assets	4,484.41 (2,568.06)	60.57 (-)		
Balance as at 31 March 2014					
25.	Loans payable	1,085.90 (522.20)			
26.	Interest payable on loan	58.16 (10.27)			
27.	Trade and other payables	382.25 (331.49)	9.67 (21.29)		
28.	Loans recoverable	2,951.64 (2,083.84)			- (439.39)
29.	Interest recoverable on loan	223.28 (75.54)			
30.	Trade receivables	2,158.82 (1,740.47)	37.19 (47.05)		
31.	Deposits recoverable		21.00 (21.00)		
32.	Other recoverable	224.21 (219.63)	24.27 (86.52)	129.07 (25.00)	
33.	Advance from customer payable	2,663.57 (1,554.84)	60.57 (-)		
34.	Financial guarantees on behalf of subsidiaries/step down subsidiaries and outstanding at the end of the year.	251.78 (2,098.11)			
35.	Mortgage of land and building at Bharuch owned by one of subsidiaries as security against term loan.	Refer note 5.2			

Note:

(1) Figures in ( ) indicates in respect of previous year.

(2) Related party relationship is as identified by the Company and relied upon by the Auditors.

(3) No amount has been written off/provided for in respect of dues from or to any related party.

Notes to the financial statements for the year ended 31 March 2014 (Continued)

Disclosure in respect of material related party transactions during the year:

1. Sales of goods and services include to Jubilant Life Sciences (Shanghai) Limited ₹ 602.27 million (Previous year ₹ 1,801.44 million), Jubilant Life Sciences (USA) Inc. ₹ 1,791.20 million (Previous year ₹ 2,082.96 million), PSI Supply NV ₹ 218.43 million (Previous year. ₹ 126.02 million), Jubilant Cadista Pharmaceuticals Inc. ₹ 934.51 million (Previous year ₹ 828.80 million), Jubilant Pharmaceuticals NV ₹ 1,491.32 million (Previous year ₹ 1,769.94 million), Jubilant Chemsys Limited ₹ 15.88 million (Previous year ₹ 38.91 million), Jubilant Agri and Consumer Products Limited ₹ 201.32 million (Previous year ₹ 426.39 million), Jubilant Infrastructure Limited ₹ 2.86 million (Previous year ₹ 1.28 million), Jubilant Life Sciences International Pte. Limited ₹ 3,198.42 million (Previous year ₹ 1,037.70 million) and Jubilant Life Sciences NV ₹ 1,620.01 million (Previous year ₹ Nil)

2. Interest on loan charged to Jubilant Biosys Limited ₹ 153.80 million (Previous year ₹ 153.80 million), Jubilant Pharma Limited ₹ 4.01 million (Previous year ₹ Nil), Jubilant Pharma Holdings Inc. ₹ 6.05 million (Previous year ₹ Nil).

3. Purchases of goods and services include from Jubilant Clinsys Limited ₹ 50.24 million (Previous year ₹ 141.10 million), Jubilant Pharmaceuticals NV ₹ 33.23 million (Previous year ₹ 39.34 million), Jubilant Infrastructure Limited ₹ 742.95 million (Previous year ₹ 852.90 million), Jubilant Chemsys Limited ₹ Nil (Previous year ₹ 0.62 million), PSI Supply NV Belgium. ₹ Nil (Previous year ₹ 0.67 million), Jubilant Biosys Limited ₹ 0.45 million (Previous year ₹ Nil) and Jubilant Agri and Consumer Products Limited ₹ 120.16 million (Previous year ₹ 94.87 million).

4. Recovery of expenses and utilities charges includes from Jubilant Chemsys Limited ₹ 18.03 million (Previous year ₹ 19.06 million, Jubilant Cadista Pharmaceuticals Inc ₹ 10.36 million (Previous year ₹ 12.69 million), Jubilant HollisterStier LLC ₹ 25.73 million (Previous year ₹ 40.57 million), Jubilant DraxImage Inc. ₹ 5.77 million (Previous year ₹ 13.29 million), Jubilant DraxImage Limited ₹ Nil (Previous year ₹ 0.05 million), Jubilant HollisterStier General Partnership ₹ 13.68 million (Previous year ₹ 12.25 million), Jubilant Clinsys Inc ₹ 1.19 million (Previous year ₹ 1.51 million), Jubilant Infrastructure Limited ₹ 96.71 million (Previous year ₹ 80.10 million), Jubilant Enpro Private Limited ₹ 7.64 million (Previous year ₹ 8.21 million), Jubilant Oil & Gas Private Limited ₹ 5.45 million (Previous year ₹ 4.23 million), Jubilant FoodWorks Limited ₹ 13.51 million (Previous year ₹ 5.97 million), Jubilant Industries Limited ₹ 1.32 million (Previous year ₹ 0.18 million), Jubilant Agri and Consumer Products Limited ₹ 74.29 million (Previous year ₹ 69.43 million), B&M Hot Breads Private Limited ₹ 0.29 million(Previous year ₹ 0.59 million), Jubilant Aeronautics Private Limited ₹ 0.30 million (Previous year ₹ 0.16 million), Jubilant Biosys Limited ₹ Nil (Previous year ₹ 5.12 million), Jubilant Innovation Pte. Limited ₹ Nil (Previous year ₹ 0.03 million) and Jubilant Fresh Private Limited ₹ 0.09 million (Previous year ₹ Nil), PSI Supply NV Belgium. ₹ 0.04 million (Previous year ₹ Nil million), Jubilant Pharmaceuticals NV ₹ 0.04 million (Previous year ₹ Nil), Jubilant Clinsys Limited ₹ 0.77 million (Previous year ₹ Nil).

5. Reimbursement of expenses to Jubilant Pharmaceuticals NV ₹ 129.88 million (Previous year ₹ 109.20 million), Jubilant Biosys Limited ₹ 0.08 million (Previous year ₹ 0.44 million), Jubilant Infrastructure Limited ₹ 0.15 million (Previous year ₹ 0.16 million), PSI Supply NV Belgium. ₹ 9.62 million (Previous year ₹ 2.46 million), Jubilant DraxImage Inc ₹ 6.84 million (Previous year ₹ 2.69 million), Jubilant HollisterStier LLC ₹ 1.15 million (Previous year ₹ 2.13 million), Jubilant Cadista Pharmaceuticals Inc ₹ 15.36 million (Previous year ₹ 7.80 million), Jubilant Hollister Stier General Partnership ₹ 0.03 million (Previous year ₹ 0.10 million), Jubilant Clinsys Limited ₹ 10.67 million (Previous year ₹ Nil), Jubilant Life Sciences NV ₹ 0.42 million (Previous year ₹ Nil) and Jubilant Oil & Gas Private Limited ₹ Nil (Previous year ₹ 0.28 million).

6. Remuneration and related expenses to Mr. Shyam S Bhartia ₹ Nil (Previous year ₹ 57.50 million), Mr. Hari S Bhartia ₹ Nil (Previous year ₹ 57.50 million), Mr. Shyamsundar Bang ₹ Nil (Previous year ₹ 21.31 million), Mr. R Sankaraiah ₹ 36.05 million (Previous year ₹ 36.17 million), Mr. Pramod Yadav ₹ Nil (Previous year ₹ 18.57 million), Mr. Rajesh Srivastava ₹ Nil (Previous year ₹ 18.91 million), Mr. Chandan Singh ₹ Nil (Previous year ₹ 11.08 million), Mr. Neeraj Agrawal ₹ Nil (Previous year ₹ 21.72 million), Mr. Lalit Jain ₹ 6.22 million (Previous year ₹ Nil).

7. The Company's contribution to PF Trust to Vam Employees Provident Fund Trust ₹ 115.16 million (Previous year ₹ 104.16 million).

8. The Company's contribution to superannuation fund to Vam Officers Superannuation Fund ₹ 11.99 million (Previous year ₹ 14.09 million).

9. Rent expenses paid to Jubilant Enpro Private Limited ₹ 4.09 million (Previous year ₹ 2.59 million), Tower Promoters Private Limited ₹ 52.00 million (Previous year ₹ 52.00 million), Sankur Chalets Private Limited ₹ 1.40 million (Previous year ₹ 1.80 million).

10. Donation to Jubilant Bhartia Foundation ₹ 17.20 million (Previous year ₹ 24.61 million).

11. Sharing of licensing fees with Jubilant Pharmaceuticals NV ₹ 42.89 million (Previous year ₹ 58.07 million).

Notes to the financial statements for the year ended 31 March 2014 (Continued)

12. R&D services rendered to Jubilant Cadista Pharmaceuticals Inc. ₹ Nil (Previous year ₹ 13.35 million).
13. Lease rental paid to Jubilant Infrastructure Limited ₹ 14.84 million (Previous year ₹ 14.22 million).
14. Business transfer consideration paid to Jubilant Clinsys Limited ₹ 87.00 million (Previous year ₹ Nil).
15. Purchase of tangible/intangible assets from Jubilant Pharmaceuticals NV ₹ Nil (Previous year ₹ 13.90 million), Jubilant Motors Private Limited ₹ 5.32 million (Previous year ₹ 6.15 million) and Jubilant Oil & Gas Private Limited ₹ 3.86 million (Previous year ₹ Nil).
16. Purchase of investments being equity shares of Jubilant Life Sciences International Pte. Limited purchased from Jubilant Pharma Limited ₹ 2.91 million (Previous year ₹ Nil).
17. Investments in equity share capital include to Jubilant Pharma Limited ₹ 264.89 million (Previous year ₹ 307.82 million), Jubilant Life Sciences NV ₹ 7.81 million (Previous year ₹ Nil).
18. Interest on loan paid to Jubilant Infrastructure Limited ₹ 21.75 million (Previous year ₹ 0.78 million), Jubilant Clinsys Limited ₹ 3.92 million (Previous year ₹ 0.94 million), Jubilant First Trust Healthcare Limited ₹ 26.34 million (Previous year ₹ 8.75 million), Asia Healthcare Development Limited ₹ 0.74 million (Previous year ₹ 0.36 million) and Vanthys Pharmaceutical Development Private Limited ₹ 2.37 million (Previous year ₹ 0.81 million).
19. Redemption of optionally convertible non-cumulative redeemable preference shares by Jubilant Chemsys Limited ₹ Nil (Previous year ₹ 120.00 million).
20. Loans given to Jubilant Pharma Limited ₹ 312.85 million (Previous year ₹ 409.98 million) and Jubilant Pharma Holdings Inc. ₹ 542.01 million (Previous year ₹ Nil).
21. Loans received back from Jubilant Pharma Limited ₹ 18.44 million (Previous year. ₹ Nil) and Jubilant Employee Welfare Trust ₹ Nil (Previous year ₹ 14.50 million).
22. Loans taken from Jubilant Infrastructure Limited ₹ 130.00 million (Previous year ₹ 227.50 million), Jubilant Clinsys Limited ₹ 25.00 million (Previous year ₹ 60.00 million), Jubilant First Trust Healthcare Limited ₹ 478.90 million (Previous year ₹ 209.20 million), Asia Healthcare Development Limited ₹ Nil (Previous year ₹ 8.50 million) and Vanthys Pharmaceutical Development Private Limited ₹ Nil (Previous year ₹ 25.00 million).
23. Loans repaid to Jubilant Infrastructure Limited ₹ Nil (Previous year ₹ 65.00 million), Jubilant First Trust Healthcare Limited ₹ 21.70 million (Previous year ₹ 8.00 million) and Asia Healthcare Development Limited ₹ 8.50 million (Previous year ₹ Nil) and Jubilant Clinsys Limited ₹ 40.00 million (Previous year ₹ Nil).
24. Advance from customer against goods/assets Jubilant Life Sciences International Pte. Limited ₹ 2,388.85 million (Previous year ₹ 2,568.06 million), Jubilant Life Sciences NV ₹ 2,095.56 million (Previous year ₹ Nil) and Jubilant FoodWorks Limited ₹ 60.57 million (Previous year ₹ Nil).
25. Loan payable to Jubilant Infrastructure Limited ₹ 357.50 million (Previous year ₹ 227.50 million), Jubilant Clinsys Limited ₹ 45.00 million (Previous year ₹ 60.00 million), Jubilant First Trust Healthcare Limited ₹ 658.40 million (Previous year ₹ 201.20 million), Asia Healthcare Development Limited ₹ Nil (Previous year ₹ 8.50 million) and Vanthys Pharmaceutical Development Private Limited ₹ 25.00 million (Previous year ₹ 25.00 million).
26. Interest on loans payable to Jubilant Infrastructure Limited ₹ 20.08 million (Previous year ₹ 0.51 million), Jubilant Clinsys Limited ₹ 4.37 million (Previous year ₹ 0.84 million), Jubilant First Trust Healthcare Limited ₹ 31.58 million (Previous year ₹ 7.86 million), Asia Healthcare Development Limited ₹ Nil (Previous year ₹ 0.33 million) and Vanthys Pharmaceutical Development Private Limited ₹ 2.13 million (Previous year ₹ 0.73 million).
27. Trade and other payables include to Jubilant Clinsys Limited to ₹ 107.05 million (Previous year ₹ 14.19 million), Jubilant Pharmaceuticals NV ₹ 158.40 million (Previous year ₹ 154.92 million), Jubilant Life Sciences USA Inc ₹ 9.92 million (Previous year ₹ 9.67 million), Jubilant Cadista Pharmaceuticals Inc ₹ 2.38 million (Previous year ₹ Nil), Jubilant Infrastructure Limited ₹ 81.92 million (Previous year ₹ 147.64 million), Jubilant Industries Limited ₹ 0.97 million (Previous year ₹ Nil), Jubilant Agri and Consumer Products Limited ₹ 8.70 million (Previous year ₹ 21.29 million), PSI Supply NV ₹ 12.21 million (Previous year ₹ 2.34 million), Jubilant DraxImage Inc ₹ 9.14 million (Previous year ₹ 2.63 million), Jubilant HolisterStier General Partnership ₹ 0.12 million (Previous year ₹ 0.10 million), Jubilant Chemsys Limited ₹ 0.42 million (Previous year ₹ Nil), Jubilant Biosys Limited ₹ 0.27 million (Previous year ₹ Nil) and Jubilant Life Sciences NV ₹ 0.42 million (Previous year ₹ Nil).
28. Loans recoverable from Jubilant Pharma Limited ₹ 916.62 million (Previous year ₹ 570.04 million) and Jubilant Biosys Limited ₹ 1,513.80 million (Previous year ₹ 1,513.80 million), Jubilant Pharma Holdings Inc. ₹ 521.22 million (Previous year ₹ Nil) and Jubilant Employee Welfare Trust ₹ Nil (Previous year ₹ 439.39 million).
29. Interest on loan recoverable from Jubilant Pharma Limited ₹ 3.40 million (Previous year ₹ Nil) and Jubilant Biosys Limited ₹ 213.96 million (Previous year ₹ 75.54 million), Jubilant Pharma Holdings Inc. ₹ 5.92 million (Previous year ₹ Nil).

Notes to the financial statements for the year ended 31 March 2014 (Continued)

30. Trade receivables include from Jubilant Pharmaceuticals N.V ₹ 326.29 million (Previous year ₹ 649.42 million), PSI Supply NV ₹ 109.59 million(Previous year ₹ 49.08 million), Jubilant Life Sciences (USA) Inc ₹ 474.70 million (Previous year ₹ 563.49 million), Jubilant Life Sciences (Shanghai) Limited ₹ 239.59 million (Previous year ₹ 383.25 million), Jubilant Cadista Pharmaceuticals Inc ₹ 111.76 million (Previous year ₹ 93.69 million), Jubilant Agri and Consumer Products Limited ₹ 37.19 million (Previous year ₹ 47.05 million), Jubilant Chemsys Limited ₹ 0.01 million (Previous year ₹ 1.54 million), Jubilant Infrastructure Limited ₹ 0.15 million (Previous year ₹ Nil), Jubilant Life Sciences International Pte. Limited ₹ 664.96 million (Previous year ₹ Nil) and Jubilant Life Sciences NV ₹ 231.77 million (Previous year ₹ Nil).

31. Deposit recoverable from Tower Promoters Private Limited ₹ 21.00 million (Previous year ₹ 21.00 million).

32. Other recoverable include from Jubilant Pharmaceuticals NV ₹ 58.93 million (Previous year ₹ Nil), Jubilant Cadista Pharmaceuticals Inc ₹ 1.18 million (Previous year ₹ 6.85 million), Jubilant HollisterStier LLC ₹ 15.15 million (Previous year ₹ 94.51 million), Jubilant Clinsys Inc ₹ 12.34 million (Previous year ₹ 10.15 million), Jubilant HollisterStier General Partnership ₹ 68.13 million (Previous year ₹ 54.29 million), Jubilant DraxImage Inc ₹ 46.66 million(Previous year ₹ 39.83 million), Jubilant DraxImage Limited ₹ 6.44 million (Previous year ₹ 6.31 million), Jubilant Chemsys Limited ₹ 13.41 million(Previous year ₹ 2.26 million), Mr. R. Sankaraiah ₹ 25.00 million (Previous year ₹ 25.00 million), Jubilant Oil & Gas Private Limited ₹ 1.96 million (Previous year ₹ Nil), Jubilant Industries Limited ₹ Nil (Previous year ₹ 17.17 million), Jubilant Agri and Consumer Products Limited ₹ 13.32 million (Previous year ₹ 63.98 million), B&M Hot Breads Private Limited ₹ 0.06 million (Previous year ₹ Nil), Jubilant Biosys Limited ₹ Nil (Previous year ₹ 4.68 million), Jubilant Life Sciences (Switzerland) AG Schaffhausen ₹ 0.90 million (Previous year ₹ 0.75 million), Jubilant FoodWorks Limited ₹ 8.93 million (Previous year ₹ 5.37 million) and Jubilant Clinsys Limited ₹ 1.07 million (Previous year ₹ Nil) and remuneration recoverable from Mr. Shyam S Bhartia ₹ 40.06 million (Previous year ₹ Nil), Mr. Hari S Bhartia ₹ 40.05 million (Previous year ₹ Nil), Mr. Shyamsundar Bang ₹ 23.96 million (Previous year ₹ Nil).

33. Advance from customer payable to Jubilant Life Sciences International Pte. Limited ₹ 1,908.52 million (Previous year ₹ 1,554.84 million) and Jubilant Life Sciences NV ₹ 755.05 million (Previous year ₹ Nil) and Jubilant FoodWorks Limited ₹ 60.57 million (Previous year ₹ Nil).

34. Financial guarantees given on behalf of subsidiaries include for Jubilant HollisterStier Inc. ₹ 251.78 million (Previous year ₹ 1,136.45 million), Jubilant Life Sciences International Pte. Limited ₹ Nil (Previous year ₹ 961.66 million).

35. Mortgage of land and building at Bharuch owned by one of subsidiaries as security against term loan.

36. The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under sections 92-92F of the Income-tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company is in the process of updating the documentation for the specified domestic transactions entered into with the specified persons and the international transactions entered into with the associated enterprises during the financial year and expects such records to be in existence before the due date of filing of income tax return. The management is of the opinion that its specified domestic transactions and international transactions are at arm’s length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

Notes to the financial statements for the year ended 31 March 2014 (Continued)

(₹ in million)

Particulars			For the year ended 31 March 2014	For the year ended 31 March 2013
54.	**(a)**	**Expenditure in foreign currency (on accrual basis)**		
		- Legal, professional and consultancy charges	146.09	66.58
		- Travel/entertainment expenses	28.77	42.48
		- Commission on export sales	54.85	60.37
		- Interest	601.02	695.52
		- Product development expenses	127.16	154.71
		- Trading goods	996.53	1,153.16
		- Rates and taxes	108.41	67.94
		- Others	118.82	123.28
	(b)	**Value of imports on C.I.F. basis**		
		- Raw materials	8,980.93	5,649.48
		- Store, spares, chemicals and catalyst	541.47	335.10
		- Capital goods	44.85	99.61
	(c)	**Remittance in foreign currency on account of final dividend**		
		a) Amount of dividend remitted	16.71	16.71
		b) Number of Non-resident shareholders	3.00	3.00
		c) Number of equity shares held by Non-resident shareholders*	5,570,445	5,570,445
		d) The year to which dividend related	2012-13	2011-12
		*excluding where dividend has been paid in Indian currency		
	(d)	**Earnings in foreign exchange**		
		- Export sales-net of returns (FOB value)	21,932.65	18,008.46
		- Towards services and other operating income	71.41	77.60
		- Towards Interest income	0.04	0.03

55. Earnings per share (EPS)

Particulars			For the year ended 31 March 2014	For the year ended 31 March 2013
I.	Profit/(loss) for basic and diluted earnings per share of ₹ 1 each	₹ in million	8.24	(433.23)
II.	Weighted average number of equity shares for earnings per share computation			
	A) For basic earnings per share	Nos.	159,281,139	159,281,139
	B) For diluted earnings per share:			
	No. of shares for basic earning per share as per II A	Nos.	159,281,139	159,281,139
	Add: weighted average outstanding options related to employee stock options.(Note1)	Nos.	Nil	Nil
	No. of shares for diluted earnings per share	Nos.	159,281,139	159,281,139
III.	Earnings per share (face value of ₹ 1 each)			
	Basic	Rupees	0.05	(2.72)
	Diluted	Rupees	0.05	(2.72)

Note :

1) The shares held by Jubilant Employee Welfare Trust are in excess of employee stock option granted and outstanding. Therefore, the effect of outstanding employee stock options is Nil on computation of diluted EPS (Refer note 43).

56. Prior period items for the year ₹ Nil (Previous year ₹ 37.33 million).

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

As per our report of even date attached

For and on behalf of the Board of Directors of **Jubilant Life Sciences Limited**

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

Akhil Bansal
Partner
Membership No.: 090906

Shyam S. Bhartia
Chairman and Managing Director

Place: Noida
Date : 26 May 2014

Lalit Jain
Company Secretary

R. Sankaraiah
Executive Director-Finance

Hari S. Bhartia
Co-Chairman and Managing Director

Independent Auditor's Report

To the Board of Directors of Jubilant Life Sciences Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Jubilant Life Sciences Limited and its subsidiaries (together referred to as the "Group"), which comprise the consolidated Balance Sheet as at 31 March 2014 and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Group in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956, read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 (together referred to as the "Act"). This responsibility includes the design, implementation and maintenance of internal controls 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 conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 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 controls relevant to the Groups's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at 31 March 2014;

(b) in the case of the consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and

(c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

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

Akhil Bansal
Partner
Membership No.: 090906

Place: Noida
Date: 26 May 2014

Consolidated Balance Sheet as at 31 March 2014

(₹ in million)

	Note	As at 31 March 2014		As at 31 March 2013	
EQUITY AND LIABILITIES					
Shareholders' Funds					
Share capital	3	154.46		159.30	
Reserves and surplus	4	26,110.68		24,601.91	
			26,265.14		24,761.21
Minority interest			1,579.35		1,115.41
Non-current liabilities					
Long-term borrowings	5	17,168.83		24,688.05	
Deferred tax liabilities (net)	44	2,370.65		2,922.19	
Other long term liabilities	6	114.72		58.61	
Long-term provisions	7	2,195.30		2,379.64	
			21,849.50		30,048.49
Current liabilities					
Short-term borrowings	8	11,878.29		11,313.87	
Trade payables	9	7,181.37		6,471.25	
Other current liabilities	10	17,312.01		8,980.01	
Short-term provisions	11	2,539.90		1,018.38	
			38,911.57		27,783.51
Total			**88,605.56**		**83,708.62**
ASSETS					
Non-current assets					
Fixed assets					
Tangible fixed assets	12	31,207.30		31,288.51	
Intangible fixed assets	13	19,780.50		18,386.10	
Capital work-in-progress	12	1,108.44		1,394.79	
Intangible assets under development	13	3,615.50		2,974.11	
Non-current investments	14	339.89		256.12	
Long-term loans and advances	15	3,267.77		3,789.63	
Other non-current assets	16	5.86		8.77	
			59,325.26		58,098.03
Current assets					
Inventories	17	13,414.17		11,161.80	
Trade receivables	18	8,058.73		7,085.43	
Cash and bank balances	19	4,795.32		3,560.48	
Short-term loans and advances	20	2,144.56		2,564.82	
Other current assets	21	867.52		1,238.06	
			29,280.30		25,610.59
Total			**88,605.56**		**83,708.62**
Significant accounting policies	2				
Notes to the financial statements	1-53				

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

As per our report of even date attached

For and on behalf of the Board of Directors of **Jubilant Life Sciences Limited**

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

Akhil Bansal
Partner
Membership No.: 090906

Shyam S. Bhartia
Chairman and Managing Director

Place: Noida
Date : 26 May 2014

Lalit Jain
Company Secretary

R. Sankaraiah
Executive Director-Finance

Hari S. Bhartia
Co-Chairman and Managing Director

Consolidated Statement of Profit and Loss for the year ended 31 March 2014

(₹ in million)

	Note	For the year ended 31 March 2014		For the year ended 31 March 2013	
REVENUE					
Revenue from operations (gross)	22	59,400.84		52,860.04	
Less: excise duty		(1,367.21)		(1,200.54)	
Revenue from operations (net)			58,033.63		51,659.50
Other income	23		190.60		298.71
Total revenue			**58,224.23**		**51,958.21**
EXPENSES					
Cost of materials consumed	24		21,920.89		18,069.11
Purchases of stock-in-trade	25		3,489.19		3,006.39
Changes in inventories of finished goods, work-in-progress and stock-in-trade	26		(989.47)		(466.98)
Employee benefits	27		11,051.68		9,625.84
Finance costs	28		3,237.23		2,986.90
Depreciation and amortisation	12 and 13		2,811.68		2,537.95
Other expenses	29		12,485.26		10,866.10
Total expenses			**54,006.46**		**46,625.31**
Profit before exceptional items and tax			**4,217.77**		**5,332.90**
Exceptional items	30		2,144.94		1,921.52
Profit before tax			**2,072.83**		**3,411.38**
Tax expenses:	44				
- Current tax			1,143.60		976.34
- Minimum Alternate Tax (MAT) credit entitlement			(25.89)		(37.33)
- Deferred tax (credit)/charge			(421.27)		584.59
			696.44		**1,523.60**
Profit for the year (before adjustment for minority interest)			**1,376.39**		**1,887.78**
Minority interest			285.99		360.51
Profit for the year (after adjustment for minority interest)			**1,090.40**		**1,527.27**
Basic earnings per share of ₹ 1 each (In Rupees)	51		6.85		9.59
Diluted earnings per share of ₹ 1 each (In Rupees)	51		6.85		9.59
Significant accounting policies	2				
Notes to the financial statements	1-53				

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

As per our report of even date attached

For and on behalf of the Board of Directors of **Jubilant Life Sciences Limited**

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

Akhil Bansal
Partner
Membership No.: 090906

Shyam S. Bhartia
Chairman and Managing Director

Place: Noida
Date : 26 May 2014

Lalit Jain
Company Secretary

R. Sankaraiah
Executive Director-Finance

Hari S. Bhartia
Co-Chairman and Managing Director

Consolidated Cash Flow Statement for the year ended 31 March 2014

(₹ in million)

		For the year ended 31 March 2014	For the year ended 31 March 2013
A.	**Cash flow arising from operating activities**		
	Net profit before tax	2,072.83	3,411.38
	Adjustments :		
	Depreciation and amortisation	2,811.68	2,537.95
	Loss on sale/disposal/discard/impairment of fixed assets (net)	25.11	558.94
	Finance costs	3,237.23	2,986.90
	Provision for loss on impairment of goodwill	35.06	-
	Amortisation of FCMITDA	1,000.21	631.61
	Provision for doubtful debts	32.96	62.65
	Bad debts/irrecoverable advances written off (net off provisions written-back)	(44.83)	12.69
	Unrealised foreign exchange differences (including mark-to-market on currency and interest rate swaps)	966.69	845.92
	Interest income	(52.20)	(113.05)
	Profit on Sale of Business/Investment	(142.72)	-
		7,869.19	7,523.61
	Operating cash flow before working capital changes	**9,942.02**	**10,934.99**
	Decrease/(Increase) in trade receivables, loans and advances and other assets	507.37	(918.71)
	Increase in inventories	(1,750.04)	(655.65)
	Increase in trade payables, provisions and other liabilities	135.81	1,534.00
	Cash generated from operations	**8,835.16**	**10,894.63**
	Income tax and wealth tax paid (net of refund)	(809.11)	(1,195.63)
	Net cash generated from operating activities	**8,026.05**	**9,699.00**
B.	**Cash flow from investing activities**		
	Acquisition/purchase of fixed assets/CWIP (including capital advances)	(2,908.08)	(4,637.60)
	Proceeds from sale of fixed assets	63.50	259.98
	Purchase of investments (net)	(62.52)	(54.35)
	Proceeds from sale of business	407.11	-
	Movement in other bank balances*	702.83	(726.64)
	Interest received	52.93	161.38
	Net cash used in investing activities	**(1,744.23)**	**(4,997.23)**
C.	**Cash flow arising from financing activities :**		
	Proceeds from long term borrowings**	5,163.79	2,547.32
	Repayment of long term borrowings	(6,233.20)	(5,580.11)
	Proceeds from short term borrowings (net of repayments)	516.21	2,040.50
	Receipt of capital subsidy	3.00	-
	Dividend paid (including dividend distribution tax)	(552.36)	(548.30)
	Finance costs paid	(3,344.86)	(2,957.04)
	Net cash used in financing activities	**(4,447.42)**	**(4,497.63)**
D.	**Effect of exchange rate changes in cash and cash equivalents**	**114.26**	**(38.47)**
	Net Increase in cash and cash equivalents (A+B+C+D)	**1,948.66**	**165.67**
	Add: cash and cash equivalents at the beginning of year	2,796.47	2,630.80
	Adjustment: cash and cash equivalents on sale of business of Asia Healthcare Development Limited (Refer note 33)	(10.28)	-
	Adjustment: cash and cash equivalents on consolidation of ESOP trust (Refer note 40)	0.06	-
	Cash and cash equivalents at the close of the year	**4,734.91**	**2,796.47**
	Components of cash and cash equivalents		
	Balances with banks:*		
	- On current accounts	4,546.12	1,331.53
	- On dividend accounts	28.18	21.49
	- On deposits accounts with original maturity upto three months	104.95	1,321.50
	Cash on hand	2.29	1.86
	Cheques/Drafts in hand	0.23	5.38
	Others		
	- Funds in transit	51.43	113.46
	- Imprest and gift/meal vouchers	1.71	1.25
		4,734.91	2,796.47

* ₹ Nil (Previous year ₹ 1,600.00 million) as security against loan and ₹ 198.03 million (Previous year ₹ 511.07 million) has restricted use.

** Revolver facility of Jubilant HollisterStier LLC is presented on net basis (Refer note 5.10).

Note:

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 and on behalf of the Board of Directors of **Jubilant Life Sciences Limited**

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

Akhil Bansal
Partner
Membership No.: 090906

Shyam S. Bhartia
Chairman and Managing Director

Place: Noida
Date : 26 May 2014

Lalit Jain
Company Secretary

R. Sankaraiah
Executive Director-Finance

Hari S. Bhartia
Co-Chairman and Managing Director

Notes to the consolidated financial statements for the year ended 31 March 2014

1. Corporate information

Jubilant Life Sciences Limited (the Company or the Parent Company) is a public limited company domiciled in India and incorporated under the provisions of Companies Act, 1956. Its shares are listed on Bombay Stock Exchange and National Stock Exchange of India. The consolidated financial statements of the Company as at and for the year ended on 31 March 2014 comprise the Company and its subsidiaries (together referred to as "the Group"). The Group is a global Pharmaceutical and life sciences player engaged in manufacture and supply of generics (including active pharmaceutical ingredients (APIs) and solid dosage formulations), specialty pharmaceuticals (including radiopharmaceuticals, allergy therapy products and CMO of sterile injectables), and Life Science Ingredients (Advance Intermediates and Specialty Ingredients, Nutritional Products and Life Science Chemicals). It also provides drug discovery and development solutions (DDDS). The Group's strength lies in its unique offerings of pharmaceuticals and life sciences products and services across the value chain. It is well recognised as a 'Partner of Choice' by leading pharmaceuticals and life sciences companies globally.

2. Significant accounting policies

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

A. Basis of preparation and presentation of consolidated financial statements

The consolidated financial statements have been prepared and presented 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 prescribed in the Companies (Accounting Standards) Rules, 2006 issued by the Central Government, which as per a clarification issued by the Ministry of Corporate Affairs continue to apply under section 133 of the Companies Act, 2013 (which has superseded section 211(3C) of the Companies Act, 1956 w.e.f. 12 September 2013), the other relevant provisions of the Companies Act, 1956 (including the new notified sections under Companies Act, 2013, to the extent applicable), pronouncements of the Institute of Chartered Accountants of India, guidelines issued by the Securities and Exchange Board of India ("SEBI") , to the extent applicable. The consolidated financial statements are presented in Indian rupees rounded off to the nearest million.

The consolidated financial statements are presented as per revised Schedule VI to the Companies Act, 1956. All assets and liabilities have been classified as current or non-current as per the normal operating cycle of respective entities in the Group and other criteria set out in the revised Schedule VI to the Companies Act, 1956.

Previous year's figures have been regrouped/rearranged wherever considered necessary to conform to current year's classification.

B. Principles of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively known as "the Group") and have been combined on a line-by-line basis by adding the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances/transactions and unrealised profits in full. The amounts shown in respect of reserves comprise the amount of the relevant reserves as per the Balance Sheet of the Parent Company and its share in the post-acquisition increase/decrease in the reserves of the consolidated entities.

The excess/deficit of cost to the Parent Company of its investment over its portion of net worth in the consolidated entities at the respective dates on which investment in such entities was made is recognised in the consolidated financial statements as goodwill/capital reserve. The Parent Company's portion of net worth in such entities is determined on the basis of book values of assets and liabilities as per the financial statements of the entities as on the date of investment.

Entities acquired/sold during the year have been consolidated from/up to the respective date of their acquisition/disposal.

Minority Interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the Group in the subsidiary companies and further movements in their share in the equity, subsequent to the dates of investments as stated above. In case of losses applicable to minority exceeding the minority interest in equity of the subsidiary, the excess and any further losses applicable to the minority, are adjusted against the majority interest except to the extent that the minority has a binding obligation to, and is able to, make good the losses. If the subsidiary subsequently reports profits, all such profits are allocated to the majority interest until the minority's share of losses previously absorbed by the majority has been recovered.

Notes to the consolidated financial statements for the year ended 31 March 2014 (Continued)

The details of the consolidated entities are as follows:

Sr. No.	Name	Country of Incorporation	Name of Parent	Percentage of ownership
1.	Jubilant Pharma Limited (Formerly known as Jubilant Pharma Pte. Ltd)	Singapore	Jubilant Life Sciences Limited	100%
2.	Draximage Limited, Cyprus	Cyprus	Jubilant Pharma Limited	100%
3.	Draximage Limited, Ireland	Ireland	Draximage Limited, Cyprus	100%
4.	Draximage LLC	USA	Draximage Limited, Cyprus	100%
5.	Jubilant DraxImage (USA) Inc.	USA	Draximage Limited, Cyprus	100%
6.	Deprenyl Inc., USA	USA	Draximage Limited, Cyprus	100%
7.	Jubilant DraxImage Inc.	Canada	Jubilant Pharma Limited	100%
8.	6963196 Canada Inc.	Canada	Jubilant DraxImage Inc.	100%
9.	6981364 Canada Inc.	Canada	Jubilant DraxImage Inc.	100%
10.	DAHI Animal Health (UK) Limited	UK	Jubilant DraxImage Inc.	100%
11.	Draximage (UK) Limited	UK	Jubilant DraxImage Inc.	100%
12.	Jubilant Pharma Holdings Inc. (Formerly known as Jubilant Life Sciences Holdings Inc.)	USA	Jubilant Pharma Limited Jubilant Life Sciences Limited	82% 18%
13.	Jubilant Clinsys Inc.	USA	Jubilant Pharma Holdings Inc.	100%
14.	Cadista Holdings Inc.	USA	Jubilant Generics Inc.	82.38%
15.	Jubilant Cadista Pharmaceuticals Inc.	USA	Cadista Holdings Inc.	100%
16.	Jubilant Life Sciences International Pte. Limited	Singapore	Jubilant Life Sciences Limited	100%
17.	HSL Holdings Inc.	USA	Jubilant Pharma Holdings Inc.	100%
18.	Jubilant HollisterStier LLC	USA	HSL Holdings Inc.	100%
19.	Jubilant Life Sciences (Shanghai) Limited	China	Jubilant Pharma Limited	100%
20.	Jubilant Pharma NV	Belgium	Jubilant Life Sciences Limited Jubilant Pharma Limited	77.65% 22.35%
21.	Jubilant Pharmaceuticals NV	Belgium	Jubilant Pharma NV Jubilant Pharma Limited	99.81% 0.19%
22.	PSI Supply NV	Belgium	Jubilant Pharma NV Jubilant Pharma Limited	99.5% 0.5%
23.	Jubilant Life Sciences (USA) Inc.	USA	Jubilant Life Sciences Limited	100%
24.	Jubilant Life Sciences (BVI) Limited	BVI	Drug Discovery and Development Solutions Limited (subsidiary of Jubilant Pharma Ltd till 3 October 2013)	100%
25.	Jubilant Biosys (BVI) Limited	BVI	Jubilant Life Sciences (BVI) Limited	100%
26.	Jubilant Biosys (Singapore) Pte. Limited	Singapore	Jubilant Biosys (BVI) Limited	100%
27.	Jubilant Biosys Limited	India	Jubilant Biosys (Singapore) Pte. Limited	66.98%
28.	Jubilant Discovery Services, Inc.	USA	Jubilant Biosys Limited	100%
29.	Jubilant Drug Development Pte. Limited	Singapore	Jubilant Life Sciences (BVI) Limited	100%
30.	Jubilant Chemsys Limited	India	Jubilant Drug Development Pte. Limited	100%
31.	Jubilant Clinsys Limited	India	Jubilant Drug Development Pte. Limited	100%
32.	Jubilant Infrastructure Limited	India	Jubilant Life Sciences Limited	100%

Notes to the consolidated financial statements for the year ended 31 March 2014 (Continued)

Sr. No.	Name	Country of Incorporation	Name of Parent	Percentage of ownership
33.	Jubilant First Trust Healthcare Limited	India	Jubilant Life Sciences Limited First Trust Medicare Pvt. Limited	95.84% 4.16%
34.	Asia Healthcare Development Limited##	India	Jubilant First Trust Healthcare Limited (Ceased to be a subsidiary with effect from 3 March 2014)	100%
35.	Jubilant Innovation (BVI) Limited	BVI	Drug Discovery and Development Solutions Limited (Subsidiary of Jubilant Pharma Ltd till 3 October 2013)	100%
36.	Jubilant Innovation Pte. Limited	Singapore	Jubilant Innovation (BVI) Limited	100%
37.	Jubilant DraxImage Limited	India	Draximage Limited, Cyprus	100%
38.	Jubilant Innovation (India) Limited	India	Jubilant Innovation (BVI) Limited	100%
39.	Jubilant Innovation (USA) Inc.	USA	Jubilant Innovation (BVI) Limited	100%
40.	Jubilant HollisterStier Inc.	USA	HSL Holdings Inc.	100%
41.	Draxis Pharma LLC	USA	Jubilant HollisterStier Inc.	100%
42.	Jubilant Generics Inc (Formerly known as Generic Pharmaceuticals Holdings, Inc.)	USA	Jubilant Pharma Holdings Inc.	100%
43.	Jubilant Life Sciences (Switzerland) AG, Schaffhausen	Switzerland	Jubilant Pharma Limited	100%
44.	First Trust Medicare Pvt. Limited	India	Jubilant Life Sciences Limited	100%
45.	Drug Discovery and Development Solutions Limited	Singapore	Jubilant Life Sciences Limited (Subsidiary with effect from 6 August 2013)	100%
46.	Jubilant Drug Discovery and Development Services Inc.	Canada	Jubilant Innovation Pte. Limited	100%
47.	Jubilant HollisterStier General Partnership #	Canada	Jubilant HollisterStier Inc. Draxis Pharma LLC	99.99% 0.01%
48.	Draximage General Partnership #	Canada	Jubilant DraxImage Inc. 6981364 Canada Inc.	90% 10%
49.	Vanthys Pharmaceutical Development Pvt. Limited	India	Jubilant Innovation Pte. Limited	100%
50.	Jubilant Generics Limited	India	Jubilant Pharma Limited (Subsidiary with effect from 25 November 2013)	100%
51.	Jubilant Life Sciences NV	Belgium	Jubilant Life Sciences Limited (Subsidiary with effect from 12 July 2013)	100%

Partnership firms, in which two subsidiaries of the Parent Company are partners.

Refer note 33.

C. Use of estimates

The preparation of consolidated 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 consolidated financial statements and the results of operations during the reporting periods. Examples of such estimate include future obligations under employee benefit plans, income taxes, useful lives of tangible assets and intangible assets, impairment of assets/goodwill, valuation of derivatives, provision for doubtful debts, accounting for deductions from revenues (such as rebates, charge backs, price equalisations and sales returns) etc.

Management believes that the estimates used in the preparation of the consolidated 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 consolidated financial statements.

