JUBILANT LIFESCIENCES




Fuelling Pharmaceutical Growth

Annual Report 2016-17

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

Contents

Board of **Directors**

Shyam S Bhartia
Chairman

Hari S Bhartia
Co-Chairman and
Managing Director

Sudha Pillai
Director

Dr. Ashok Misra
Director

Sushil Kumar Roongta
Director

S Sridhar
Director

Vivek Mehra
Director

Pramod Yadav
Whole-time Director

Priyavrat Bhartia
Director

Arjun Shanker Bhartia
Director

Senior **Leadership Team**

Shyam S Bhartia
Chairman

Hari S Bhartia
Co-Chairman and
Managing Director

R Sankaraiah
Executive Director
Finance

Dr. Ashutosh Agarwal
Chief Scientific Officer

Ajay Khanna
Group Ombudsman
and Chief Strategic
& Public Affairs

Dr. Raju Mistry
Chief
Human Resources
Officer

Dr. Rajesh Kapoor
Chief of Quality

Siddhartha Pahwa
Chief of Supply Chain

GP Singh
CEO
Jubilant Pharma

Pramod Yadav
Co-CEO
Life Science Ingredients

Rajesh Srivastava
Co-CEO
Life Science Ingredients

Steven Hutchins
President
Drug Discovery Solutions

Chairmen's **Message**

Shyam S Bhartia
Chairman

Hari S Bhartia
Co-Chairman and Managing Director

Dear Fellow Shareholders,

We are pleased to announce that the Company has reported highest ever revenue and profits in FY 2017. The differentiated business model focusing on Specialty Pharmaceuticals - Injectables has enabled us to deliver exceptional results and build a strong base for growth in Pharmaceuticals. The Company has generated strong operating cash flow, which enabled reduction of debt and is expected to deliver better results going forward. Our focus is to strengthen the balance sheet, invest in strategic opportunities without increasing debt levels and build strong pipeline or products across our businesses.

India continues to be the fastest growing economy globally and is expected to grow by 7.2% in FY 2017- 18 as per projections of the International Monetary Fund. This growth is expected to further accelerate to above 8% in the medium term due to implementation of structural reforms, including the transformative GST regime under the current government.

According to Evaluate Pharma, the global pharmaceuticals market is expected to grow at 6.3% Compound Annual Growth Rate (CAGR) to US$ 1.12 trillion by 2022. The growth of complex therapeutic areas is projected to outpace the growth of the overall pharmaceutical market, emphasising the importance of increased R&D in the value chain. Global agriculture, on the other hand, has faced some challenges in the last few years but is likely to see a better demand this year for crop protection chemicals in terms of volume as per a report by Federation of Indian Chambers of Commerce and Industry (FICCI).

Business Objectives

We are an integrated global pharmaceutical and life sciences Company present across the entire pharmaceutical value chain and take pride in our positioning as one-stop-shop in the global pharmaceutical and life sciences industry, supplying products and services to customers in over 100 countries. Our diversified businesses are segmented in three major verticals namely Pharmaceuticals, Life Science Ingredients and Drug Discovery Solutions. Each of these segments is professionally managed by its separate management teams headed by respective CEOs. As a responsible corporate citizen, we are committed to safeguarding the environment and maintaining a triple bottom line approach of sustainability through delivering a high social, environmental and economic performance.

The Pharmaceuticals segment is engaged in manufacture and supply of APIs, Solid Dosage Formulations, Radiopharmaceuticals, Allergy Therapy Products and Contract Manufacturing of Sterile and Non Sterile products through 6 US FDA approved facilities in India, US and Canada. Our success in this segment is based on several key strengths including an innovative product portfolio in specialty injectables with high entry barriers and limited competition, strong R&D capabilities to back a differentiated pipeline of products, global competitive edge due to low cost from vertically integrated operations, market leadership in key products and business segments, de-risked business model with low concentration risk and a consistent track record of regulatory approvals. As of March 31, 2017, the Company has a total of 922 filings across geographies. Of this, 710 filings have been approved while 212 filings are pending approval.

The Life Science Ingredients segment is engaged in Specialty Intermediates, Nutritional Products and Life Science Chemicals through 5 manufacturing facilities in India. In this segment, our strength lies in our integrated business model, strong capabilities in chemistry, low cost of manufacturing through best in class processes and leadership position in key products on a global level.

The Drug Discovery Solutions segment provides proprietary in-house innovation for out-licensing purposes and collaborative research and partnership for Drug Discovery through 3 world class research centers in India and US.

Performance Review

Our strong performance continued in FY 2017 and the Company reported highest ever revenue and profits during the year. The differentiated business model focusing on Specialty Pharmaceuticals - Injectables has enabled us to deliver exceptional results and build a strong base for growth going forward in our Pharmaceuticals business. The Company has generated strong operating cash flow which enabled reduction of debt and is expected to deliver better results going forward. Our focus is to strengthen the Balance Sheet, invest in strategic opportunities without increasing debt levels and build strong pipeline of products across our businesses.

