

B S R & Co. LLP

Chartered Accountants

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

Telephone: + 91 124 2549 191
Fax: + 91 124 2549 101

Review Report to the Board of Directors of Jubilant Life Sciences Limited

1. We have reviewed the accompanying Statement of Unaudited Standalone Results (“the financial results”) of Jubilant Life Sciences Limited (“the Company”) for the quarter ended 30 June 2014, attached herewith, being submitted by the Company pursuant to the requirement of Clause 41 of the Listing Agreement issued by the Securities and Exchange Board of India (“Listing Agreement”) except for the disclosures regarding “Public Shareholding” and “Promoter and Promoter Group Shareholding”, which have been traced from the disclosures made by the management and have not been reviewed by us. These financial results are the responsibility of the Company’s management and have been approved by the Board of Directors on 5 August 2014. Our responsibility is to issue a report on these financial results, based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”, issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial results are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying financial results, prepared in accordance with applicable accounting standards and other recognised accounting practices and policies, has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For B S R & Co. LLP

Chartered Accountants

ICAI Firm Registration No: 101248W/W-100022



Akhil Bansal

Partner

Membership No.: 090906

Place: Noida

Date: 5 August 2014

Jubilant Life Sciences Limited

Regd. Office: Bhartiagram, Gajraula, Distt. Amroha-244 223 (U.P.)

CIN:L24116UP1978PLC004624

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Statement of Unaudited Standalone Results for the Quarter ended 30 June 2014

(₹ in Lacs)

Sr. No.	Particulars	Quarter Ended			Year Ended
		30 June	31 March	30 June	31 March
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
		2014	2014	2013	2014
	PART I				
1	Income from operations				
	(a) Net sales/Income from operations (Net of excise duty)	102601	95992	81258	362751
	(b) Other operating income	1023	1093	1098	4528
	Total income from operations (net)	103624	97085	82356	367279
2	Expenses				
	a) Cost of materials consumed	53034	47410	41312	183305
	b) Purchase of stock in trade	5633	4331	4443	17402
	c) Change in inventories of finished goods, work-in-progress and stock-in-trade	1032	3864	(395)	(2121)
	d) Power and fuel expense	9253	8705	8599	36017
	e) Employee benefits expense	7970	7968	6646	29823
	f) Depreciation and amortization expense (Refer note 4 below)	4128	4420	4254	17529
	g) Other expenses	13244	13108	9776	44683
	Total expenses	94294	89806	74635	326638
3	Profit/(Loss) from operations before other income, finance costs and exceptional items (1-2)	9330	7279	7721	40641
4	Other income	767	811	766	2988
5	Profit/(Loss) from ordinary activities before finance costs and exceptional items (3+4)	10097	8090	8487	43629
6	Finance costs (Refer note 5 below)	6314	6383	6968	27759
7	Profit/(Loss) from ordinary activities after finance costs but before exceptional items (5-6)	3783	1707	1519	15870
8	Exceptional items (Refer note 6 below)	(15294)	(3194)	11684	22686
9	Profit/(Loss) from ordinary activities before tax (7-8)	19077	4901	(10165)	(6816)
10	Tax expense (Net)	(1295)	2825	423	(6898)
11	Net Profit/(Loss) from ordinary activities after tax (9-10)	20372	2076	(10588)	82
12	Extraordinary items (net of tax expenses)	-	-	-	-
13	Net Profit/(Loss) for the period (11-12)	20372	2076	(10588)	82
14	Paid-up equity share capital (Face value per share ₹ 1)	1593	1593	1593	1593
15	Reserves (excluding revaluation reserve)				171731
16	Earnings per share of ₹ 1 each before and after extraordinary items (Not annualized)				
	Basic (₹)	12.79	1.30	(6.65)	0.05
	Diluted (₹)	12.79	1.30	(6.65)	0.05
	PART II				
A	PARTICULARS OF SHAREHOLDING				
1	Public shareholding				
	- Number of shares (₹ 1 each)	73230083	73230083	81166083	73230083
	- Percentage of shareholding	45.98	45.98	50.96	45.98
2	Promoters and promoter group shareholding				
	a) Pledged/Encumbered				
	- Number of shares (₹ 1 each)	9700000	-	-	-
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	11.27	-	-	-
	- Percentage of shares (as a % of the total share capital of the company)	6.09	-	-	-
	b) Non-Encumbered				
	- Number of shares (₹ 1 each)	76351056	86051056	78115056	86051056
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	88.73	100.00	100.00	100.00
	- Percentage of shares (as a % of the total share capital of the company)	47.93	54.02	49.04	54.02
B	Investor Complaints				
	Pending at the beginning of the quarter	Nil			
	Received during the quarter	2			
	Disposed off during the quarter	2			



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Jubilant Life Sciences Limited

Note 1: Unaudited Standalone Segment wise Revenue, Results and Capital Employed for the Quarter ended 30 June 2014

(₹ in Lacs)