Notes to the consolidated financial statements for the year ended 31 March 2014 (Continued)

D. Current–non-current classification

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

Assets

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

a. it is expected to be realised in, or is intended for sale or consumption in, the entity'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 entity'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 Group has ascertained its operating cycle as 12 months for the purpose of current – non current classification of assets and liabilities.

E. 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/ amortisation/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.

Exchange differences (favorable as well as unfavorable) arising in respect of translation/settlement of long term foreign currency borrowings attributable to the acquisition of a depreciable asset are also included in the cost of the asset.

In case of fixed assets acquired at the time of amalgamation of certain entities with Group, the same are recognised at book value in case of amalgamation in the nature of merger and at book value/fair value in case of amalgamation in the nature of purchase in line with Accounting Standard (AS) 14 -“Accounting for Amalgamations”.

Expenditure incurred on start up and commissioning of the project and/or substantial expansion, including the expenditure incurred on trial runs (net of trial run receipts, if any) up to the date of commencement of commercial production are capitalised. Subsequent expenditures related to an item of fixed asset are capitalised to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance. Losses arising from the retirement of, and gains or losses arising from disposal of fixed assets are recognised in the Consolidated Statement of Profit and Loss.

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

Insurance spares/standby equipments are capitalised as part of the mother asset and are depreciated at applicable rates, over the remaining useful life of the mother assets.

Intangible fixed assets

Acquired intangible assets

Intangible assets that are acquired by the Group 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.

Internally generated intangible assets

Internally generated goodwill is not recognised as an asset. With regard to other internally generated intangible assets:

- Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in the Consolidated Statement of Profit and Loss as incurred.
- Development activities involve a plan or design for the production of new or substantially improved products or processes. Development expenditure including regulatory cost and legal expenses leading to product registration/market authorisation relating to the new and/or improved product and/or process development capitalised only if development costs can be measured

Notes to the consolidated financial statements for the year ended 31 March 2014 (Continued)

reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use the asset. The expenditure capitalised includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use, and directly attributable borrowing costs (in the same manner as in the case of tangible fixed assets). Other development expenditure is recognised in the Consolidated Statement of Profit and Loss as incurred.

F. Depreciation and amortisation

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

Depreciation, in respect of assets added/installed up to December 15, 1993, is provided at the rates applicable at the time of additions/installations of the assets, as per the Companies Act, 1956 and depreciation, in respect of assets added/installed during the subsequent period, is provided at the rates, mentioned in Schedule XIV to the Companies Act, 1956 read with Notification dated 16th December, 1993 issued by Department of Company Affairs, Government of India except for the following classes of fixed assets which are depreciated as under;

a. Research and development related equipments and machineries: ten years.
b. Dies and punches for manufacture of dosage formulations: one to two years.
c. Motor vehicles: five years.
d. Motor vehicles under finance lease: tenure of lease or five years whichever is shorter.
e. Computer and information technology related assets: three to five years.
f. Certain employee perquisite related assets: five years, being the period of the perquisite scheme.

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

For overseas entities, depreciation is charged using the straight line method, over the estimated useful life considered as follows:-

- Building: 30 years
- Plant and machinery: 3 to 20 years
- Dies and punches: 1 to 2 years
- Furniture and office equipments: 3 to 15 years
- Computer and information technology related assets: 3 to 5 years
- Vehicles : 3 to 5 years

Leased assets including leasehold land and improvements are amortised over the lease period/remaining lease period on straight line basis.

Depreciation on assets added/disposed off during the year has been provided on pro-rata basis with reference to the date of addition/disposal. Depreciation on assets added/disposed off during the year, in case of some of overseas subsidiaries, is provided on pro rata basis with reference to the month of addition/disposal.

Depreciation on exchange fluctuation capitalised, in view of the option exercised by the Group for accounting the exchange differences arising on reporting of long term foreign currency monetary items in line with Para 46 and 46A of Accounting Standard (AS) 11 on "The Effects of Changes in Foreign Exchange Rates", is charged over the remaining useful life of assets.

Intangible assets in the nature of Product registrations/ Market authorisations (Products) are amortised on a straight-line basis over a period of five years in case of internally developed products (intangibles) and 5-10 years in case of bought out product (intangibles), from the date of regulatory approval or the date of product going off-patent whichever is later. Software systems are being amortised over a period of five years being their useful life. Rights are amortised over the useful life.

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

G. Impairment of fixed assets

Fixed assets other than goodwill are reviewed at each reporting date to determine if there is any indication of impairment. Goodwill is tested for impairment at least once in year. For assets in respect of which any such indication exists and for intangible assets mandatorily tested annually for impairment, the asset's recoverable amount is estimated. For assets that are not yet available for use, the recoverable amount is estimated at each reporting date. An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount.

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

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

If at the Balance Sheet date there is an indication that a previously assessed impairment loss no longer exists or has decreased, the assets or CGU's recoverable amount

Notes to the consolidated financial statements for the year ended 31 March 2014 (Continued)

is estimated. The impairment loss (other than impairment loss on goodwill) is reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. An impairment loss for goodwill is reversed only if the impairment loss was caused due to specific external events of an exceptional nature, that is not expected to reoccur and subsequent external events have occurred that reverse the effect of that event.

H. Leases

Finance leases

Assets leased by the Group in its capacity as lessee where substantially all the risks and rewards of ownership vest in the Group are classified as finance leases. Such leases are capitalised at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments and a liability is created for an equivalent amount. Lease payment is allocated between the liability and finance charges so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

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 Consolidated 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.

I. Valuation of Inventories

Inventories are valued at lower of cost or net realisable value except scrap, which is valued at net estimated realisable value.

The methods of determining cost of various categories of inventories are as follows:

Raw materials	Weighted average method
Stores and spares	Weighted average method
Work-in-process and finished goods (manufactured)	Variable cost at weighted average including an appropriate share of variable and fixed production overheads. Fixed production overheads are included based on normal capacity of production facilities
Fuel, consumables, packing material etc.	Weighted average method
Finished goods (traded)	Cost of purchase
Goods in transit	Cost of purchase

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

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products. Raw materials and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

The comparison of cost and net realisable value is made on an item-by-item basis.

J. 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 revised Schedule VI.

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.

K. 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 the timing differences of the 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 realisation 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

Notes to the consolidated financial statements for the year ended 31 March 2014 (Continued)

realised. Deferred tax consequences of timing differences that originate in the tax holiday period and reverse after the tax holiday period are recognised in the period in which the timing differences originate. Timing differences that originate and reverse within the tax holiday period are not considered for deferred tax purposes. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

Minimum Alternate Tax (MAT)

Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the specified period. 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 Consolidated Statement of Profit and Loss and shown as MAT Credit Entitlement. The Group 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 Group will pay normal income tax during the specified period.

L. Foreign currency transactions, derivatives and hedging

The reporting currency of the Group is the Indian Rupee. However, the local currencies of non-integral overseas subsidiaries are different from the reporting currency of the Group.

Foreign currency transactions are recorded at the exchange rate prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rates on that date. The resultant exchange differences are recognised in the Consolidated Statement of Profit and Loss except that:

(a) Exchange differences pertaining to long term foreign currency monetary items that are related to acquisition of depreciable assets are adjusted in the carrying amount of the related fixed assets; and

(b) Exchange differences arising on other long-term foreign currency monetary items are accumulated in 'Foreign Currency Monetary Item Translation Difference Account' (FCMITDA), and are amortised over the balance period of the relevant foreign currency item.

A monetary asset or liability is termed as a long-term foreign currency monetary item, if the asset or liability is expressed in a foreign currency and has a term of 12 months or more at the date of origination of the asset or liability.

Foreign Exchange Forward Contracts: The premium or discount arising at the inception of forward exchange contracts entered into to hedge an existing monetary item, is amortised as expense or income over the life of the contract. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognised as income or as an expense for the period.

The forward exchange contracts taken to hedge existing assets or liabilities are translated at the closing exchange rates and resultant exchange differences are recognised in the same manner as those on the underlying foreign currency asset or liability.

In conformity with ICAI announcement on early application of Accounting Standard 30 (AS 30) on "Financial Instruments :Recognition and Measurement", the Group has adopted AS 30 issued by ICAI so far as it relates to hedge accounting as the adoption does not conflict with existing mandatory accounting standards and other authoritative pronouncements, Company Law and other regulatory requirements.

Apart from forward exchange contracts taken to hedge existing assets or liabilities, the Group also enters into derivative contracts in the nature of foreign currency swaps, forward contracts, interest rate swaps etc. with an intention to hedge its existing assets and liabilities, firm commitments and highly probable forecasted transactions.

All other derivative contracts (except those derivative contracts which are designated as a hedging instrument for highly probable forecasted transactions) are marked-to-market and the resultant gain/loss from these contracts are recognised in the Consolidated Statement of Profit and Loss.

The Group has a comprehensive risk management system, based on which hedging instruments and hedged items are identified and designated in accordance with requirements of AS 30. Hedges are classified as cash flow hedge when they meet the conditions specified in AS 30. The hedged item and the hedging instrument are assessed for its effectiveness as per the criteria specified in AS 30.

In respect of cash flow hedge, that is determined to be an effective hedge, the effective portion of the gain or loss on the hedging instrument is recognised directly in hedging reserve account and the ineffective portion of the gain or loss on the hedging instrument is recognised in the Consolidated Statement of Profit and Loss. If the hedging instrument no longer meets the hedging criteria for hedge accounting, expires or sold, terminated or exercised, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognised in hedging reserve remains there until the forecasted transaction occurs. If the forecast transaction is no longer expected to occur, then the balance in hedging reserve is recognised immediately in Consolidated Statement of Profit and Loss. In other cases, the amount recognised in the hedging reserve is transferred to Consolidated Statement of Profit

Notes to the consolidated financial statements for the year ended 31 March 2014 (Continued)

and Loss in the same period during which the hedged item affects the Consolidated Statement of Profit and Loss.

Non-integral operations

The financial statements of the foreign non integral subsidiaries (collectively referred to as the 'foreign non integral operations') are translated into Indian Rupees as follows:-

- Share capital and opening reserves and surplus are carried at historical cost.
- All assets and liabilities, both monetary and non-monetary, (excluding share capital, opening reserves and surplus) are translated using closing rates at Balance Sheet date.
- Profit and Loss items are translated at the respective quarterly average rates or the exchange rate that approximates the actual exchange rate on date of specific transaction.
- Contingent liabilities are translated at the closing rates at Balance sheet date.
- The resulting net exchange difference is credited or debited to the foreign currency translation reserve.

The items of Consolidated Cash Flow Statement are translated at the respective average rates (quarterly for profit and loss related items and annual for Balance Sheet related items) or the exchange rate that approximates the actual exchange rate on date of specific transaction. The effect of changes in exchange rates on cash and cash equivalents held in a foreign currency is reported separately as part of the reconciliation of the changes in cash and cash equivalents during the period.

M. Provisions, contingent liabilities and contingent assets

The Group recognises 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 Group. Contingent assets are neither recognised nor disclosed in the consolidated 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.

N. Employee benefits

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

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

a. Gratuity

The liability in respect of Gratuity (applicable for Indian entities of the Group), a defined benefit plan, is recognised in the books of accounts 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 Consolidated Statement of Profit and Loss as an income or expense. The gratuity liability for certain employees of two of the units of the Parent Company is funded with Life Insurance Corporation of India.

b. Superannuation

Certain employees of the Parent Company are also participants in the superannuation plan ('the Plan'), a defined contribution plan. Contribution made by the Parent Company to the plan during the year is charged to Consolidated Statement of Profit and Loss.

c. Provident fund

(i) The Group makes contribution to the recognised provident fund - "VAM EMPLOYEES PROVIDENT FUND TRUST" (a multiemployer trust) for most of its employees in India, which is a defined benefit plan to the extent that the Group has an obligation to make good the shortfall, if any, between the return from the investments of the trust and the notified interest rate. The Group's obligation in this regard is determined by an independent actuary and provided for if the circumstances indicate that the Trust may not be able to generate adequate returns to cover the interest rates notified by the Government. The Group's contribution towards provident fund is charged to Consolidated Statement of Profit and Loss.

(ii) For other employees in India, provident fund is deposited with Regional Provident Fund Commissioner. This is treated as defined contribution plan. Group's contribution to the provident fund is charged to Consolidated Statement of Profit and Loss.

d. Foreign subsidiaries make contribution to various social security plans and insurance schemes as per local requirements and generally accepted practices in their respective country of incorporation. Such contributions are charged to Consolidated

Notes to the consolidated financial statements for the year ended 31 March 2014 (Continued)

Statement of Profit and Loss on accrual basis in the year in which liability to pay arise.

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 Group'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 Consolidated 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 Group 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.

O. Borrowing costs

Borrowing costs are interest and other costs (including exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred by the Group in connection with the borrowing of funds.

Borrowing costs are recognised in the Consolidated 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.

P. Revenue recognition

Revenue from sale of products is recognised when the significant risks and rewards of ownership of the products have been transferred to the buyer, recovery of the consideration is probable and the amount of revenue can be measured reliably. Revenues include excise duty and are shown net of sales tax, value added tax and chargeback, if any.

Revenue includes only those sales for which the Group has acted as a principal in the transaction, takes title to the products, and has the risks and rewards of ownership, including the risk of loss for collection, delivery and returns. Any sales for which the Group has acted as an agent or broker without assuming the risks and rewards of ownership have been reported on a net basis.

Goods sold on consignment are recorded as Inventory until goods are sold by the consignee to the end customer.

Revenue from time and material contracts is recognised as hours are incurred, multiplied by contractual billing rates. Revenue from unit-based contracts is recognised as units are completed.

Revenue from fixed-price contracts are recorded on a proportional completion method.

Revenue related to contract manufacturing arrangements, development contracts and licensing and regulatory services is recognised when performance obligations are fulfilled.

Sale of utility is recognised on delivery of the same to the consumers and when no significant uncertainty exists as to its realisation.

Royalty revenue is recognised on an accrual basis in accordance with contractual agreements when all significant contractual obligations have been fulfilled, the amounts are determinable and collection is reasonably assured.

Export incentives/benefits are accounted for on accrual basis in the year in which exports are made and where recovery is probable.

Upfront non-refundable payments are recorded as deferred revenue. These amounts are recognised as revenues as obligations are fulfilled under contractual arrangement and/or as milestones are achieved as the case may be.

Refundable fees are deferred and recognised as revenue in the period in which all contractual obligations are met and the contingency is resolved.

In respect of outsourcing contracts for drug development with third party CRO's, revenue is recognised on the basis of actual cost incurred plus mark up as agreed with the customer under each agreement.

Revenue from rendering of medical services is recognised upon completion/performance of such services. Revenue from ongoing medical services on cut off date is recognised on proportionate completion method.

Dividend income is recognised when the unconditional right to receive the income is established. Income from interest on deposits, loans and interest bearing securities is recognised on time proportionate method.

Q. Segment reporting

The accounting policies adopted for segment reporting are in line with accounting policies of the Group. Revenues, expenses, assets and liabilities have been identified to segments on the basis of their relationship to operating activities of the segments (taking into account the nature of products and services and, risks and rewards associated

Notes to the consolidated financial statements for the year ended 31 March 2014 (Continued)

with them) and internal management information systems and the same is reviewed from time to time to realign the same to conform to the business units of the Group. Revenues, expenses, assets and liabilities, which are common to the enterprise as a whole and are not allocable to segments on a reasonable basis, have been treated as "Common Revenues/Expenses/Assets/Liabilities", as the case may be.

R. 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.

S. Employee stock option schemes

The Group follows Securities and Exchange Board of India (SEBI) guidelines for accounting of employee stock options. The cost is calculated based on the intrinsic value method i.e. the excess of market price of underlying equity shares as of the date of the grant of options over the exercise price of such options is regarded as employee compensation and in respect of the number of options that are expected to ultimately vest, such cost is recognised on a straight line basis over the period over which the employees would become unconditionally entitled to apply for the shares. The cost recognised at any date at least equals the intrinsic value of the vested portion of the option at that date. Adjustment, if any, for difference in initial estimate for number of options that are expected to ultimately vest and related actual experience is recognised in the Statement of Profit and Loss of that period. In respect of vested options expire unexercised, the cost is reversed in the Consolidated Statement of Profit and Loss of that period.

During the current period, the Group has changed its policy with respect to treatment of shares held by Jubilant Employee Welfare trust ('Trust'). As per a recent opinion of the Expert Advisory Committee ('EAC') of The Institute of Chartered Accountants of India, as on the reporting date, the shares held by the trust but yet to be allotted to employees are shown as a deduction, from the Share Capital to the extent of face value of the shares and Securities Premium to the extent of amount exceeding face value of shares, with a corresponding adjustment to the, loan receivable from Trust, Capital Reserve (for the amount of profit on sale of shares) and Surplus (to the extent of dividend received net of operating expenses) (Refer note 40).

Notes to the consolidated financial statements for the year ended 31 March 2014 (Continued)

(₹ in million)

		As at 31 March 2014	As at 31 March 2013
3.	**SHARE CAPITAL**		
	Authorised		
	655,000,000 equity shares of ₹ 1 each	655.00	655.00
	(Previous Year 655,000,000 equity shares of ₹ 1 each)		
		655.00	**655.00**
	Issued and Subscribed		
	159,313,139 equity shares of ₹ 1 each	159.31	159.31
	(Previous Year 159,313,139 equity shares of ₹ 1 each)		
		159.31	**159.31**
	Paid up		
	159,281,139 equity shares of ₹ 1 each	159.28	159.28
	(Previous Year 159,281,139 equity shares of ₹ 1 each)		
	Add: Equity shares forfeited (paid up)	0.02	0.02
		159.30	**159.30**
	Less: Shares held in trust for employees under ESOP Scheme (Refer note 40)	(4.84)	-
		154.46	**159.30**

Notes :

3.1 Paid up capital includes, 501,364, equity shares of ₹ 1 each allotted and issued pursuant to the Scheme of Amalgamation and Demerger, to the shareholders of erstwhile Pace Marketing Specialities Limited for consideration other than cash during the year ended 31 March 2011.

3.2 The Company has only one class of shares referred to as equity shares having par value of ₹ 1 each. Holder of each equity share is entitled to one vote per share. 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. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

3.3 The details of shareholders holding more than 5% shares is set out below:

Equity shares of ₹ 1 each fully paid-up held by	As at 31 March 2014		As at 31 March 2013	
	Number	% of total shares	Number	% of total shares
Jubilant Stock Holding Private Limited	29,676,992	18.63%	21,740,992	13.65%
SSB Consultants & Management Services Private Limited	21,007,665	13.19%	21,007,665	13.19%
HSB Corporate Consultants Private Limited	18,698,979	11.74%	15,824,979	9.94%
GA Global Investments Limited	11,707,200	7.35%	11,707,200	7.35%

3.4 The reconciliation of the shares outstanding at the beginning and at the end of the year:

Particulars	As at 31 March 2014		As at 31 March 2013	
	Number	₹ in million	Number	₹ in million
At the beginning and end of the year	159,281,139	159.28	159,281,139	159.28

3.5. a) 114,835 (Previous year 114,835), equity shares of ₹ 1 each allotted on exercise of the vested stock options in accordance with the terms of exercise under the “Jubilant Employees Stock Option Plan, 2005”.

b) Under the Jubilant Employees Stock Option 2005 Plan, as at 31 March 2014 - 132,684 (Previous year 145,443) options are outstanding convertible into 663,420 (Previous year 727,215) shares. (Refer note 39).

c) Under the Jubilant Employees Stock Option 2011 Plan, as at 31 March 2014 - 1,428,939 (Previous year 1,585,055) options are outstanding convertible into 1,428,939 (Previous year 1,585,055) shares. (Refer note 39).

3.6 The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

Notes to the consolidated financial statements for the year ended 31 March 2014 (Continued)

(₹ in million)

		As at 31 March 2014	As at 31 March 2013
4.	**RESERVES AND SURPLUS**		
	Capital Reserve		
	At the commencement of the year	95.53	95.53
	Add: Capital Subsidy received	3.00	-
	Add: Adjustments on account of consolidation of ESOP Trust (Refer note 40)	104.77	-
	At the end of the year	**203.30**	**95.53**
	Capital Redemption Reserve		
	At the commencement of the year	398.36	278.36
	Add: Transferred from surplus	-	120.00
	At the end of the year	**398.36**	**398.36**
	Securities Premium Account		
	At the commencement of the year	5,878.41	5,878.41
	Less: Adjustments on account of share held in ESOP Trust (Refer note 40)	(577.59)	-
	At the end of the year	**5,300.82**	**5,878.41**
	Amalgamation Reserve		
	At the commencement and at the end of the year	**13.21**	**13.21**
	General Reserve		
	At the commencement of the year	5,583.34	5,602.86
	Less: Loss attributable to minority	(70.75)	(19.52)
	At the end of the year	**5,512.59**	**5,583.34**
	Legal Reserve**		
	At the commencement of the year	15.73	6.40
	Add: Transferred from Surplus	9.08	10.10
	Less: Utilised during the year	(1.43)	(0.77)
	At the end of the year	**23.38**	**15.73**
	Hedging Reserve (net of related tax effect- (Refer note 47(iii)))		
	At the commencement of the year	365.56	151.50
	(Deduction)/addition during the year	(375.17)	214.06
	At the end of the year	**(9.61)**	**365.56**
	Foreign Currency Monetary Item Translation Difference Account (FCMITDA) (Refer note 46)		
	At the commencement of the year	(675.45)	(727.42)
	Exchange loss during the year on foreign currency term loan	(805.49)	(579.64)
	Amount amortised during the year in Consolidated Statement of Profit and Loss	1,000.21	631.61
	At the end of the year	**(480.73)**	**(675.45)**
	Foreign Currency Translation Reserve		
	At the commencement of the year	3,282.92	2,305.98
	Addition during the year	1,620.01	976.94
	At the end of the year	**4,902.93**	**3,282.92**
	Surplus		
	At the commencement of the year	9,644.30	8,806.18
	Add: Net Profit after tax transferred from Consolidated Statement of Profit and Loss	1,090.40	1,527.27
	Add : Opening adjustment on account of Intangibles	12.54	-
	Add: Adjustments on account of consolidation of ESOP Trust (Refer note 40)	52.82	-
	Amount available for appropriation	**10,800.06**	**10,333.45**
	Less Appropriation:		
	Proposed dividend on equity shares*#	463.34	477.84
	Distribution tax on proposed equity dividend*	81.21	81.21
	Amount transferred to legal reserve	9.08	10.10
	Amount transferred to capital redemption reserve	-	120.00
	At the end of the year	**10,246.43**	**9,644.30**
		26,110.68	**24,601.91**

* For the year ended 31 March 2014, dividend of 300 % (Previous year 300%) i.e. ₹ 3 (Previous year ₹ 3) per fully paid up equity share has been recognised as distributions to equity shareholders.

*# Amount for the year ended 31 March 2014 is net of dividend on equity shares held by ESOP trust (Refer note 40).

** Includes ₹ 16.29 million (previous year ₹ 9.93 million) created in Jubilant Life Sciences (Shanghai) Limited, China, ₹ 4.76 million (previous year ₹ 4.76 million) created in Jubilant Pharmaceuticals NV, Belgium and ₹ 2.33 million (previous year ₹ 1.04 million) created in PSI Supply NV, Belgium as per the requirements of local regulations. This reserve is not available for distribution. "

Notes to the consolidated financial statements for the year ended 31 March 2014 (Continued)

(₹ in million)

	As at 31 March 2014	As at 31 March 2013
5. LONG TERM BORROWINGS		
Term loans		
From Banks		
- Indian rupee loans (secured)	5,438.92	9,744.44
- Foreign currency loans (secured)	9,615.90	7,313.69
From other parties		
- Indian rupee loans (unsecured)	2.16	3.26
- Foreign currency loans (secured)	2,096.85	7,600.60
Finance lease obligations (secured)	15.00	26.06
	(1) **17,168.83**	(1) **24,688.05**
The above amount includes		
Secured borrowings	17,166.67	24,684.79
Unsecured borrowings	2.16	3.26
	17,168.83	**24,688.05**

(1) Refer note 10 for current maturities of long term borrowings

5. Nature of security of long term borrowings and other terms of repayment

5.1 Indian rupee loans amounting to ₹ 9,744.48 million (Previous year ₹ 9,100.00 million) from Corporation Bank, Axis Bank Limited, Central Bank of India and Indian Bank, External commercial borrowings amounting to ₹ 2,995.50 million (Previous year ₹ 3,165.09 million) from Citibank N.A., London and DBS Bank Limited, Singapore and foreign currency loans amounting to ₹ 2,695.95 million (Previous year ₹ 2,714.50 million) from Export Import Bank of India are secured by a first pari-passu charge amongst the lenders by way of: -

a. Mortgage of the immovable fixed assets both present and future situate at Bhartiagram, District Amroha, Uttar Pradesh and immovable fixed assets situate at Village Samlaya, Taluka Savli, District Vadodara, Gujarat, and

b. Hypothecation on the entire movable fixed assets, both present and future of the Company.

5.2 Foreign currency loans amounting to ₹ 5,691.45 million (Previous year ₹ 5,157.55 million) from Housing Development Finance Corporation Limited is secured by first mortgage by way of deposit of original title deeds of specified land and buildings owned by the Company which are situated at Noida, Greater Noida, Nanjangud, Nira, Roorkee, Ambernath and also at Bharuch owned by one of the subsidiaries of the Company. Land mortgaged at Chittorgarh demerged into a group company consequent upon the Scheme of demerger is under process of release.

5.3 Indian rupee loans amounting to ₹ 2,700.00 million (Previous year ₹ 2,700.00 million) and ₹ 1,000.00 million (Previous year ₹ 1,000.00 million) from Corporation Bank is repayable in two equal yearly installments commencing from February 2015 and March 2015 respectively.

5.4 Indian rupee loans amounting to ₹ 3,000.00 million (Previous year ₹ 3,000.00 million) from Axis Bank Limited is repayable in four equal half yearly installments commencing from September 2014.

5.5 Indian rupee loans amounting to ₹ 1,800.00 million (Previous year ₹ 2,400.00 million) from Central Bank of India. Balance is repayable in two yearly installments from March 2015.

5.6 Indian rupee loans amounting to ₹ 1,244.48 million (Previous year ₹ 1,600.00 million) from Indian Bank. Balance is repayable in three yearly installments from March 2015.

5.7 External commercial borrowing amounting to ₹ 2,995.50 million (Previous year ₹ 2,714.50 million) from DBS Bank Limited, Singapore is repayable in four yearly installments commencing from December 2014.

5.8 Foreign currency loans amounting to ₹ 2,695.95 million (Previous year ₹ 2,714.50 million) from Export Import Bank of India. Balance is repayable in three yearly installments from May 2014.

5.9 Foreign currency loans amounting to ₹ 5,691.45 million (Previous year ₹ 5,157.55 million) from Housing Development Finance Corporation Limited is repayable in single installment in July 2014.

5.10 Revolving Facility of USD 77.56 million (₹ 4,646.55 million) as on 31 March 2014 (Previous Year USD 64.76 million (₹ 3,516.07 million)) of Jubilant HollistierStier LLC from Bank of America N.A. is secured by way of:

i). Security interest in the receivable inventory, equipments and fixtures, deposit accounts and all general intangibles, including patents, trademarks, computer software (including any accessions, attachments, additions, substitutes or replacements thereof), books and records of Jubilant HollistierStier LLC pertaining to the collateral more particularly described in the security interest agreement dated 5 April 2013.

Notes to the consolidated financial statements for the year ended 31 March 2014 (Continued)

ii). Amended Deed of trust dated 5 April 2013 encumbering the parcel or parcels of real property owned by Jubilant HollistierStier LLC located in Spokane County, State of Washington, USA.

Revolving Facility is repayable in single installment in September 2016.

5.11 Term loans of USD 4.20 million (₹ 251.78 million) as on 31 March 2014 (Previous Year USD 20.93 million (₹ 1,136.45 million)) under Facility C to Jubilant HollisterStier Inc. from ICICI Bank Canada as the arranger and the agent is secured by way of:

i) Pledge over the entire fully paid up equity shares, present and future, of Jubilant HollisterStier Inc.

ii) First and exclusive charge over the assets of Jubilant HollisterStier Inc.

iii) Irrevocable and unconditional corporate guarantee from parent company guaranteeing all outstanding obligations of the borrower under the facility. Total guaranteed amount as 31 March 2014 is ₹ 251.78 million.

Balance amount of loan is repayable in one installment in May 2014.

5.12 Term loan of CAD 32 million (₹ 1,736.52 million) as on 31 March 2014 (Previous Year CAD 40 million (₹ 2,137.40 million)) under Facility B to Jubilant DraxImage Inc. from ICICI Bank, Canada as the arranger and the agent is secured by way of:

i) Irrevocable and unconditional corporate guarantee from Jubilant DraxImage Inc. and its subsidiaries.

ii) Pledge over the entire fully paid up equity shares, present and future, of:

a. Jubilant DraxImage Inc. and its subsidiaries.

b. Draximage Limited, Cyprus.

iii) First and exclusive charge over the fixed assets and current assets of Jubilant DraxImage Inc. and its subsidiaries.

iv) Irrevocable and unconditional corporate guarantee from Jubilant Generics Inc guaranteeing all outstanding obligations of the borrower under the facility. Total guaranteed amount as 31 March 2014 is ₹ 1,736.52 million.

Balance amount of Facility B is repayable in five yearly installments from November 2014 as described in the relevant amendatory credit arrangement letter dated 31 October 2013.

5.13 Term Loan of SGD 50 million (₹ 2,379.27 million) as on 31 March 2014 (Previous year SGD Nil) to Jubilant Life Sciences International Pte Limited from ICICI Bank Limited, Singapore is secured by way of first charge on its current assets and assignment of its advance payment and supply agreement with the parent company and first charge on debt service reserve amount.

Balance is repayable in twelve monthly installments commencing from June,2014.

5.14 Term Loan of Euro 23 million (₹ 1,901.64 million) as on 31 March 2014 (Previous year Euro Nil) to Jubilant Life Sciences NV from Deutsche Bank, Singapore is secured by way of first charge on its current assets.

Balance amount is repayable in eleven monthly installments from April 2014.

5.15 Facility of SGD Nil as on 31 March 2014 (Previous year SGD 55.00 million (₹ 2,404.15 million)) to Jubilant Life Sciences International Pte Limited from ICICI Bank Limited, Singapore was secured by way of:

i. Unconditional corporate guarantee to the extent of

a) 40% of the facility amount from Jubilant Life Sciences Limited. Guaranteed amount as on 31 March 2013 is ₹ 961.66 million.

b) 60% of the facility amount from Jubilant Pharma Pte Limited. Guaranteed amount as on 31 March 2013 is ₹ 1,442.49 million.

ii. First charge on current assets of Jubilant Life Sciences International Pte. Limited.

Balance amount was repayable in eleven monthly installments

5.16 Term loan of USD Nil as on 31 March 2014 (Previous year USD 2.99 million (₹ 162.58 million)) under Facility A to Jubilant HollisterStier Inc. from ICICI Bank, Canada as the arranger and the agent was secured by way of:

i) Irrevocable and unconditional corporate guarantee from Jubilant HollisterStier Inc. and its subsidiaries.

ii) Pledge over all the fully paid up equity shares (present and future) of Jubilant HollisterStier Inc. and Draxis Pharma LLC.

iii) First and exclusive charge over the fixed assets and current assets of Jubilant HollisterStier Inc. and its subsidiaries.

Balance amount was repayable in one installment in May 2013.

5.17 Unsecured term loan of Euro Nil as on 31 March 2014 (Previous year Euro 0.01 million (₹ 0.75 million)) to PSI Supply NV from KBC Bank. Balance amount was repayable in six equal monthly installments from April 2013.

Notes to the consolidated financial statements for the year ended 31 March 2014 (Continued)

5.18 Unsecured Term Loan of ₹ 4.06 million as on 31 March 2014 (Previous Year ₹ 4.06 million) to Jubilant First Trust Healthcare Ltd. Balance amount is repayable in four yearly installments from March 2015, as described in the relevant financing document.

5.19 Finance Lease obligations are secured by hypothecation of specific assets taken under such lease. The same are repayable within two to five years.

5.20 The Indian rupee loans carry interest rate ranging from 9.50% to 12.75% and foreign currency loan carry interest rate of benchmark interest rate (Libor, CAD dealer offered rate, Euro libor and swap offer rates) plus spread ranging from 250 to 550 basis points. The benchmark rates are reset at periodic intervals as per the terms of the loan.

The composition of assets/fixed assets and current assets as mentioned above are defined in detail in the respective financing/credit arrangements.

(₹ in million)

		As at 31 March 2014	As at 31 March 2013
6.	**OTHER LONG TERM LIABILITIES**		
	Other liabilities	10.66	8.14
	Income received in advance/unearned revenue	104.06	50.47
		114.72	**58.61**

(₹ in million)

		As at 31 March 2014	As at 31 March 2013
7.	**LONG TERM PROVISIONS**		
	Provision for employee benefits (Refer note 48)	499.86	427.72
	Mark-to market losses on derivative contracts (Refer note 47(ii))	1,695.44	1,951.92
		2,195.30	**2,379.64**

(₹ in million)

		As at 31 March 2014	As at 31 March 2013
8.	**SHORT TERM BORROWINGS**		
	Loans repayable on demand		
	- **From Banks**		
	- Secured	5,071.76	6,277.77
	- Unsecured	4,930.85	3,784.27
	- **From Others**		
	- Secured	898.65	271.45
	Other working capital loans		
	- **From Banks**		
	- Secured	977.03	980.38
		11,878.29	**11,313.87**
	The above amount includes		
	Secured borrowings	6,947.44	7,529.60
	Unsecured borrowings	4,930.85	3,784.27
		11,878.29	**11,313.87**

8. Nature of security of short term borrowings and other terms of repayment

8.1 Working capital facilities (including cash credit) sanctioned by consortium of banks and notified financial institutions comprising of ICICI Bank Limited, Corporation Bank, Punjab National Bank, State Bank of India, The Hongkong and Shanghai Banking Corporation Limited, ING Vysya Bank Ltd., Central Bank of India, Yes Bank Limited, DBS Bank Limited and Export Import Bank of India, are secured by a first charge by way of hypothecation, ranking pari passu inter-se Banks, of the entire book debts and receivables and inventories both present and future, of the Company wherever the same may be or be held. The working capital sanctioned limits also include commercial paper programme of ₹ 3,000 million (Previous year ₹ 3,000 million) as sublimit carved out from the funded limits, against which the balance outstanding as at year end is ₹ Nil (Previous year ₹ Nil). Maximum balance of commercial paper outstanding at any time during the year was ₹ Nil (Previous year ₹ 600.00 million). Other working capital loans are repayable as per terms of agreement within one year.

8.2 Revolving Credit Facility of CAD 15.02 million (₹ 815.19 million) as on 31 March 2014 (Previous Year CAD 14.87 million (₹ 794.43 million)) under Facility D1 to Jubilant HollisterStier Inc. from ICICI Bank, Canada as the arranger and the agent is secured by way of:

i) Irrevocable and unconditional corporate guarantee from Jubilant HollisterStier Inc. and its subsidiaries.

Notes to the consolidated financial statements for the year ended 31 March 2014 (Continued)

ii) Pledge over all the fully paid up equity shares(present and future) of Jubilant HollisterStier Inc. and Draxis Pharma LLC.

iii) First and exclusive charge over the fixed assets and current assets of Jubilant HollisterStier Inc. and its subsidiaries.

8.3 Revolving Credit Facility of CAD 2.98 million (₹ 161.85 million) as on 31 March 2014 (Previous Year CAD 3.48 million (₹ 185.95 million)) under Facility D2 to Jubilant DraxImage Inc. from ICICI Bank, Canada as the arranger and the agent is secured by way of:

i) Irrevocable and unconditional corporate guarantee from Jubilant DraxImage Inc. and its subsidiaries.

ii) Pledge over the entire fully paid up equity shares (present and future) of Jubilant DraxImage Inc(including its subsidiaries) and Draximage Limited, Cyprus(including its subsidiaries excluding Jubilant DraxImage Limited, India).

iii) First and exclusive charge over the assets of Jubilant DraxImage Inc. (including its subsidiaries) and Draximage Limited, Cyprus(including its subsidiaries excluding Jubilant DraxImage Limited, India).

8.4 Working capital facilities granted to Jubilant Chemsys Limited. by ING Vysya Bank are secured by way of First Charge by way of hypothecation of entire current assets (receivables & inventory) of Jubilant Chemsys Limited.

8.5 Working capital facilities granted to Jubilant Clinsys Limited. by ING Vysya Bank are secured by way of First Charge by way of hypothecation of entire current assets (receivables & inventory) of Jubilant Clinsys Limited.

8.6 Short term loans are availed in Indian rupees and in foreign currency. Indian rupee loans carry interest rate ranging from 9.50% to 13.85% and foreign currency loan carry interest rate of benchmark interest rate (Libor and CAD Prime) plus spread ranging from 75 to 350 basis points. The benchmark interest rates are reset at periodic intervals as per the terms of the loan.

The composition of assets/fixed assets and current assets as mentioned above are defined in detail in the respective financing/credit arrangements.

(₹ in million)

	As at 31 March 2014	As at 31 March 2013
9. TRADE PAYABLES		
Trade payables	7,181.37	6,471.25
	7,181.37	**6,471.25**

(₹ in million)

	As at 31 March 2014	As at 31 March 2013
10. OTHER CURRENT LIABILITIES		
Current maturities of long term debt (Refer note 5.1 to 5.18)	14,893.37	6,436.60
Current maturities of finance lease obligations (Refer note 5.19)	12.33	13.45
Trade deposits and advances	192.08	135.34
Interest accrued but not due on borrowings	147.15	249.98
Income received in advance/unearned revenue	406.08	427.41
Unpaid matured deposits and interest accrued thereon	-	0.31
Unpaid dividends	28.18	21.49
Creditors for capital supplies and services	316.26	421.44
Other payables (includes employee benefits and statutory dues etc)	1,316.56	1,273.99
	17,312.01	**8,980.01**

((₹ in million)

	As at 31 March 2014	As at 31 March 2013
11. SHORT-TERM PROVISIONS		
Provision for employee benefits (Refer note 48)	291.85	221.61
Dividends on equity shares (Including dividend distribution tax)	544.55	559.05
Income tax and wealth tax*	250.24	51.97
Mark-to market losses on derivative contracts (Refer note 47(ii))	1,438.64	175.42
Other provisions	14.62	10.33
	2,539.90	**1,018.38**

* Net of advance tax of respective tax jurisdictions to the extent permissible.

Notes to the consolidated financial statements for the year ended 31 March 2014 (Continued)

12. TANGIBLE ASSETS

(₹ in million)

Description	GROSS BLOCK - COST / BOOK VALUE						DEPRECIATION / AMORTISATION / IMPAIRMENT						NET BLOCK	
	As at 31 March 2013	Deduction/ adjustments on account of Sale of business (1)	Additions/ adjustments during the year	Deductions/ adjustments during the year(3)	Currency translation adjustment	As at 31 March 2014	As at 31 March 2013	Deduction/ adjustments on account of Sale of business(1)	Provided during the year	Deductions/ adjustments during the year(3)	Currency translation adjustment	As at 31 March 2014	As at 31 March 2014	As at 31 March 2013
Tangible assets:														
Land														
(a) Freehold	722.65	69.68	1.09	30.97	12.36	635.45	-	-	-	-	-	-	635.45	722.65
(b) Leasehold	764.95	22.79	24.86	-	-	767.02	94.42	3.52	8.26	-	-	99.16	667.86	670.53
Buildings														
(a) Factory	5,906.30	81.85	228.34	(592.61)	284.16	6,929.56	1,284.12	5.56	196.28	(326.27)	60.38	1,861.49	5,068.07	4,622.18
(b) Others	2,049.74	0.28	152.68	0.04	-	2,202.10	169.02	1.20	35.65	-	-	203.47	1,998.63	1,880.72
Plant and equipment	34,237.51	90.04	1,392.72	185.62	505.80	35,860.37	12,113.29	27.30	1,829.74	104.98	217.26	14,028.01	21,832.36	22,124.22
Furniture and fixtures (4)	1,336.37	13.19	39.86	483.39	37.39	917.04	708.13	3.77	88.39	252.08	24.84	565.51	351.53	628.24
Vehicles-owned	56.19	1.54	19.99	1.15	0.24	73.73	42.15	1.14	6.61	1.00	0.23	46.85	26.88	14.04
Vehicles-leased	56.91	-	8.93	14.39	-	51.45	21.14	-	13.71	7.23	-	27.62	23.83	35.77
Office equipments	1,284.58	6.50	97.12	(15.03)	43.08	1,433.31	822.40	4.86	97.64	4.23	39.18	950.13	483.18	462.18
Railway sidings	159.38	-	-	-	-	159.38	31.40	-	8.47	-	-	39.87	119.51	127.98
TOTAL	**46,574.58**	**285.87**	**1,965.59**	**107.92**	**883.03**	**49,029.41**	**15,286.07**	**47.35**	**2,284.75**	**43.25**	**341.89**	**17,822.11**	**31,207.30**	**31,288.51**
Previous Year	40,438.19	-	5,754.46	301.30	683.23	46,574.58	13,011.03	-	2,096.34	90.47	269.17	15,286.07		
Capital Work in Progress (CWIP)													1,108.44	1,394.79
													32,315.74	**32,683.30**

Notes :

(1) Refer note 33.