Total Revenue from Operations was the highest ever at ₹ 60,063 million, up 2% Year-on-Year (YoY), with International revenue at ₹ 42,468 million, contributing 71% of the total revenue. Pharmaceuticals revenues were at ₹ 31,167 million, up 8% YoY and contributing 52% to the revenues. Within this segment, Specialty Pharmaceuticals - Injectables displayed a growth of 11% YoY. As emphasised earlier, this growth is a testimony to our strategy and the business model wherein we have been able to build multiple levers of exciting and differentiated businesses which have helped the business deliver robust performance. This has been aptly demonstrated in the consistent growth witnessed in Specialty Pharmaceuticals - Injectables despite strong headwinds in the US Generics business from supply chain consolidation. Life Science Ingredients revenue stood at ₹ 27,076 million and contributed 45% to the revenue. Drug Discovery Solutions revenue improved 45% YoY to ₹ 1,820 million contributing 3% of the revenue.

Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) was 9% higher YoY at record ₹ 13,701 million, translating to margin improvement of 143 basis points at 22.8% as against 21.4% in FY 2016. This was led by the Pharmaceuticals segment which reported EBITDA of ₹ 9,751 million, a growth of 9% YoY with a margin of 31.3% as against the margin of 30.9% achieved last year. The Pharmaceuticals segment now contributes about 68% to the overall EBITDA.

Life Science Ingredients reported EBITDA of ₹ 4,338 million translating to EBITDA margin of 16%, an improvement from 15% in FY 2016. Drug Discovery Solutions EBITDA was at ₹ 258 million translating to EBITDA margin of 14.2%. Depreciation and amortisation in FY 2017 was at ₹ 2,914 million as compared to ₹ 3,467 million in FY 2016. Finance cost stood at ₹ 3,411 million, lower by 8% YoY.

Net profit improved by 47% YoY at ₹ 5,756 million as compared to 3,918 million in FY 2016 with an Earning Per Share (EPS) of ₹ 36.93 as compared to ₹ 25.10 in FY 2016.

From a balance sheet perspective, In FY 2017 the Company repaid ₹ 5,056 million of debt and the net debt stood at ₹ 36,844 million on a constant currency basis.

During the year, Jubilant Pharma Limited (JPL), Singapore, a material wholly owned subsidiary of the Company, raised US$ 300 million of unsecured high yield bonds. In addition, Jubilant Life Sciences Limited (JLL) also raised ₹ 4950 million through non-convertible debentures during the year. The net proceeds of the funds raised have primarily been used to refinance the existing debt of the Company.

Dividend

The Board has proposed a dividend of 300% per equity share of Re. 1 face value for the year which will result in a cash outgo of ₹ 575 million including tax.

Outlook

Jubilant Pharma Limited, through one of its wholly owned subsidiaries, has signed an Asset Purchase Agreement with Triad Isotopes Inc. and its parent, Isotope Holdings, Inc. ("Triad") to acquire substantially all of the assets which comprise the radiopharmacy business of Triad. The closing of the transaction is subject to customary closing conditions, including contract, regulatory and other approvals. The acquisition will be funded through JPL's internal accruals and is likely to be earnings accretive. Triad recorded revenues in excess of US$ 225 million in CY 2016 with positive EBITDA and operates the second largest radio pharmacy network in the US.

JPL has resolved that it will evaluate the option of fund raising through an Initial Public Offerings (IPO) by listing in an international stock exchange, including Singapore, in order to strengthen the balance sheet of JPL with a dilution of not more than 15% of equity.

We expect continued robust growth going forward, led by momentum in Specialty Pharmaceuticals - Injectables and Life Science Ingredients. In FY 2018, improvement in revenues and profitability is expected.

Revenue growth in Pharmaceuticals segment is expected on account of growth in existing portfolio of products, new product launches, and ramp up of operations in CMO of Sterile Injectables and Allergy Therapy Products. We expect new product launches and capacity expansions to drive growth in Generics vertical. In the Life Science Ingredients segment, performance is expected to improve on account of better demand, strong price environment, capacity expansion and launch of new products. In the Drug Discovery Solutions segment the growth will be led by addition of new customers and milestone revenues from existing and new out-licensing opportunities. We will continue with our endeavours to reduce debt and to improve key financial ratios.

Conclusion

We would like to conclude by thanking all our valued stakeholders, including our customers, vendors, bankers and shareholders for continuing their support and upholding their confidence and trust in us. We would like to welcome Mr. Pramod Yadav, Mr. Sushil Kumar Roongta, Mr. Vivek Mehra, Mr. Priyavrat Bhartia and Mr. Arjun Bhartia on our Board. We would like to thank Mr. Shyamsundar Bang, who resigned from our Board after superannuation, for his invaluable contribution. We are also deeply grateful to all our employees across geographies for their contribution and sincere commitment to taking this organisation to greater heights.