Sr. No.	Particulars	Quarter Ended			Year Ended
		30 June	31 March	30 June	31 March
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
		2014	2014	2013	2014
1	Segment revenue				
	a. Pharmaceuticals*	20200	20235	19125	81107
	b. Life Sciences Ingredients	83516	76944	63334	286529
	Total	103716	97179	82459	367636
	Less : Inter segment revenue	92	94	103	357
	Net Sales/Income from operations	103624	97085	82356	367279
	a. Pharmaceuticals*	20200	20235	19125	81107
	b. Life Sciences Ingredients	83424	76850	63231	286172
	Total	103624	97085	82356	367279
2	Segment results (profit+)/loss(-) before tax and interest from each segment)				
	a. Pharmaceuticals*	1575	2685	3549	18535
	b. Life Sciences Ingredients	10260	6531	6379	31191
	Total	11835	9216	9928	49726
	Less : i Interest (Finance costs)	6314	6383	6968	27759
	ii. Other un-allocable expenditure (including exceptional items)	3719	(1257)	13891	31771
	iii. Un-allocable Income	(17275)	(811)	(766)	(2988)
	Total Profit/(Loss) before tax	19077	4901	(10165)	(6816)
3	Capital Employed (Segment assets less Segment liabilities)				
	a. Pharmaceuticals	102947	109067	103118	109067
	b. Life Sciences Ingredients	182354	163023	199811	163023
	Total capital employed in segments	285301	272090	302929	272090
	Add: Un-allocable corporate assets less liabilities	224595	249922	226012	249922
	Total capital employed	509896	522012	528941	522012

* Refer note 2



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2. In order to complete the Pharma consolidation as approved by the Board, under its wholly owned subsidiary Jubilant Pharma Limited, Singapore (JPL), the Company has taken following action during the quarter:

(i) Shares held by it in Jubilant Pharma Holdings Inc, USA and Jubilant Pharma NV, Belgium were transferred to Jubilant Generics Limited (JGL), a wholly owned Indian subsidiary of JPL for a consideration of ₹ 21580 lacs (net of debts of ₹ 18970 lacs) on 29 May 2014 and the profit on sale of such shares amounting to ₹ 16508 lacs has been classified under exceptional items.

(ii) The Company also entered into a Business Transfer Agreement (BTA) with JGL on 20 June 2014, for transfer of its Active Pharmaceutical Ingredients and Dosage Forms business by way of a slump sale on going concern basis for a lump sum consideration of ₹ 92930 lacs (net of debts of ₹ 39230 lacs) with effect from 1 July 2014.

Accordingly, the Active Pharmaceutical Ingredients and Dosage Forms business of the Company has been treated as discontinuing operations for the purpose of these financial results. The required relevant information for these discontinuing operations for all periods presented is as below:

Particulars	Quarter Ended			Year Ended
	30 June	31 March	30 June	31 March
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	2014	2014	2013	2014
Total Revenue	20071	20294	19012	80821
Total Expenditure	19134	18576	17259	69869
Profit Before Tax	937	1718	1753	10952
Tax Expense	229	247	252	1573
Profit After Tax	708	1471	1501	9379

3. During the current quarter, the Company discontinued hedge accounting applied in respect of certain foreign currency transactions including forward contracts under Accounting Standard (AS) 30 "Financial Instruments: Recognition and Measurement" and the financial impact of the same is insignificant on the profit for the quarter.

4. Pursuant to Companies Act, 2013 ('the Act') being effective from 1 April 2014, the Company has revised depreciation rates on fixed assets as per the useful life specified in Part 'C' of Schedule II of the Act. As a result of this change, the depreciation charge for the quarter ended 30 June 2014 is lower by ₹ 366 lacs.

5. Finance costs includes exchange difference arising from foreign currency short-term borrowings regarded as an adjustment to interest costs as per AS 16 "Borrowing Costs", and is gross of credit on the swap contracts as under:

Particulars	Quarter Ended			Year Ended
	30 June	31 March	30 June	31 March
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	2014	2014	2013	2014
Finance costs net of credit on swap contracts	4866	5363	5386	21517
Add: foreign exchange differences and credit on swap contracts	1448	1020	1582	6242
Gross finance costs	6314	6383	6968	27759

6. Exceptional items for each period presented includes:

i) Amortization of debit balance in Foreign Currency Monetary Items Translation Difference Account (FCMITDA) of ₹ 2435 lacs, ₹ 1037 lacs, ₹ 2551 lacs, and ₹ 10002 lacs for the quarters ended 30 June 2014, 31 March 2014, 30 June 2013; and year ended 31 March 2014; respectively, representing exchange difference on long-term foreign currency monetary liabilities which has been used for the purpose other than acquiring fixed assets.

ii) The remaining amount of exceptional items, other than profit on sale of investments as mentioned in note 2, for all periods presented primarily represents foreign exchange difference for the period (excluding portion included in finance cost) and mark to market gain/ loss (net of related contractual recoveries) in respect of forward contracts, currency and interest rate swap contracts.

7. Previous periods figures have been reclassified to conform to the current period's classification.

8. The above unaudited results were, subjected to limited review by the Statutory Auditors of the Company, reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 5 August 2014. The figures for the preceding quarter ended 31 March 2014, as reported in these financial results, are the balancing figures between audited figures in respect of the full financial year ended 31 March 2014 and the published year to date figures upto the end of third quarter of the financial year. Also, the figures upto the end of the third quarter of the financial year were only reviewed and not subjected to audit. The review report of the Statutory Auditors is being filed with the Bombay Stock Exchange and National Stock Exchange and is also available on the Company's website at www.jubl.com.



Place : Noida
Date : 5 August 2014

For Jubilant Life Sciences Limited

Shyam S Bhartia
Chairman & Managing Director