(2) Addition to fixed assets (including movement in CWIP) includes ₹ 281.00 million (Previous year ₹ 170.75 million) on account of exchange loss/(gain) (Refer note 46).

(3) Refer note 37.

(4) Include leasehold improvements.

Notes to the consolidated financial statements for the year ended 31 March 2014 (Continued)

13. INTANGIBLE ASSETS

(₹ in million)

Description	GROSS BLOCK - COST / BOOK VALUE						DEPRECIATION / AMORTISATION / IMPAIRMENT							NET BLOCK	
	As at 31st March 2013	Deduction/ adjustments on account of sale of business	Additions/ adjustments during the year	Deductions/ adjustments during the year(1)	Currency translation adjustment	As at 31 March 2014	As at 31 March 2013	Deduction/ adjustments on account of sale of business	Provided during the year	Deductions/ adjustments during the year(1)	Impairment	Currency translation adjustment	As at 31 March 2014	As at 31 March 2014	As at 31 March 2013
Intangible Assets:															
Goodwill	18,457.40	-	-	34.46	1,269.91	19,692.85	1,691.81	-	-	-	35.06	185.84	1,912.71	17,780.14	16,765.59
Intangibles															
a) Internally generated															
- Product Registration/ Market Authorisation	1,791.54	-	339.97	(184.91)	30.36	2,346.78	792.33	-	336.69	(133.88)	-	10.06	1,272.96	1073.82	999.21
b) Acquired patents	336.91	-	368.26	265.11	22.29	462.35	261.90	-	11.86	189.93	-	26.21	110.04	352.31	75.01
c) Other															
- Rights	186.50	-	25.93	-	5.99	218.42	87.71	-	12.29	-	-	5.95	105.95	112.47	98.79
- Software	1,354.56	4.27	171.46	11.41	46.18	1,556.52	907.06	1.87	166.09	2.28	-	25.76	1,094.76	461.76	447.50
TOTAL	**22,126.91**	**4.27**	**905.62**	**126.07**	**1,374.73**	**24,276.92**	**3,740.81**	**1.87**	**526.93**	**58.33**	**35.06**	**253.82**	**4,496.42**	**19,780.50**	**18,386.10**
Previous Year	20,402.72	-	866.49	(34.34)	823.36	22,126.91	3,228.13	-	441.61	(26.89)	-	44.18	3,740.81		
Intangible assets under development(including R&D expenditure in the nature of intangibles) [CWIP]														3,615.50	2,974.11
														23,396.00	**21,360.21**

Note :

(1) Refer note 37.

Notes to the consolidated financial statements for the year ended 31 March 2014 (Continued)

(₹ in million)

Number	Face value per unit		As at 31 March 2014		As at 31 March 2013	
14. NON-CURRENT INVESTMENTS (at cost)						
Number	Face value per unit	**All unquoted unless otherwise specified**				
		Other Investments				
		Investment in equity instruments (fully paid up equity shares)				
5,308,334 (4,550,000)	₹ 10	Forum I Aviation Limited		47.61		45.50
242,806 (50,000)	₹ 10	Jubilant Industries Limited (quoted) (192,806, equity shares Issued to Jubilant Employee Welfare Trust in accordance with the Scheme of Amalgamation and Demerger- Refer note 39)		0.41		0.41
510,771 (510,771)	USD 0.01	Safe Foods Corporation USA- Common Stock Less: Provision for diminution in value	299.56 (169.34)		271.45 (153.45)	
				130.22		118.00
		Investment in preference shares				
166,667 (166,667)	USD 0.001	Putney Inc. (USA) - Convertible Preferred Stock Less: Provision for diminution in value	59.91 (27.56)		54.29 (24.97)	
				32.35		29.32
		Investment in debentures/bonds				
		Muroplex Therapeutics , Inc. - Convertible Note & Warrants Less: Provision for diminution in value	16.09 (16.09)		14.58 (14.58)	
				-		-
		Others				
		Putney Inc. (USA) - Subordinated Convertible Promissory Notes (Including Interest Accrued)		9.48		8.60
		Healthcare Ventures IX, L.P. -Investment (2) Less: Provision for diminution in value	142.29 (22.47)		74.65 (20.36)	
				119.82		54.29
		Total non-current investments		**339.89**		**256.12**
		Aggregate amount of quoted investments:				
		- Cost		**0.41**		**0.41**
		- Market Value		**12.18**		**5.14**
		Aggregate amount of unquoted investments		**574.94**		**469.07**
		Aggregate provision for diminution in value of investments		**235.46**		**213.36**

Notes:

(1) Figures in ( ) are in respect of previous year.

(2) Represents 10% of total Capital of the fund.

(₹ in million)

	As at 31 March 2014	As at 31 March 2013
15. LONG TERM LOANS AND ADVANCES *(Unsecured and considered good)*		
Capital advances	74.95	88.08
Security deposits	112.67	128.99
Loans to related parties (Refer note 50(14))	-	439.39
Advances recoverable in cash or kind		
- From related parties (Refer note 50(17))	25.00	25.00
- Others	42.75	33.33
Other loans and advances	0.52	-
MAT credit entitlement	2,250.24	2,224.40
Advance payment of income tax/wealth tax (including TDS)*	761.64	850.44
	3,267.77	**3,789.63**

* Net of provision for tax of respective tax jurisdictions to the extent permissible.

Notes to the consolidated financial statements for the year ended 31 March 2014 (Continued)

(₹ in million)

	As at 31 March 2014	As at 31 March 2013
16. OTHER NON-CURRENT ASSETS		
(Unsecured and considered good)		
Other bank balances		
- Deposits with original maturity of more than 12 months	4.70	3.74
- Margin money deposit	1.16	5.03
	(1) **5.86**	(1) **8.77**

(1) ₹ 5.66 million (Previous year ₹ 5.52 million) has restricted use.

(₹ in million)

	As at 31 March 2014	As at 31 March 2013
17. INVENTORIES		
(Valued at the lower of cost and net realisable value)		
Raw materials (including goods-in-transit ₹ 453.77 million (Previous year ₹ 190.58 million))	5,420.85	4,417.70
Work-in-progress	2,688.10	2,129.75
Finished goods	3,530.14	3,222.98
Stock-in-trade	433.25	217.28
Stores and spares (including goods-in-transit ₹ 48.92 million (Previous year ₹ 6.88 million))	856.53	717.44
Others-process chemicals, fuels and packing material etc. (including goods-in-transit ₹ 45.24 million (Previous year ₹ 176.93 million))	485.30	456.65
	13,414.17	**11,161.80**

(₹ in million)

	As at 31 March 2014	As at 31 March 2013
18. TRADE RECEIVABLES		
Outstanding for a period exceeding six months from the date they become due for payment		
Unsecured and considered good	279.54	131.87
Doubtful	165.82	140.49
	445.36	**272.36**
Provision for doubtful receivables	165.82	140.49
(A)	**279.54**	**131.87**
Other receivables		
Unsecured and considered good	7,779.19	6,953.56
Doubtful	0.70	0.32
	7,779.89	**6,953.88**
Provision for doubtful receivables	0.70	0.32
(B)	**7,779.19**	**6,953.56**
Total (A+B)	(1) **8,058.73**	(1) **7,085.43**

(1) [Refer note 32(C)(i)]

(₹ in million)

	As at 31 March 2014	As at 31 March 2013
19. CASH AND BANK BALANCES		
Cash and cash equivalents		
Balances with banks:		
- On current accounts	4,546.12	1,331.53
- On dividend accounts	28.18	21.49
- On deposits accounts with original maturity upto three months	104.95	1,321.50
Cash on hand	2.29	1.86
Cheques/Drafts on hand	0.23	5.38
Others		
- Funds in transit	51.43	113.46
- Imprest and gift/meal vouchers	1.71	1.25
	4,734.91	**2,796.47**
Other bank balances:		
- Deposits with original maturity of more than three months upto twelve months	25.31	731.52
- As margin money	35.10	32.49
	(1) **4,795.32**	(1) **3,560.48**

(1) ₹ Nil (Previous year ₹ 1,600 million) as security against loan and ₹ 192.37 million (Previous year ₹ 505.55 million) has restricted use.

Notes to the consolidated financial statements for the year ended 31 March 2014 (Continued)

(₹ in million)

	As at 31 March 2014	As at 31 March 2013
20. SHORT TERM LOANS AND ADVANCES		
(Unsecured and considered good)		
Deposits	57.63	40.53
Deposits/balances with excise/sales tax authorities	866.62	869.63
Advance recoverable in cash or kind		
- From related parties (Refer note 50(17))*	128.34	86.52
- Claims recoverable	436.79	744.74
- Others	655.18	808.74
Other short term loans and advances	-	14.66
	2,144.56	**2,564.82**

* Includes due by directors and private companies having common director aggregating to ₹ 106.09 million (Previous year ₹ Nil)

(₹ in million)

	As at 31 March 2014	As at 31 March 2013
21. OTHER CURRENT ASSETS		
Other current assets**	867.52	1,238.06
[Refer Note 47(iii)]	**867.52**	**1,238.06**

** Including mark to market recoverable ₹ 4.62 million (Previous year ₹ 586.80 million) and note receivable ₹ 686.81 million (Previous year ₹ 492.54 million).

(₹ in million)

	For the year ended 31 March 2014	For the year ended 31 March 2013
22. REVENUE FROM OPERATIONS		
Sales of products	50,055.59	42,614.01
Sales of services	8,527.75	9,714.76
Other operating revenue (Refer note 35)	817.50	531.27
Revenue from operations (gross)	**59,400.84**	**52,860.04**
Less: excise duty	(1,367.21)	(1,200.54)
Revenue from operations (net)	**58,033.63**	**51,659.50**

(₹ in million)

	For the year ended 31 March 2014	For the year ended 31 March 2013
23. OTHER INCOME		
Interest Income	52.20	113.05
Net gain on sale of fixed assets	24.82	83.19
Other non-operating income	113.58	102.47
	190.60	**298.71**

(₹ in million)

	For the year ended 31 March 2014	For the year ended 31 March 2013
24. COST OF MATERIALS CONSUMED		
Raw and process materials consumed	21,920.89	18,069.11
	21,920.89	**18,069.11**

Notes to the consolidated financial statements for the year ended 31 March 2014 (Continued)

(₹ in million)

	For the year ended 31 March 2014	For the year ended 31 March 2013
25. PURCHASE OF STOCK-IN-TRADE		
Purchase of stock-in-trade	3,489.19	3,006.39
	3,489.19	**3,006.39**

(₹ in million)

	For the year ended 31 March 2014	For the year ended 31 March 2013
26. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
Stock at close - Work-in-progress	2,688.10	2,129.75
Stock at close - Finished goods	3,530.14	3,222.98
Stock at close - Stock-in-trade	433.25	217.28
	6,651.49	**5,570.01**
Stock at commencement - Work-in-progress	2,129.75	2,000.38
Stock at commencement - Finished goods	3,222.98	2,819.76
Stock at commencement - Stock-in-trade	217.28	200.20
	5,570.01	**5,020.34**
Increase in stocks	1,081.48	549.67
Adjustment on account of capitalisation	-	(81.90)
Foreign currency translation impact on movement in finished goods, work-in-progress and stock-in-trade	(92.01)	(0.79)
	989.47	**466.98**

(₹ in million)

	For the year ended 31 March 2014	For the year ended 31 March 2013
27. EMPLOYEE BENEFITS		
Salaries, wages, bonus, gratuity and allowances (Refer note 48)	9,286.61	8,070.78
Contribution to provident and superannuation fund (Refer note 48)	805.31	749.66
Staff welfare expenses	959.76	805.40
	11,051.68	**9,625.84**

(₹ in million)

	For the year ended 31 March 2014	For the year ended 31 March 2013
28. FINANCE COSTS		
Interest expense	3,064.17	2,848.33
Other borrowings cost	53.83	59.27
Exchange difference to the extent considered as an adjustment to borrowing cost	119.23	79.30
(Refer note 42)	**3,237.23**	**2,986.90**

Notes to the consolidated financial statements for the year ended 31 March 2014 (Continued)

(₹ in million)

	For the year ended 31 March 2014	For the year ended 31 March 2013
29. OTHER EXPENSES		
Power and fuel	3,897.40	3,567.33
Stores, spares, chemicals and packing materials consumed	2,485.38	2,158.62
Processing charges	201.42	212.18
Excise duty related to increase/decrease in inventory of finished goods	(36.01)	19.97
Rent	229.28	268.72
Rates and taxes	463.17	330.89
Insurance	177.78	137.43
Advertisement, publicity and sales promotion	196.56	155.34
Travelling and other incidental expenses	410.22	436.62
Repairs		
- Building	251.31	182.34
- Machinery	887.32	683.69
- Others	450.96	335.14
Vehicle running and maintenance	37.37	32.85
Printing and stationery	69.45	76.95
Communication expenses	132.57	140.47
Staff recruitment and training	140.10	115.12
Donation (Refer note 38)	72.33	41.58
Auditors Remuneration - As Auditors	3.57	3.27
- For tax audit and taxation matters	0.95	1.98
- For other services*	5.54	4.23
- Out of pocket expenses*	0.27	0.54
Legal, professional and consultancy charges	735.72	524.50
Freight and forwarding (including ocean freight)	756.92	607.27
Directors' sitting fees	2.81	2.09
Directors' commission	-	40.69
Miscellaneous expenses	116.20	102.79
Bank charges	133.86	122.37
Discounts and claims to customers and other selling expenses	524.20	336.47
Commission on sales	131.21	133.74
Loss on sale/disposal/discard of fixed assets	16.19	15.58
Provision/write off Bad debts/Irrecoverable advances (Net)	(8.79)	75.34
	12,485.26	**10,866.10**

* Includes ₹ 4.04 million in respect of erstwhile auditors.

(₹ in million)

	For the year ended 31 March 2014	For the year ended 31 March 2013
30. EXCEPTIONAL ITEMS		
Amortisation of Foreign Currency Monetary Item Translation Difference Account (FCMITDA)	1,000.21	631.61
Mark to market in respect of currency and interest rate swap contracts and forward covers outstanding (Refer note 47(ii))	718.85	327.17
Foreign exchange loss	444.02	172.87
Provision for impairment of goodwill*	35.06	-
Impairment of intangibles (Refer note 43)	33.74	626.55
Profit on sale of business (Refer note 33)	(142.72)	-
Others litigation expenses etc.	55.78	163.32
	2,144.94	**1,921.52**

* Related to pharmaceuticals segment

31. Commitments to the extent not provided for:

a) Capital Commitments:

Estimated amount of contracts remaining to be executed on capital account (Net of advances) ₹ 528.97 million (Previous year ₹ 478.75 million).

Notes to the consolidated financial statements for the year ended 31 March 2014 (Continued)

b) Other Commitments:

i) Exports obligation undertaken by the Group under EPCG scheme to be completed over a period of five/eight years on account of import of Capital Goods at concessional import duty and remaining outstanding is ₹ Nil (Previous year ₹ 6.60 million). Similarly export obligation under Advance License Scheme/DFIA scheme on duty free import of specific raw materials, remaining outstanding is ₹ 6,125.53 million (Previous year ₹ 4,550.88 million).

ii) Uncalled liability on investments in Healthcare Ventures IX, L.P. amounting to ₹ 157.26 million (Previous year ₹ 196.80 million).

iii) For lease commitments refer note 41

32. Contingent liabilities to the extent not provided for:

A. Guarantees:

Outstanding guarantees furnished by Banks on behalf of the Group is ₹ 538.17 million (Previous year ₹ 611.52 million).

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

(₹ in million)

	As at 31 March 2014	As at 31 March 2013
Central Excise	1,093.17	514.46
Customs	11.49	31.63
Sales Tax	51.59	7.08
Income Tax	611.47	604.29
Service Tax	315.10	269.05
Others	43.09	97.86

Excluding demands in respect of business transferred in earlier year to Jubilant Industries Limited in terms of the scheme of demerger though the demands may be continuing in the name of the parent Company.

Future cash outflows in respect of the above matters as well as for matters listed under 32(C) below are determinable only on receipt of judgments/decisions pending at various stages/forums.

C. Other contingent liabilities as at 31 March 2014:

i. Liability in respect of Bills discounted with Banks ₹ 699.85 million (Previous year ₹ 1,149.38 million).

ii. The Parent Company's writ petition against the levy of transport fee by the State of Maharashtra on consumption of rectified spirit and molasses within Nira factory has been allowed by the Hon'ble Bombay High Court with consequential refund. The Parent Company has filed a refund claim for an amount of ₹ 2.51 million (Previous year ₹ 2.51 million) deposited during the period when the dispute was pending before the High Court. The total amount of disputed transport fee is ₹ 193.06 million (Previous year ₹ 171.66 million). The State of Maharashtra has filed a special leave petition in the Supreme Court and has sought a stay on the operation of the High Court order.

iii. The Parent Company has challenged before the Hon'ble Allahabad High Court, the increase in denaturing fee by the State of Uttar Pradesh w.e.f 1 April 2004 on denaturing of rectified spirit in the Gajraula factory and the writ petition has been admitted by the Court. The Parent Company has deposited ₹ 24.45 million (Previous year ₹ 22.52 million) under protest which is shown as deposits.

iv. Zila Panchayat at J.P. Nagar (in respect of the Parent Company's Gajraula plant) served a notice demanding a compensation of ₹ 277.40 million (Previous year ₹ 277.40 million) allegedly for, percolation of poisonous water stored in lagoons and flowing through the land of Zila Panchayat resulting in loss of crops and cattle of the farmers and for putting poisonous fly ash on national highway which caused loss to the health and damages to eyes and skin of people.

District Magistrate issued a recovery certificate along with 10% collection charges inflating the demand to ₹ 305.14 million (Previous year ₹ 305.14 million). In the opinion of the Parent Company, the Zila Panchayat has no jurisdiction in raising this demand. The demand was challenged in Hon'ble Allahabad High Court and the court stayed the demand till further orders.

v. The Parent Company has challenged before the Hon'ble Allahabad High Court, the levy of license fees of ₹ 2.87 million (Previous year ₹ 2.87 million) by State of Uttar Pradesh, for grant of PD-2 license for manufacture of ethyl alcohol for industrial use. The writ petition has been admitted and is being listed for final hearing. Though the amount has been deposited and shown as such, no provision against this has been made as the issue is covered by the earlier favorable judgment of the Hon'ble Supreme Court of India.

Notes to the consolidated financial statements for the year ended 31 March 2014 (Continued)

vi. The State of Uttar Pradesh (UP) has imposed levy on import of denatured spirit into the State of Uttar Pradesh (UP). The Parent Company has imported denatured spirit into the State of Uttar Pradesh and has challenged levy amounting to ₹ 90.00 million (Previous year ₹ 90.00 million) before Hon'ble Allahabad High Court. The writ petition has been allowed by the High Court in favour of the Parent Company. The State of Uttar Pradesh filed a Special Leave Petition (SLP) with Hon'ble Supreme Court. The SLP has been admitted but the Hon'ble Supreme Court has declined the request of the State of Uttar Pradesh (UP) to stay the operation of High Court Order.

vii. The Hon'ble Supreme Court has quashed the levy of license fee by State of Uttar Pradesh on captive consumption of denatured spirit in the Gajraula factory, and has ordered the refund of the fee paid during the period of dispute subject to condition that the amount has not been collected from the Company's customers. Further the Court has directed the State to investigate whether the Parent Company has collected the disputed fee from its customers to the extent bank guarantees were furnished.

The Parent Company is entitled to a refund of ₹ 84.06 million (Previous year ₹ 84.06 million) as the amount paid during the period of dispute or secured by bank guarantees was not collected from its customers. Accordingly the Parent Company has approached the State of Uttar Pradesh for the refund of the said amount. The amount paid has been shown as deposit.

viii. A group of villagers from Nira in Pune District of Maharashtra State, had filled a Public Interest Litigation against the Company on account of ground water contamination against which National Green Tribunal (NGT), Pune Bench passed an order on 16 May 2014. In this order, NGT has instructed the Parent Company to comply with the recommendations of National Environmental Engineering Research Institute (NEERI), Maharashtra Pollution Control Board (MPCB) and Central Ground Water Board (CGWB) to ensure zero discharge and remediation to contaminated ground water. NGT in its order has also instructed the district authority to form a committee to conduct an enquiry around 2 Km radius of Nira unit to ascertain extent of loss and recommend the loss if any, caused to agriculturist due to effluent discharge to Nira river and asked Parent Company to deposit adhoc amount of ₹ 2.50 million with the Collector of Pune.

33. During the year, the Group exited its hospital business which was operated under two of its subsidiaries namely Jubilant First Trust Healthcare Limited (JFTHL) and Asia Healthcare Development Limited (AHDL). As part of this transaction, the hospital business undertaking of JFTHL and entire investment held in AHDL was sold for a consideration of ₹ 449.60 million and a profit of ₹ 142.72 million has been recognised under exceptional items.

34. The Parent Company plans to consolidate its Pharmaceuticals business under its wholly owned subsidiary Jubilant Pharma Limited Singapore (JPL) and evaluate the option and opportunity to raise money to reduce the consolidated debt of the Company. Accordingly, the Board in its meeting held on 4 October 2013 approved transfer of Active Pharmaceutical Ingredients (API) and Dosage Forms business of the Parent Company by way of a slump sale on going concern basis and shares held by it in Jubilant Pharma Holdings Inc USA and Jubilant Pharma NV Belgium, to a wholly owned Indian subsidiary of JPL for a net consideration of ₹ 11,451 million (net of debts). The shareholders of the Parent Company on 21 March 2014 have approved the aforesaid sale subject to the concerned subsidiaries achieving financial closure to meet their obligation under the said purchase, and authorised the Board to decide whether to make this approval effective. JPL has received an approval from the Foreign Investment Promotion Board in this regard and subsequent to the year end, the board approved the share purchase agreement between the parties for above mentioned sale of shares held by the Parent Company.

35. Other operating income is in the nature of export incentive, contract termination fees, scrap sales and licensing Income/ royalty income etc.

36. During the previous year, the Group has changed useful life of dies and punches, used for manufacturing of dosages formulations from five years to "one to two years". Accordingly the depreciation for the previous year was higher by ₹ 39.55 million.

37. During the year certain fixed assets have been reclassified from plant and machinery to building - gross block ₹ 149.30 million, accumulated depreciation ₹ 86.13 million, from furniture and fixture to building - gross block ₹ 443.26 million, accumulated depreciation ₹ 240.10 million, from furniture and fixture to office equipment - gross block ₹ 31.35 million, accumulated depreciation ₹ 6.73 million, from office equipment to plant and machinery - gross block ₹ 2.05 million, accumulated depreciation ₹ Nil, from acquired patents to internally generated product registration/market authorisation - gross block ₹ 265.11 million, accumulated depreciation ₹ 189.93 million and from software to internally generated product registration/market authorisation - gross block ₹ 11.45 million, accumulated depreciation ₹ 2.29 million.

38. Donation includes ₹ 38.80 million payments made to Satya Electoral Trust (Previous year ₹ 10.00 million to General Electoral Trust) during the year.

Notes to the consolidated financial statements for the year ended 31 March 2014 (Continued)

39. Employee Stock Option Scheme

The Parent Company has two stock option plans in place namely:

- Jubilant Employees Stock Option Plan, 2005 ("Plan 2005")
- JLL Employees Stock Option Plan, 2011 ("Plan 2011")

The Board of Directors had constituted Compensation Committee ('Committee') comprising a majority of Independent Directors for administration and supervision of the Stock Option Plans.

Under Plan 2005, as amended, and under Plan 2011, upto 1,100,000 Stock Options and upto 5,352,000 Stock Options, respectively, can be issued to eligible directors (other than promoter directors) and other specified categories of employees of the Group. Options are to be granted at market price. As per the SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 ('Guidelines'), the market price is taken as the closing price on the day preceding the date of grant of options, on the stock exchange where the trading volume is the highest. Under Plan 2005, each option, upon vesting, shall entitle the holder to acquire five equity shares of ₹ 1 each. Options granted upto 28 August 2009 will vest entirely within two years from the grant date, with certain lock-in provisions. Options granted after 28 August 2009 will vest gradually over a period of 5 years from the grant date, without any lock-in provisions.

Under Plan 2011, each option, upon vesting, shall entitle the holder to acquire one equity share of ₹ 1 each. Options granted will vest gradually over a period of 3 years from the grant date. Vesting of Options is a function of achievement of performance criteria or any other criteria, as specified by the Committee and communicated in the grant letter.

Summary of vesting and lock-in provisions are given below:

	PLAN 2005						PLAN 2011		
	Vesting schedule (With lock in) Applicable for grants made upto 28 August, 2009			Vesting Schedule (Without lock in) Applicable for grants made after 28 August, 2009			Vesting schedule		
Sr. No.	% of options scheduled to vest	Vesting date	Lock-in period	% of options scheduled to vest	Vesting date	Lock-in period	% of options scheduled to vest	Vesting date	Lock-in period
1.	10	1 year from grant date	Nil	10	1 year from grant date	Nil	20	1 year from grant date	Nil
2.	15	2 years from grant date	Nil	15	2 years from grant date	Nil	30	2 years from grant date	Nil
3.	20	2 years from grant date	1 year from vesting date	20	3 years from grant date	Nil	50	3 years from grant date	Nil
4.	25	2 years from grant date	2 years from vesting date	25	4 years from grant date	Nil			
5.	30	2 years from grant date	3 years from vesting date	30	5 years from grant date	Nil			

In 2008-09, members approved constitution of Jubilant Employees Welfare Trust ('Trust') for the purpose of acquisition of equity shares of the Parent Company from the secondary market or subscription of shares from the Parent Company, to hold the shares and to allocate/transfer these shares to eligible employees of the Group from time to time on the terms and conditions specified under respective Plans. The members authorised grant of loan(s) from time to time to the Trust in one or more tranches, upto ₹ 1,000 million either free of interest or at interest agreed between the Board and the Trust. The outstanding loan to the Trust as at 31st March 2014 is ₹ 424.89 million (Previous year ₹ 439.39 million-Also Refer note 40).

Upto 31 March 2014, the Trust has purchased 6,363,506 equity shares of the Parent Company from the open market, out of interest free loan provided by the Parent Company, of which 1,530,010 shares were transferred to the employees on exercise of Options. The Trust has also been issued 192,086 equity shares of Jubilant Industries Limited in accordance with the Scheme of Amalgamation & Demerger amongst the Parent Company, Jubilant Industries Ltd. and others.

Notes to the consolidated financial statements for the year ended 31 March 2014 (Continued)

The movement in the stock options under both the Plans, during the year, is set out below:

Under Plan 2005

Particulars	31 March 2014		31 March 2013	
	Number of Options	Weighted Average Exercise Price(₹)	Number of Options	Weighted Average Exercise Price(₹)
Options outstanding at the beginning of the year	145,443	227.05	164,562	226.89
Options forfeited during the year	(12,759)	259.78	(19,119)	225.67
Options outstanding at the end of the year	132,684	223.89	145,443	227.05

Under Plan 2011

Particulars	31 March 2014		31 March 2013	
	Number of Options	Weighted Average Exercise Price(₹)	Number of Options	Weighted Average Exercise Price(₹)
Options outstanding at the beginning of the year	1,585,055	210.47	860,580	199.20
Granted during the year	12,187	176.00	918,351	219.01
Options forfeited during the year	(168,303)	207.81	(193,876)	200.96
Options outstanding at the end of the year	1,428,939	210.49	1,585,055	210.47

The Group has opted for intrinsic value method of accounting for Employee Stock Options. As market price of the options is equal to the exercise price on the date of grant, intrinsic value is ₹ Nil. Hence, there is no cost charged to Consolidated Statement of Profit and Loss on account of options granted to employees under the Employee Stock Option Plans of the Group.

40. During the current period, the Parent Company has changed its policy with respect to treatment of shares held by Jubilant Employee Welfare trust ('Trust'). The Trust primarily holds equity shares of the Parent Company which are to be transferred to employees of the Group upon exercise of their stock options under various Employee Stock Option Plans (ESOP) in force. As per a recent opinion of the Expert Advisory Committee ('EAC') of The Institute of Chartered Accountants of India, as on the reporting date, the shares held by the trust but yet to be allotted to employees are shown as a deduction, from the Share Capital to the extent of face value of the shares and Securities Premium to the extent of amount exceeding face value of shares, with a corresponding adjustment to the, loan receivable from Trust, Capital Reserve (for the amount of profit on sale of shares) and Surplus (to the extent of dividend received net of operating expenses). Consequently, the face value of 4,833,496 equity shares held by trust as at 31 March 2014 amounting to ₹ 4.84 million is reduced from the share capital and the excess of net worth (after elimination of inter-company loans) of ₹ 420.00 million has been adjusted from securities premium ₹ 577.59 million, capital reserve (₹ 104.77 million) and surplus (₹ 52.82 million).

41. Leases:

a) The Group's significant operating lease arrangements are in respect of premises (residential, offices, godown etc.). These leasing arrangements, which are cancellable, range between 11 months and 10 years generally and are usually renewable by mutual agreeable terms. The aggregate lease rentals payable are charged as expenses. Rental payments under such leases are ₹ 163.43 million (Previous year ₹ 215.92 million).

b) Also, the Group has significant operating lease arrangements which are non-cancellable for a period upto 5 years. The lease rental is subject to escalation whereby the Lessor is entitled to increase the lease rental by 10% of the average lease rental of preceding three years blocked period.

The schedule of future minimum lease rental payments in respect of non-cancellable operating leases is set out below:

(₹ in million)

	Minimum lease payments	
	As at 31 March 2014	As at 31 March 2013
Not later than one year	50.32	52.00
Later than one year but not later than five years	28.41	67.96
Later than five years	-	-

Rental recognised under such leases during the year are ₹ 65.85 million (Previous year ₹ 52.80 million).

Notes to the consolidated financial statements for the year ended 31 March 2014 (Continued)

c) Assets acquired under finance lease:

The Group has taken vehicles under finance lease. Future minimum lease payments and their present values under finance leases are as follows:

(₹ in million)

	Minimum lease payments		Present value of minimum lease payments		Future interest	
	As at 31 March 2014	As at 31 March 2013	As at 31 March 2014	As at 31 March 2013	As at 31 March 2014	As at 31 March 2013
Not later than one year	15.13	17.77	12.33	13.45	2.80	4.32
Later than one year but not later than five years	16.94	30.37	15.00	26.06	1.94	4.31
Later than five years	-	-	-	-	-	-

There is no element of contingent rent or sub lease payments. The Group has option to purchase the assets at the end of the lease term. There are no restrictions imposed by these lease arrangements regarding dividend, additional debt and further leasing.

42. In line with the applicable Accounting Standards, during the year, interest amounting to ₹ 81.45 million (Previous year ₹ 227.57 million) has been capitalised.

43. The carrying value of internally generated intangible asset – product development and other intangibles including intangibles under progress has been reviewed and based on technical and financial assessment, carrying value of certain internally generated intangible assets/other intangibles under development of ₹ 33.74 million (Previous year ₹ 626.55 million) have been charged to the Consolidated Statement of Profit and Loss.

44. a) Deferred Tax Assets and Liabilities are attributable to the following items:

(₹ in million)

	As at 31 March 2014	As at 31 March 2013
Deferred Tax Assets		
Provision for compensated absences and gratuity	244.12	201.95
Expenditure allowed on actual payment basis	150.20	242.75
Tax losses carried forward	2,707.36	1,649.65
Others (d)	675.28	171.27
	3,776.96	**2,265.62**
Deferred Tax Liabilities		
Depreciation, amortisation and difference in value of CWIP/Intangibles	5066.07	4,675.46
Others	8.36	6.60
	5,074.43	**4,682.06**
Less: Deferred tax assets (net) not recognised in absence of virtual certainty of realisation	1,073.18	505.75
Deferred Tax Liabilities (Net)	**2,370.65**	**2,922.19**

b) In view of accumulated tax losses and absence of virtual certainty, deferred tax assets have been recognised only to the extent of deferred tax liabilities. Deferred tax assets (net) not recognised amount to ₹ 1,073.18 million and ₹ 505.75 million as at 31 March 2014 and 31 March 2013 respectively.

c) Consequent to re-evaluation of certain tax provisions relating to earlier years, true up of current tax amounting to ₹ 230.37 million and deferred tax benefits of ₹ (338.43) million have been recognised in the current year.

d) Net of ₹ (4.95) million (Previous year ₹ 182.30 million) representing deferred tax on hedging reserve balance.

45. Disclosure required by Accounting Standard 29(AS-29) "Provisions, contingent liabilities and contingent assets"

Movement in Provisions:

(₹ in million)

Sr. No	Particulars of disclosure	Provision for MTM Losses
1.	Balance as at 1 April 2013	2,127.34 (1,266.09)
2.	Additional provision during the year	1,202.11 (873.77)
3.	Provision used during the year	134.35 (2.33)
4.	Provision reversed during the year	72.15 (14.95)
5.	Currency translation adjustment	11.13 (4.76)
6.	Balance as at 31 March 2014	3,134.08 (2,127.34)

Figures in ( ) are in respect of previous year.

Notes to the consolidated financial statements for the year ended 31 March 2014 (Continued)

46. The Group has opted for accounting the exchange difference arising on reporting of long term foreign currency monetary items in line with Para 46A of Accounting Standard 11 (AS-11) - "The Effects of Changes in Foreign Exchange Rates" notified by the Ministry of Corporate Affairs on 29 December 2011. Accordingly during the year ended 31 March 2014, the Group has capitalised exchange difference amounting to ₹ 281.00 million (Previous year ₹ 170.75 million) to the cost of fixed assets and ₹ 805.49 million (Previous Year ₹ 579.64 million) to foreign currency monetary item translation difference account (FCMITDA). During the year ₹ 1,000.21 million (Previous Year ₹ 631.61 million) has been amortised to Consolidated Statement of Profit and Loss in terms of the said notification and balance of ₹ 480.73 million (Previous Year ₹ 675.45 million) is carried in balance sheet as on 31 March 2014.

47. Hedging and Derivatives:

(i) The Group uses various derivative instruments such as foreign exchange forward contracts, interest rate swaps and currency swaps to selectively hedge its exposures to movement in foreign exchange rates and interest rates. These derivatives are not used for speculative or trading purposes.

The following are the outstanding derivative contracts entered into by the group:

Category	Currency	Cross Currency	Amount (In million)	Buy/Sell
As at 31 March 2014:				
Forward Contracts	USD	INR	USD 70.00	Sell
Forward Contracts	SGD	USD	USD 50.00	Buy
Currency and Interest Swap	INR	USD	USD 188.57	
Interest rate swap	USD		USD 17.10	
As at 31 March 2013:				
Forward Contracts	USD	INR	USD 332.00	Sell
Forward Contracts	USD	INR	USD 62.60	Buy
Forward Contracts	SGD	USD	USD 45.08	Buy
Currency Swap (Loan of JPY 842.42 million)	JPY	USD	USD 8.30	
Currency and Interest Swap	INR	USD	USD 201.90	
Interest rate swap	USD		USD 17.94	

Refer note iii below

ii) Mark to market losses in respect of currency and interest rate swaps contracts amounting to ₹ 718.85 million (Previous year ₹ 327.17 million) has been charged to the Consolidated Statement of Profit and Loss. The accumulated mark to market losses on currency swaps (including currency and interest rate swaps) as at 31 March 2014 is ₹ 3,134.08 million (Previous year ₹ 2,127.34 million).

iii) The Company has opted for hedge accounting in respect of certain transactions including forward contracts under Accounting Standard 30 issued by the Institute of Chartered Accountants of India. Accordingly during the year:

a) An amount of ₹ (9.61) million (Previous Year ₹ 365.56 million) net of tax has been credited to Hedging Reserve Account on account of outstanding forward contracts of USD 70 million (Previous Year USD 263 million) for which highly probable forecast sale of USD 70 million (Previous Year USD 263 million) is expected to occur between April 2014 and Aug 2014.

b) An amount of ₹ 469.83 million (Previous Year ₹ 212.07 million) has been transferred from Hedging Reserve Account to Statement of Consolidated Profit and Loss under sales on occurrence of highly probable forecast transactions.

48. Employee Benefits in respect of Parent Company including Indian Subsidiaries have been calculated as under:

(A) Defined Contribution Plans

a. Provident Fund*

b. Superannuation Fund

During the year the Group has contributed following amounts to:

(₹ in million)

	For the year ended 31 March 2014	For the year ended 31 March 2013
Employers contribution to provident fund	29.58	31.68
Employers contribution to employee's pension scheme 1995	30.05	30.16
Employers contribution to superannuation fund	11.99	14.09

* For certain employees where Provident Fund is deposited with Government authority e.g. Regional Provident Fund Commissioner.

Notes to the consolidated financial statements for the year ended 31 March 2014 (Continued)

c. The Group's entities located in United States of America have a 401(k) Plan, where in the regular, full-time and part-time employees are eligible to participate in the defined contribution plan after completion of one month of continuous service. Participants may voluntarily contribute eligible pre–tax and post-tax compensation in 1% increments of up to 90% of their annual compensation in accordance with the annual limits as determined by the Internal Revenue Service. Eligible employees receive a 50% match of their contributions up to 6% of their eligible compensation. Employees above the age of 50 years may choose to contribute "catch-up" contributions in accordance with the Internal Revenue Service limits and are matched the same up to the maximum Group contribution of 3% of eligible compensation. The Group's matching contributions vest 100% after three years of service. The Group has contributed ₹ 71.42 million (Previous year ₹ 61.39 million) to 401(k) for the year.

d. The entities of the group located in Canada contribute to a Registered Retirement Savings Plan (RRSP), a trust registered with Canada Revenue Agency (CRA). Under this plan, the Group contributes equivalent to the contribution made by the employee, up to a maximum of 5% of the employees' base salary. The Group has contributed ₹ 68.92 million (Previous year ₹ 65.59 million) to RRSP for the year.

e. Further, the entities of the group located in Belgium contribute to social security fund named as Rijks Sociale Zekerheid (RSZ).Under these plan employees have to contribute 13% of their compensation and the Group makes a contribution of 33.33% of the employee's annual compensation. The Group has contributed ₹ 17.29 million (Previous year ₹ 13.34 million) to RSZ for the year.

f. State Plans

During the year, the Group has contributed following amounts to :

(₹ in million)

	For the year ended 31 March 2014	For the year ended 31 March 2013
Employers contribution to employee state insurance	7.52	4.99

(B) Defined Benefit Plans

i. Gratuity

In accordance with Accounting Standard 15(AS 15)-"Employee Benefits (Revised 2005)", an actuarial valuation has been carried out in respect of gratuity. The discount rate assumed is 9.40% p.a. (Previous year 8.00% p.a.) which is determined by reference to market yield at the Balance Sheet date on Government bonds. The retirement age has been considered at 58 years and mortality table is as per IALM (2006-08) (Previous year IALM (1994-96)).

The estimates of future salary increases, considered in actuarial valuation is 10% p.a. for first three years and 6% p.a. thereafter (Previous year 5% p.a.), taking into account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The plans assets are maintained with Life Insurance Corporation of India in respect of gratuity scheme for certain employees of two units of the Parent Company. The details of investments maintained by Life Insurance Corporation are not available with the Parent Company, hence not disclosed. The expected rate of return assumed on plan assets is 9.00% p.a. (Previous year 9.00% p.a.).

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

(₹ in million)

	Gratuity	
	31 March 2014	31 March 2013
Present value of obligation at the beginning of the year	354.29	302.66
Transferred under Business Transfer Agreement	(1.96)	-
Current service cost	50.55	40.24
Interest cost	28.34	24.13
Actuarial loss	56.41	31.74
Benefits paid	(47.35)	(44.48)
Present value of obligation at the end of the year	440.28	354.29

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

(₹ in million)

	Gratuity	
	31 March 2014	31 March 2013
Present value of obligation at the end of the year	440.28	354.29
Fair value of plan assets at period end	(21.66)	(17.91)
Net Liabilities recognised in the Balance Sheet	(418.62)	(336.38)

Notes to the consolidated financial statements for the year ended 31 March 2014 (Continued)

Cost recognised for the period (included under salaries, wages, allowances, bonus and gratuity):

(₹ in million)

	Gratuity	
	31 March 2014	31 March 2013
Current service cost	50.55	40.24
Interest cost	28.34	24.13
Actuarial loss	56.41	32.79
Expected return on plan assets	(1.61)	(1.21)
Net cost recognised during the year	133.69	95.95

Fair Value of Plan Assets:**

(₹ in million)

	Gratuity	
	31 March 2014	31 March 2013
Plan assets at the beginning of the year	17.91	13.44
Expected return on plan assets	1.61	1.21
Contribution by employer	5.85	5.46
Actual benefits paid	(3.65)	(1.15)
Actuarial losses	(0.06)	(1.05)
Plan assets at the end of the year	21.66	17.91

** In respect of certain employees of Nanjangud and Ambernath Unit of Parent Company.

Group's best estimate of contribution during next year is ₹ 117.14 million (Previous year ₹ 105.77 million)

Experience adjustment

(₹ in million)

	31 March 2014	31 March 2013	31 March 2012	31 March 2011	31 March 2010
Defined benefit obligation	440.28	354.29	302.66	267.74	265.22
Plan assets	21.66	17.91	12.64	9.96	8.15
Surplus/(Deficit)	(418.62)	(336.38)	(290.02)	(257.78)	(257.07)
Experience adjustment of plan liabilities-(loss)/gain	(13.25)	(29.98)	(15.90)	34.01	(4.10)
Experience adjustment on plan assets-(loss)/gain	(0.08)	(0.85)	(0.90)	0.17	0.24

ii Provident Fund:

The Guidance on implementation of AS 15, Employee Benefits (Revised 2005) issued by Accounting Standard Board (ASB) states that benefits involving provident funds, which require interest shortfall to be compensated, are to be considered as defined benefit plans. The actuary has worked out a liability of ₹ Nil (Previous year ₹ 9.67 million) likely to arise towards interest guarantee. The trust is managing common corpus of some of the group companies. The total liability of ₹ Nil (Previous year ₹ 9.67 million) as worked out by the actuary has been allocated to each entity based on the corpus value of each entity as on 31 March 2014. Accordingly, liability of ₹ Nil (Previous year ₹ 8.41 million) has been allocated to Group and ₹ Nil (Previous year ₹ 1.26 million) has been charged to Consolidated Statement of Profit and Loss during the year. The Group has contributed ₹ 115.64 million to Provident Fund (Previous year ₹ 104.42 million) for the year.

(C) Other long term benefits

(₹ in million)

	31 March 2014	31 March 2013
Present value of obligation at the end of the year	371.93	291.15

Notes to the consolidated financial statements for the year ended 31 March 2014 (Continued)

49. Segment Reporting :

i) Based on the guiding principles given in Accounting Standard 17 (AS-17) on " Segment Reporting", the Group's Primary Business Segments were organised around customers on industry and product lines as under:

a. Pharmaceuticals :

i) Generics, comprising Active Pharmaceuticals Ingredients (APIs) and Solid Dosage Formulations, ii) Specialty Pharmaceuticals (sterile products), comprising Radiopharmaceuticals, Allergy Therapy Products, CMO of Sterile Injectables iii) Drug Discovery and Development Solutions (DDDS).

b. Life Sciences Ingredients :

i) Advance Intermediates and Specialty Ingredients, ii) Life Science Chemicals, iii) Nutrition Products.

ii) In respect of secondary segment information, the Group has identified its geographical segments as:

(i) Within India

(ii) Outside India.

iii) Inter segment transfer pricing

Inter segment transfer prices are based on market prices.

iv) The financial information about the primary business segments is presented in the table given below:

(₹ in million)

	Particulars	Pharmaceuticals		Life Sciences Ingredients		Total	
		31 March 2014	31 March 2013	31 March 2014	31 March 2013	31 March 2014	31 March 2013
1)	**Segment revenue**	27,365.46	26,706.46	32,071.04	26,180.43	59,436.50	52,886.89
	Less: Inter segment revenue			35.66	26.85	35.66	26.85
	Less: Excise duty on sales	88.97	76.78	1,278.24	1,123.76	1,367.21	1,200.54
	Revenue from operations(net)	**27,276.49**	**26,629.68**	**30,757.14**	**25,029.82**	**58,033.63**	**51,659.50**
2)	**Segment results**	4,432.74	5,826.90	3,740.25	3,125.49	8,172.99	8,952.39
	Less : Interest (finance cost)					3,237.23	2,986.90
	Other un-allocable expenditure (net of un-allocable income)					2,862.93	2,554.11
	Total profit before tax	**4,432.74**	**5,826.90**	**3,740.25**	**3,125.49**	**2,072.83**	**3,411.38**
3)	**Capital employed**						
	(Segment assets - segment liabilities)						
	Segment assets	53,626.93	49,072.06	28,377.70	26,253.41	82,004.63	75,325.47
	Add: Unallocated assets					6,600.93	8,383.15
	Total assets	**53,626.93**	**49,072.06**	**28,377.70**	**26,253.41**	**88,605.56**	**83,708.62**
	Segment liabilities	3,816.32	3,945.62	6,095.81	5,034.03	9,912.13	8,979.65
	Add: Unallocated liabilities					4,525.47	3,478.19
	Total liabilities	**3,816.32**	**3,945.62**	**6,095.81**	**5,034.03**	**14,437.60**	**12,457.84**
	Segment capital employed	49,810.61	45,126.44	22,281.89	21,219.38	72,092.50	66,345.82
	Add: Unallocated capital employed					2,075.46	4,904.96
	Total capital employed	**49,810.61**	**45,126.44**	**22,281.89**	**21,219.38**	**74,167.96**	**71,250.78**
4)	Segment capital expenditure	2,285.13	2,805.03	693.82	1,488.54	2,978.95	4,293.57
	Add: Unallocated capital expenditure					94.61	367.72
	Total capital expenditure	**2,285.13**	**2,805.03**	**693.82**	**1,488.54**	**3,073.56**	**4,661.29**
5)	Depreciation and amortisation(net)	1,669.32	1,563.86	1,091.71	943.89	2,761.03	2,507.75
	Add: Unallocated Depreciation					50.65	30.20
	Total depreciation and amortisation	**1,669.32**	**1,563.86**	**1,091.71**	**943.89**	**2,811.68**	**2,537.95**

Notes to the consolidated financial statements for the year ended 31 March 2014 (Continued)

v) Secondary segments (Geographical segments):

(₹ in million)

Particulars		31 March 2014	31 March 2013
a)	**Revenue from operations by geographic location of customers (Net of excise duty)**		
	Within India	14,772.27	13,333.55
	Outside India	43,261.36	38,325.95
	Total	**58,033.63**	**51,659.50**
b)	**Carrying amount of segment assets**		
	Within India	39,024.03	40,337.72
	Outside India	49,581.53	43,370.90
	Total	**88,605.56**	**83,708.62**
c)	**Capital expenditure**		
	Within India	1,833.82	3,211.68
	Outside India	1,239.74	1,449.61
	Total	**3,073.56**	**4,661.29**
d)	**Revenue from operations by geographic markets**		
	India	14,772.27	13,333.55
	Americas and Europe	33,566.27	30,398.23
	China	5,072.69	3,872.39
	Others	4,622.40	4,055.33
	Total	**58,033.63**	**51,659.50**

Notes:

1) The Company has disclosed Business Segment as the Primary Segment.

2) Segments have been identified and reported taking into account the nature of products and services, the differing risk and returns, the organisation structure and the internal financial reporting systems.

3) The Segment revenue, results, assets and liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.

50. Related Party Disclosures

1. Related parties with whom transactions have taken place during the year.

a) Enterprise over which certain key management personnel have significant influence:

Jubilant Enpro Private Limited, Jubilant Oil & Gas Private Limited, Jubilant FoodWorks Limited, Tower Promoters Private Limited, B&M Hot Breads Private Limited, Jubilant Industries Limited, Jubilant Agri and Consumer Products Limited, Sankur Chalets Private Limited, Jubilant Motors Private Limited, Jubilant Aeronautics Private Limited, Jubilant Fresh Private Limited

b) Key management personnel:

For the year ended 31 March 2014: Mr. Shyam S. Bhartia, Mr. Hari S. Bhartia , Mr. R. Sankaraiah, Mr. Shyamsundar Bang, Mr. Lalit Jain.

For the year ended 31 March 2013: Mr. Shyam S. Bhartia, Mr. Hari S. Bhartia , Mr. R. Sankaraiah, Mr. Shyamsundar Bang, Mr. Pramod Yadav, Mr. Rajesh Srivastava, Mr. Neeraj Agrawal, Mr. Chandan Singh, Mr. Marcelo Morales, Mr. Scott Delaney, Mr. Kevin Garrity, Mr.Subir Kumar Basak, Mr. Martyn Coombs

c) Others:

Vam Employees Provident Fund Trust, Jubilant Employee Welfare Trust*, Jubilant Bhartia Foundation, Vam Officers Superannuation Fund.

*Refer note 40

Notes to the consolidated financial statements for the year ended 31 March 2014 (Continued)

2. Transactions with related parties during the year

(₹ in million)

Sr. No.	Particulars	Enterprise over which certain key management personnel have significant influence	Key management personnel and relatives	Others
1.	Sales of goods and services	201.32 (426.39)		
2.	Purchase of goods and services	662.13 (556.10)		
3.	Recovery of expenses and utilities charges	102.89 (88.77)		
4.	Reimbursement of expenses	- (0.28)		
5.	Remuneration and related expenses		42.27 (415.64)	
6.	Company's contribution to PF Trust.			115.64 (104.42)
7.	Company's contribution to superannuation fund.			11.99 (14.09)
8.	Rent expenses	57.49 (56.39)		
9.	Donation			17.20 (24.61)
10.	Purchase of tangible/Intangible assets	9.18 (6.15)		
11.	Loans received back			- (14.50)
12.	Advance from customer against goods/assets	60.57 (-)		
Balance as at 31 March 2014				
13.	Trade and other payables	181.48 (200.15)		
14.	Loans recoverable			- (439.39)
15.	Trade Receivables	37.19 (47.05)		
16.	Deposits recoverable	21.00 (21.00)		
17.	Other recoverable	24.27 (86.52)	129.07 (25.00)	
18.	Advance from customer payable	60.57 (-)		

Note:

(1) Figures in ( ) indicates in respect of previous year.

(2) Related party relationship is as identified by the Group and relied upon by the Auditors.

(3) No amount has been written off/provided for in respect of dues from or to any related party.

3. Disclosure in respect of related party transactions during the year:

1. Sales of goods and services to Jubilant Agri and Consumer Products Limited ₹ 201.32 million (Previous year ₹ 426.39 million).

2. Purchases of goods and services from Jubilant Agri and Consumer Products Limited ₹ 662.13 million (Previous year ₹ 556.10 million).

3. Recovery of expenses and utilities charges includes Jubilant Enpro Private Limited ₹ 7.64 million (Previous year ₹ 8.21 million), Jubilant Oil & Gas Private Limited ₹ 5.45 million (Previous year ₹ 4.23 million), Jubilant FoodWorks Limited ₹ 13.51 million (Previous year ₹ 5.97 million), Jubilant Industries Limited ₹ 1.32 million (Previous year ₹ 0.18 million), Jubilant Agri and Consumer Products Limited ₹ 74.29 million (Previous year ₹ 69.43 million), B&M Hot Breads Private Limited ₹ 0.29 million(Previous year ₹ 0.59 million), Jubilant Aeronautics Private Limited ₹ 0.30 million(Previous year ₹ 0.16 million)and Jubilant Fresh Private Limited ₹ 0.09 million (Previous year ₹ Nil)

Notes to the consolidated financial statements for the year ended 31 March 2014 (Continued)

4. Reimbursement of expenses to Jubilant Oil and Gas Private Limited ₹ Nil (Previous year ₹ 0.28 million).
5. Remuneration and related expenses to Mr. Shyam S Bhartia ₹ Nil (Previous year ₹ 57.50 million), Mr. Hari S Bhartia ₹ Nil (Previous year ₹ 57.50 million), Mr. Shyamsundar Bang ₹ Nil (Previous year ₹ 21.31 million), Mr. R Sankaraiah ₹ 36.05 million (Previous year ₹ 36.17 million), Mr. Pramod Yadav ₹ Nil (Previous year ₹ 18.57 million), Mr. Rajesh Srivastava ₹ Nil (Previous year ₹ 18.91 million), Mr. Chandan Singh ₹ Nil (Previous year ₹ 11.08 million), Mr. Neeraj Agrawal ₹ Nil (Previous year ₹ 21.72 million, Mr. Sridhar Mosur ₹ Nil (Previous year ₹ 29.32 million), Mr. Marcelo Morales ₹ Nil (Previous year ₹ 46.16 million), Mr. Scott Delaney ₹ Nil (Previous year ₹ 41.72 million), Mr. Kevin Garrity ₹ Nil (Previous year ₹ 27.46 million), Mr. Subir Kumar Basak ₹ Nil (Previous year ₹ 13.56 million), Mr. Martyn Coombs ₹ Nil (Previous year ₹ 14.66 million), Mr. Lalit Jain ₹ 6.22 million (Previous year ₹ Nil).
6. Company's contribution to PF Trust to Vam Employee Provident Fund Trust ₹ 115.64 million (Previous year ₹ 104.42 million).
7. Company's contribution to superannuation fund to Vam Officers Superannuation Fund ₹ 11.99 million (Previous year ₹ 14.09 million).
8. Rent expenses paid to include Jubilant Enpro Private Limited ₹ 4.09 million (Previous year ₹ 2.59 million), Tower Promoters Private Limited ₹ 52.00 million (Previous year ₹ 52.00 million), Sankur Chalets Private Limited ₹ 1.40 million (Previous year ₹ 1.80 million)
9. Donation to Jubilant Bhartia Foundation ₹ 17.20 million (Previous year ₹ 24.61 million).
10. Purchase of tangible/Intangible assets include Jubilant Motors Private Limited ₹ 5.32 million (Previous year ₹ 6.15 million) and Jubilant Oil & Gas Private Limited ₹ 3.86 million (Previous year ₹ Nil).
11. Loan received back from Jubilant Employee Welfare Trust ₹ Nil (Previous year ₹ 14.50 million).
12. Advance from customer against goods/assets Jubilant FoodWorks Limited ₹ 60.57 million (Previous year ₹ Nil)
13. Trade and other payables include to Jubilant Industries Limited ₹ 0.97 million (Previous year ₹ Nil), Jubilant Agri and Consumer Products Limited ₹ 180.51 million (Previous year ₹ 200.15 million).
14. Loans recoverable from Jubilant Employee Welfare Trust ₹ Nil (Previous year ₹ 439.39 million).
15. Trade receivables include from Jubilant Agri and Consumer Products Limited ₹ 37.19 million (Previous year ₹ 47.05 million).
16. Deposit recoverable from Tower Promoters Private Limited ₹ 21.00 million (Previous year ₹ 21.00 million).
17. Other recoverable include from Jubilant Oil & Gas Private Limited ₹ 1.96 (Previous year ₹ Nil), Jubilant Industries Limited ₹ Nil (Previous year ₹ 17.17 million), Jubilant Agri and Consumer Products Limited ₹ 13.32 million (Previous year ₹ 63.98 million), Mr. R Sankaraiah ₹ 25.00 million (Previous year ₹ 25.00 million), B&M Hot Breads Private Limited ₹ 0.06 (Previous year ₹ Nil), Jubilant FoodWorks Limited ₹ 8.93 million (Previous year 5.37 million) and remuneration recoverable from Mr. Shyam S Bhartia ₹ 40.06 million (Previous year ₹ Nil), Mr. Hari S Bhartia ₹ 40.05 million (Previous year ₹ Nil), Mr. Shyamsundar Bang ₹ 23.96 million (Previous year ₹ Nil).
18. Advance from customer against goods/assets Jubilant FoodWorks Limited ₹ 60.57 million (Previous year ₹ Nil).
19. The Group is in the process of updating the documentation for the specified transactions entered into with the specified persons and associated enterprises during the financial year. The management is of the opinion that its specified transactions are at arm's length and will not have any impact on the consolidated financial statements, particularly on the amount of tax expense and that of provision for taxation.

Notes to the consolidated financial statements for the year ended 31 March 2014 (Continued)

51. Earnings per share (EPS)

Particulars		For the year ended 31 March 2014	For the year ended 31 March 2013
I. Profit for basic and diluted earnings per share of ₹ 1 each	₹ in million	1,090.40	1,527.27
II. Weighted average number of equity shares for earnings per share computation			
A) For basic earnings per share	Nos.	159,281,139	159,281,139
B) For diluted earnings per share:			
No. of shares for basic earning per share as per II A	Nos.	159,281,139	159,281,139
Add: weighted average outstanding options related to employee stock options. (Note 1)	Nos.	Nil	Nil
No. of shares for diluted earnings per share	Nos.	159,281,139	159,281,139
III. Earnings per share (face value of ₹ 1 each)			
Basic	Rupees	6.85	9.59
Diluted	Rupees	6.85	9.59

Note :

1) The shares held by Jubilant Employee Welfare Trust are in excess of employee stock option granted and outstanding. Therefore, the effect of outstanding employee stock options is Nil on computation of diluted EPS.(Refer note 40)

52. Prior period items for the year ₹ Nil (Previous year ₹ 38.49 million).

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

As per our report of even date attached

For and on behalf of the Board of Directors of **Jubilant Life Sciences Limited**

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

Akhil Bansal
Partner
Membership No.: 090906

Shyam S. Bhartia
Chairman and Managing Director

Place: Noida
Date : 26 May 2014

Lalit Jain
Company Secretary

R. Sankaraiah
Executive Director-Finance

Hari S. Bhartia
Co-Chairman and Managing Director

Details of Subsidiary Companies (2013-14)

		Jubilant Clinsys Limited	Jubilant Chemsys Limited	Jubilant Biosys Limited	Jubilant Infra-structure Limited	Jubilant First Trust Healthcare Limited	Jubilant Generics Limited	Jubilant Life Sciences (USA) Inc.		Jubilant Life Sciences (Shanghai) Limited	
		₹/million	₹/million	₹/million	₹/million	₹/million	₹/million	USD	₹/million	RMB	₹/million
(a)	Capital	290.50	82.00	4.41	344.84	156.13	1.00	375,000	17.11	1,652,837	8.80
(b)	Reserve and Surplus (adjusted for debit balance in Statement of Profit and Loss where applicable)	5.39	445.44	(802.52)	1,198.47	529.43	(0.41)	1,735,915	109.35	30,096,459	297.58
(c)	Total Assets	362.99	609.07	926.45	2,190.06	748.62	0.76	15,884,168	951.62	155,346,527	1,499.09
(d)	Total Liabilities	67.10	81.63	1,841.43	649.27	63.06	0.17	13,773,253	825.16	123,597,231	1,192.71
e)	Details of Investments (except in case of Investment in subsidiaries)	-	-	-	2.52	-	-	-	-	-	-
(f)	Turnover (Including Other Income)	186.51	478.51	979.80	802.91	200.00	-	48,657,383	2,948.99	456,832,169	4,518.18
(g)	Profit before Taxation	30.37	(72.43)	(9.58)	155.85	240.23	(0.41)	294,368	18.93	16,917,724	170.26
(h)	Provision for Taxation	1.83	-	188.26	43.95	59.04	-	105,973	6.82	4,219,085	42.47
(i)	Profit after Taxation	28.54	(72.43)	(197.84)	111.90	181.19	(0.41)	188,395	12.11	12,698,639	127.79
(j)	Dividend	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Details of Subsidiary Companies (2013-14)

		Jubilant Pharma NV		Jubilant Pharmaceuticals NV		PSI Supply NV		Jubilant Pharma Holdings Inc (formerly known as Jubilant Life Sciences Holdings Inc.).		Jubilant Clinsys Inc.	
		EURO	₹/million	EURO	₹/million	EURO	₹/million	USD	₹/million	USD	₹/million
(a)	Capital	16,180,000	894.14	1,050,300	63.95	665,000	43.37	213,486,975	9,466.12	34,129,630	1,761.39
(b)	Reserve and Surplus (adjusted for debit balance in Statement of Profit and Loss where applicable)	1,801,441	592.56	(811,223)	(44.18)	(149,187)	(0.72)	(46,245,667)	553.31	(29,224,606)	(1,467.53)
(c)	Total Assets	37,726	3.12	6,532,947	540.15	2,398,188	198.29	45,704,038	2,738.13	9,418,460	564.26
(d)	Total Liabilities	17,685	1.46	6,293,870	520.38	1,882,375	155.64	22,705,805	1,360.30	4,513,436	270.40
e)	Details of Investments (except in case of Investment in subsidiaries)	-	-	-	-	-	-	-	-	-	-
(f)	Turnover (Including Other Income)	33	0.00	26,958,163	2,125.01	3,558,670	291.58	4,026,323	237.42	6,413,568	384.43
g)	Profit before Taxation	(7,998)	(0.65)	(578,521)	(47.35)	308,347	25.69	(328,414)	(31.24)	(2,664,104)	(160.94)
h)	Provision for Taxation	-	-	542,682	42.09	287,025	22.27	(402,308)	(24.75)	(1,012,361)	(61.04)
(i)	Profit after Taxation	(7,998)	(0.65)	(1,121,203)	(89.44)	21,322	3.42	73,894	(6.49)	(1,651,743)	(99.90)
(j)	Dividend	Nil	Nil	Nil	Nil	Nil	Nil	50,000	3.09	Nil	Nil

Details of Subsidiary Companies (2013-14)

		HSL Holdings Inc.		Jubilant HollisterStier LLC		Jubilant Pharma Limited (formerly known as Jubilant Pharma Pte. Ltd)		Cadista Holdings Inc.		Jubilant Cadista Pharmaceuticals Inc.	
		USD	₹/million	USD	₹/million	USD	₹/million	USD	₹/million	USD	₹/million
(a)	Capital	16	0.00	21,521,278	876.78	326,758,994	15,232.66	117,797	5.40	1	0.00
(b)	Reserve and Surplus (adjusted for debit balance in Statement of Profit and Loss where applicable)	137,424,279	8,233.09	51,294,599	3,485.62	(11,994,482)	3,624.88	33,501,433	2,008.73	101,446,455	6,077.66
c)	Total Assets	73,843,774	4,423.98	197,363,433	11,824.04	18,455,472	1,105.67	33,685,315	2,018.09	143,813,380	8,615.86
(d)	Total Liabilities	106,770,344	6,396.61	124,547,556	7,461.64	15,626,983	936.21	66,086	3.96	42,366,924	2,538.20
(e)	Details of Investments (except in case of Investment in subsidiaries)	-	-	-	-	2,871,770	172.05	-	-	-	-
(f)	Turnover (Including Other Income)	2,237,526	135.31	87,758,702	5,290.74	126,930	7.70	38	0.00	112,703,095	6,820.56
(g)	Profit before Taxation	914,017	55.35	(6,713,300)	(420.79)	(637,914)	(39.14)	(12,335)	(0.74)	46,997,321	2,844.29
(h)	Provision for Taxation	(1,457,647)	(90.42)	(2,551,053)	(159.84)	15,000	0.93	-	-	13,962,177	840.17
(i)	Profit after Taxation	2,371,664	145.77	(4,162,247)	(260.95)	(652,914)	(40.07)	(12,335)	(0.74)	33,035,144	2,004.12
(j)	Dividend	4,000,000	247.00	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Details of Subsidiary Companies (2013-14)

		Jubilant Biosys (BVI) Limited		Jubilant Biosys (Singapore) Pte. Limited		Jubilant Discovery Services Inc		Jubilant Drug Development Pte. Limited		Jubilant Life Sciences (BVI) Limited	
		USD	₹/million	USD	₹/million	USD	₹/million	USD	₹/million	USD	₹/million
(a)	Capital	1,397,501	69.85	1,371,501	68.56	2,485,000	116.87	2,547,001	127.33	3,972,501	198.79
(b)	Reserve and Surplus (adjusted for debit balance in Statement of Profit and Loss where applicable)	(22,877)	12.51	(61,175)	9.94	(2,756,754)	(133.16)	(61,728)	21.56	(25,505)	37.67
(c)	Total Assets	4,403	0.27	8,655	0.51	2,458,994	147.31	11,738	0.70	4,155	0.25
(d)	Total Liabilities	1,280	0.08	4,881	0.29	2,730,748	163.60	4,881	0.29	1,661	0.10
(e)	Details of Investments (except in case of Investment in subsidiaries)	-	-	-	-	-	-	-	-	-	-
(f)	Turnover (Including Other Income)	-	-	-	-	3,716,361	224.75	-	-	-	-
g)	Profit before Taxation	(4,527)	(0.27)	(11,860)	(0.72)	(86,533)	(5.17)	(12,402)	(0.75)	(5,902)	(0.36)
h)	Provision for Taxation	-	-	-	-	-	-	-	-	-	-
(i)	Profit after Taxation	(4,527)	(0.27)	(11,860)	(0.72)	(86,533)	(5.17)	(12,402)	(0.75)	(5,902)	(0.36)
(j)	Dividend	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Details of Subsidiary Companies (2013-14)

		Jubilant Life Sciences International Pte. Limited		Jubilant Innovation (BVI) Limited		Jubilant Innovation Pte. Limited		Draximage Limited, Cyprus		Draximage Limited, Ireland	
		USD	₹/million	USD	₹/million	USD	₹/million	USD	₹/million	USD	₹/million
a)	Capital	437,503	19.99	16,255,000	777.41	2,899,301	136.88	3,305	0.15	700,004	33.48
(b)	Reserve and Surplus (adjusted for debit balance in Statement of Profit and Loss where applicable)	1,049,420	69.09	(13,132,157)	(590.32)	(2,357,890)	(104.44)	2,946,263	176.56	(299,300)	(9.47)
(c)	Total Assets	52,695,353	3,156.98	9,529	0.57	16,016	0.96	9,933	0.59	416,293	24.94
(d)	Total Liabilities	51,208,430	3,067.90	30,000	1.80	7,745	0.46	29,600	1.77	15,589	0.93
(e)	Details of Investments (except in case of Investment in subsidiaries)	-	-	-	-	-	-	-	-	-	-
(f)	Turnover (Including Other Income)	56,082,287	3,394.56	-	-	-	-	17	0.00	78	0.00
g)	Profit before Taxation	1,803,924	110.38	(5,391)	(0.33)	(362,461)	(22.34)	(76,104)	(4.69)	(25,873)	(1.60)
(h)	Provision for Taxation	363,707	22.38	-	-	-	-	-	-	-	-
(i)	Profit after Taxation	1,440,217	88.00	(5,391)	(0.33)	(362,461)	(22.34)	(76,104)	(4.69)	(25,873)	(1.60)
(j)	Dividend	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Details of Subsidiary Companies (2013-14)

		Draximage LLC		Jubilant Draximage (USA) Inc.		Deprenyl Inc., USA		Jubilant DraxImage Inc.		6963196 Canada Inc.	
		USD	₹/million	USD	₹/million	USD	₹/million	CAD	₹/million	CAD	₹/million
(a)	Capital	65,000	3.05	9	0.00	15	0.00	130,365,215	5,689.88	2,500	0.11
(b)	Reserve and Surplus (adjusted for debit balance in Statement of Profit and Loss where applicable)	(49,506)	(2.12)	(111,675)	(6.69)	2,966,721	177.74	12,784,402	2,078.85	(17,745)	(0.94)
(c)	Total Assets	16,364	0.98	645,427	38.67	3,713,339	222.47	213,956,545	11,611.42	273	0.01
(d)	Total Liabilities	870	0.05	757,093	45.36	746,603	44.73	70,832,326	3,844.07	15,518	0.84
(e)	Details of Investments (except in case of Investment in subsidiaries)	-	-	-	-	-	-	-	-	-	-
(f)	Turnover (Including Other Income)	-	-	2,240,033	135.65	12,018	0.85	40,441,409	2,314.72	-	-
(g)	Profit before Taxation	(146)	(0.01)	499,941	30.88	(72,662)	(4.14)	5,108,619	289.33	(2,326)	(0.13)
(h)	Provision for Taxation	-	-	-	-	(24,705)	(1.60)	5,759,851	340.52	-	-
(i)	Profit after Taxation	(146)	(0.01)	499,941	30.88	(47,957)	(2.54)	(651,232)	(51.19)	(2,326)	(0.13)
(j)	Dividend	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Details of Subsidiary Companies (2013-14)

		6981364 Canada Inc.		DAHI Animal Health (UK) Limited		Draximage (UK) Limited		Jubilant Innovation (USA) Inc.		Jubilant Innovation (India) Limited	Jubilant DraxImage Limited
		CAD	₹/million	GBP	₹/million	GBP	₹/million	USD	₹/million	₹/million	₹/million
(a)	Capital	2,500	0.11	1	0.00	1	0.00	2,110,000	104.97	0.50	0.78
(b)	Reserve and Surplus (adjusted for debit balance in Statement of Profit and Loss where applicable)	(6,154)	(0.31)	(2,207)	(0.22)	-	-	20,623	22.68	3.21	(26.89)
(c)	Total Assets	11	0.00	-	-	1	0.00	133,623	8.01	3.78	23.59
(d)	Total Liabilities	5,930	0.32	2,206	0.22	-	-	3,000	0.18	0.07	49.70
(e)	Details of Investments (except in case of Investment in subsidiaries)	2,265	0.12	-	-	-	-	2,000,000	119.82	-	-
(f)	Turnover (Including Other Income)	-	-	-	-	-	-	-	-	-	91.55
(g)	Profit before Taxation	(2,508)	(0.14)	-	-	-	-	(66,856)	(4.12)	(0.10)	(12.34)
(h)	Provision for Taxation	-	-	-	-	-	-	(25,349)	(1.57)	0.01	-
(i)	Profit after Taxation	(2,508)	(0.14)	-	-	-	-	(41,507)	(2.55)	(0.11)	(12.34)
(j)	Dividend	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Details of Subsidiary Companies (2013-14)

		Draxis Pharma LLC		Jubilant HollisterStier Inc.		Jubilant Generics Inc. (formerly known as Generic Pharmaceuticals Holdings, Inc.)		Jubilant Life Sciences (Switzerland) AG, Schaffhausen		Jubilant Drug Discovery and Development Services Inc., Canada	
		USD	₹/million	USD	₹/million	USD	₹/million	CHF	₹/million	CAD	₹/million
(a)	Capital	250,100	11.64	26,825,600	1,218.22	2	0.00	100,000	4.70	50,000	2.45
(b)	Reserve and Surplus (adjusted for debit balance in Statement of Profit and Loss where applicable)	(495)	3.31	(10,519,129)	(241.29)	33,209,579	1,989.58	(76,984)	(3.14)	60,428	3.54
(c)	Total Assets	247,343	14.81	7,272,500	435.70	20,100	1.20	39,658	2.69	405,685	22.01
(d)	Total Liabilities	-	-	101,583,859	6,085.88	263,494	15.79	16,642	1.13	295,257	16.02
(e)	Details of Investments (except in case of Investment in subsidiaries)	-	-	-	-	-	-	-	-	-	-
(f)	Turnover (Including Other Income)	-	-	-	-	-	-	7	0.00	74,800	4.29
(g)	Profit before Taxation	(143)	(0.01)	(3,737,420)	(225.70)	(263,494)	(16.27)	(12,193)	(0.79)	10,583	0.58
(h)	Provision for Taxation	-	-	(1,420,274)	(87.70)	-	-	-	-	2,934	0.16
(i)	Profit after Taxation	(143)	(0.01)	(2,317,146)	(138.00)	(263,494)	(16.27)	(12,193)	(0.79)	7,649	0.42
(j)	Dividend	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Details of Subsidiary Companies (2013-14)

		First Trust Medicare Pvt. Limited	Vanthys Pharmaceutical Development Pvt. Limited	Drug Discovery and Development Solutions Limited		Jubilant Life Sciences NV	
		₹/million	₹/million	USD	₹/million	EURO	₹/million
(a)	Capital	1.00	225.00	1	0.00	100,000	7.81
(b)	Reserve and Surplus (adjusted for debit balance in Statement of Profit and Loss where applicable)	5.35	(196.21)	7,083,530	424.37	(414,698)	(33.83)
(c)	Total Assets	0.01	32.69	1	0.00	28,241,102	2,334.97
(d)	Total Liabilities	0.19	3.90	3,993	0.24	28,555,800	2,360.99
(e)	Details of Investments (except in case of Investment in subsidiaries)	-	-	-	-	-	-
(f)	Turnover (Including Other Income)	0.04	2.37	-	-	21,932,951	1,850.70
(g)	Profit before Taxation	(0.04)	1.83	(3,993)	(0.25)	(414,698)	(35.21)
(h)	Provision for Taxation	-	0.41	-	-	-	-
(i)	Profit after Taxation	(0.04)	1.42	(3,993)	(0.25)	(414,698)	(35.21)
(j)	Dividend	Nil	Nil	Nil	Nil	Nil	Nil

Note:

In terms of the general exemption granted by the Government of India vide its general circular no. 2/2011 dated February 08, 2011, from attaching the Director's Reports, Balance Sheets, Statement of Profit and Loss and other particulars of the subsidiaries, the same have not been attached to this Report. The Company will make available the Annual Accounts of the subsidiary companies and the related detailed information upon request by any member of the Company or its subsidiary companies. The Annual Accounts of the subsidiary companies will also be kept open for inspection by any member at the registered office of the Company and the subsidiary companies during business hours.

Corporate Information

Registered Office
Bhartiagram, Gajraula,
Distt. Amroha 244 223
Uttar Pradesh, India
Tel.: +91-5924-252353-60
Fax: +91-5924-252352
CIN: L24116UP1978PLC004624

Corporate Office
1A, Sector 16A, Noida 201 301
Uttar Pradesh, India
Tel.: +91-120-4361000

Statutory Auditors
B.S.R. & Co. LLP
Chartered Accountants
Building no. 10,
8th Flower, Tower B
DLF Cyber City Phase II
Gurgaon - 122 002
Haryana, India

Cost Auditors
J K Kabra & Co.
552/1B, Arjun Street,
Main Vishwas Road,
Vishwas Nagar,
Delhi 110 032, India

Internal Auditors
Ernst & Young Pvt. Ltd.
Hindustan Times Building,
6th Floor,18-20, Kasturba Gandhi Marg,
New Delhi 110 001, India

Company Secretary
Lalit Jain

Registrars & Transfer Agents
Alankit Assignments Ltd.
205-208, Anarkali Complex,
Jhandewalan Extension,
New Delhi 110 055, India
Tel: +91-11-42541234, 42541200, 42541100
email: rta@alankit.com

Bankers
Central Bank of India
Corporation Bank
DBS Bank Ltd.
Export Import Bank of India
ICICI Bank Ltd.
ING Vysya Bank Ltd.
Punjab National Bank
State Bank of India
The Hong Kong & Shanghai Bank Corporation Ltd.
Yes Bank Ltd.

For more information please visit our website www.jubl.com or email us at support@jubl.com

Jubilant Life Sciences Limited

Registered Office

Bhartiagram, Gajraula, Distt. Amroha - 244 223,
Uttar Pradesh, India

Corporate Office

1A, Sector 16A, Noida - 201 301,
Uttar Pradesh, India
www.jubl.com

JUBILANT LIFE SCIENCES LIMITED

(CIN: L24116UP1978PLC004624)
Registered Office: Bhartiagram, Gajraula, District Amroha - 244 223, Uttar Pradesh, India
E-mail: investors@jubl.com Website: www.jubl.com Phone: +91-5924-252353-60 Fax: +91- 5924 -252 352

ATTENDANCE SLIP: AGM 2014

PLEASE FILL IN THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE

Name of person attending: ______________________

Capacity: Member ☐ Proxy ☐ Authorised Representative ☐

(Please √ appropriate box)

I hereby record my presence at the 36th Annual General Meeting being held on Tuesday, September 2, 2014 at 11:30 a.m. at the Registered Office of the Company.

Member's / Proxy's Signature

ELECTRONIC VOTING PARTICULARS

EVEN (Electronic Voting Event Number)	USER ID	PASSWORD

JUBILANT LIFE SCIENCES LIMITED
(CIN: L24116UP1978PLC004624)
Registered Office: Bhartiagram, Gajraula,
District Amroha - 244 223,
Uttar Pradesh, India
E-mail : investors@jubl.com
Website : www.jubl.com
Phone : +91-5924-252353-60
Fax : +91- 5924 -252 352

PROXY FORM: AGM 2014

[FORM MGT – 11]

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of member(s) : ______________________________

Registered Address : ______________________________

E-mail ID : ______________________________

Folio No./ DP ID*/Client ID No.* : ______________________________

I/We, being the member(s) holding ________________ shares of JUBILANT LIFE SCIENCES LIMITED, hereby appoint:

1. Name : ______________________ Address : ______________________
   E-mail ID : ______________________ Signature : ______________________
   or failing him
2. Name : ______________________ Address : ______________________
   E-mail ID : ______________________ Signature : ______________________
   or failing him
3. Name : ______________________ Address : ______________________
   E-mail ID : ______________________ Signature : ______________________

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 36th ANNUAL GENERAL MEETING of the Company, to be held on Tuesday, September 2, 2014 at 11:30 a.m. at Bhartiagram, Gajraula, District Amroha - 244 223, Uttar Pradesh, India and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution(s)	Vote *(Optional, see Note 4)* (Please mention no. of shares)		
		For	Against	Abstain
Ordinary Business				
1	Adoption of Audited Financial Statements for the year ended March 31, 2014 together with the reports of the Auditors and Directors thereon			
2	Declaration of Dividend on Equity Shares			
3	Re-appointment of Mr. Shyamsundar Bang, who retires by rotation			
4	Appointment of B S R & Co. LLP, Chartered Accountants, as the Auditors of the Company			
Special Business				
5	Appointment of Ms. Sudha Pillai as an Independent Director			
6	Appointment of Mr. S. Sridhar as an Independent Director			
7	Appointment of Mr. Shardul S. Shroff as an Independent Director			
8	Appointment of Dr. Inder Mohan Verma as an Independent Director			
9	Appointment of Mr. Suresh Kumar as an Independent Director			
10	Approval of remuneration of Cost Auditors - M/s J. K. Kabra & Co., Cost Accountants for the financial year ending March 31, 2015			

Signed this __________ day of _______ 2014

Affix Revenue Stamp of ₹ 1/-

______________________ Signature of proxy holder(s)

______________________ (Signature of Member)

Notes:

1. This form of proxy, in order to be effective, should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.
2. A member entitled to attend and vote is entitled to appoint a proxy to attend and on poll, to vote instead of himself/herself. A proxy need not be a member.
3. Signature of member should be across a Revenue stamp of ₹ 1/-.
4. It is optional to indicate your preference. If you leave the "For", "Against" or "Abstain" columns blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she may deem appropriate.
5. * Applicable for members holding shares in dematerialised form.

Corporate Sustainability Report 2013-14

INSTRUMENT FOR CHANGE

Global Reporting Initiative™

Statement
GRI Application Level Check

GRI hereby states that **Jubilant Life Sciences Ltd.** has presented its report "Sustainability Report 2013-14" to GRI's Report Services which have concluded that the report fulfills the requirement of Application Level A+.

GRI Application Levels communicate the extent to which the content of the G3.1 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3.1 Guidelines. For methodology, see www.globalreporting.org/SiteCollectionDocuments/ALC-Methodology.pdf

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

Amsterdam, 4 July 2014

Ásthildur Hjaltadóttir
Director Services
Global Reporting Initiative

A+
GRI REPORT
GRI CHECKED

The "+" has been added to this Application Level because Jubilant Life Sciences Ltd. has submitted (part of) this report for external assurance. GRI accepts the reporter's own criteria for choosing the relevant assurance provider.

The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world's most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. www.globalreporting.org

Disclaimer: *Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on 25 June 2014. GRI explicitly excludes the statement being applied to any later changes to such material.*


Products
Planet
Instrument
for Change
People
Profit
Partners

CONTENTS

Sustainability Strategy 2020

It has been a long and momentous journey since we began believing and applying the concept of sustainability. We were amongst the first few companies which strongly believed in transparency and came up with a Sustainability Report in 2002-03. We were also the first Indian conglomerate to join the organizational stakeholder program of Global Reporting Initiative (GRI) when it was launched in India in 2005.

It is time to hold back and contemplate the past. With this in mind, we conducted a review of our initiatives, processes and performance. We could see that the years of our daily grind created a meaningful impact on the society and improved our environment footprint. Through a process of careful deliberation we have formulated our Sustainability Strategy 2020. This strategy is built on our strengths for placing sustainability at the centre of our business decisions.

OUR VISION

- To acquire and maintain global leadership position in chosen areas of businesses
- To continuously create new opportunities for growth in our strategic businesses
- To be among the top 10 most admired companies to work for
- To continuously achieve a return on invested capital of at least 10 points higher than the cost of capital

Future Endeavours

- Water and Energy Efficient
- Low Carbon Footprint
- Ingredients… Responsible Care Certification
- Safety… Care for Self & Others
- Community Acquaint

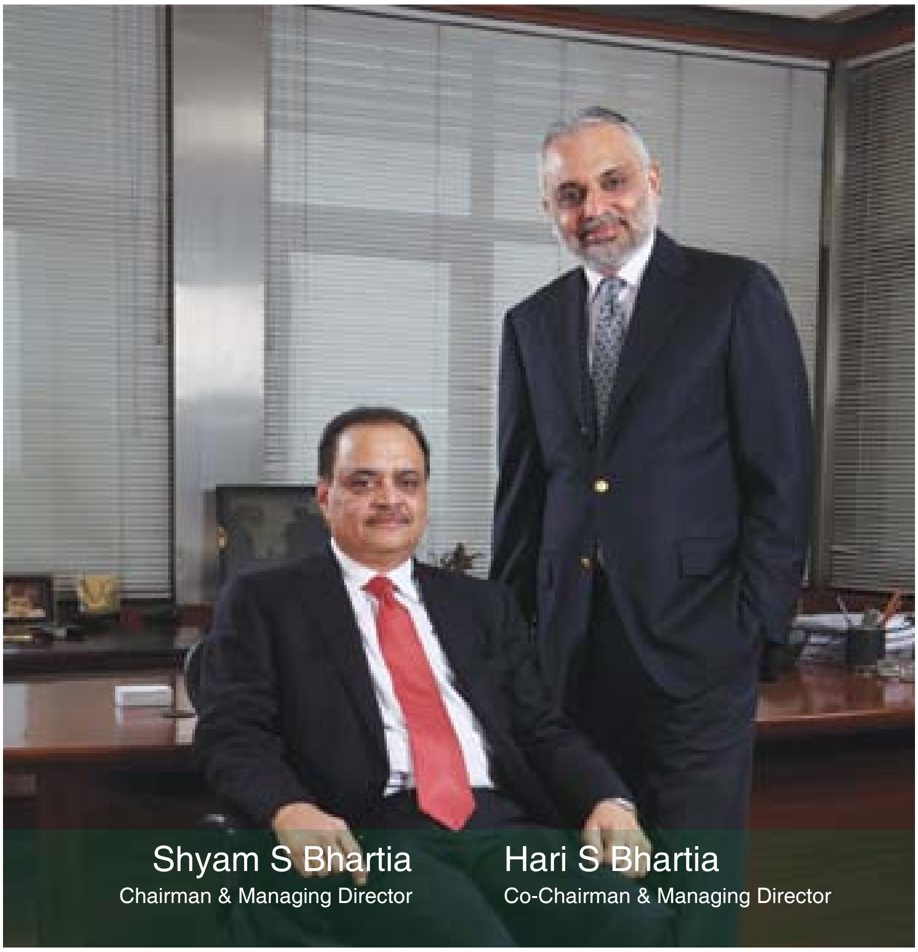
OUR PROMISE
Caring, Sharing, Growing

We will, with utmost care for the environment and society, continue to enhance value for our customers by providing innovative products and economically efficient solutions; and for our stakeholders through growth, cost effectiveness and wise investment of resources

“‘Sustainability’ is our investment for the future and we have undertaken ambitious targets to challenge ourselves.”

Chairmen's Vision

"We were the first Indian conglomerate to join the organizational stakeholder program of Global Reporting Initiative (GRI) when it was launched in India in 2005."



DEAR STAKEHOLDERS,

36 Years of innovation with chemicals; 12 years of reporting sustainability performance to stakeholders; it has been an exciting journey starting from Vam Organic Chemicals and developing onto the path of transformation to a diversified speciality chemicals and pharmaceutical company offering a wide range of products. We believe that the four key pillars of success are integrated operations, global outreach, innovation and sustainability.

Our vision is to attain and retain global leadership position in our businesses with benefits reaching our stakeholders. The years gone by, have taught us distinct ways of constantly growing with improvement in our sustainability performance and we intend to take it forward. In order to create long term sustainability, we follow triple bottom line approach of economic, environment and social performance. Our promise of Caring, Sharing, Growing is the essence of our activities that are directed towards sustainable growth.

ECONOMIC GROWTH

The Company is poised to build on the growth momentum for revenue and margins in coming times. This year, the Income from Pharmaceuticals operations was at 27,277 million INR along with EBITDA at 6,100 million INR and the income from Life Science Ingredients operations was at 30,757 million INR, along with EBITDA at 4,830 million INR. Jubilant recognises that there are no shortcuts for success and we must compete with the best in the world. In order to bring stronger management focus and support our ambitious growth aspirations over the next 3-4 years; we have formed separate Ingredients and Pharmaceuticals organizations out of the current Jubilant Life Sciences business. For this, we have been guided by our goal to strengthen functional capabilities and drive focus on both quality and operational efficiency.

ENVIRONMENTAL INITIATIVES

We ensure adequate environment protection equipment at all our manufacturing facilities. We practice strict compliance to statutory environment protection requirements. Our units have accreditation to ISO 14001 and we have continuous improvement programmes for energy efficiency and reduction in Greenhouse Gases (GHG) emissions with focus on revenue enhancement from green products. We are also reporting Greenhouse Gas emissions through the Carbon Disclosure Project (CDP), world's largest climate change database representing 722 Financial Institutions Investor Signatories. This year Renewable and Biomass energy contribution stands at 6.85% of our Total Direct Energy consumption.

"Sustainability is our investment for the future"

WORKPLACE SAFETY

As a responsible and employee friendly organisation, we ensure workplace safety of our employees and it is of prime importance to us to continuously harness to adopt best available safety systems at our manufacturing facilities. In order to move ahead with our commitment we have made efforts to step up safety standards at our manufacturing facilities. We aim to internalise the concept of 'Safety... our Value'. For this, we have started behaviour based safety campaign, instated a safety surveillance structure, and improved accounting & reporting of safety statistics.

COMMUNITY INVOLVEMENT

Communities around our manufacturing facilities are our stakeholders and all our community initiatives are aligned to the United Nations Millennium Development Goals (MDGs). The Company is engaged with the community regularly and is working on four areas of intervention which include improvement of level of elementary education, improving health indices through innovative services, escalating employability and enabling a conducive environment for social entrepreneurship. We are now touching lives of 0.4 million people in 65 villages near our facilities, through community development programs.

TRANSPARENCY AND DISCLOSURE

"We were the first Indian conglomerate to join the organizational stakeholder program of Global Reporting Initiative (GRI) when it was launched in India in 2005." We were the founding corporate member of Orgazitional Stakeholder Programme of GRI in India and have been associated with GRI in their quest for increasing transparency and reporting in Indian companies, since 2005. This year GRI has constituted "Sustainability and Transparency Consortium" in order to mainstream Sustainability Reporting and give impetus to the new GRI G4 Guidelines released in 2013 for businesses. We appreciate the cause of GRI and have accepted their invitation to become the Founding Member of GRI's Sustainability and Transparency Consortium in the Chemical Sector. We are also a signatory to the UN Global Compact and continue to support its principles in human rights, labour, environment and anticorruption. Details of our progress in these areas can be found in this report & UNGC website as well.

SUSTAINABILITY STRATEGY 2020

Through a careful evaluation of the impact of our efforts we realised that we can challenge ourselves for better ways of caring for the environment and the communities where we operate. Taking this forward we have crafted our Sustainability Strategy 2020 through which we aim to drive 'change' with the instruments of People, Profit, Planet, Products, Partners. This strategy is built on our strengths for placing sustainability at the centre of our business decisions and has specific and measurable targets to help us achieve our vision. With this report "Sustainability is our investment for the future" for 2013-14 we unveil eight measurable and accountable targets covering water and energy efficiency, GHG emissions reduction, safety and corporate social responsibility. The targets cover our material issues and gives focus on the 'instruments of change'.

As we look forward to yet another year, we intend to maintain a direct link between sustainability and our business priorities. We present our performance and challenges through this report and look forward to your feedback.

Shyam S Bhartia
(Chairman &
Managing Director)

Hari S Bhartia
(Co-Chairman &
Managing Director)

Sustainability Key Metrics

REVENUE 2013-14
INR 58033.63 million

INTERNATIONAL REVENUES
INR 43261 million

NORMALIZED PAT
INR 3235 million

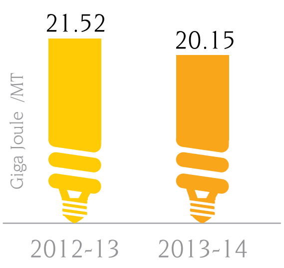
COMMUNITY INVESTMENT
INR 72.33 Million

CSR INVESTMENT AROUND INDIAN OPERATIONS
INR 21.186 million

Long term employee benefits including Pension, Provident Fund, Super-annuation
INR 314 Million

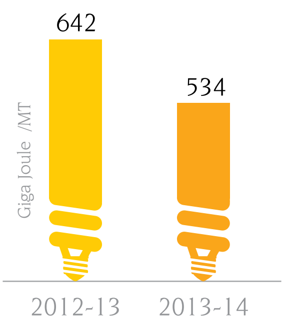
Specific Energy Consumption

Ingredients



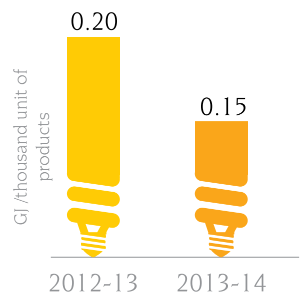
"6.4% decrease in specific energy consumption"

Pharmaceuticals (Active Pharmaceutical Ingredients)



"17% decrease in specific energy consumption"

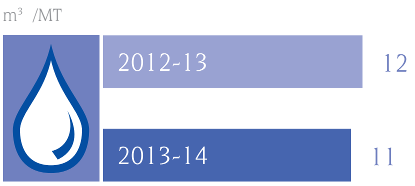
Pharmaceuticals (Dosage form)



"24% decrease in specific Energy consumption"

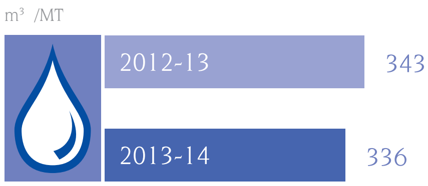
Specific Water Withdrawal

Ingredients



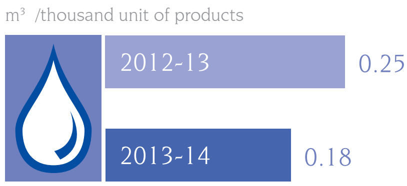
"6% decrease in specific water consumption in Ingredients"

Pharmaceuticals (Active Pharmaceutical Ingredients)



"2% Reduction in specific water consumption in Pharmaceuticals (Active Pharmaceutical Ingredients)"

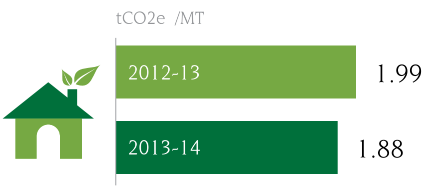
Pharmaceuticals (Dosage form)



"30% Reduction in specific water consumption in Pharmaceuticals (Dosage form)"

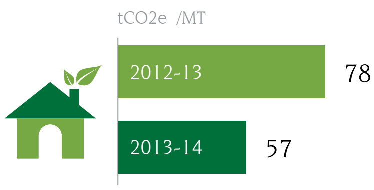
Specific Green House Gas Emissions

Ingredients



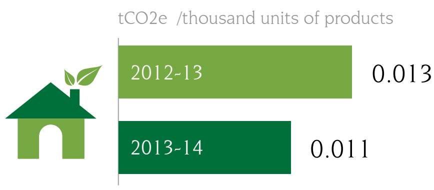
"5% decrease in specific GHG emissions"

Pharmaceuticals (Active Pharmaceutical Ingredients)



"26% decrease in specific GHG emissions"

Pharmaceuticals (Dosage form)



"19% decrease in specific GHG emissions"

Global Sustainability... Innovating Life Sciences

"Caring
Sharing
Growing"

THE COMPANY

Jubilant Life Sciences Limited is part of the 'Jubilant Bhartia Group', which is an Indian conglomerate with a presence in diverse sectors like Pharmaceuticals and Life Sciences, Agri Products, Performance Polymers, Retail, Food, Oil and Gas exploration and Production, Services in Aerospace and Oilfield industries and Automobile.

The Company is a global integrated pharmaceutical and life sciences company and its portfolio includes **Pharmaceuticals:** Active Pharmaceutical Ingredients, Solid Dosage Formulations, Radiopharmaceuticals, Allergy Therapy Products, Sterile Injectables, Ointments, Creams & Liquids, Drug Discovery And Development Solutions And **Life Science Ingredients:** Fine Chemicals, Advance Intermediates, Crop Science Chemicals, Nutrition Ingredients, Life Science Chemicals. We have manufacturing facilities at 7 locations in India and 3 in North America with a dedicated team of 6185 employees across the globe with international sales in more than 100 countries.

The revenue for the year 2013-14 was INR 58033.63 million. The paid up capital was INR 154.5 million and consolidated debt was INR 43952.82 million. The Company has strong assets and financials comprising total assets INR 88605.56 million. The international sales of the Company comprises of revenue from America & Europe at 57.8 %, China at 8.7 %, Asia & others at 8.0 % and India markets at 25.5% respectively.

Jubilant Bhartia Group

A Leading Business Conglomerate

Jubilant LifeSciences	Jubilant Industries	Jubilant FoodWorks	Jubilant Energy	Jubilant Enpro	Jubilant MotorWorks
Pharmaceuticals & Life Sciences	Agri & Polymers and Retail	Food	Oil & Gas	Services	Auto
- Integrated Outsourcing Solutions Provider for pharmaceutical and Life Sciences Industry. - Listed on NSE & BSE, India.	- Leading player in Agri Products in North India, caters to niche markets in Performance Polymers. - Listed on NSE & BSE, India.	- A master franchise of Domino's Pizza for India, Bangladesh, Nepal & Sri Lanka & Dunkin Donuts for India. - Listed on NSE & BSE, India.	- Engaged in the upstream oil & Gas exploration and production sector. - Listed on AIM market, London.	Aerospace - Sole authorized Independent Representative of Bell Helicopter in India for sales, marketing and customer support. - Also represent other international aerospace companies. Oil & Gas Service - Consultant to Transocean-offshore drilling company. - Manning & marketing service for Tidewater Marine International etc.	- Exclusive dealership of Audi make cars in Karnataka and Tamil Nadu. - Service centre for Audi cars in Bengaluru, Mangalore and Chennai. - Custom paint and body workshop in Bengaluru.

Report Profile and Scope

"Jubilant has a robust mechanism for reporting triple bottom line performance i.e., economic, environmental and social. The report is compiled in-house by the Corporate Sustainability team."

This Corporate Sustainability Report is published as per the Global Reporting Initiative (GRI) G3.1 Guidelines for the Financial Year 2013 - 2014. This Corporate Sustainability Report is brought out in addition to the Company's Annual Report and Annual Report for Jubilant Bhartia Foundation. An annual reporting cycle is maintained for the Sustainability Report. In July 2013, the Company released its last Sustainability Report 2012-13 "Leveraging science & innovation for sustainable global growth", which was the 11th Sustainability Report of the Company. The Sustainability Reports for all the years can be accessed through the following link http://www.jubl.com/cpage.aspx?mpgid=19&pgid=27.

Since the Company has been reporting its performance on Sustainability parameters for past 12 years, systems are already in place to report for all these indicators. While determining the materiality issues for the Company, both internal & external stakeholders were considered. These include stakeholders who can affect the operations/ performance of the Company and others who are affected/ impacted by the Company. Based on this materiality assessment and other internal & external factors, the Company decided to report on all Core and Additional Indicators of GRI G3.1 Version.

The report is compiled in-house by the Corporate Sustainability team. The primary data from the manufacturing facilities are compiled through designated soft wares and systems like BAAN, HRIS. BAAN, an Enterprise Resource Planning (ERP) software is deployed for financial accounting and reporting and PeopleSoft Human Resource Information System (HRIS) is utilized for human resource data accounting. The data presented in the report is verified through systematic internal & external audits. There are no changes in the scope, boundary and measurement methods for this year's report.

All operations of the Company within India and North America are covered including 10 Manufacturing Facilities and Corporate Office at Noida. Energy and Water Consumption data for the employee colonies are included wherever they are adjacent to our manufacturing locations. All the marketing offices are out of the scope of this report. The report also includes subsidiaries which are directly under the control of the Company and which have a significant impact on the sustainability performance of the organisation.

"We have manufacturing facilities at 7 locations in India and 3 in North America with a dedicated team of 6185 employees across the globe with international sales in more than 100 countries."

The key subsidiary companies of Jubilant Life Sciences covered in the report are as follows:

1. Jubilant HollisterStier LLC, Spokane, USA
2. Jubilant DraxImage Inc., Kirkland, Montreal, Canada
3. Jubilant Cadista Pharmaceuticals Inc., Salisbury, USA
4. Jubilant Biosys Limited, India
5. Jubilant Chemsys Limited, India
6. Jubilant Clinsys Limited, India
7. Jubilant Clinsys Inc., NJ, USA
8. Jubilant Infrastructure Limited, India
9. Jubilant First Trust Healthcare Limited, India

RESTATEMENT

In 2012-13 report, Scope 3 emission reduction was reported as 930 tCO_2e against actual calculated value of 460 tCO_2e.

INDEPENDENT ASSURANCE

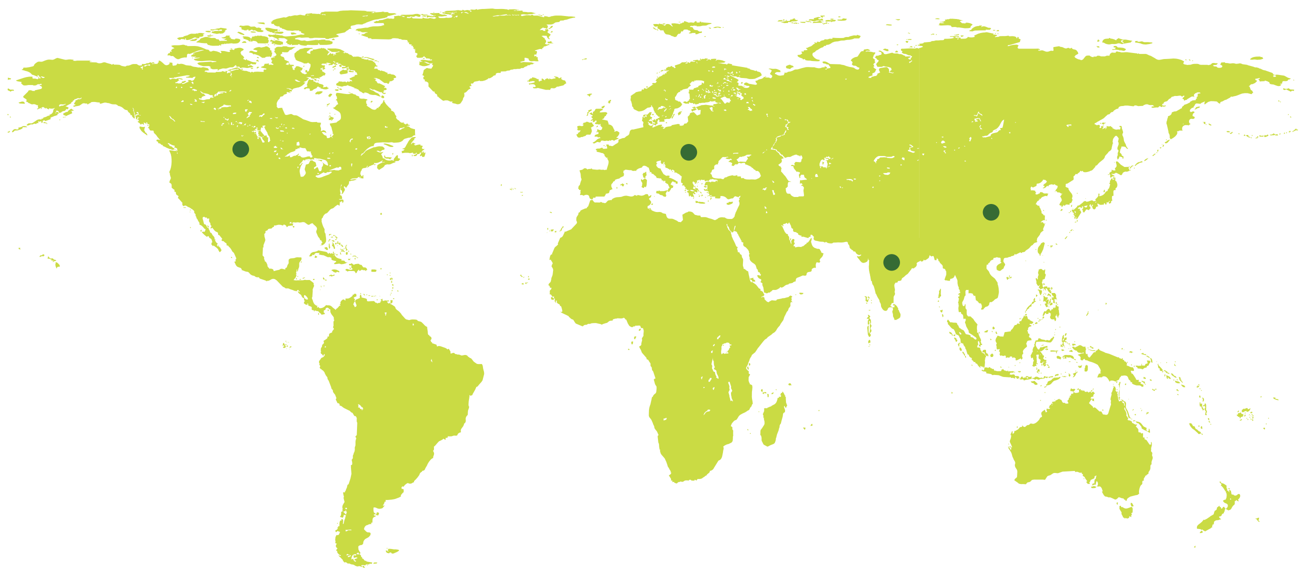
M/s Ernst & Young LLP has conducted independent assurance for this report and their Assurance Statement is a part of this report.

FEEDBACK

In case of queries, clarifications, or feedback related to the report, write to:

Mr. Ganesh Chandra Tripathy,
Chief Sustainability Officer.
Jubilant Life Sciences Limited,
1-A, Sector 16A, Noida -201301
Uttar Pradesh, India.
Phone: +91-120-4361901
Email: sustainability@jubl.com

LOCATION MAP OF OUR MANUFACTURING FACILITIES



NORTH AMERICA

Kirkland, Quebec, Canada

USFDA approved facility for Contract Manufacturing of Sterile Injectables and Radiopharmaceuticals
DDDS Office

Spokane, Washington, USA

USFDA approved facility for Contract Manufacturing of Sterile Injectables and Allergy Therapy Products

Horsham, Pennsylvania, USA

Jubilant Cadista - Sales & Marketing Head Office

Malvern, Pennsylvania, USA

DDDS Office & R&D Facility

Salisbury, Maryland, USA

USFDA approved facility for Generics (Tablets & Capsules)

Bedminster, New Jersey, USA

Jubilant Clinsys and
Jubilant Life Sciences Marketing Office

EUROPE

Merelbeke, Belgium

Regulatory & Generic Marketing

Dusseldorf, Germany

Jubilant Clinsys, Europe Office

CHINA

Shanghai

Marketing Office

INDIA

Noida, Uttar Pradesh

Corporate Office & R&D Centres

Roorkee, Uttarakhand

USFDA, UKMHRA, ANVISA Brazil and PMDA Japan approved facility for Generics

Gajraula, Uttar Pradesh

Largest integrated Pyridine & its derivatives facility in the world

Samlaya, Gujarat

Nutrition Products

Bharuch, Gujarat

SEZ for Vitamins and Life Science derivatives

Ambernath, Maharashtra

Fine Ingredients - Pyridine derivatives

Nira, Maharashtra

Life Sciences Chemicals

Bengaluru, Karnataka

State-of-art Discovery Centre

Nanjangud, Karnataka

USFDA, AFSSAPS France and PMDA Japan approved APIs facility

Awards & Accolades

"Innovating, collaborating and accelerating for our partners and more... through Leadership and Commitment."

We appreciate the recognition given by our stakeholders and will continue our efforts in the future. Some of the recent awards are:

- **Entrepreneurs of the Year 2013** – Presented to Mr. Shyam S Bhartia & Mr. Hari S Bhartia, by Hon'ble President of India, Shri Pranab Mukherjee, at AIMA's Managing India Award ceremony - **April 2013**
- **NDTV Profit "Business Leadership Award 2012** awarded to Jubilant Life Sciences, under Corporate Social Responsibility category - **April 2013**
- **FICCI Quality System Excellence Awards 2012** - Gajraula plant won Silver prize under large scale category - **May 2013**
- **CII – National Award for Excellence in Energy Management 2013** - Gajraula plant awarded as Energy Efficient Unit - **August 2013**
- **Lifetime Achievement Award 2010-11**- Presented to Mr. Shyam S Bhartia, by Mr. Anand Sharma, Minister of Commerce and Industry, Govt. of India at CHEMEXCIL's Export Award ceremony - **August 2013**
- **Shri Janeshwar Mishra Export Award** - Excellence Award for the best performance in the field of Export under the category of Chemicals, Pharmaceuticals & Cosmetic Products - **September 2013**
- **Annual Greentech Safety Award 2013** – Gajraula unit received Silver Award, under chemical sector - **September 2013**
- **Express, Logistics & Supply Chain Leadership Award** under the category of Excellence in Manufacturing Supply Chain in "Chemical" during Express Logistics & Supply Chain Conclave - **September 2013**
- **Amity Global Business School CSR Award 2013** in appreciation of outstanding work in the CSR domain – **November 2013**
- **14th Annual Greentech Environment Award 2013** - Gajraula plant, India – **January 2014**
- **3rd Annual Greentech CSR Award 2013 -** Gajraula plant, India **– January 2014**
- **Certificate from CocaCola** for compliance to Global Food Safety Initiative as per TCCC norms for the year 2013, presented to Gajraula plant, India – **February 2014**
- **Bio Excellence Award 2014** conferred to Jubilant Biosys under the category Bio-Services, presented at 'Bangalore India Bio 2014' – **February 2014**

"Expectations, interests and growth of our stakeholders are vital for our success and we have always endeavoured to maintain an active dialogue with all our stakeholders."

Stakeholder Engagement… Inclusive Growth

Expectations, interests and growth of our stakeholders are vital for our success and we have always endeavoured to maintain an active dialogue with all our stakeholders. Stakeholder engagement and their concerns are important elements of our decision making process and we have a robust system in place for maintaining a progressive relationship. The stakeholder engagement process consists of a variety of activities from stakeholder Identification, Consultation, Prioritisation, Collaboration and Reporting. At Jubilant Life Sciences, the approach for and the frequency of engagement with the stakeholders varies on the basis of the type of the stakeholder. There is no fixed frequency of engagement with the stakeholders. However there are annual events like vendor meet for suppliers, annual general meeting for investors, exhibition for customers and others. In addition respective departments engage with their specific stakeholder groups on need basis. Our key stakeholders are mentioned here, along with the modes of engagement:

CUSTOMERS

As we are engaged in a Business to Business (B2B) model, our customers are industries procuring either their raw materials or sourcing finished products under their brand name. We also act as brand ambassadors for our customers. For the past three decades, we have worked ceaselessly to provide our customers the best of our products and services. Our consistent and unflagging efforts to service our customers have made us global leaders' in several product categories. The Company also reaches out to its partners through participation in various national and international exhibitions.

Key events participated by JLSL in 2013-14	
Convention on Pharmaceutical Ingredients Japan	Japan
Chemspec India	India
Vitamins Feed Expo	China
VIV India	India
Chemspec Europe	Germany
Chemspec Asia	Bangkok
Convention on Pharmaceutical Ingredients Worldwide	Germany
Active Pharmaceutical Ingredients: Autumn	China
Poultry India Expo	India
Convention on Pharmaceutical Ingredients India	India
China Vitamins Industrial Summit	China

Further, customer satisfaction is assessed periodically for each business division and improvement initiatives are taken accordingly. Apart from this, some of our customers also assess our sustainability performance on a regular basis. The Company provides full cooperation during these customer surveys and takes it as a benchmarking exercise for its sustainability performance. During the year, Jubilant responded to customer sustainability survey by BASF, Novartis and Kyowa Hakko Europe GmbH.

SHAREHOLDERS

Jubilant Life Sciences values the contribution of all its investors immensely. Our shareholders are kept engaged and updated about the Company's performance, which helps them take informed investment decisions. The Company shares information through the Quarterly Results, Annual Report, Corporate Sustainability Report and Press releases periodically with the shareholders. In order to promptly and effectively handle all types of investors' issues a dedicated email id investors@jubl.com has been set up for the investors. Apart from this, feedback forms are circulated on an annual basis and the same are also made available online on our website www.jubl.com. The shareholders also have an opportunity to share their valuable suggestions with the Board of Directors during the Annual General Meeting.

Due consideration and suitable actions are taken on the suggestions/ ideas given by the shareholders and employees, subject to being found practical, appropriate and in the interests of the Company. In addition, where the shareholders have expressed their opinion through e-mails to the Company Secretary, the same are forwarded to the concerned authorities for necessary action. The Annual General Meeting (AGM) 2012-13 for investors was held on 27th August, 2013 at Gajraula, India. Apart from this, 4 quarterly calls were conducted during the year attended by around 100 participants from leading brokerage houses, foreign and domestic institutional investors, banks, insurance and portfolio management companies and rating agencies. These quarterly calls are a platform to convey and discuss the Company's financial and operational performance.

SUPPLIERS AND SERVICE PROVIDERS

Material suppliers and service providers are intrinsic to our manufacturing operrations and we have processes and systems to engage with them on a continuous basis. The various categories of suppliers include raw material vendors, packaging vendors, machine suppliers, transporters, contractors, and other service providers. Jubilant Life Sciences has introduced eJ-Buy which is an e-procurement model for paperless buying. This has resulted in increased efficiency, greater transparency in procurement process and systematic information flow.

"Jubilant Life Sciences has introduced eJ-Buy which is an e-procurement model for paperless buying."

The Supplier Audits are conducted annually to cover critical vendors at least once in three years. In this year, EHS audit was conducted for a total of 13 external manufacturers of India Pharma Business.

Suppliers are also made to declare a Supplier Self-Assessment Evaluation Questionnaire which includes information regarding sourcing, manufacturing process, packaging & labelling, quality assurance and control, and environment, health and safety measures adopted.

Supplier Concerns are addressed through various interactions on a continual basis and through annual Partners in Progress meet. The Suppliers are also updated about Company's progress and plans through various interactions.

Every year the Company organises Partners in Progress (PIP) meet for the suppliers. This year it was conducted during 25th - 26thApril, 2013 and more than 200 suppliers participated in the event. The top management shares the financial and sustainability performance during the event. Selected suppliers are rewarded for their achievements and this is a platform for the suppliers to share their views for a long term relationship with the Company.

Transporters Safety Program: 'Nischay'

The Company is always concerned about road safety during transportation of its products and raw materials. The road incidents due to third party transportation are analysed and actions are taken to avoid recurrence of such incidents.

In order to improve transporter safety, 'Behavioral Safety Training with focus on defensive driving' was imparted on 21st November, 2013. The training was attended by 35 transport service providers involved in the transportation of Bulk Liquids, Ammonia, CO2 & Dry Cargo. The key message was focus on discipline and commitment to road safety. Also, the Company declared GPS installation as mandatory for its transporters, during the event. Their commitment to safety was coined as 'Nischay'.

EMPLOYEES

Our Employees are the agents of growth for the organization. Engaged and inspired employees are true assets for the Company. The management drives, supports and periodically reviews its structured initiatives to enhance employee engagement. Human Resource Information System (HRIS), developed by PeopleSoft has been implemented during the year. This online system is provided for paperless administration and employee information accounting. Human

Resources' team works towards greater involvement of employees leading to increased satisfaction and enhanced commitment levels.

Further, we believe regular employee communication is an important engagement tool. This is accomplished effectively through bi-monthly in-house e-newsletter 'Symphony'. Symphony covers business news, employee engagement activities and initiatives. Apart from this, there are department specific – newsletters which are information sharing platforms circulated to all employees for creating mass awareness.

Employee engagements are organised at all manufacturing facilities and offices on various occasions. During the year, workshops on HIV/AIDS intervention at workplace were conducted at 5 manufacturing facilities in partnership with ILO. On 18th July, 2013 Dental Check-up Camp was organised for the employees at Head Office and on 18th October, 2013 a Health Talk on Breast Cancer Awareness "WEAR PINK was conducted.

GOVERNMENT

The Company proactively interacts with government and regulatory authorities on an ongoing basis through various industry bodies, and other related platforms. Jubilant strongly believes in being fully compliant with applicable laws and regulations.

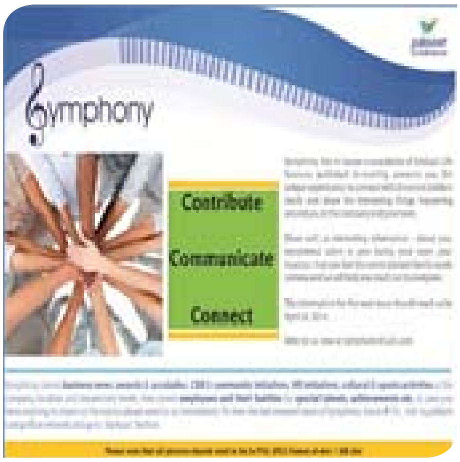
COMMUNITY

Jubilant recognizes that it is extremely important for any organization to function in sync with the community it operates in. The community adjoining our manufacturing facilities is important for us and we work for enhancing their quality of life. Jubilant Bhartia Foundation (JBF) is promoted specifically for the purpose to work in close coordination with the community to involve them and support them continuously.

Regular interface with the local opinion leaders and community representatives provides adequate feedback which helps to evaluate the requirement and impact of social initiatives. This feedback helps to shape the community initiatives at the manufacturing facilities. CSR teams at various locations interact continuously with the local community to address the local needs.

Three formal community engagements were conducted in Gajraula, Nanjangud and Nira in 2013-14. During these community interfaces, the Company briefed, about the ongoing activities and community programs taken up by Jubilant and also noted the community feedback. In June 2013, Jubilant employees participated in Food drive campaign organized by Indian Food Banking Network (IFBN) and donated food grains. Apart from these, a Study on community savings due to JBF's health program in Gajraula was conducted in

July 2013 and baseline survey for mal-nutrition was conducted in 11 villages around Gajraula.



MEDIA

The Company adheres to all applicable laws, standards, and voluntary codes related to marketing communications. The Company does not engage in marketing of it's products or services that are banned or controversial.

Regular media engagement activities are undertaken with an objective to keep it's stakeholders updated about the critical business developments. The Company issued 9 Press Releases during the year.

Our New Website: Endeavour to create a unique user experience

On 7 January 2014 we launched our fully revamped corporate website, www.jubl.com. The new website is one step towards our goal to provide exceptional service to our stakeholders. It is because of this virtue, we felt an imperative need to revamp the website and give to our customers an interface which is dynamic, fully-integrated, backed by latest technology and having ease of use. The new website provides our customers a platform which gives them an easy access to information that they seek to know.

Converting Risks into Opportunities

Risk perception and strategic planning are imperative to turn risks into opportunity. At Jubilant we focus to become a Risk Intelligent Enterprise through careful consideration of risk into our strategy, decisions, and activity, enabling the company to take advantage of the opportunities that can be created. We utilize a collaborative approach for Risk Management in order to explore and recognize opportunity arising from the risks and driving the same.

RISK MANAGEMENT STRATEGY

Jubilant has a strong risk management framework in place along with a consistent monitoring system at the Board and Senior Management Levels. This enables active monitoring of business activities for identification, assessment and mitigation of potential internal or external risks. It helps to identify risks at an early stage for appropriate actions and management.

“We utilize a collaborative approach for Risk Management in order to explore and recognize opportunity arising from the risks and driving the same.”

RISK MANAGEMENT STRUCTURE

The Company’s risk management structure comprises of the Board of Directors and Audit Committee at the Apex level, supported by the executive team including Executive Directors, Heads of Businesses, Functional Heads, Unit Heads, Divisional Heads of Accounts & Finance and Head of Management Assurance function. As risk owners, the executive team is entrusted with the responsibility of identification and monitoring of risks. Issues are then discussed and deliberated at various review forums chaired by the Executive Directors and actions are drawn upon. Internal audit is conducted by third party and internal audit team for an independent assessment of the Company’s risk mitigating measures. The Audit Committee, on a quarterly basis, reviews the risks for the Company and effectiveness of the internal controls being exercised and advises the Board accordingly.

RISK MITIGATION METHODOLOGY

Jubilant has a comprehensive internal audit plan and a robust Enterprise Risk Management (ERM) system which helps to identify risks at an early stage and take appropriate steps to mitigate the same. The Company has completed eight years of its certification process wherein, all concerned Control Owners certify the correctness of about 1800 controls related to key operating, financial and compliance related issues, every quarter. This has made internal controls and processes stronger and also serves as the basis for compliance with Clause 49 requirements mandated by the Securities and Exchange Board of India (SEBI).

With the growing pressure of changing stakeholder expectations & public scrutiny, businesses worldwide need to be more cautious in managing the business risks arising from environmental and social impacts. These challenges not only bring reputational threats but also direct risks in the form of society and consumer backlash. In order to bring emphasis on these issues, Environment Health and Safety Risk assessment was conducted by the Corporate Sustainability Team for all Indian facilities, this year. The methodology covers identification of EHS issues and materiality matrix is prepared based on their probability of occurrence and scale of impact. Detailed assessment of existing EHS gaps is done along with their scoring on the basis of the probability and impact. The Company draws out appropriate mitigation plans for all the identified risks and tries to turn them to opportunity.

The key risks and opportunities acknowledged by the Company are described below.

Potential Challenges	Jubilant's Response
Competition	
With significant share of the business represented by exports across different businesses within the life sciences space, the Company faces stiff competition from both domestic as well as international market players. Manufacturers outside India, aided by economies of scale, favourable policies and lower costs amongst others may pose a risk in terms of threatening the Company's ability to maintain its market leadership, achieve planned growth and generate planned margins. The additional risk of competition manifests in the form of certain competitors are suppliers of core raw materials for Life Science Chemicals business, new entrants resorting to penetration pricing to make inroads, dumping strategy by outside manufacturers to fuel price wars from local players amongst others.	The Company has drawn out detailed plans and combat strategies to safeguard existing business against competition which range from Customer and Account Management programs to offering improved quality and service experience to secure long term contracts. With the commissioning of the manufacturing facility at Bharuch and initiatives underway to bring in manufacturing efficiencies, the Company expects further cost optimisation opportunities which will help in successfully taking on competition from international boundaries. The Company has developed new suppliers for certain key raw materials. Significant research and development has been done to improve raw material consumption and increasing the manufacturing efficiency.
	The Government released anti-dumping notification in December 2012 applicable to our Animal Nutrition Business. This was issued against imports of Choline Chloride with 60.79% anti-dumping duty; for 5 years. It presented better trade opportunity for animal nutrition business.

Potential Challenges	Jubilant's Response
Cost Competitiveness: Rising Input Prices and Margin Pressure	
The Company offers low-cost manufacturing for most of its products and is a trustworthy partner for global corporations offering outsourcing with high quality products range conforming to international standards. Rising input prices amidst inflationary market conditions pose a risk to the Company's ability to retain price competitiveness and build reserves to drive future growth. Volatility in molasses and ethanol prices and the increase in input prices of core material such as Acetic Acid, Alcohol, Ammonia can have cascading impact on the business in terms of increased cost of input materials.	The Company has a full-fledged Business Excellence team responsible for planning and implementation of technical initiatives focused on cost reduction. The Company also attempts to enter into long term contracts with volume commitments and prices which are linked to key input material prices to mitigate this risk. Alternate supply sources are constantly explored and evaluated by Supply Chain. Further our attentive research & development initiatives help us in developing cheaper alternatives or re-engineering costs to counter increases in input costs.
Compliance and Regulatory Framework	
The Company needs to comply with a broad range of regulatory controls on testing, manufacturing and marketing of its products in the pharmaceutical and life sciences space. In some countries, including the US, regulatory controls have become increasingly demanding. Failure to achieve regulatory approval of new products may imply that the Company will be unable to recoup its R&D investment through the sale of final products. Any change in regulations or reassessment of safety and efficacy of products based on new scientific knowledge or other factors could result in the amendment or withdrawal of existing approvals to market its products, which in turn could result in revenue loss. This may occur even if regulators take action falling short of actual withdrawal.	The Company has taken measures to comply with these regulations and continuous training programs are organised for employees to keep them updated with latest changes in local regulations. The Company has a system of Statutory Compliance Reporting System (SCRS) for managing compliances as a part of the precautionary approach to prevent potential non-compliance. This web-based system is hosted on the Company's intranet and covers all Indian manufacturing locations of the Company. The status of statutory compliances is reviewed every quarter.
Foreign Currency and Interest Rate Exposures	
Foreign currency exposures on account of global operations arise out of international revenues, imports and foreign currency debt; these may impact the financial results of the Company. Constantly increasing interest cost of the borrowings and depreciating rupee may impact the profitability of the organization adversely. Further, volatility and uncertainty in foreign exchange rate creates complexity and challenges in determining competitive price.	In order to mitigate risks related to foreign currency, the Company has a foreign currency risk management strategy in place to take calculated risks through hedges and forward covers. Jubilant has a committee of dedicated experts and professionals to periodically advice on matters relating to foreign currency risk management. Further, the risk management team formulates policies and guidelines which are periodically reviewed to align with the external environment and business exigency. Further, if required, currency and interest rate swaps are taken on loans and interest rate exposures. A quarterly update on foreign exchange exposures, outstanding forward contracts and derivatives is placed before the Board of Directors.

Potential Challenges	Jubilant's Response
Acquire and Retain Professional Talent	
The Company's dependence on Research & Development (R&D) activity makes it very important that it recruits and retains high quality R&D specialists. In case the Company fails to hire and retain sufficient numbers of qualified personnel its operating results and financial condition could be affected.	The Company has committed substantial resources for recruiting and retaining, qualified and experienced, scientists and professionals, in India and abroad. In order to execute its growth and diversification plans, on one hand the Company continues to hire new, highly-skilled scientific and technical personnel staff; on the other hand, it recognises and rewards talented individuals for effective employee retention.
Protecting Intellectual Property Rights (IPRs)	
Jubilant's success will depend, in part, on its ability in the future to obtain and protect IPRs and operate without infringing others' IPRs. The Company's competitors may have filed patent applications, or may hold issued patents, relating to products or processes that compete with those that the Company is developing, or their patents may impair its ability to do business in a particular geography.	The Company in addition to patents has relied on trade secrets, know-how and other proprietary information and hence its employees, vendors and suppliers sign confidentiality agreements.
Business Interruption due to Force Majeure	
The Company's largest manufacturing facility for organic intermediates is at Gajraula, India. Any disruption or stoppage of work at this facility, for any reason, may adversely affect its business and results of operations not just for this but other business segments which depend on supplies from Gajraula.	An Industrial All Risk insurance protection has been taken by Jubilant to ensure continuity of its business. Besides this, the presence of a majority of the workforce in the residential colony adjoining its manufacturing locations ensures sustenance of operations under challenging circumstances.
Third Party Liability Risks	
The Company's business inherently exposes it to potential liability from its customers or end users for defects in products and services, especially in highly regulated markets noted for their litigious nature and high awards of damages.	The Company carries Global Product Liability Insurance program with respect to its major manufactured products which provides a compensating safeguard against such risks, if they are to materialise.

Potential Challenges	Jubilant's Response
Environmental Compliance, Water availability and Waste disposal risks	
R&D and manufacturing of products involve hazardous chemicals, processes and by-products and subject to stringent regulations. Environmental laws and regulations in the jurisdictions, where it operates, may become more restrictive and be enforced more strictly in the future. Also, the customer requirements as to the quality and safety of products may increase.	The Company aims to manufacture products for its customers through optimized utilization of resources and in a manner so as to minimize effect on the environment. The Company has invested substantially and allocated other resources to proactively adopt and implement manufacturing processes to increase its adherence to environmental standards and enhance its industrial safety levels.
Local Communities	
The newly enacted Companies Act, 2013 mandates allocation of 2% funds for CSR. Local communities around our manufacturing facilities located in rural areas of the Company, are amongst our key stakeholders. Lack of education, healthcare facilities and livelihood opportunities are often a source of discontent. The local communities therefore have high expectations with the Company.	Jubilant Bhartia Foundation has institutionalized the process of community engagement over the years. We engage in CSR projects without creating dependency. We believe in a structured & need based approach for community development at all our sites for which dedicated funds are committed. The nurtured relations have led us to be viewed by community and other external stakeholders as their neighbour of choice.

"The Company maintains enterprise wide risk management capabilities for active monitoring & mitigation of organisational risks on continual and sustainable basis."

Sustainability Governance

> "One of the few companies in the country to have a Board level Sustainability Committee."

More than 12 years back, we began our journey of proactively taking efforts to integrate environment and society within our business decisions. We recognised the concept of Sustainability, when it had only begun to gain credit. We realised that Sustainability is central to our business and that it was intertwined with our promise of Caring, Sharing, Growing. We were also transparent and vocal about our efforts and performance; and subsequently joined the Global Reporting Initiative's Organizational Stakeholder Program and were amongst the first organizations which began Sustainability Reporting in 2003.

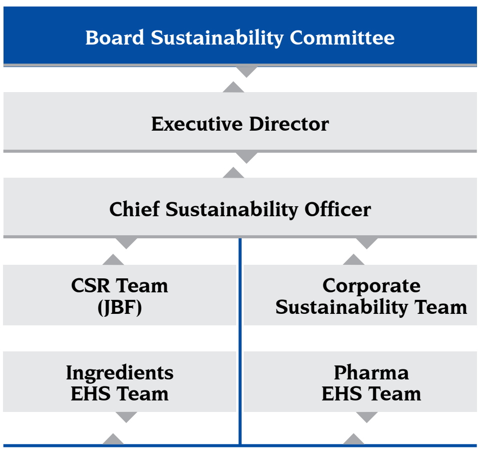
The sustainability journey through these years has been fruitful and following key policies guided the Company to achieve this position:

- Sustainability Mission
- Environment, Health & Safety Policy
- Climate Change Mitigation Policy
- Quality Policy
- Green Supply Chain Policy
- Business Code of Conduct
- Whistle-Blower Policy

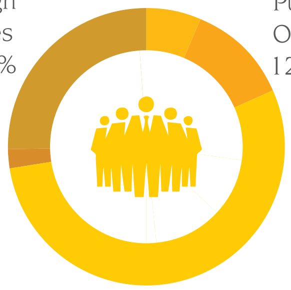
The top management's clear emphasis flows through the Sustainability Committee at Board Level which monitors the progress on triple bottom line parameters. Sustainability Committee comprises of Executive and Independent Directors. Company Secretary officiates as the Secretary of the Committee. The Committee meets once in every six months and during this year, two meetings were held on May 7, 2013 and October 29, 2013. The Sustainability Committee is apprised of the Company's sustainability performance covering environment, economic, and social indicators on half yearly basis. The decisions taken during these meetings are implemented by the Sustainability Team.

Jubilant has deployed dedicated sustainability teams, both in corporate office and at manufacturing locations, who continuously work to fulfill its aspirations towards sustainability. The Corporate Sustainability team is responsible for integrating sustainability within business decisions along with design and implementation of sustainability initiatives for the Company.

Corporate Sustainability Organogram



Shareholding pattern as on March 31, 2014



FI-Foreign Investor
FIIs-Foreign Institutional Investors
NRI-Non-resident Indian

Corporate Governance

At Jubilant, good governance is a tradition. The Company's Corporate Governance philosophy is led by core principles of:

- Caring for the environment which includes caring for the society around us;
- Enhancement of stakeholders' value through pursuit of excellence, efficiency of operations, quest for growth and continuous innovation;
- Transparency, promptness and fairness in disclosures to and communication with all stakeholders including shareholders, government authorities, customers, suppliers, lenders, employees and the community at large;
- Complying with laws in letter as well as in spirit;

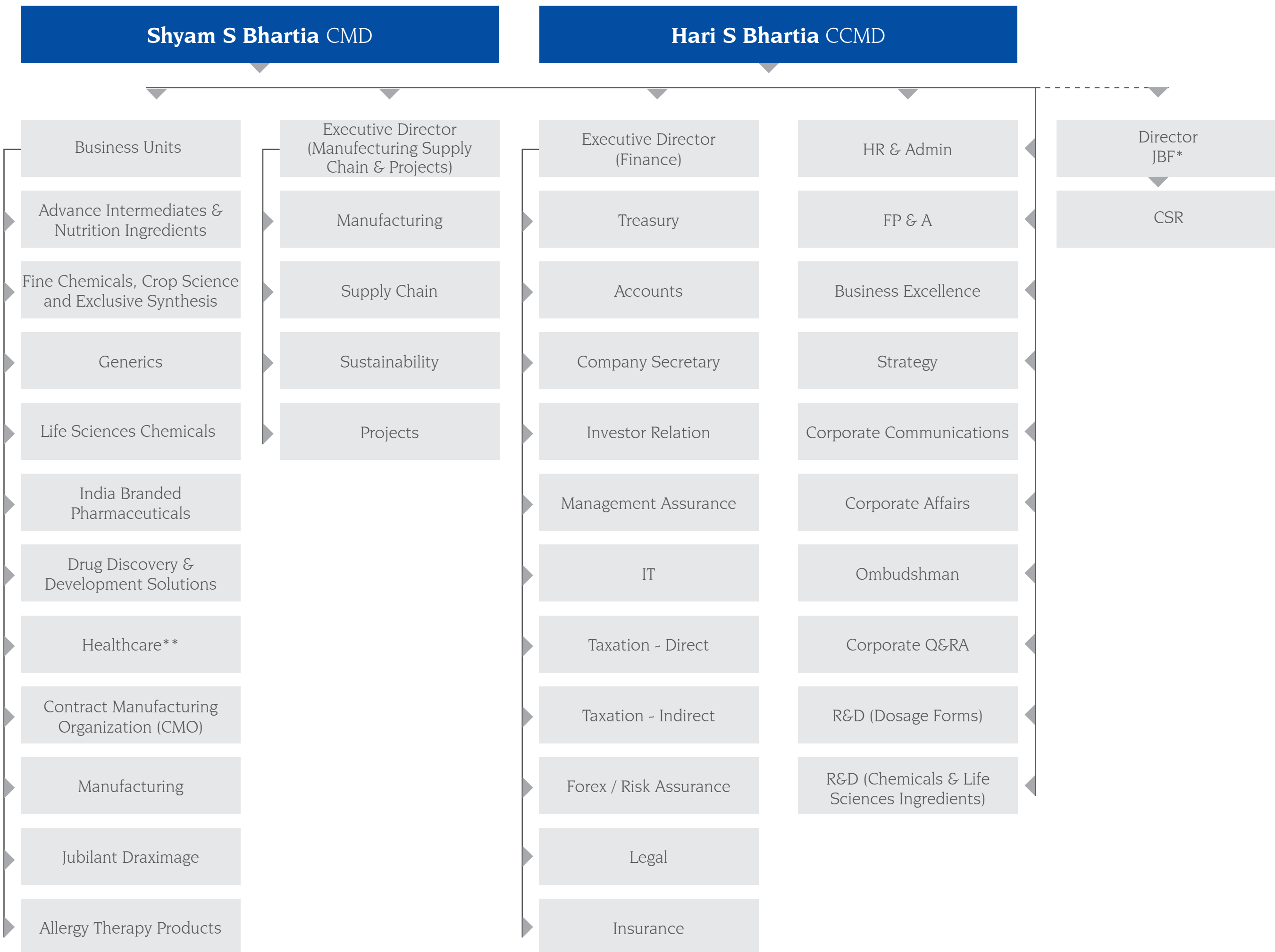
HIGHEST GOVERNANCE BODY

The Board of Directors ('Board') is the apex and highest governing body in Jubilant. The Board along with its Committees provides leadership and strategic guidance to the Company's management while discharging its fiduciary responsibilities thereby ensuring that the management adheres to high standards of ethics, transparency and disclosures. The Board's objectives are to create sustainable values for all stakeholders, provide vision to the Company and oversee the implementation of the Board's decisions. Jubilant has a balanced Board having a judicial mix of executive, non-executive and independent directors. Currently, the Board comprises of 3 Executive Directors and 6 Non-Executive Directors (including 1 Nominee Director and 5 Independent Directors); of which 8 are male and 1 female. All members of the Board are experienced and are above 50 years of age.

Committees of the Board	Executive Committees
Audit Committee	Supply Chain Committee
Remuneration Committee	Purchase Committee
Investors Grievance Committee	Business Performance Review Committee
Corporate Governance Committee	Capex Committee
Sustainability Committee	Credit Control Committee
Finance Committee	Functional Review Committee
Compensation Committee	

To focus effectively on the issues and ensure expedient resolution of diverse matters, the Board has constituted the Board Committees with the consent of Individual Directors. Further, to measure and drive business performance on a continuous basis, Executive Committees have been constituted; comprising Managing Directors, Executive Director-Finance and other Senior Executives of the Company.

Chairman & Managing Director (CMD) and Co-Chairman & Managing Director (CCMD) are the highest Executive Officers of the Company. Both of them belong to the promoter group and have led the Company to its present growth and success. The Chief Executive Officers (CEOs) of various businesses are responsible for smooth functioning of their respective businesses and they are placed at one level below the Board. The Global Management Team of Jubilant is presented below:-



* Jubilant Bhartia Foundation (JBF) is not for profit organization under Jubilant Bhartia Group and specializes in providing community service. JBF conducts CSR activities for Jubilant Life Sciences for its operation in India.

** Jubilant exits Healthcare Business in Feb 2014

COMPENSATION FOR THE MEMBERS OF THE HIGHEST GOVERNANCE BODY

Directors' Remuneration Policy of Jubilant aims at encouraging and rewarding good performance/contribution to the Company's objectives. Remuneration of Non-Executive Directors comprises of sitting fees for attending Board and its Committees meetings; and Commission, as decided by the Board and approved by the members, within the ceiling of 1% of the net profits of the Company, as computed under the Companies Act, 1956 subject to a maximum of one million INR in a year per Director.

> "Directors' Remuneration Policy of Jubilant aims at encouraging and rewarding good performance/ contribution to the Company's objectives."

The remuneration of Executive Directors (Managing Directors and Whole-time Director) is paid as recommended by the Remuneration Committee and approved by the Board and Shareholders. Remuneration of Executive Directors consists of a fixed component (salary, allowances, perquisites, and other benefits) and a variable component (variable pay or commission). Further, Executive Directors are also given Stock Options. However, Managing Directors who belong to Promoter Group are not eligible for Stock Options. Remuneration Committee ensures that the levels of remuneration are sufficient to attract, retain and motivate Directors to run the Company successfully.

AVOIDANCE OF CONFLICT OF INTEREST

In terms of the 'Code of Conduct for Directors and Senior Management', Directors and Senior Management must promptly disclose to the Board of Directors in case of Directors and to the CMD/CCMD in case of Senior Management if their personal interest interferes with the interest of the Company. Further, in terms of Clause 49 of the Listing Agreements with the Stock Exchanges, Senior Management is also required to confirm to CMD/CCMD on an annual basis that no material financial or commercial transaction has been entered into by them which could have potential conflict with the interests of the Company at large; such affirmations are placed before the Board.

The Company has implemented a 'Code of Conduct for Prevention of Insider Trading' in the Equity Shares of the Company for observance by its Directors and identified executives. The said Code, inter alia, prohibits purchase/sale of equity shares of the Company by Directors & identified executives while in possession of the unpublished price sensitive information in relation to the Company.

Conflicts arising, if any, can be resolved through informal discussions. However, if any conflict is unresolved, the following approach is adopted by the Company:

- Analyse or review the situation of conflict;
- Organise meeting jointly with the concerned parties to know their perspective; and
- Reconcile through the involvement of senior executives.

However, no such cases occurred during the year.

GRIEVANCE REDRESSAL

Jubilant has formulated a 'Whistle Blower Policy' to enable all full time employees to voice concerns anonymously without fear of retaliation /victimisation / discrimination which is a sine qua non for an ethical organisation. To further augment the corporate governance standards, an independent office of the Ombudsman is constituted. Any issue or concern may be reported by e-mail to ombudsman@jubl.com or by logging on to www.cwiportal.com, an external web portal with whom Jubilant has tied up for processing issues independently and confidentially. For further details refer Annual Report FY 2013-14.

"The compliance is monitored continuously through the Statutory Compliance Reporting System (SCRS) by EHS teams at the manufacturing locations, the Unit Heads and Company Secretary."

COMPLIANCE

The compliance is monitored continuously through the Statutory Compliance Reporting System (SCRS) by EHS teams at the manufacturing locations, the Unit Heads and Company Secretary. Further, the Corporate Sustainability Team oversees the compliance with the applicable EHS legal requirements for all manufacturing locations. During this reporting period there was no such case of violation of environmental standards. A Public Interest Litigation (PIL) was filed in Bombay High Court for Nira plant. In January 2014 Mumbai High Court transferred this case to National Green Tribunal (NGT), Pune Bench. NGT has given as direction some corrective measures to the Company which are being implemented. Other than this there has been no significant penalties or non-monetary sanctions for non-compliance with environmental laws during this monitoring period.

There have been no incidences of non-compliance with regulations and voluntary codes concerning marketing communications during this reporting period. Similarly, there have been no significant fines for non-compliance with laws and regulations concerning the provision and use of products and services during this reporting period. Also, there were no incidences of non-compliance with regulations or voluntary codes concerning product & service information and labelling in this year.

> "The Company has always given due emphasis to Health and Safety and has instated systems and processes for the same."

Safety... Our Core Value

The nature of the business necessitates a solid foundation for safety. Therefore, maintaining health and safety of employees is critical to the Company's effectiveness and maintaining high morale of the employees.

The Company has always given due emphasis to Health and Safety and has instated systems and processes for the same. The Company's major manufacturing facilities have implemented OSHAS 18001 based occupational health and safety management system and are certified. The Company has dedicated safety officers at all manufacturing facilities and Occupational Health Centres at all major locations. Regular internal and external safety audits are conducted to identify the gap and close them on priority.

Further, the entire workforce at Jubilant Life Sciences is represented in formal joint management- worker Health and Safety Committees. Health & Safety topics are also included in the local formal agreements of the manufacturing facilities of the Company with trade unions.

Finally, OHS Training and Awareness workshops/ talks are conducted regularly covering both permanent and contract employees, to avoid and reduce unsafe acts and situations within the location premises. This year total 41605 man-hours were spent on safety training covering both permanent and contract employees.

Incident statistics	2013-14	2012-13	2011-12
No. of Fatal accident	2	2	0
No. of lost time Injury (other than fatal)	29	26	32
Total Lost days	12000*+331	12000*+247	266
No. of First aid cases	627	625	363

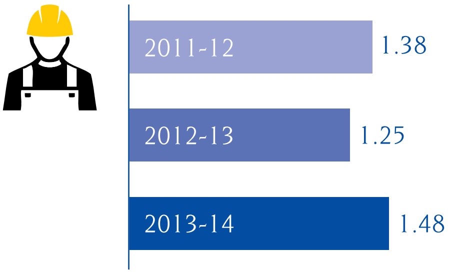
* 12000 on the account of 2 fatalities.

OWN EVALUATION AND ACTIONS

Even with all the systems and processes in place, safety of employees is challenging and demanding; particularly with contract workmen. This year, we have taken steps to further augment our systems and enhance the safety standards at our manufacturing facilities. We aim to internalise the concept of safety at workplace and hence are insisting the idea of 'Safety is not priority... it is our Value'. With this idea, safety

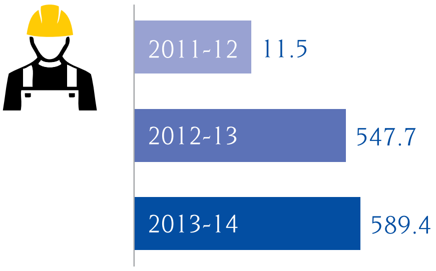
Lost time frequency rate

No. of accidents per million man-hrs. worked



Lost time severity rate

No. of lost man days per millionn man-hrs. worked



will be treated as the most important thing and will not be compromised over other priorities. In order to deep root this belief we have taken the following initiatives:

TRANSPARENCY IN REPORTING

We have dedicated all our efforts for better accounting of safety statistics. With all our efforts we could see, an increase in the number of 'reported' injuries. We treat this as a symbol of improvement in reporting and have taken specific and measurable targets with 2012-13 as baseline. We have been working to achieve these targets and have dedicated all our efforts on them.

WE TAKE OUR RESPONSIBILITY

Safety cannot be treated as a responsibility of a specific department. It is the responsibility of the Company and hence it becomes imperative for all employees to take responsibility for safety. "SANCHETNA" software is deployed for online reporting of unsafe acts & conditions at facilities by employees. This year onwards, safety is covered under Line Function Responsibility and the business is accountable for it. Interdepartmental safety audits are being conducted once a Quarter.

PRE-EMPLOYMENT MEDICAL CHECK-UP

The Company adopted a system of pre-employment and periodical medical examination for employees to ensure good health and to prevent occupational diseases. The health record of each employee is maintained at each manufacturing location. In addition several employee wellness camps are organised in association with external organisation.

SAFETY WEEK CELEBRATION

This year 43rd National Safety Week was celebrated at all manufacturing locations in India during 4 - 10 March 2014. The celebrations involved employees, nearby communities and school children. "Safety by All for All" was the theme for the celebration and programs like safety rally, mock drill, awareness training on workplace safety & safety at home, safety quiz, mock drill were conducted.

The programs focussed to create awareness on 5 key areas which include Hazardous Work Activity, Management of Change, Safety Induction & Training, Incident Investigation & Corrective Action and Roles, Responsibilities and Accountability in Behavioural Based Safety to enhance and maintain safety culture.

"Suraksha Mitra"
Jubilant Safety mascot

Behaviour Change…
Safety as value proposition

All our safety programs are linked to a near-term destination of "Zero Incident Organization" and subsequently on a broader journey that seeks to align our core values with our strategy that benefits our company, our employees, our stakeholders and the communities we operate in. Safety is value for us and hence safety management is embraced far beyond the commitment.

Leadership plays a critical role in driving safety culture and there has to be a personal conviction to be deeply involved in safe practices. With the intention to bring safety to forefront, this year, the Company rolled out "Behaviour Based Safety" campaign across our locations in India. The key elements of Behaviour Based Safety (BBS) are Six Step Process, Safety Committees Structure, Personal Safety Plan, Training by Experts, Internal Training. The campaign was inaugurated by the senior management team, passing an indelible message of 'Safety... Our Value' at all locations. The initiative was given a grand opening with Jubilant's Safety Mascot which is wearing all essential Personal Protective Equipment (PPE's). The safety mascot was officially named as "Suraksha Mitra" – a symbol of giving value to safety at workplace.

BEHAVIOUR BASED SAFETY SIX STEP METHODOLOGY

Behaviour Based Safety is an approach for doing our work in a better, smarter and safe way. A six step approach is followed including Observe, Comment on safe Acts, Discuss, Agreement, Discuss other safety issues and Commitment & Thank. This process allows a systematic approach, examining the motivation underlying behaviours, in order to increase safe behaviour.

TRAINING BY EXPERTS

BBS program was started with training of a diverse set of employees from different departments by an external expert faculty. The training programs were attended by 90 employees from all our Indian manufacturing facilities.

INTERNAL TRAINING

The 90 employees trained by external faculty further became master trainers for 2174 employees.

> "In our Behaviour Safety Campaign this year, we joined hands with safety experts to train 90 employees for 2160 man-hours. These employees further became master trainers and trained 2174 employees for 6649 man-hours."

SAFETY COMMITTEES STRUCTURE

SAFETY SURVEILLANCE STRUCTURE

In order to have a solid foundation of engaging, motivating, assisting, reinforcing, and sustaining safe behaviours; a three tier Safety Committee Structure has been implemented at all facilities. The Corporate Sustainability Team has the overall responsibility of guiding, monitoring and reviewing performance for all facilities.

Safety Surveillance Structure

PERSONAL SAFETY PLAN

BBS Approach sets a new way of working in which leaders must continually promote safety and hence a personal safety plan was prepared by the entire management team at all 7 manufacturing facilities. The personal safety plan is an individual commitment towards Safety. It demonstrates line management accountability on safety, allows active involvement in safety review, institutionalizes safety as a key performance indicator and uses leading and lagging indicators to drive safety programs.

Instrument for Change

Economic... Growing with Numbers

The Company believes in a sustainable business growth model while caring for environment. The Company ensures internal controls through internal audit team and annual statutory audit carried out by third party in line with country's regulation. The financial performance is assessed and publicly reported after approval by the board, periodically.

This year, the consolidated revenue is up by 12% from 2012-13; International revenues are at 43,261 million INR, contributing 75% to the overall revenues and EBITDA margins are at 17.7% with Normalized PAT at 3,235 million INR. The Company paid net taxes of 1,143.60 million INR at the consolidated level (this amount mentioned, does not include deferred taxes and minimum alternate tax). Interest expense and other borrowing cost of the Company during the reporting period were 3,237.23 million INR as against 2,986.90 million INR in the previous year (2012-13). This year the Company received export benefit of 250.15 million INR from Government.

"The EBITDA margins are at 17.7% with Normalized Profit After Tax (PAT) at 3,235 million INR for 2013-14."

Component	Data		
	2011-12	2012-13	2013-14
Direct Economic value generated (₹ million)			
Revenues	43,031.3	51,659.5	58,033.63
Economic value distributed (₹ million)			
Major operating costs	25,388.26	29,394.21	35,034.46
Employee wages and benefits	8,363.64	9,625.84	11,051.68
Payments to providers of capital	555.36	559.05	544.55
Community Investment	39.53	41.58	72.33
Retained Earnings	22,411.01	24,601.91	26,110.68

Payments made to providers of capital, are the payments made in the form of dividends to all shareholders and Retained Earnings are cumulative reserves and surplus as on 31st March.

MARKET PRESENCE

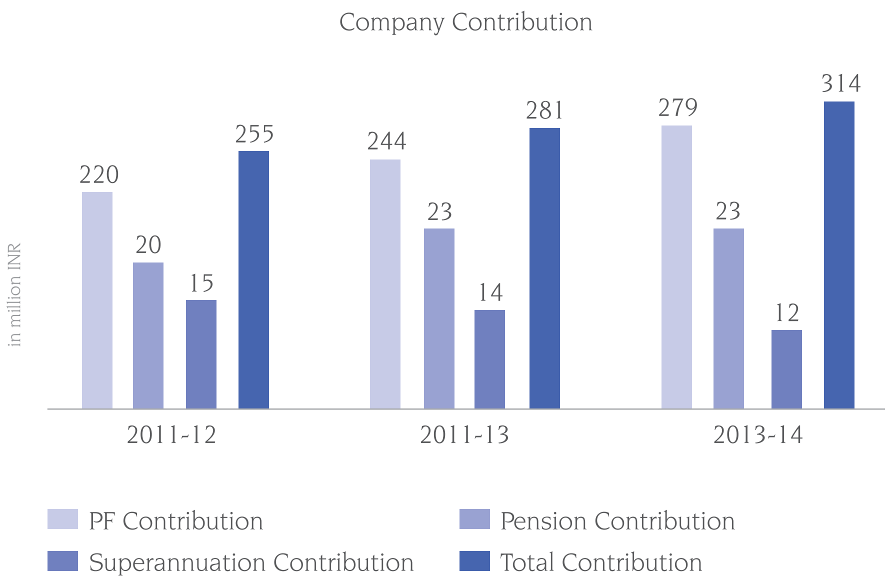
The Company recruits employees based on their skills and merit however, local employees are preferred while they meet the specific role set by the Company. Employee salaries are always higher than the minimum wages mandated by local regulation. The prevailing law in North American manufacturing locations is very stringent and any form of gender discrimination is prohibited. The Company sources its material, machinery, spares stores etc. from across the globe without compromising on quality and value. Preference is given to local suppliers if they satisfy the requisite specifications. In monetary terms, 57.02% of the material was sourced locally whereas 42.98% was sourced from other countries for Indian operations in 2013-14.

INDIRECT ECONOMIC IMPACT

The Company has created a big supply chain base along with its business growth and in turn has helped to generate significant indirect employment both in India and abroad. In addition, the Company provides infrastructure and services to the community through various programs towards strengthening the rural education, healthcare infrastructure and skill development. Details of these programs have been delineated under social section of this report. The Company has spent 21.186 million INR in 2013-14 towards local community development work around Indian operations.

LONG-TERM EMPLOYEE BENEFITS

Long term employee benefits include Pension, Provident Fund, Super-annuation and Gratuity. These constitute the key elements of employee's post-retirement benefits in India. Other post-employment benefits include Leave Encashment and Gratuity which are awarded to an employee at the time of separation.



International subsidiaries of the Company make contribution to various social security plans and insurance schemes as per local requirements and generally accepted practices in their respective country of incorporation.

SUPPLIERS AND SERVICE PROVIDERS

We have a very robust process to qualify raw material suppliers which is mandatory before we procure. We also have mechanism to audit the qualified suppliers on periodical basis for Environment Health Safety and Sustainability parameters. We are associated with suppliers which have their own inbuilt EHS management systems. Some of such key suppliers are BP, Reliance, Chambal Fertilizers, IOCL, Coal India to mention a few. We are also having long term contracts with global logistic service providers like DHL, Blue Dart, UTI, Fedex and others.

"Our emphasis is to work jointly with our partners to have a Sustainable Supply Chain."

We aim at the protection of human rights. Our policies cover key aspects of human rights like Child Labour, Forced & Compulsory Labour, Non-Discrimination and others.

We recognize United Nations' Universal Declaration of Human Rights and are also signatory to UN Global Compact (UNGC). Jubilant does not procure material from vendors who violate human rights and standards as stipulated. This year, all three types of contract agreements and purchase orders have been revised to incorporate clause to discourage child labour and forced labour. In order to review this, the suppliers are required to fill a self-declaration form which includes human rights aspects and they are audited on the basis of these forms. In this year, EHS audit was conducted for a total of 13 external manufacturers of India Pharma Business.

Product Stewardship

Customer satisfaction & product safety is an area of utmost concern, being directly linked to business value. Business Head and Functional Heads are responsible for addressing the issues related to product responsibility aspects of their respective businesses. They are supported by dedicated sales and marketing team, Research & Development (R&D) team, Quality Assurance (QA), Quality Control (QC) team and other relevant departments.

CUSTOMER SAFETY

Jubilant complies with national and international product safety standards such as EU Registration, Evaluation, Authorization and Restriction of Chemicals (REACH), China REACH, Feed Additives and Premixtures Quality System (FAMI-QS), and KOSHER and other notification obligation of countries like Turkey, Taiwan, Australia, New Zealand, Japan etc. The Carbon Dioxide manufacturing facility at Gajraula has been certified for Food Safety System Certification (FSSC) 22000:2012.

> "The Carbon Dioxide manufacturing facility at Gajraula has been certified for Food Safety System Certification (FSSC) 22000:2012."

At Jubilant, a two-pronged approach is established for Customer Safety, where in, R&D and REACH teams constantly work to upgrade product safety information, quality assurance and quality control teams ensure that product quality, packaging and labelling of the products are strictly in accordance with the customer specifications, applicable international guidelines and regulatory requirements as applicable. Further, the Chemical Regulatory Team prepares labels as per the applicable regulations of the region.

Depending on the type of product and end customers, systems are in place for appropriate handling of products during transportation, and end use. Material Safety Data Sheets (MSDS) are maintained and provided to the customers for all products. All the products under animal nutrition business are FAMI-QS certified, which ensures safety, quality and regulatory compliance of specialty feed ingredients and their mixtures for animal nutrition. Some of the products are used in the food industry and the facilities involved in manufacturing these products are KOSHER certified. This is to assure the customer that none of the products contain any ingredients of animal origin.

In addition to the above systems, Jubilant Life Sciences also has AFSSAPS (Agence Francaise de Products Safety Agency), GMP approvals for certain products, PMDA approval (Pharmaceuticals and Medical Devices Agency, Japan) for exporting Risperidone HCl to Japanese market, KFDA (Korea Food and Drug Administration) for exporting Valsartan and Losartan to Korean market, COFEPRIS approval for exporting Pinaverium Bromide to Mexican market, ANVISA, Brazil approval for exporting Carbamazepine to Brazil market and TGA, Australia approval for exporting certain products to Australia.

AUTHORIZATION AND RESTRICTION OF CHEMICALS (REACH) COMPLIANCE

Compliance and commitment to product safety are central to Jubilant's business philosophy. Jubilant Life Sciences Limited is committed to achieve REACH objective of enhanced protection for human health and environment and diligently follow REACH guidelines of the European Chemical Agency.

Jubilant has already successfully completed the registration of all first tier and second tier chemicals. Registration of third tier chemicals is ongoing. Jubilant also successfully passed the REACH and CLP inspection carried out by the National enforcement Authority of the EU member state.

> "Jubilant has already successfully completed the registration of all first tier and second tier chemicals. Registration of third tier chemicals is ongoing."

During this reporting period, there was no non-compliance with regulations resulting in penalty with regards to safety impacts of Jubilant's products and services during their life cycle. However, the Jubilant HollisterStier LLC facility at Spoken received a warning letter from the US Food and Drug Administration (FDA) due to certain Current Good Manufacturing Practices (cGMP) concerns observed by the regulators. All the queries raised by US FDA were answered within the due date and the Company is expecting a favourable reply from the regulatory agency. However there was no impact of the above on current operations.

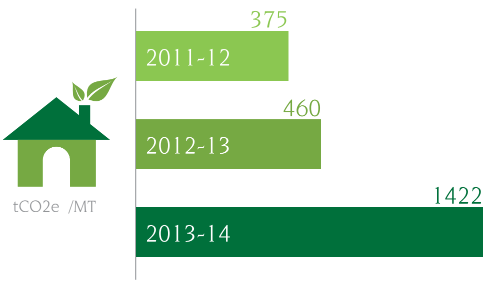
PRODUCT & SERVICE LABELLING

The products are packed with proper labelling and bar-coding, wherever applicable. In its bid to be more inclusive, the Company also uses Braille Code for the products meant for end consumers in Europe. International labelling guidelines are followed for communication of hazards depending on the requirements of the target customer. 'Classification, Labelling and Packaging (CLP)' guidelines are followed for the customers in Europe, whereas for Chinese customers – 'China GHS' (Global Harmonised System) is followed. For the Korean customers 'Korea GHS' is followed. For USA and the rest of the world, the 'World GHS' is followed for classification and labelling of chemicals.

To reduce hazards due to an emergency situation during transportation, **Transport Emergency Management (TREM) cards** are also provided to the driver with necessary information for quick control of the emergency situation. The Company adheres to the transport labels which are governed by the guidelines of the International Air Transport Association (IATA), for shipments by Air, and International Maritime Dangerous Goods (IMDG), for shipments by the Sea, and ADR (European Agreement concerning the International Carriage of Dangerous Goods

"In case of business to business (B2B) model the environmental exposure of our products is taken care by the raw material handling of our partners and hence there is a minimal impact."

Scope 3 GHG emission reduction



by Road), for road transport. Labels are also continuously updated as per the changes and updates in relevant regulation.

Customer feedback is taken both in formal and informal ways depending upon the type of business and products. A standard customer feedback form has been prepared under the already existing customer feedback system. Feedback forms are sent to all customers and feedback is taken at least once a year.

ENVIRONMENTAL IMPACT OF PRODUCTS AND SERVICES

Our product range includes products which are raw materials for our customers or else custom manufacturing. In both these cases the environmental impact of our products depends upon its handling. In case of business to business (B2B) model the environmental exposure of our products is taken care by the raw material handling of our partners and hence there is a minimal impact. Also, environmental impact arising out of the manufacturing processes of the products are taken care in line with the local regulations at our manufacturing locations.

Further, the products are packaged in bulk quantity which considerably reduces the Company's consumption of packaging materials. Certain products are transported in tankers thus eliminating the use of packaging material and some products are sent in drums & carbouys, which are reused wherever feasible.

PRODUCT TRANSPORTATION

Emissions from the Company vehicles are regularly checked in line with local regulation and the Pollution Under Control (PUC) certificates are maintained in-house. While transporting any hazardous chemical, Transport Emergency Management (TREM) card is provided to the drivers to deal with an emergency situation during transportation and thus minimizing any possible environmental impact.

Jubilant is gradually shifting its transportation mode from road to rail in order to reduce the Company's carbon footprint. This has helped us to reduce 1422 tCO2e GHG emissions during this year.

CUSTOMER PRIVACY

The Company pays special attention to protecting its customers' intellectual rights and privacy. There have been no incidences of breach of customer privacy and losses of customer data.

"EHS Policy and the Climate Change Mitigation Policy sets overall direction of the Company's aspiration towards achieving environment performance excellence."

Environment Preservation… Caring for Conservation

To maintain and preserve environment is always a challenge to any chemical and pharmaceutical business and Jubilant has never thought twice before going for any extra mile to meet such challenges. To manage environment issues arising out of its operation is always at the focus of daily business activity. The management has adopted best available technologies to manage environmental issues arising out of its activities.

ENVIRONMENT MANAGEMENT

EHS Policy and the Climate Change Mitigation Policy sets overall direction of the Company's aspiration towards achieving environment performance excellence. The Company sets sustainability objectives every year and discloses the same publically. The performance against these objectives is reported to the Board of Directors and presented in the Corporate Sustainability Report. Apart from this, specific EHS Goals are set under environment and safety management systems at respective manufacturing locations, which are tracked through the same.

Further, the corporate sustainability team provides guidance and support to the Environment Health and Safety (EHS) teams at the manufacturing locations. Chief Sustainability officer is responsible for the Company's overall EHS performance. Environment performance is reviewed regularly through internal and external audits. New projects are assessed for identifying any potential hazards related to environment, health and safety. The Executive Director and the Sustainability Committee review the EHS performance on a half yearly basis along with the entire sustainability performance. Sustainability related aspects are included in the induction training for all new employees. Employees are also provided technical training to support their work.

In order to track timely closure of environmental issues raised for continual improvement at our manufacturing facilities 'Jagriti' has been deployed. Jagriti is an in-house developed, e-enable software for tracking environmental related observations and analysis to have preventive actions for achieving higher level of environmental standards.

The Company invests significantly for environmental protection and management. An expenditure of about 578.29 million INR has been incurred during this year along with approval of capital expenditure

projects worth 69.6 million INR for environmental pollution control and management measures.

WORLD ENVIRONMENT DAY 2013

The Company celebrated World Environment Day on June 5th to sensitize the employees for the cause of environment conservation. The theme for World Environment Day 2013 was “Think.Eat .Save”; an anti-food waste and food loss campaign. In order to support the cause, awareness activities were organised at the Jubilant Headquarter which include plantation drive, environmental oath, drawing, quiz, fancy dress. Senior management including Executive Director, Head HR encouraged the participants with certificates during the event.

On the road to 'Green Chemistry'

The Company's drive for green chemistry has led to the development of eco-friendly processes and use of renewable feedstock. This has triggered impulse for developing a new and more efficient catalytic process for production of Niacin. In this process, chemical conversion consisting of number of individual reaction steps are reduced to one by applying multi-functional catalyst. This makes the process much cleaner, greener and carbon efficient.

Further, Jubilant manufactures Pyridine with agricultural feedstock (molasses). As per the latest Life Cycle based carbon footprint study in 2011-12, it was evident that pyridine manufactured by Jubilant through ethanol (biogenic source) route has a much lesser carbon footprint than similar products which are manufactured through conventional petro route.

BIO-DIVERSITY

No species listed in the International Union for Conservation of Nature (IUCN) Red List and National Conservation List was found to exist in or near the operations of the Company. All our manufacturing facilities are located outside biodiversity sensitive or notified protected areas; therefore there is no such case of habitats significantly affected by discharges of water and runoff from Jubilant.

ENGAGEMENT WITH INDUSTRY INSTITUTIONS

The Company supports the Industry associations and Educational institutions for knowledge sharing. This year, the Company addressed engagement programs at FICCI, CII, NPC, BIMTECH, NITEE. The Company is also supporting the Global Reporting Initiative (GRI) and

conducted a session on GRI G4 Guidelines for the Senior Management team at the Head Office with GRI Focal Point India.

MANAGEMENT SYSTEMS

Most of the manufacturing locations of Jubilant have implemented Environmental, Occupational Health & Safety Management systems following international standards like ISO 14001 and OHSAS 18001. In addition certain manufacturing locations are also certified by USFDA. ISO 14001:2004 has been instrumental towards development of standards and practices encompassing environment management principles. OHSAS 18001:2007 is instrumental in setting up OHS System across units.

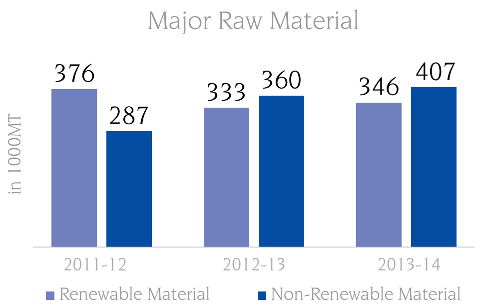
In addition, we are a signatory to Responsible Care, an initiative of global chemical industry that drives continuous improvement in health, safety and environmental (HSE) performance, together with open and transparent communication with stakeholders. The Company submits annual report against Key Performance Indicators (KPI) to Indian Chemical Council (ICC), which is a member of International Council of Chemical Associations (ICCA).

Approvals and Certifications

India				
1	Gajraula	ISO 14001	OHSAS 18001	ISO 9001
2	Nanjangud	ISO 14001	OHSAS 18001	ISO 9001
3	Nira	ISO 14001	OHSAS 18001	ISO 9001
4	Samlaya	ISO 14001	OHSAS 18001	ISO 9001
5	Ambernath	ISO 9001		
6	Bharuch*	ISO 14001	OHSAS 18001	ISO 9001
7	Roorkee	USFDA		
North America				
8	Spokane	USFDA		
9	Kirkland	USFDA		
10	Salisbury	USFDA		

* Except unit II, where implementation is ongoing

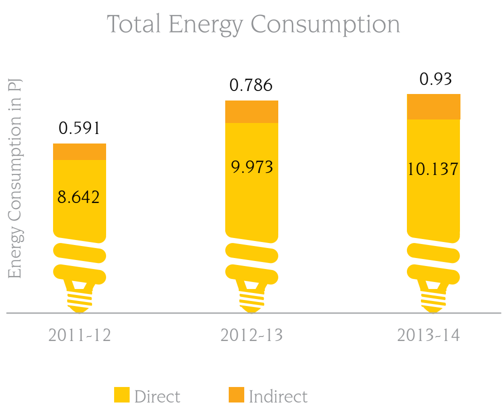
Material and Energy Efficiency



MATERIAL IN USE

To be cost competitive Jubilant always practice efficient use of quality material in its process. To have sustainable supply of major raw material the Company has focused more & more on naturally available materials. Thus majority of Jubilant's products are manufactured following greener route instead of conventional petro-route. Jubilant utilizes molasses and press mud as its key raw materials which are biogenic in nature and at the same time are waste from another industry. Other major raw materials are alcohol, process chemicals, and API chemicals. Molasses and press mud are the major raw material followed by several process chemicals. Molasses and press mud are by-products and waste from sugar industries and are renewable in nature and constitute over 48% of the total major raw material consumption. Process chemicals like solvents are recovered and recycled wherever possible.

Major Raw Materials	2010-11	2011-12	2012-13	2013-14
Molasses (MT)	95,230	2,71,655	2,54,582	2,46,453
Press Mud (MT)	36,291	1,04,697	78,868	99,586
Alcohol (MT)	92,239	71,511	96,016	1,12,648
Chemicals (MT)	2,02,252	2,15,851	2,64,117	2,94,046



ENERGY CONSUMPTION & CONSERVATION

Growing cost of energy and its linkage with climate change impact is a major business concern at Jubilant like any other industry. To tackle this issue, Jubilant has decided to focus on improving process energy efficiency, find alternate sources of uninterrupted low cost energy and increasing the percentage of renewable energy in present energy mix. Fossil fuels like coal, light diesel oil, high speed diesel, furnace oil, natural gas and renewable fuel like bio-gas, bio-diesel and bio-mass are key sources of direct energy in Jubilant. North American units primarily rely on Natural Gas as the main source of direct energy.

This year total energy consumption increased since the Company is growing. Out of total energy consumed 8.4% is from indirect source against 7.4% last year while 6.85% is from renewable energy sources against 6.3% in previous year. Similar to previous years Jubilant took up several resource savings initiatives at our manufacturing locations. During this reporting period total 130 new projects were taken up by Business Excellence team of the Company. These current projects led to a savings of 499 million INR. Out of these 13 key energy saving initiatives tracked for direct energy saving estimation showed savings of 0.160 Pj energy and 129.9 million INR. This is 1.4% of total energy consumed by the Company.

Direct Energy				
Non renewable sources	**Units**	**2011-12**	**2012-13**	**2013-14**
Coal	MT	388265	440225	470625
Energy from Coal	Peta Joules	7.27	8.503	8.95
LDO	MT	34	43	29.7
Energy from LDO	Peta Joules	0.002	0.002	0.001
RFO	MT	3862	1065	205
Energy from RFO	Peta Joules	0.15	0.042	0.01
HSD	MT	4728	4608	2921
Energy from HSD	Peta Joules	0.204	0.199	0.13
FO	MT	6104	4642	773
Energy from FO	Peta Joules	0.241	0.188	0.03
Energy from Natural gas	Peta Joules	0.14	0.365	0.33
Total direct energy consumption from Non renewable energy sources	**Peta Joules**	**8.007**	**9.299**	**9.44**
Renewable Energy Sources	**Units**	**2011-12**	**2012-13**	**2013-14**
Bio-gas	1000Nm3	30286	29145	26309
Energy from Bio-gas	Peta Joules	0.559	0.522	0.47
Bio-diesel	MT	0	928	2634
Energy from Biodiesel	Peta Joules	0	0.032	0.10
Total direct energy consumption from Renewable energy sources	**Peta Joules**	**0.559**	**0.554**	**0.57**
Biomass as energy source	**Units**	**2011-12**	**2012-13**	
Biomass	MT	5591	10383	10744
Energy from Biomass	Peta Joules	0.076	0.12	0.12
Total Direct Energy	**Peta Joules**	**8.642**	**9.973**	**10.137**

Indirect Energy			
Year	Electricity purchased (KWH)	Steam purchased (MT)	Energy equivalent (Peta Joules)
2011-12	116,683,382	61,050	0.591
2012-13	165,978,216	55,023	0.786
2013-14	172857852	96,424	0.930

CASE STUDY II | March 2014 | © Corporate Sustainability Team

JUBILANT LIFESCIENCES

Sustainability *Case Studies*

Nanjangud Alternate Sources of Energy

BACKGROUND

Need for utilizing alternate sources of energy!

Resource depletion, environmental degradation and climate change pose fundamental threats to human security. The demand for energy is increasing with an ever increasing population. It is therefore crucial to look at a mixture of sources of energy including both renewable and non- renewable. Burning of fossil fuels like coal, oil and natural gas are the largest contributors of greenhouse gas emissions which lead to climate change. Conversely renewable energy sources like biodiesel do not account for greenhouse gas emissions. In this case study the team at Nanjangud has put in efforts to explore alternate sources of energy.

OBJECTIVE

Explore sustainable energy solutions: Low cost and Low carbon footprint!

This initiative was taken to optimize the boiler efficiency, use of renewable and alternate energy, and to eliminate the hazards of carbon soot produced in the boiler; thereby reducing the cost of steam generation.

MOTIVATING FACTORS

Opportunity for reducing cost of steam generation and downtime of boiler!

Steam is one of the major cost components in the manufacturing of Active Pharmaceutical Ingredients (APIs) at Nanjangud. The steam generation cost was high due to high fuel cost and frequent down time of boilers. Fuel price shot up by 18% in a year whereas Choking & other operating issues with Furnace Oil were leading to boiler breakdown and interruption in steam supply. These factors motivated the team to reduce the steam generation cost by increasing the efficiency of boiler with a better fuel and look for alternate source of steam..

Kudos to the 'Project Impact Team' for their immense contribution!!!

Nanjangud Team:

Subramanian Alagappan,
Machchhindra Waphare,
M.N. Nataraj,
P. Nataraj,
N.S. Vijayakumar,
Mahesh Kumar,
Premkumar,
Veeravenkateswara Rao

Under the leadership of the Unit Head Mr. P. Yoganjaneya Reddy.

APPROACH

ACTIONS TAKEN

The scenario presented an opportunity to reduce the steam generation cost and the environment footprint of the unit for which two important initiatives were taken. The initiatives are described as follows:

Phase I:
"Use of Biodiesel as Alternate Fuel"

In this phase biodiesel was utilized as fuel. Biodiesel is a renewable fuel which is manufactured from plant oils including soybean oil, cotton-seed oil, canola oil, or recycled cooking greases e.g., yellow grease or animal fats. It is a better fuel due to the technical advantages offered. Biodiesel has a higher calorific value and lower ash content; which give a better fuel performance. Further, it has a lower viscosity and sulphur content which aid better combustion and lower corrosion. It also has lower water content and higher flash point; which ensures that it is a safe fuel. Lastly, using biodiesel reduces greenhouse gas emissions; this is because carbon dioxide released from biodiesel combustion is offset by the carbon dioxide sequestered while growing the soybeans or other feedstock.

Phase II:
"Purchase of Steam from neighboring Industry"

Steam purchase option was evaluated to further reduce the cost of steam generation. In this phase the plant started purchasing saturated steam from an industry next-door. M/s Rajshil industries engaged in manufacturing of absorbent kraft for laminates and paper products; had equivalent excess steam generation capacity which was utilized to generate & supply saturated steam to the plant. A new IBR line from JLS to Rajhill was erected to bring in steam and return condensate. The pipeline was routed underground to avoid blockage of the industrial area road in between the two industries. The erection and commissioning was done without

RESULTS AND BENEFITS

Phase I

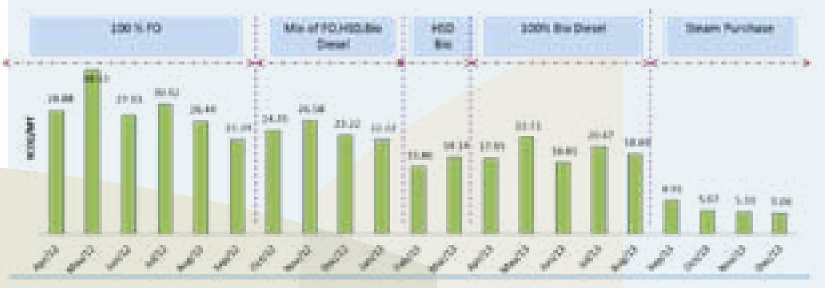
- Boiler downtime reduced from 24 to 8 Hrs/month.
- Steam generation cost reduced from Rs. 4.63/kg to Rs. 3.73 /kg.
- Total Rs. 286. 10 Lacs Savings during Oct 2012 to Aug 2013.
- Spares required to be replaced in fuel circuit due to frequent breakdown was Rs 8 lacs/ annum; avoided now.
- Preheating of fuel main storage tank has been stopped for biodiesel storage.
- Preheating of fuel has been reduced from 120° C to 80° C.
- Boiler efficiency increased from 67% to 81%

Phase II

- Reduction in steam generation cost Rs 3.73/Kg to Rs 2.1/Kg.

NOTES: Savings are verified by Business Excellence

82.5% Reduction in CO_2 Emissions and 54.64 % reduction in Steam Cost!

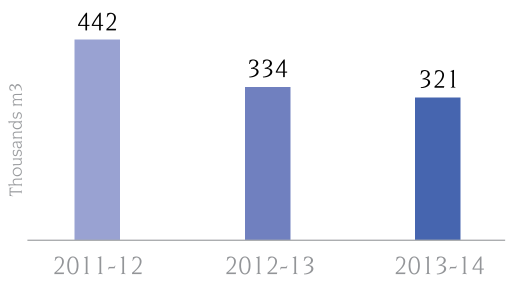


Saved fossil fuel for future generations

Water and Waste Water Management

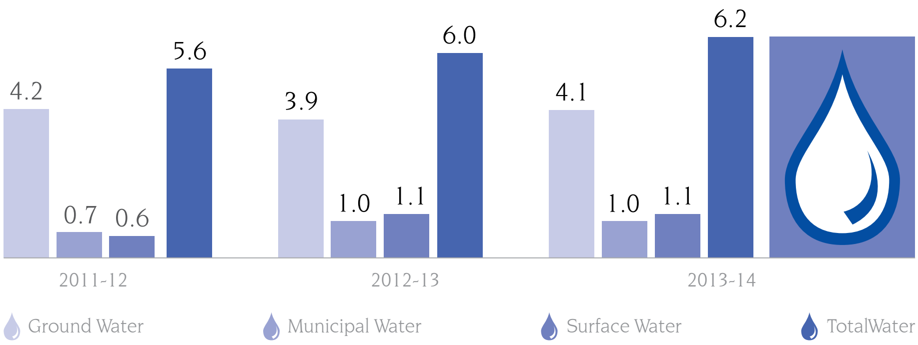
Jubilant is continuously optimizing water consumption through process modification and adoption of new technologies. The Company strives to recycle back usable water from the effluents after treatment in order to reduce fresh water intake. The company has also implemented rain water harvesting facilities, which help to recharge ground water. Most of our major manufacturing locations have adopted a zero discharge strategy.

Treated Effluent Discharge



The Company has installed waste water treatment facilities at all major units and are zero discharge. The effluents from three manufacturing locations in India, namely Ambernath, Samlaya and Bharuch, are sent to Common Effluent Treatment Plants (CETPs) after primary treatment at the unit. Final treatment is done by CETPs under the supervision and control of the respective government-industrial authorities. Treated effluents from Bharuch are ultimately discharged to the sea. Three North American units discharge effluents in compliance with local regulation. There are no water sources that are significantly affected due to withdrawal of water by the Company. There was also no significant spill during this reporting period.

Water Withdrawal (Million m3)



CASE STUDY I | January 2014 | © Corporate Sustainability Team

JUBILANT LIFESCIENCES

Sustainability *Case Studies*

Water Conservation at Ambernath

BACKGROUND

*By 2025, 1800 million people will be living in countries or regions with absolute water scarcity, and two-thirds of the world population could be under stress conditions!**

Water use has been growing at more than twice the rate of population increase in the last century; and at this rate water is expected to become the most precious resource*. 2013 was declared as "International Year of Water Cooperation" by the United Nations General Assembly. During the year the team at Ambernath unit took some major initiatives towards water conservation resulting in significant reduction in its water consumption.

OBJECTIVE

To reduce fresh water consumption & effluent generation!

This initiative was taken to optimize the quantity of water used for our processes and reduce fresh water intake by the unit and thereby eliminate purchase of tanker water at high cost.

MOTIVATING FACTORS

Opportunity for reducing cost of water purchased from Tankers & meet MPCB Guidelines!

Ambernath unit sources fresh water from MIDC and the shortfall is made through Tanker purchase. The cost of water procurement was very high with Tanker water sourced at Rs. 70/KL & MIDC water at Rs. 28/KL (proposed to be increased to Rs. 41/KL). The high cost of water was a major motivating factor. The other driving force was Maharashtra Pollution Control Board (MPCB) Guidelines on effluent quality parameters for discharge to Common Effluent Treatment Plant (CETP). Presently the effluents are treated for pH and then discharged to CETP operated by MIDC, for its further treatment & subsequent discharge. Effluent quality parameters for discharge to CETP given in Table 1 by MPCB called for installation of an Effluent Treatment Plant (ETP). The effluent that was discharged for treatment to CETP for a nominal cost of Rs. 8/Kl would now cost much higher, about Rs. 50/Kl for treatment through ETP. Further there is a serious space constraint at the unit to install a large ETP. The initiative thus aimed at reducing water consumption as well as reducing effluent generation. It is an ideal case for "Pollution Prevention Pays".

Table 1: MPCB Guideline for Effluent quality parameters for inlet to CETP

No.	Parameter	Units	Inlet Limit
1	pH	-	6.5 - 8.5
2	COD	mg/L	< 250
3	BOD, 3 Days @27'C	mg/L	< 100
4	Oil and Grease	mg/L	< 10
5	Total Dissolved Solids	mg/L	< 2100
6	Suspended Solids	mg/L	< 100
7	Chlorides	mg/L	< 600
8	Sulphates	mg/L	< 100
9	Phenolic Compounds	mg/L	< 1.0
10	Sulphides as S	mg/L	< 2.0
11	Chromium Cr^{6+}	mg/L	< 0.10
12	Bio essay Test: Survival of fish after 96 hours in 100% Effluent	%	90

APPROACH

ACTIONS TAKEN

The scenario was an opportunity to reduce the water footprint and environment footprint of the unit and various initiatives were taken for the same. Initiatives were taken to reduce fresh water intake which will in-turn reduce effluent generation and help in optimizing capacity for proposed ETP.

Phase I

1. At the beginning of this project it was decided to stop the use of Tanker water from July 2013 and then further steps were taken to reduce consumption of water.
2. Identification of leaks and spills from various equipment's, operations and activities generating effluents.
3. Review the Standard Operating Procedure (SOP) of Operations and Activities contributing to high water consumption and effluent generation.
4. Sampling of effluents from different sources for monitoring their quality and quantity.

Phase II

1. Daily monitoring and reviewing of water consumption and effluent quantity.
2. Water supply rationing was done to process areas based on assessment of wastages.
3. Standard Operating Procedures were suitably amended for activities consuming higher water / higher effluent generation.
4. Most Process residue was being dumped on the floor before collecting into drums for disposal; resulting in frequent floor washing leading to high fresh water intake and increase in quantity of effluent. Reduce dumping of process residues on floor and inturn reduce number of times floor washing id done which reduces water consumption.

Phase III: Technical Modification

Kudos to the 'Project Impact Team' for their immense contribution!!!

Corporate	Ambernath Unit	
N.K. Jain	Dattatray N. Patil	Vivek Bhataiya
Praveen Bansal	Santosh Laddha	Pankaj Sonawane
	Bhausaheb Fulsoundar	Yogesh Dhekale
	Prashant Bhosale	Bhunendra Nagi
	Santosh Patil	Jasbir Thapa
		Santosh Bhor

Water
45.6
30.8
Eff.
19.4
5.04

RESULTS AND BENEFITS

Savings from Jan'13 level

- **30.6% reduction in water consumption.**
- **34.5% reduction in specific water consumption.**
- **65.83% reduction in effluent generation.**
- **67.7% reduction in specific effluent generation.**

"Cost of proposed ETP reduced by Rs. 51 Lakhs with capacity reduction from 100 to 40 KL/Day."

47.3 Lakhs OPEX savings every year!

No.	Recurring benefits	Quantity Reduced	Cost	Savings
		KL/Day	Rs./unit	Rs. Lakhs/ Year
1	Tanker Water Purchase	100	70	25.2
2	Effluent Treatment Cost	80	15	4.32
3	Soft Water Generation	30	1.07	0.12
4	Steam Generation Cost	30	30	3.24
5	Reduction in future ETP Operational Cost in lieu of effluent reduction	80	50	14.4
	Total Savings in OPEX			47.3

NOTES: * United Nations Water Factsheet, 2013
Recurring Savings are verified by Business Excellence and Finance

Saved water for future generations

Waste Optimization

"258719 MT of non-hazardous waste is recycled/ re-used"

The Company has developed a two-pronged strategy to deal with its waste generated, - 'recycling & recovery', and 'safe disposal'. Our 'Reduce Waste at Source' strategy is aimed at the following:

- Prevention and reduction of waste generation at source
- Efficient use of raw materials and packaging materials
- Encouraging re-use, recycling, and recovery

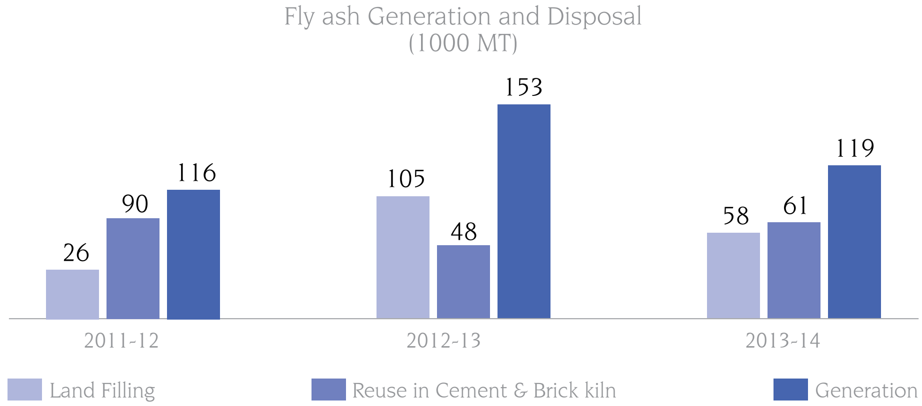
The Company is moving away from the waste treatment to waste minimization mode. Such a move involves the sustainable recovery of resources by seeking optimal recovery of materials from wastes. Some of the salts currently recovered from Effluent Treatment Plants are Potassium Carbonate from Citalopram Hydro Bromide Process, Ammonium Bromide & Ammonium Chloride from Tramadol Hydrochloride Process, Sodium benzoate from Ox-carbamazepine process, Sulphuric Acid from Lamotrigine process, Dimethyl Sulfoxide (DMSO) from Citalopram manufacturing process.

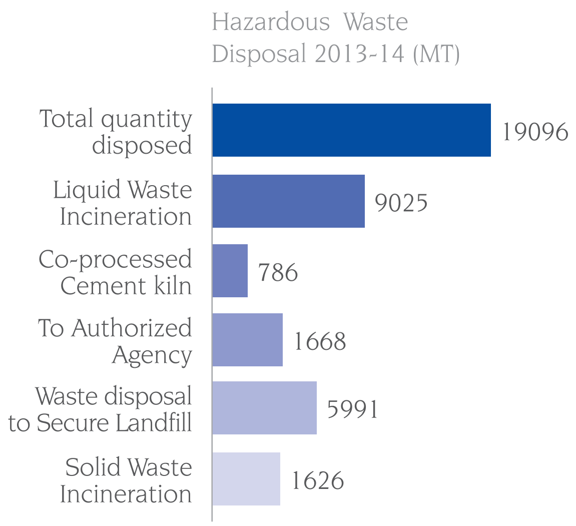
In Jubilant, the non-hazardous wastes are primarily either recycled or reused by third parties. Fly ash, metal scrap, plastic scrap, paper and wooden material scraps are the major contributor of non-hazardous waste.

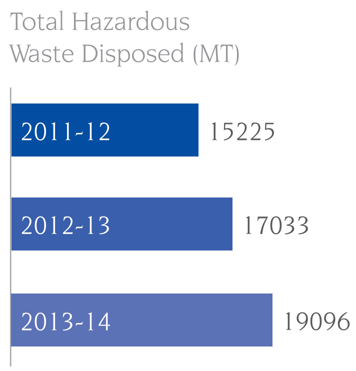
Non-hazardous waste sold to third party	Total (MT)
1 SS Scrap	14
2 MS Scrap	93380
3 Aluminum Scrap	17
4 MS drum	538
5. Plastic waste & plastic drum	80972
6. Wooden Scrap	22425
7. Kachra / Zero waste	299
8. Paper and Glass Waste	65
9. Fly Ash	61009
Total Quantity	258719

Jubilant has also adopted co-processing technique for scientific disposal of some of its hazardous waste, in which hazardous waste material which was earlier incinerated in-house, is now sent to cement kilns for co-processing. This helps in utilising hazardous waste as alternative fuel for cement industry. Co-processing results in complete thermal destruction of such hazardous waste.

Apart from this, some hazardous wastes are incinerated in-house. The Central Pollution Control Board (CPCB) guidelines are followed while operating incinerators at major units and while installing new ones. Some of the Units do not operate incinerators and send their hazardous waste to government authorised Common Treatment Storage and Disposal Facilities (TSDFs) or authorised third parties. As per the Company's commitment towards safe disposal of e-waste, we dispose of e-waste through authorized recycler. This helps in material recovery from e-waste.

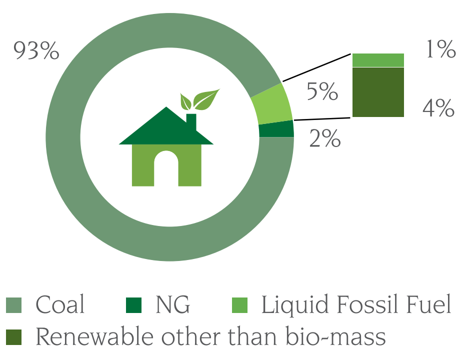






Climate Change... low carbon initiatives

2013-14 Direct GHG Fuel mix



Jubilant's management understands the significance of climate change impact on its business and monitors business risks and opportunities arising out of national and international regulations and protocols related to climate change.

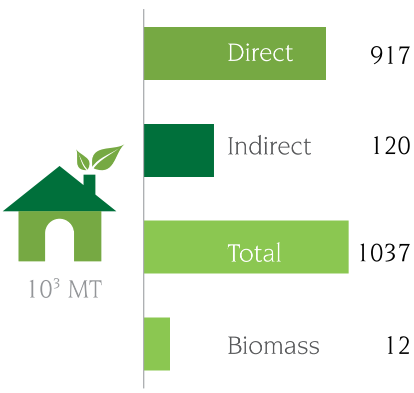
The Company is continuously striving to reduce its energy consumption to reduce its carbon foot print. The Company has engaged dedicated team for identification & implementation of energy efficiency measures and cleaner technology to fulfil its commitment delineated in its Climate Change Mitigation Policy. Bio-mass, biogas and bio-diesel are the key renewable energy sources in the overall energy mix of the company. Further, the Company has invested significantly to generate energy from its distillery effluent in the form of Bio-gas and slop, fired in the boiler. The Company is also monitoring and reporting its GHG emission regularly.

Jubilant has calculated direct and indirect GHG emissions according to GRI requirements. Data for fuel consumption at various locations has been used for calculation of direct emissions and emission factors have been calculated on site specific data wherever applicable. In some cases the default data and data provided by the supplier have been used. For indirect energy emissions, grid emission factors have been used, as applicable.

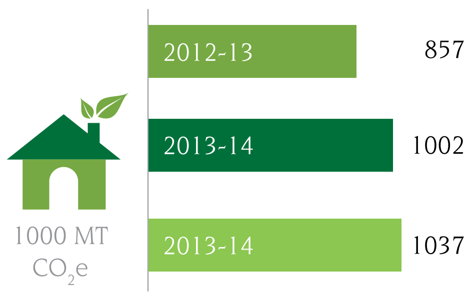
CARBON DISCLOSURE PROJECT

Jubilant is one of the few companies in India disclosing GHG emissions and taking voluntary reduction initiatives by participating in the Carbon Disclosure Project (CDP) being executed by WWF and CII in India. CDP today holds the largest database of primary corporate climate change information in the world.

GHG Emissions 2013-14



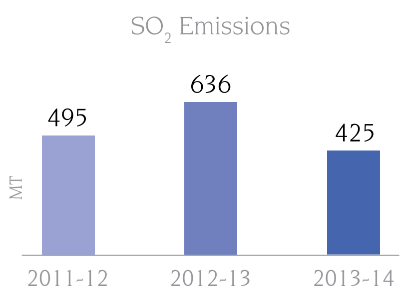
Total GHG Emissions

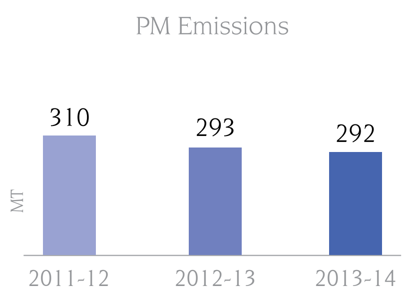


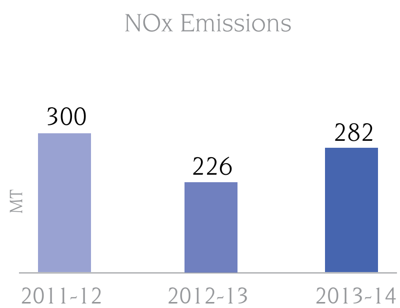
Emissions

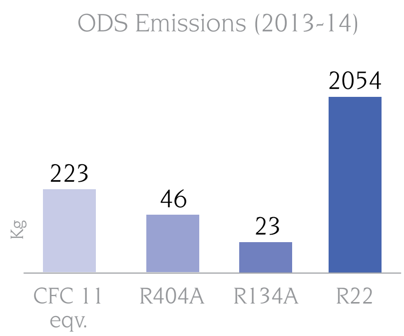
Jubilant recognizes that air pollution and climate change issues are linked to different types of emissions from its operations and has put in place necessary control measures along with monitoring system to check their performance against local regulations. While electrostatic precipitators, scrubbers, thermal oxidizers, and cyclones are used for air pollution control, initiatives like technology change, switching to renewable energy, improving energy efficiency are applied to reduce GHG emission at Jubilant.

The Company does not manufacture product containing Ozone Depleting Substances (ODS). All banned ODS have been phased out as per applicable regulations. In Jubilant Life Sciences, emission of ozone depleting substances is primarily due to use of ODS based refrigerants in air-conditioners and chilling plants. This year total ODS emission was 223 kg CFC 11 equivalent against 152 kg CFC 11 equivalent in 2012-13.









Community... Sharing with Partners

> "Reaching out to 65 villages, 0.4 million people through community development programs covering primary education, basic healthcare and livelihood generation."

The Company vision is to bring progressive social change through strategic multi-stakeholder partnership and involving knowledge generation & sharing, experiential learning and entrepreneurial ecosystem. Jubilant Bhartia Foundation (JBF) is a not for profit organization, established in 2007 by Jubilant Bhartia Group to implement its corporate social responsibility programs. JBF engages with the communities around Jubilant's manufacturing locations to bring progressive social change through different community development programs.

BASELINE SURVEYS are conducted to identify critical community development areas where JBF intervention is required. During the year a study was conducted to assess the impact on community savings due to JBF's health program around Gajraula. A baseline survey for mal-nutrition in 11 villages around Gajraula was also carried out this year. JBF also engaged with Schools across the locations for assessment of the quality of education & learning imparted.

PROJECT MONITORING is carried out under supervision of senior management of the company. The JBF program officers/field officers at each location works in sync with the Unit Heads and implement CSR projects planned.

Focus Areas

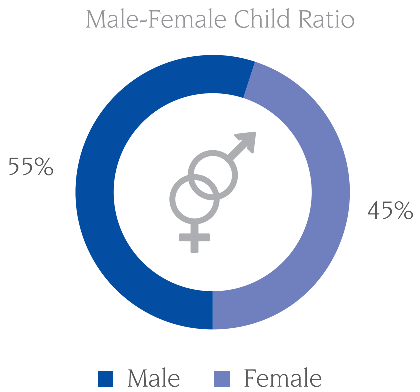
Education
Muskan- an initiative to support quality education

Healthcare
Swasthya Prahari – an initiative to reduce infant & maternal mortality ratio

Livelihood
Nayee Disha – Vocational Training for better livelihood opportunities

The India Social Entrepreneur of the Year Award
Rewarding Talent

Health guard with a new mother



Our community initiatives are aligned with the United Nations Millennium Development Goals (MDGs):

GOAL 1: ERADICATE EXTREME POVERTY AND HUNGER

The Company addresses this goal through its programs for Enhancing Employability and Combating Malnutrition. The Company understands that skill development needs to be part of a strategy for growth that improves the lives of all. The mismatch between education and labour market requirements is fulfilled with vocational training. Jubilant in association with a social enterprise, Labournet, is providing vocational training at three locations including Nanjangud, Gajraula and Nira. The customised training programs include trades like tailoring, retail management, soft skill development, electricians and beautician courses.

Malnutrition of children is a major problem in India, especially in the rural areas and in the poorer communities. It results in stunted development and death in extreme cases. Although nutritional supplements are available at very affordable prices, these are not accessible by the communities that need them the most. This is the case because of lack of awareness among the community as well as poor supply-chain of such supplements. Jubilant Bhartia Foundation has proposed to help in improving the nutritional intake and status of children under the age of 5 through focused expansion of home fortification and promotion of breastfeeding with improved behaviour change among the intended village communities in target areas. The project is proposed as a pilot in Gajraula. This project will ensure to bring about and sustain the positive behaviour of using supplementary food through strengthened Community Based Distribution Network (CBD); ensuring reach of quality product at the house hold level in the project villages supported by comprehensive local media based IEC (Information Education and Communication) programme and a fully developed vendor network.

The baseline data for 11 pilot villages in Gajraula including 2542 children has been taken and analysis of the same is in process.

Key facts:

No. of Villages	11
Population	30752
No of Children up to 60 months	2542
Female Child	1151
Male Child	1391

GOAL 2: ACHIEVE UNIVERSAL PRIMARY EDUCATION

Project Muskaan was introduced by the Company in 2007 to support the Government initiatives in primary education. It primarily aims at improving the learning environment and the quality of education in the select rural government primary schools so that students are motivated to attending school and ultimately cutting down the dropout rate.

To increase and improve the learning abilities of children the foundation has set a routine of monthly activities for the whole annual calendar year in the project schools. The small steps of month-wise Muskaan activities would reach the bigger goal of bringing change in reading, writing and speaking abilities of children.

Scholarship Programme

In India, every year, almost 62% of children drop out of Secondary School Education including the bright and talented ones. Lack of financial aid is one of the reasons turning these talents into lost opportunities for the nation. Jubilant Pratibha Puraskaar is an initiative at Gajraula launched to gift a deprived but deserving child, a bright future through a monthly scholarship of Rs 500/- . This year the scholarship was provided to 10 students selected through a Common Eligibility Test conducted by JBF. The programme also involves select Jubilant Senior Employees who will provide guidance to these 10 students as mentors.

GOAL 3: PROMOTE GENDER EQUALITY AND EMPOWER WOMEN

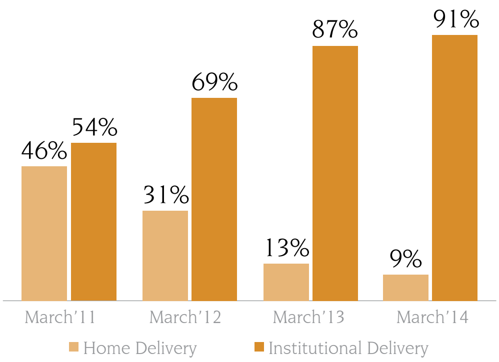
The Company understands that equal opportunity and women empowerment would come through equal access to health care, quality education at all levels, career and vocational guidance, employment, equal remuneration, occupational health and safety and social security etc. The Company has the policy of non-discrimination and it stringently follows it. The projects of the Foundation are also modelled in a way where women can have access to good health, learn gainful skills and become self-dependent. The SHG project provides an opportunity to women to become economically independent. Under this framework JBF trains the women to form SHGs (Self-Help Groups) and link them to bank. Women are also motivated to open a micro enterprise to add to the total income of their family. With the infrastructure support from Jubilant, the stitching centre at Nanjangud (operated by SHG) is also running successfully from past three years.

Women Empowerment

Rahisha, a 48 years old women residing in Makhanpur village of Roorkee always nurtured a dream of starting her own business. Rahisha wanted to support her husband, a barber by profession and the single earning member of the family, in ensuring a meaningful life to their 3 daughters and a differently-able son.

The Self Help Group (SHG) initiative of JBF under livelihood program helped her in realizing her dreams. Rahisha became a part of Fatma SHG, initiated by JBF. With the credit support from SHG, she started making toys at home and along with her husband sells them to the local market. Gradually, she is also repaying the loan money to the SHG which is increasing the savings of the SHG with the interest paid by her.

Home vs Institutional Delivery Pattern
Gajraula



GOAL 4 & 5: REDUCE CHILD MORTALITY & IMPROVE MATERNAL HEALTH

Child and mother mortality is a sensitive indicator of a country's development. Jubilant has been operating a Project 'Swasthya Prahari' at Gajraula which promotes Planning and monitoring birth rate, Monitoring and reducing Infant Mortality Ratio (IMR), Monitoring and increasing Institutional delivery to reduce Maternal Mortality Ratio (MMR). The Swasthya Praharis are the women Health Guards responsible to make home contact; motivate people for visiting health institutions and promote institutional child birth. Also, provide counselling to expecting & lactating mothers, provide information on nutrition of children and mothers. There has been a significant increase in the institutional delivery after the inception of the project curbing IMR and MMR.

An MoU was signed between Jubilant Bhartia Foundation and Family Health International (FHI360) / Improving Healthy Behaviour Program (IHBP) to work on improving health behaviour of women in Gajraula including children through mass campaigns, counselling and trainings. IHBP is part of the Health Partnership Program Agreement (HPPA) between USAID and the Government of India. The project collaborates closely with the Ministry of Health & Family Welfare (MOHFW), the Ministry of Women and Child Development (MWCD), and their agencies and counterparts at the state and district levels. The agreement will help JBF in improving the health statistics in Gajraula. IHBP would provide the communication and training materials (without any charge)

JBF & USAID signing MoU

Muskaan students partipating inHar Aangan Mein Ped activity

for a year to create awareness on family planning/reproductive health, tuberculosis, HIV/AIDS, and maternal and child health to the target population in Gajraula.

GOAL 6: COMBAT HIV/AIDS, MALARIA AND OTHER DISEASES

The Company has been working since long towards HIV/AIDS awareness. We have registered Integrated Counselling & Testing Centre (ICTC) which caters in identification of HIV infected people and their proper counselling. World AIDS Day observed on 1 December is dedicated to raising awareness of the AIDS pandemic caused by the spread of HIV infection. The 2013 theme for World AIDS Day was “Shared Responsibility: Strengthening Results for an AIDS-Free Generation. The day was observed at our manufacturing facilities including corporate office. Also, the Foundation regularly organizes several awareness campaigns and since its inception has generated mass awareness through promotional material, rallies and distribution of contraceptives. Jubilant also operates a DOTS centre for TB treatment at Gajraula unit for diagnostic and counselling services. Apart from this, various other regular health camps are organised in the community around manufacturing locations.

GOAL 7: ENSURE ENVIRONMENTAL SUSTAINABILITY

World Environment Day is observed every year on June 5, at various locations of Jubilant Life Sciences. The trend was continued this year and World Environment Day was celebrated along with families of Jubilant’s employees on June 1, 2013 at the Corporate Office, Noida. The event included drawing competition, slogan writing, fancy dress, poem recitation and quiz on the theme of environmental awareness. The importance of environmental conservation and leading a lifestyle of low ecological footprint was discussed. An online quiz was also organised on the same day. Har Aangan Me Ped activity comprising sapling plantation by the project Muskaan students was held at various locations to generate awareness on environment.

Swasthya Prahari at work

GOAL 8: GLOBAL PARTNERSHIP FOR DEVELOPMENT

The Company is partnering several local and global organisations. This year Jubilant's major partners under its various programs were:

1. World Economic Forum (WEF)
2. Schwab Foundation for Social Entrepreneurship
3. Confederation of Indian Industry (CII)
4. Pratham
5. Labour net
6. Indian Food Bank Network
7. Aid Matrix
8. US AIDS
9. Goonj

World AIDS day at Bharuch

EMPLOYEE VOLUNTEERING

Jubilant encourages workplace volunteering and employee contribution to the society. The Company organizes various programs where the employees have come forward to show their benevolence.

Jubilant provides various opportunities to employees to engage in and support social activities. This year the employees came forward to support following activities:

- Book donation to 'Muskaan' school students through 'Joy of Reading Program'
- Flood relief for Uttarkashi cloud burst
- Blood donation camps
- Donating to Food Banking Network (IFBN)
- Supporting the noble cause of bringing a positive change in the lives of Tihar jail inmates by buying Rakhi, bags, and cosmetics made by them.

Employees... Our Assets

Happy and confident workforce is key to our success. Implementing our strategy and growing our business depends on recruiting a large number of qualified professionals to the company and maintaining the full commitment of our staff. Our Business Principles commit us to providing our people with a safe working environment respecting their human rights; promoting their professional development; and creating an inclusive work environment.

Total workforce as on March 31, 2014

Location/Company - JLL	Executives	Workmen	Total	Temp & Labour Supply	Job Contracts/	Over All
Projects	Over All					
Corp office/ Branches	747	0	747	31	51	829
Gajraula	609	266	875	554	472	1901
R&D Noida	400	0	400	34	79	513
Samlaya	44	26	70	62	65	197
Nira	162	112	274	124	93	491
Nanjangud	578	219	797	264	113	1174
Roorkee	259	126	385	90	42	517
Ambernath	130	30	160	0	115	275
Bharuch	221	18	239	121	114	474
(A)	**3150**	**797**	**3947**	**1280**	**1144**	**6371**
Indian subsidiaries						
Jubilant Biosys	253	0	253	11	0	264
Jubilant Chemsys	266	0	266	12	0	278
Clinsys	62	0	62	1	0	63
JFTH	0	0	0	0	0	0
Jubilant Infrastructure	97	64	161	63	114	338
Total (B)	**678**	**64**	**742**	**87**	**114**	**943**
International subsidiaries						
JOL China	12	0	12	0	0	12
JOL USA	5	0	5	0	0	5
Cadista	101	176	277	64	0	341
Clinsys Inc	25	0	25	4	0	29
Jubilant Pharma NV	16	0	16	0	0	16
Jubilant LifeSciences NV	1	0	1	0	0	1
Hollister Stier	254	365	619	0	0	619
Draxis	281	260	541	0	0	541
Total (C)	**695**	**801**	**1496**	**68**	**0**	**1564**
Grand Total (A+B+C)	4523	1662	6185	1435	1258	8878

"In Jubilant, Performance Management System (PMS) has been implemented and designed in a manner to enable identification, assessment, reward good performance, encourage talent, and ensure motivation amongst the employees."

We align business priorities with the aspirations of our employees leading to the development of an empowered and responsive workforce. One of the key contributors to employee motivation are the policies and benefits extended by the Company. Human Resource Policies and benefits have been articulated in the 'HR Policy Manual' available on the Intranet. The manual defines eligibility, entitlement, terms & conditions and associated documentation, with each policy. Key Human Resource policies formulated by the organisation are:

- Employment Policy
- Compensation and Benefits Policy
- Travel & Transfer Policy
- Employee Assistance Policy
- Separation Policy

At Jubilant, maintaining employee and labour relationship, is based on three pillars which include Human Resource (HR) Department, Sustainability Department and Ombudsman office. The HR Department covers all labour related issues and compliances while the EHS Department oversees the work environment and safety aspects. The Ombudsman takes care of grievances that are reported to his office. Respective departments monitor the progress regularly and ensure

Age wise employee break-up of all Indian manufacturing units and Corporate Office, Noida & R&D 1&2

Age in years	Headcount Numbers		
	EXECUTIVE	WORKMEN	Grand Total
< 30	1189	149	1338
30-50	209	111	320
> 50	1752	537	2289
Grand Total	3150	797	3947

that all relevant regulations are complied with. Sr. Vice President (HR) of the Company is responsible for all types of labour practice aspects of the Company while at the individual manufacturing location Human Resource (HR) issues are reviewed by the respective Unit HR Heads.

In Jubilant, Performance Management System (PMS) has been implemented and designed in a manner to enable identification, assessment, reward good performance, encourage talent, and ensure motivation amongst the employees. The organisational goal setting begins with the Business Planning process every year. It derives its linkage with the business plan that is finalised in March for the subsequent financial year into business unit/ functional unit goal and so

"We align business priorities with the aspirations of our employees leading to the development of an empowered and responsive workforce."

on. PMS is formulated on Balanced Scorecard providing a clear linkage between organisational and individual objectives.

Talent management is key to success in this competitive marketplace. Jubilant is continuously engaged in building an excellence based culture to meet current and future business challenges. Talent and Succession planning process at Jubilant involves four key steps:

1. Identification of organisational leadership needs based on the business and leadership challenges
2. Identification and Assessment of key human resources on the basis of potential and performance
3. Succession Planning for critical positions
4. Identify focussed development plan and retention plan for key resources and succession plan to manage Company's investment in these resources through appropriate actions

A Performance Linked Incentive System is in place to monitor the performance of the employees at our manufacturing locations. The Company also has wage agreement at manufacturing locations with trade unions and works committee.

Further, to improve employee satisfaction and retention, the Company has put in place several employee benefit schemes both statutory and beyond. These include maternity leave for female employees, disability and invalidity coverage as per the Industrial Dispute and Workers Compensation Act and Group Mediclaim Insurance for employees and their dependents.

Gender wise employee break-up of all Indian manufacturing units and Corporate Office, Noida & R&D 1&2

Gender	Headcount Numbers		
	EXECUTIVE	WORKMEN	Grand Total
Male	198	0	198
Female	2952	197	3749
Grand Total	3150	797	3947

Note: To avoid any conflict with local regulation, information on employee gender/ age and other details have not been disclosed for subsidiaries of the Company. Frequent change in contract workers made it difficult for the company to track & report compiled information on gender/ age of contract workers of the Company.

The Company provides certain benefits exclusive to full-time employees at manufacturing units. Few of them are education and hostel fees reimbursement for certain employees' children; accommodation in the township; Loan on nominal interest for the purchase of computer, vehicle and housing etc.

The full-time employees of the Company in North American Units have benefits different to that of Indian operations. Some select benefits include Short Term / Long Term Disability Insurance (Company paid) Benefits, Health Club Reimbursement, Jury Duty Leave / Court Appearances and Military LOA (Leave).The Company believes that jury duty and court subpoenaed appearances are a responsibility of good citizenship. The Company therefore provides employee pay for up to 21 calendar days per summons. Under Military Leave, the Company supplements military pay up to 20 days of training, 120 days of emergency military leave. Re-employment rights for unpaid full-time military leave. All female employees in Indian units and all employees in North American units are entitled to parental leave. All the employees availing the leave returned to work during this period.

Voluntary Attrition rate break up of all Indian units, R&D, Corporate Office and Branch Offices

	AVERAGE MANPOWER			ATTRITION YTD			ATTRITION % (ytd)		
LOCATION	EXECUTIVE	WORKMEN	TOTAL	EXECUTIVE	WORKMEN	TOTAL	EXECUTIVE	WORKMEN	TOTAL
BRANCHES	177	0	177	56		56	31.62%	0.00%	31.62%
BHARUCH	232	19	252	107	8	115	46.05%	41.62%	45.72%
BHARUCH - Infra		0					0	0.00%	0.00%
AMBERNATH	136	33	169	41	2	43	30.17%	6.08%	25.48%
CORPORATE									
OFFICE	396	0	396	68		68	17.19%	0.00%	17.19%
GAJRAULA	619	265	884	51	2	53	8.24%	0.75%	5.99%
NANJANGUD	621	203	824	162	5	167	26.10%	2.46%	20.27%
NIRA	157	114	271	12	1	13	7.64%	0.88%	4.80%
R & D NOIDA	329	0	329	52		52	15.78%	0.00%	15.78%
ROORKEE	246	95	341	54	17	71	21.99%	17.87%	20.84%
SAMLAYA	44	24	69	4		4	9.02%	0.00%	5.83%
Over All	2957	754	3711	607	35	642	20.53%	4.64%	17.3%

Note: Attrition calculations exclude employees who have retired during this reporting period

Age-wise attrition & new joinee details for Indian manufacturing locations, Corporate Office, Noida and R&D 1&2

Age in yrs	ATTRITION			New Joinee		
	EXECUTIVE	WORKMEN	Grand Total	EXECUTIVE	WORKMEN	Grand Total
< 30	364	22	386	535	53	588
30-50	10	1	11	9	0	9
> 50	233	12	245	338	24	362
Grand Total	607	35	642	882	77	959

Gender wise attrition & new joinee details for Indian manufacturing locations, Corporate Office, Noida and R&D 1&2

Gender	ATTRITION			New Joinees		
	EXECUTIVE	WORKMEN	Grand Total	EXECUTIVE	WORKMEN	Grand Total
Female	40	0	40	58	0	58
Male	567	35	602	824	77	901
Grand Total	608	36	642	882	77	959

LABOUR MANAGEMENT & LABOUR RELATIONS

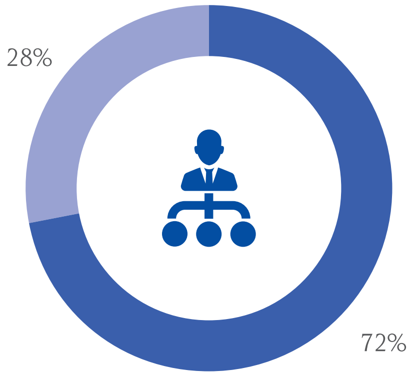
Jubilant Life Sciences encourages its employees, both permanent and contract, in their efforts to develop good relations and constructive bargaining practices with the management. Local human resource personnel takes care of employee relation and interact with the employees and contractors about various services, measures and initiatives to assist them in creating and maintaining a workplace that is conducive for work.

Trade Unions exist at three locations and Works Committee has been formed by the employees at one location. All arrangements with respect to collective bargaining and trade unions are as per applicable laws of the land. The entire workforce at Jubilant Life Sciences is represented in formal joint management- worker health and safety committees. Health & safety topics are also included in the local formal agreements of the manufacturing facilities of the Company with trade unions. In India 621 employees are covered by collective bargaining agreements with trade unions & worker committee. At the Montreal Unit of the Company, as of March 31, 2014, 269 employees were covered by Trade Unions/ Collective Bargaining Agreements.

MINIMUM NOTICE PERIOD

The minimum notice period is mentioned in the appointment letter of all permanent employees including workers. While the minimum notice period varies for management staffs depending on their position in the organisation, the minimum notice period followed for termination of permanent worker is 30 days and the same is mentioned in their appointment letter. This is in accordance with the prevailing regional/ country labour laws.

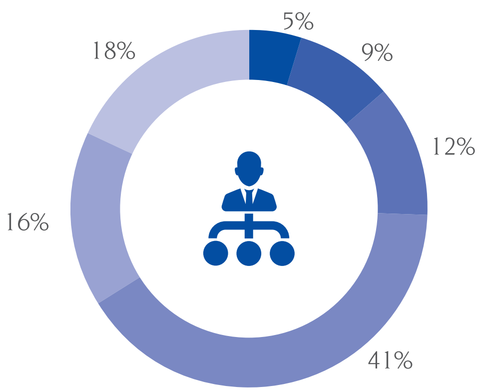
Training Mandays



Employee Engagement… Overall Development

Imparting regular quality training to employees is fundamental to improve existing talent pool of the company to remain competitive in the market. As part of learning and development opportunities the Company organises various internal and external trainings on regular basis. Key capability development programs include leadership development programs, strategic initiatives programs, self-development programs, and customised programs. There is dedicated learning and development team who continuously work for identification of training need, preparing training calendar and conduct training. All new employees need to participate in induction training after joining the organization. Induction training module has been redesigned this year covering topics on the Company's policies and procedures on human rights, occupational health and safety, environment in addition to other company business operational issues.

Training Topics



Manufacturing Location	Executive	Workmen	Grand Total	T. Hours	Mandays	Avg Mandays per head per annum
Ambernath	130	30	160	2688	336	2.1
Bharuch	221	18	239	439	55	0.2
HOBR (Corp+ Branches+IBP)	747	0	747	28173	2663	3.6
Gajraula	609	266	875	22644	2831	3.2
Nanjangud	578	219	797	22600	2825	3.5
Nira	162	112	274	2647	1258	4.6
R&D	400	0	400	5217	652	1.6
Roorkee	259	126	385	9763	1220	3.2
Samlaya	44	26	70	744	93	1.3
Grand Total	3150	797	3947	94914	11933	3.0

Category	Actual Headcount as on March 2014	Training Manhours	Average Training (Training Manhours/ Employee)
Executive	3150	85858	27
Worker	797	9056	11
Total	3947	94914	24

Category	Actual Headcount as on March 2014	Training Man-hrs	Avg. Training (Training Man-hrs/Employee)
Female	198	3909	20
Male	3749	91005	24
Total	3947	94914	24

Human Rights… Our Conduct & Practices

'Human Rights' is an important aspect of today's civilized society. At Jubilant, we are committed to our Sustainability Mission and signatory to the UNGC Principles with human rights commitments. We have formulated policies and systems to ensure protection of Human Rights of all concerned; these are defined in the Business Code of Conduct. These policies cover issues of Child Labour, Forced & Compulsory Labour, Non Discrimination and Freedom of Association and Collective Bargaining. The Company has made the Business Code of Conduct available to all employees through intranet.

HUMAN RIGHTS POLICY UNDER BUSINESS CODE OF CONDUCT

Child Labour
"Jubilant Life Scienaces believes in protection of the young and vulnerable. It is Company's policy not to employ child labour. In order to ensure this, every new recruit is required to submit a proof of age. Further, the Company is committed to work in a pro-active manner to eradicate child labour by actively contributing to the improvement of children's social situation. To promote this, the Company encourages its Suppliers also to work towards a no child-labour policy."

Non-Discrimination
"Jubilant Life Sciences is committed to ensuring that workplaces are free from all forms of discrimination or harassment on the basis of age, caste, sex, religion or any other ground. No discrimination whatsoever is practiced during the Human Resource processes of recruitment, employee development and rewarding performance."

Freedom of Association
"We respect the right of our employees to form association in accordance with the local laws applicable. At our locations we are engaging in open and continuous dialogue with the associations. Our employees have the right to join associations of their own choosing or to refrain from joining one, unless otherwise prohibited/ necessitated by law."

Forced and Compulsory Labour
"Jubilant Life Sciences respects the dignity of labour and denounces all forms of forced and compulsory labour. The company therefore, ensures that its terms of employment are transparent and voluntary."

OPERATIONAL RESPONSIBILITY AND OMBUDSMAN

The operational responsibility of human rights is vested on the Human Resource (HR) Head at each manufacturing location reporting to the corporate HR Head. HR Head oversees the implementation of the human rights policies and takes responsibility of resolving any violations arising. This year the Company rolled out an e-learning module on "Human Rights - Concept, Global and Indian Regulation & Framework at Jubilant", which was completed by a total of 1347 employees across the organisation. The Company plans to go for a second round of the training next year to cover all employees.

OMBUDSMAN

PORTAL
www.cwiportal.com

E-MAIL:
ombudsman@jubl.com

Further, the Company revised its Whistle-blower Policy during 2012-13 and created a dedicated Ombudsman team for addressing the grievances reported by the employees. A charter of the Ombudsman has also been prepared and made available on the intranet of the Company. This Charter allows stakeholders, including employees, to voice their concerns and guide the Company to resolve issues efficiently. Under this policy the employees can report any information which they believe reflects serious malpractice, impropriety, abuse or violation of code of conduct in relation to the Company's functioning. The Company has a dedicated email id which can only be accessed by the Ombudsman Office, for anonymous reporting. The online portal (www.cwiportal.com) is another way of reporting concerns and maintaining complete anonymity of the whistle-blower. No cases of corruption were reported to the Ombudsman's Office during the reporting period.

NON-DISCRIMINATION

The Company does not encourage and is strictly against any form of discrimination or harassment on the basis of age, caste, sex, religion or any other ground. Equal salary is provided to the male and female members of the workforce for the similar set of work. Jubilant Life Sciences is a signatory to the CII Code of Conduct on Affirmative Action that reconfirms the Company's commitment to equal opportunity in employment for all sections of society. Two cases of discrimination were reported to the Ombudsman's Office during this reporting period. In one case the person involved was rusticated and the other case is under investigation.

FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

Jubilant respects the right of its employees to form an association in accordance with the local laws applicable. At its locations, the Company engages in open and continuous dialogue with the employee associations. There are no operations where the right to exercise freedom of association and collective bargaining are at significant risk. There were no cases of violation of human rights regulation by our suppliers during this year.

CHILD LABOUR

The Company does not allow child labour in its business activities. In order to ensure this, every prospective employee is required to submit a proof of age. This is applicable to all employees including contract workmen hired. In addition there are regular internal and external audits. The Company also encourages its Suppliers to work towards a no child-labour policy. Self-Evaluation is filled by the suppliers of the Company which delineates prohibition of Child Labour. There were no cases of child labour reported within the organisation or with our suppliers.

> "The Company does not allow child labour in any of its business activities. In order to ensure this, every prospective employee is required to submit a proof of age."

FORCED AND COMPULSORY LABOUR

Jubilant Life Sciences respects the dignity of labour and denounces all forms of forced and compulsory labour. The Company therefore, ensures that its terms of employment are transparent and voluntary. No incident of forced or compulsory labour at the suppliers end came to Company's notice during this reporting period.

SECURITY PRACTICES

All security personnel are briefed about relevant policies of the Company which lay the foundation for them to function effectively. They are also trained in first responder and fire security at all manufacturing locations. The security personnel are given behavioural trainings on body language, dealing with visitors and employees and other related trainings for escalation of issues.

INDIGENOUS RIGHTS

The Company has operations in various locations across India & North America. The Company supports local culture and heritage for the respective regions. There have been no violations involving rights of indigenous people or those related to human rights in Jubilant during this reporting period.

PREVENT CORRUPTION

Jubilant Life Sciences is committed in avoiding any form of corruption in any of its business dealing. Jubilant has a Policy on Bribery and Corruption which is stated in the Business Code of Conduct. The policy prohibits any personal payment or bribes by employees of the Company.

During this year one manufacturing location was selected at random and detail investigation of any corrupt practices, was conducted. The investigation did not result in any cases of corruption.

PUBLIC POLICY

The Company engages with a variety of stakeholders like government, regulatory agencies, NGOs, and industry associations. Through its interactions with these stakeholders the Company participates in identifying and framing public policy matters. The Company also uses industry association forums to voice its views about policies.

There have been no financial and in-kind contribution to political parties, politicians and related institutions.

> "Jubilant, adheres to the Government of India Competition Policy which protects the interests of consumers and producers by promoting and sustaining a fair competition."

ANTI-COMPETITIVE BEHAVIOUR

Jubilant, adheres to the Government of India Competition Policy which protects the interests of consumers and producers by promoting and sustaining a fair competition. To strengthen its knowledge on recent developments in the area of anti-competitive behaviour, Jubilant employees participates in external workshops and seminars time to time. There have been no legal actions on anti-competitive behaviour, antitrust and monopoly practices on the Company.

COMPLIANCE

There have been no significant fines or non-monetary sanctions for non-compliance pertaining to human rights, corruption, labour practices during this reporting period.

Operational Targets Performance

Way Forward 2012-13	Progress 2013-14
As Corporate Sustainability Reporting at Jubilant enters a new decade with this report, the Company will work towards developing indicator specific accounting principles and provide training to relevant employees for better understanding and further streamlining the already existing systems for Sustainability Reporting.	Corporate sustainability accounting principle was prepared in accordance with existing reporting practices and GRI reporting framework. It has been implemented at all manufacturing locations.
Jubilant Life Sciences will continue to participate in voluntary initiatives like United Nations Global Compact's Ten Principles for Sustainability. The Company will continue to align its Sustainability Report with the National Voluntary Guidelines issued by the Ministry of Corporate Affairs, as it did for the first time in the present report.	The company has submitted its Communication on progress for 2012-13 to UNGC during this reporting period and also aligned the current report in line with NVG guidelines.
The Company will revise its existing supplier & external manufacturing contracts' standard Terms and Condition through incorporation of relevant clauses on restriction of child labour and forced labour in their business. This is to further extend Company's commitment in respect of ILO convention and country regulation on Human Rights (HR) issues.	All three types of contract agreements/ PO documents have been revised incorporating relevant clauses on child labor and forced labor.
The Company will conduct in-house training for capacity building of Company's Supply Chain Auditors to further strengthen their sustainability audit skills while conducting regular supplier's audit covering EHS & HR performance of the suppliers.	Training on "Human Rights - Concept, Global and Indian Regulation &; Framework at Jubilant" was conducted across all locations through an e-learning module. A total of 1347 employees participated in this training.
The Business Excellence Team will work continuously towards reduction of energy and water consumption. The team will also work on waste reduction and resource optimisation.	Several projects on energy, water & waste reduction and resource optimization were undertaken. The details are covered under the Environment section of this report.

Way Forward 2012-13	Progress 2013-14
In the coming months, there would be a greater focus on improving the quality of education through JBF's flagship education program- Muskaan. The activities under the project shall be designed in a way so as to attract greater participation from students and the community. This year foresees the improvisation in the project module of Muskaan- the primary education program of JBF. There would be a special focus on improving the quality of education. The activities under the project are to be designed in a way to attract greater participation from students and active community involvement.	Month wise activity module has been introduced to improve the quality of education under Muskaan Program.
As its contribution to Goal 5 of the MDGs, The Swasthya Prahari project under health initiative will have an emphasis on combating anaemia under MDG in mothers which is also an important component of reducing Maternal Mortality Rate (MMR).	Jubilant has taken up a project on mal-nutrition in children (< 5 year age) as part of mid-year CSR project planning. Baseline survey on mal-nutrition has already been conducted in 11 villages during this reporting period and target group has been identified. Special emphasis on Maternal Mortality Rate has helped to reduce maternal mortality rate to Zero in the project area.
Under the skill development program, JBF will work towards enhancing the capacity of vocational training centres to 2500 trainees per year, cumulatively.	As per our commitment, JBF has enhanced the capacity of vocational training centers to 2500 per year, cumulatively.
The Company will continue to anchor the Social Entrepreneur of the Year India Award in association with the Schwab Foundation (sister concern of WEF).	During the year, the Company also anchored the Social Entrepreneur of the Year India Award in association with the Schwab Foundation for Social Entrepreneurship (sister concern of WEF).

Way Forward... Sustainability Strategy 2020

Jubilant has made considerable progress on the sustainability journey over the past 12 years. In order to accelerate our efforts towards sustainability, we are unveiling our Sustainability Strategy 2020 accompanied by clear deadlines. The "Jubilant Sustainability Strategy 2020" fix a common framework for all our actions articulated around six pillars. Underpinning these six pillars are six targets spanning our social and environmental performance. Our Strategy is distinctive because it spans our entire portfolio of chemicals and pharmaceuticals and all countries in which we operate. We have established measurement techniques and review mechanisms for these targets.

Baseline 2012-13		2020	
PILLARS	**TARGETS**	**Chemical Segment: Gajraula, Nira, Ambarnath, Samlaya and Bharuch**	**API & Pharma Segment: Nanjangud, Roorkee, Spokane, Salisbury and Kirkland**
WATER	Reduce Specific Water consumption	-12%	-12%
ENERGY	Reduce Specific Energy consumption	-12%	-12%
CLIMATE CHANGE	Reduce Specific GHG emissions	-12%	-12%
MANAGEMENT SYSTEM	Responsible Care Certification	All Plants	All Plants
SAFETY	Reduce total number of Manhours lost	-30%	-60%
CORPORATE SOCIAL RESPONSIBILITY	Companies Act 2013	Comply with provisions on CSR	
	Swasthya Prahari: Reduce mal-nutrition ratio amongst children below 5 years in 10 identified villages (Baseline 35%) in next 3 years	20%	20%
	Renovate Existing community health centre to improve infrastructure and services with the aim to extend affordable basic health care to the local community.		

National Voluntary Guidelines

India's National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) were released by the Ministry of Corporate Affairs (MCA) in 2011. These set of nine principles offer businesses an Indian understanding and approach to inculcating responsible business conduct.

NVG "THE NINE PRINCIPLES"

Principle	Description	Page No.
Principle 1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability	25-29,42
Principle 2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle	22,24,37, 38, 43-51
Principle 3	Businesses should promote the wellbeing of all employees	30-33,58-67
Principle 4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.	15-19
Principle 5	Businesses should respect and promote human rights	64-67
Principle 6	Business should respect, protect, and make efforts to restore the environment	16-17,20-24,43-51
Principle 7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner	18,67,73
Principle 8	Businesses should support inclusive growth and equitable development	18,24,52-57
Principle 9	Businesses should engage with and provide value to their customers and consumers in a responsible manner	15,37-39,67

United Nations Global Compact

Jubilant became a member of the UN Global Compact (UNGC) in 2010 with the aim of internalizing the ten Global Compact Principles in the areas of human rights, labour, environment and anti-corruption within the Company's strategies, policies and operations. Through our support to the UNGC, we also aim to undertake projects to advance the broader development goals of the United Nations particularly the Millennium Development Goals. From 2010 onwards the Company is submitting its communication on Progress (COP) every year and our communications are available at UNGC website.

UNGC "THE TEN PRINCIPLES"

Area	Principle	Statement	Page No.
Human Rights	Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights; and	29,59
	Principle 2	make sure that they are not complicit in human rights abuses	36,64-67
Labour	Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	64,65
	Principle 4	the elimination of all forms of forced and compulsory labour	36,66
	Principle 5	the effective abolition of child labour; and	36,66
	Principle 6	the elimination of discrimination in respect of employment and occupation	65
Environment	Principle 7	Businesses should support a precautionary approach to environmental challenges	22
	Principle 8	undertake initiatives to promote greater environmental responsibility; and	43-51,56
	Principle 9	encourage the development and diffusion of environmentally friendly technologies	41,43,50,51
Anti-Corruption	Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery.	66

Memberships in Associations

S. No.	NAME OF THE ASSOCIATION/ COMMITTEE
1	All India Alcohol Based Industries Development Association
2	All India Distillers' Association
3	All India Industrial Gases Manufacturers' Association
4	American Chemical Society
5	Catalysis Society of India
6	Chemexil
7	Confederation of Indian Industry (CII)
8	Employers' Federation of India
9	FEFANA (EU Association of Specialty Feed Ingredients and their Mixtures)
10	Federation of Indian Chambers of Commerce & Industry (FICCI)
11	Indian Chemical Council (ICC)
12	Indian Chemical Society
13	Indian Institute of Chemical Engineers
14	Indian Pharmaceutical Association
15	Indo-Canadian Business Chamber (ICBC)
16	Institute of Applied Manpower Research
17	International Society of Heterocyclic Chemistry
18	International Society of Pharmaceutical Engineering (ISPE) India Affiliate
19	Indian Speciality Chemical Manufacturers' Association (ISCMA)
20	Karnataka Drugs and Pharmaceuticals Manufacturers' Association (KDPMA)
21	Lucknow Management Association
22	Mysore Chamber of Commerce & Industry
23	Nanjangud Industries Association
24	Public Affairs Forum of India (PAFI)
25	Pharmaceuticals Export Promotion Council (Pharmexil)
26	PHD Chambers of Commerce
27	QCFI (Quality Federation of India)
28	The Institution of Engineers (India)
29	US-India Business Council (USIBC)
30	Uttar Pradesh Alcohol based Industries Association (UPABIDA)
31	World Economic Forum

List of Abbreviations

ABBREVIATION	FULL FORM
AIDS	Acquired Immuno Deficiency Syndrome
API	Active Pharmaceutical Ingredients
B2B	Business to Business
BBS	Bahaviour Based Safety
BSE	Bombay Stock Exchange
CBD	Community Based Distribution Network
CCMD	Co-Chairman & Managing Director
CETP	Common Effluent Treatment Plant
CMD	Chairman & Managing Director
CSR	Corporate Social Responsibility
DDDS	Drug Discovery & Development Solutions
EHS	Environment, Health & Safety
EIA	Environmental Impact Assessment
ERP	Enterprise Resource Planning
GHG	Green House Gases
GRI	Global Reporting Initiative
HIV	Human Immunodeficiency Virus
IMR	Infant Mortality Rate
IPR	Intellectual Property Rights
IUCN	International Union for Conservation of Nature
JBF	Jubilant Bhartia Foundation
MDG	Millenium Development Goal
MMR	Maternal Mortality Rate
MT	Metric Tonnes
NSE	National Stock Exchange
NVG	National Voluntary Guidelines
ODS	Ozone Depleting Substances
OHS	Occupational Health & Safety
PM	Particulate Matter
PPE	Personal Protective Equipment
PUC	Pollution Under Control
SCRS	Statutory Compliance Reporting System
SEBI	Securities and Exchange Board of India
SHG	Self Help Group
SO2	Sulphur Dioxide
UNGC	United Nations Global Compact
VOC	Volatile Organic Compound

Assurance Statement

EY
Building a better working world

Ernst & Young LLP
22, Camac Street
5th Floor, Block 'B'
Kolkata-700 016, India

Tel: +91 33 6615 3400
Fax: +91 33 2281 7750
ey.com

The Management and Board of Directors
Jubilant Life Sciences Limited
1-A, Sector 16-A
NOIDA 201301
Uttar Pradesh, India

Independent Assurance Statement

Ernst & Young LLP (EY) was engaged by Jubilant Life Sciences Limited (the 'Company') to provide independent assurance on its Corporate Sustainability Report 2013-14 (the 'Report') covering the Company's sustainability performance during the period 1st April 2013 to 31st March 2014.

The development of the Report based on the Global Reporting Initiative (GRI-G3.1) Guidelines, its content, and presentation is the sole responsibility of the management of the Company. EY's responsibility, as agreed with the management of the Company, is to provide independent assurance on the report content as described in the scope of assurance. Our responsibility in performing our assurance activities is to the management of the Company only and in accordance with the terms of reference agreed with the Company. We do not therefore accept or assume any responsibility for any other purpose or to any other person or organization. Any dependence that any such third party may place on the Report is entirely at its own risk. The assurance report should not be taken as a basis for interpreting the Company's overall performance, except for the aspects mentioned in the scope below.

Assurance standard

Our assurance is in accordance with International Federation of Accountants' International Standard for Assurance Engagements Other than Audits or Reviews of Historical Financial Information (ISAE 3000), and our conclusions are for 'limited' assurance as set out in ISAE 3000.

Scope of assurance and methodology

The scope of our work for this assurance engagement was limited to review of information pertaining to environment, health & safety (EHS) and social performance for the period 1st April 2013 to 31st March 2014. We conducted review and verification of data collection/ measurement methodology and general review of the logic of inclusion/ omission of necessary relevant information/ data and this was limited to:

- Review of consistency of data/information within the report as well as between the report and source;
- Review the level of adherence to GRI G3.1 Guidelines, the reporting framework followed by the Company in preparing the Sustainability Report;
- Execution of an audit trail of claims and data streams, on a selective basis, to determine the level of accuracy in collection, transcription and aggregation. Plants of the Company at Roorkee, Gajraula & Bharuch were visited for this purpose apart from Head/Corporate Office at Noida.
- Review of the Company's plans, policies and practices, pertaining to their social, environment and sustainable development.

Limitations of our engagement

The assurance scope excludes:

- Data and information outside the defined reporting period (1st April 2013 to 31st March 2014);
- Review of the 'economic performance indicators' included in the Report which, we have been informed by the Company, are derived from the Company's audited financial records;
- The Company's statements that describe expression of opinion, belief, inference, aspiration, expectation, aim or future intention.

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Building a better working world

100.

Our assurance team and independence

Our assurance team, comprising of multidisciplinary professionals, was drawn from our Climate Change and Sustainability network, and undertakes similar engagements with various Indian and international companies. As an assurance provider, EY is required to comply with the independence requirements set out in International Federation of Accountants (IFAC) Code of Ethics for Professional Accountants. EY's independence policies and procedures ensure compliance with the Code.

Observations

During our review, we observed that Company has compiled the Report on the basis of GRI-G3.1 Guidelines of the Global Reporting Initiative. It was observed that the data monitoring and calculation methodology for sustainability parameters is fairly robust.

Conclusion

Based on our scope of review and approach, nothing has come to our attention that causes us not to believe that the Report covers a broad range of environment, health & safety (EHS) and social issues that are relevant to the business activities and sustainability performance of the Company.

Ernst & Young LLP

Sudipta Das
Partner

Dated: 17 July 2014
Place: Kolkata

GRI G3.1 Content Index

Application Level		A+	Self- Declared		Assured by	Ernst & Young LLP
Profile Disclosure	Disclosure	Level of reporting	Location of disclosure	For partially reported disclosures, indicate the part not reported	Reason for omission	Explanation for the reason for omission
STANDARD DISCLOSURES PART I: Profile Disclosures						
1. Strategy and Analysis						
1.1	Statement from the most senior decision-maker of the organization.	Fully	5			
1.2	Description of key impacts, risks, and opportunities.	Fully	20			
2. Organisational Profile						
2.1	Name of the organization.	Fully	10			
2.2	Primary brands, products, and/or services.	Fully	10			
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	Fully	11			
2.4	Location of organization's headquarters.	Fully	13			
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	Fully	13			
2.6	Nature of ownership and legal form.	Fully	10,26			
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/ beneficiaries).	Fully	10,15			

Profile Disclosure	Disclosure	Level of reporting	Location of disclosure	For partially reported disclosures, indicate the part not reported	Reason for omission	Explanation for the reason for omission
2.8	Scale of the reporting organization.	Fully	10,34			
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	Fully	11			
2.1	Awards received in the reporting period.	Fully	14			
3. Report Parameters						
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	Fully	11			
3.2	Date of most recent previous report (if any).	Fully	11			
3.3	Reporting cycle (annual, biennial, etc.)	Fully	11			
3.4	Contact point for questions regarding the report or its contents.	Fully	12			
3.5	Process for defining report content.	Fully	11			
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	Fully	11			
3.7	State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope).	Fully	11			
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	Fully	11			

Profile Disclosure	Disclosure	Level of reporting	Location of disclosure	For partially reported disclosures, indicate the part not reported	Reason for omission	Explanation for the reason for omission
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols.	Fully	11			
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/ periods, nature of business, measurement methods).	Fully	12			
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	Fully	11			
3.12	Table identifying the location of the Standard Disclosures in the report.	Fully	77			
3.13	Policy and current practice with regard to seeking external assurance for the report.	Fully	12			
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	Fully	26			

Profile Disclosure	Disclosure	Level of reporting	Location of disclosure	For partially reported disclosures, indicate the part not reported	Reason for omission	Explanation for the reason for omission
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	Fully	27			
4.3	For organizations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/ or non-executive members.	Fully	26			
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	Fully	16			
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	Fully	28			
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	Fully	28			
4.7	Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity.	Fully	26			

Profile Disclosure	Disclosure	Level of reporting	Location of disclosure	For partially reported disclosures, indicate the part not reported	Reason for omission	Explanation for the reason for omission
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	Fully	4, 25, 26, 98			
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	Fully	25			
4.1	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	Fully	25,28			
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	Fully	22			
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	Fully	36,50			

Profile Disclosure	Disclosure	Level of reporting	Location of disclosure	For partially reported disclosures, indicate the part not reported	Reason for omission	Explanation for the reason for omission
4.13	Memberships in associations (such as industry associations) and/or national/ international advocacy organizations in which the organization: * Has positions in governance bodies; * Participates in projects or committees; * Provides substantive funding beyond routine membership dues; or * Views membership as strategic.	Fully	73			
4.14	List of stakeholder groups engaged by the organization.	Fully	15			
4.15	Basis for identification and selection of stakeholders with whom to engage.	Fully	15-19			
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	Fully	15-19			
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	Fully	15-19			

G3.1 DMAs	Disclosure	Level of reporting	Location of disclosure	For partially reported disclosures, indicate the part not reported	Reason for omission	Explanation for the reason for omission	To be reported in
STANDARD DISCLOSURES PART II: Disclosures on Management Approach (DMAs)							
DMA EC	**Disclosure on Management Approach EC**						
Aspects	Economic performance	Fully	34				
	Market presence	Fully	34				
	Indirect economic impacts	Fully	35				
DMA EN	**Disclosure on Management Approach EN**						
Aspects	Materials	Fully	43				
	Energy	Fully	43				
	Water	Fully	46				
	Biodiversity	Fully	41				
	Emissions, effluents and waste	Fully	46-51				
	Products and services	Fully	38				
	Compliance	Fully	29				
	Transport	Fully	39				
	Overall	Fully	40-42				
DMA LA	**Disclosure on Management Approach LA**						
Aspects	Employment	Fully	59				
	Labor/management relations	Fully	58,59				
	Occupational health and safety	Fully	30-33				
	Training and education	Fully	63				
	Diversity and equal opportunity	Fully	65				
	Equal remuneration for women and men	Fully	65				
DMA HR	**Disclosure on Management Approach HR**						
Aspects	Investment and procurement practices	Fully	36,64-67				

G3.1 DMAs	Disclosure	Level of reporting	Location of disclosure	For partially reported disclosures, indicate the part not reported	Reason for omission	Explanation for the reason for omission	To be reported in
	Non-discrimination	Fully	65				
	Freedom of association and collective bargaining	Fully	65				
	Child labor	Fully	66				
	Prevention of forced and compulsory labor	Fully	66				
	Security practices	Fully	66				
	Indigenous rights	Fully	66				
	Assessment	Fully	64-67				
	Remediation	Fully	64-67				
DMA SO	**Disclosure on Management Approach SO**						
Aspects	Local communities	Fully	52-57				
	Corruption	Fully	66				
	Public policy	Fully	67				
	Anti-competitive behaviour	Fully	67				
	Compliance	Fully	67				
DMA PR	**Disclosure on Management Approach PR**						
Aspects	Customer health and safety	Fully	37				
	Product and service labelling	Fully	38				
	Marketing communications	Fully	19, 29				
	Customer privacy	Fully	39				
	Compliance	Fully	39				

Indicator	Disclosure	Level of reporting	Location of disclosure	For partially reported disclosures, indicate the part not reported	Reason for omission	Explanation for the reason for omission	To be reported in
STANDARD DISCLOSURES PART III: Performance Indicators							
Economic performance							
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	Fully	34				
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	Fully	45,50				
EC3	Coverage of the organization's defined benefit plan obligations.	Fully	34,36				
EC4	Significant financial assistance received from government.	Fully	34				
Market presence							
EC5	Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.	Fully	34				
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	Fully	35				
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	Fully	34				

Indicator	Disclosure	Level of reporting	Location of disclosure	For partially reported disclosures, indicate the part not reported	Reason for omission	Explanation for the reason for omission	To be reported in
Indirect economic impacts							
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	Fully	35				
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	Fully	35				
Materials							
EN1	Materials used by weight or volume.	Fully	43				
EN2	Percentage of materials used that are recycled input materials.	Fully	43				
Energy							
EN3	Direct energy consumption by primary energy source.	Fully	43, 44				
EN4	Indirect energy consumption by primary source.	Fully	44				
EN5	Energy saved due to conservation and efficiency improvements.	Fully	44				
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	Fully	43, 44				
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	Fully	43				

Indicator	Disclosure	Level of reporting	Location of disclosure	For partially reported disclosures, indicate the part not reported	Reason for omission	Explanation for the reason for omission	To be reported in
Water							
EN8	Total water withdrawal by source.	Fully	46				
EN9	Water sources significantly affected by withdrawal of water.	Fully	46				
EN10	Percentage and total volume of water recycled and reused.	Fully	46				
Biodiversity							
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	Fully	41				
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	Fully	41				
EN13	Habitats protected or restored.	Fully	41				
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	Fully	41				
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	Fully	41				

Indicator	Disclosure	Level of reporting	Location of disclosure	For partially reported disclosures, indicate the part not reported	Reason for omission	Explanation for the reason for omission	To be reported in
Emissions, effluents and waste							
EN16	Total direct and indirect greenhouse gas emissions by weight.	Fully	50				
EN17	Other relevant indirect greenhouse gas emissions by weight.	Fully	50				
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	Fully	43, 45, 50				
EN19	Emissions of ozone-depleting substances by weight.	Fully	51				
EN20	NOx, SOx, and other significant air emissions by type and weight.	Fully	51				
EN21	Total water discharge by quality and destination.	Fully	46				
EN22	Total weight of waste by type and disposal method.	Fully	48				
EN23	Total number and volume of significant spills.	Fully	46				
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	Fully	49				
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	Fully	46				

Indicator	Disclosure	Level of reporting	Location of disclosure	For partially reported disclosures, indicate the part not reported	Reason for omission	Explanation for the reason for omission	To be reported in
Products and services							
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	Fully	39				
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	Fully	39				
Compliance							
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	Fully	29,39				
Transport							
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	Fully	39				
Overall							
EN30	Total environmental protection expenditures and investments by type.	Fully	40				

Indicator	Disclosure	Level of reporting	Location of disclosure	For partially reported disclosures, indicate the part not reported	Reason for omission	Explanation for the reason for omission	To be reported in
Social: Labor Practices and Decent Work							
Employment							
LA1	Total workforce by employment type, employment contract, and region, broken down by gender.	Partially	58,59,60	Employee age & gender break up not disclosed for 3 North American plants & contract workers of Indian facilities	Not available	Reason for partial reporting explained on page 60 of the report	
LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region.	Fully	61				
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	Fully	60				
LA15	Return to work and retention rates after parental leave, by gender.	Fully	61				
Labor/management relations							
LA4	Percentage of employees covered by collective bargaining agreements.	Fully	62				
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	Fully	62				
Occupational health and safety							
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	Fully	62				

Indicator	Disclosure	Level of reporting	Location of disclosure	For partially reported disclosures, indicate the part not reported	Reason for omission	Explanation for the reason for omission	To be reported in
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region and by gender.	Fully	30, 31				
LA8	Education, training, counselling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	Fully	30				
LA9	Health and safety topics covered in formal agreements with trade unions.	Fully	30				
Training and education							
LA10	Average hours of training per year per employee by gender, and by employee category.	Fully	63				
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	Fully	17				
LA12	Percentage of employees receiving regular performance and career development reviews, by gender.	Fully	59				
Diversity and equal opportunity							
LA13	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	Fully	26, 60				

Indicator	Disclosure	Level of reporting	Location of disclosure	For partially reported disclosures, indicate the part not reported	Reason for omission	Explanation for the reason for omission	To be reported in
Equal remuneration for women and men							
LA14	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.	Fully	65				
Investment and procurement practices							
HR1	Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening.	Fully	36				
HR2	Percentage of significant suppliers, contractors and other business partners that have undergone human rights screening, and actions taken.	Fully	36				
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	Fully	64				
Non-discrimination							
HR4	Total number of incidents of discrimination and corrective actions taken.	Fully	65				

Indicator	Disclosure	Level of reporting	Location of disclosure	For partially reported disclosures, indicate the part not reported	Reason for omission	Explanation for the reason for omission	To be reported in
Freedom of association and collective bargaining							
HR5	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights.	Fully	65				
Child labor							
HR6	Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.	Fully	66				
Prevention of forced and compulsory labor							
HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor.	Fully	66				
Security practices							
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	Fully	66				
Indigenous rights							
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	Fully	66				

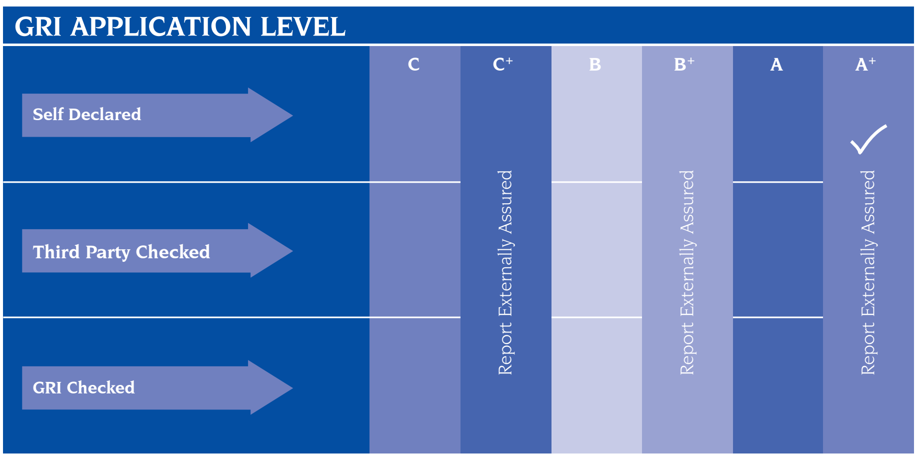
Indicator	Disclosure	Level of reporting	Location of disclosure	For partially reported disclosures, indicate the part not reported	Reason for omission	Explanation for the reason for omission	To be reported in
Assessment							
HR10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments.	Fully	64				
Remediation							
HR11	Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms.	Fully	66, 67				
Social: Society							
Local communities							
SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs.	Fully	18				
SO9	Operations with significant potential or actual negative impacts on local communities.	Fully	18,52				
SO10	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.	Fully	18				

Indicator	Disclosure	Level of reporting	Location of disclosure	For partially reported disclosures, indicate the part not reported	Reason for omission	Explanation for the reason for omission	To be reported in
Corruption							
SO2	Percentage and total number of business units analyzed for risks related to corruption.	Fully	66				
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.	Fully	64				
SO4	Actions taken in response to incidents of corruption.	Fully	67				
Public policy							
SO5	Public policy positions and participation in public policy development and lobbying.	Fully	67				
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	Fully	67				
Anti-competitive behavior							
SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	Fully	67				
Compliance							
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	Fully	67				

Indicator	Disclosure	Level of reporting	Location of disclosure	For partially reported disclosures, indicate the part not reported	Reason for omission	Explanation for the reason for omission	To be reported in
Social: Product Responsibility							
Customer health and safety							
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	Fully	37-39				
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	Fully	38, 39				
Product and service labelling							
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	Fully	38, 39				
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	Fully	29				
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	Fully	39				

Indicator	Disclosure	Level of reporting	Location of disclosure	For partially reported disclosures, indicate the part not reported	Reason for omission	Explanation for the reason for omission	To be reported in
Marketing communications							
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	Fully	19				
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	Fully	29				
Customer privacy							
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	Fully	39				
Compliance							
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	Fully	29				

GRI G3.1 A+ LEVEL THIRD PARTY ASSURED




JUBILANT LIFESCIENCES

GREEN SUPPLY CHAIN POLICY

Shyam Bang
Executive Director


JUBILANT LIFESCIENCES

ENVIRONMENT, HEALTH AND SAFETY POLICY

Shyam Bang
Executive Director


JUBILANT LIFESCIENCES

CLIMATE CHANGE MITIGATION POLICY

Shyam S Bhartia
Chairman & Managing Director

Hari S Bhartia
Co-Chairman & Managing Director


JUBILANT LIFESCIENCES

SUSTAINABILITY MISSION

Jubilant Life Sciences Limited is committed to **Sustainability** and considers environmental protection, accountability, transparency and inclusiveness as the facets to Sustainable Development.

As a responsible corporate citizen the company is constantly engaged in delivering value to its stakeholders through its promise of **Caring, Sharing & Growing.**

Shyam S Bhartia
Chairman & Managing Director

Hari S Bhartia
Co-Chairman & Managing Director


JUBILANT LIFESCIENCES

GREEN SUPPLY CHAIN POLICY

Shyam Bang
Executive Director

JUBILANT
LIFESCIENCES

Jubilant Life Sciences Limited

Registered Office:
Bhartiagram, Gajraula, Distt. Amroha - 244 223,
Uttar Pradesh, India

Corporate Office:
1A, Sector 16A, Noida - 201 301,
Uttar Pradesh, India
www.jubl.com

FORM A

Format of covering letter of the annual audit report to be filed with stock exchanges.

1.	Name of the Company	Jubilant Life Sciences Limited
2.	Annual financial statements for the year ended	31st March, 2014
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Not applicable
5.	Signed by: Chairman & Managing Director Executive Director – Finance B S R & Co., LLP., Statutory Auditors Chairman, Audit Committee Place: Noida Date: 26-05-2014	Shyam S. Bhartia R.Sankaraiah Partner AKHIL BANSAL S.Sridhar