Wishing you all Very Best for the coming year!

Shyam S. Bhartia

Shyam S Bhartia
Chairman

Hari S. Bhartia

Hari S Bhartia
Co-Chairman and Managing Director

June 15, 2017

Management Discussion & Analysis

Cautionary Statement

Statements in the annual report, particularly those which relate to management discussion & analysis, describing the Company's objectives, projections, estimates and expectations, may constitute forward looking statements within the meaning of applicable laws and regulations. Although the expectations are based on reasonable assumptions, the actual results might differ significantly.

Key Economic and Industry Trends

India's economy has grown at a strong pace in recent years owing to the implementation of critical structural reforms, tepid inflation, lower fiscal deficit and improving trade scenario. This has been augmented by a favorable external environment.

According to a report by Evaluate Pharma, the global pharmaceuticals market is expected to reach US$ 1.12 trillion in 2022. The pharmaceuticals industry globally is likely to grow at 6.3% Compound Annual Growth Rate (CAGR) through 2022. Generics sales are expected to hit US$ 115 billion in 2022, and constitute 10.2% of prescription sales.

According to a report by Persistence Market Research, the global sterile injectable drugs market is expected to achieve the revenues worth US$ 657 billion by the end of 2024, with a CAGR of more than 7% over 2016-2024.

India enjoys a vital position in the global pharmaceuticals industry. According to a report by India Brand Equity Foundation, India is the largest provider of generic drugs globally with Indian generics accounting for around 20% of global exports.

According to a report by Federation of Indian Chambers of Commerce and Industry, the Indian crop protection chemicals industry is estimated to reach at US$ 4.4 billion in FY 2019 with a CAGR of 5%, with exports contributing to about 53% of the total value. The personal care ingredients market is valued at US$ 17.33 billion by 2022 at a CAGR of 4.3% as per markets and markets report. The global animal nutrition market is estimated to grow at a rate of 5.4% to reach US$18.9 billion by 2020 as per Industry arc report.

Our Business Strategy

The core business strategy is to grow the Company as an integrated global pharmaceutical and life sciences company with a global footprint.

Our business is classified into three broad segments:

1. Pharmaceuticals
2. Life Science Ingredients
3. Drug Discovery Solutions

In Pharmaceuticals, we have a unique business model focused on international markets, primarily in the US, with multiple products across generics and niche Specialty Pharmaceuticals - Injectables. This has helped us evolve as a unique pharmaceuticals company with a superior margin profile: Following are our key strengths in this segment

- **Strength in North America –** Majority of the revenues come from the US which is the largest pharmaceuticals market in the world. The Company has consistently demonstrated its superior profitability and has valuable manufacturing assets in North America.
- **De-risked Business Model –** The Company has a diversified business model with market position across Generics, where the Company leverages its low-cost India advantage and Specialty Pharmaceuticals - Injectables where it has leadership positions in stable, niche specialty segments which have high entry barriers. In addition, a diversified customer base, product lines and product sourcing minimise risk of any product or geography.
- **Integrated business model –** The Company enjoys robust vertical integration in operations through its various businesses, helping it draw cost advantages and resulting in better overall control on operations and superior margin performance. The Active Pharmaceutical Ingredients (APIs) from our manufacturing facilities are used as input formulations in the Solid Dosage Formulations business. The CMO business manufactures some of our key Radiopharmaceuticals products. We plan to leverage our CMO business for filing new products in injectables and oral liquid areas. The strong R&D capabilities aid in product launches across Solid Dosage Formulations, Radiopharmaceuticals and Allergy Therapy Products.

- **Robust R&D Competencies –** The Company has strong R&D capabilities and invests in new products having complex and niche product filings in Generics and Specialty Pharmaceuticals - Injectables.
- **Distinct Global Competences –** The Company leverages several capabilities from sourcing raw materials, to manufacturing, to channel partners and distribution. It has invested technological capabilities in manufacturing of APIs, oral solids as well as injectables. In the key market of North America, the Company has built a strong relationship with retailers, wholesalers, doctors, radiopharmacies & large pharmaceutical companies. In markets of Rest of the World (RoW), the Company has built business-to-business partnerships in multiple markets and has a successful front-end presence in Europe.

In the Life Science Ingredients segment, our Company has built global scale and has global leadership in our chosen lines of business. Following are our key strengths in this segment:

- **Leadership positions in key products –** The Company is a global leader in Pyridine and its derivatives (Fine Ingredients), Vitamin B3, Acetic Anhydride and Ethyl Acetate.
- **Strong R&D ethos –** This segment too enjoys strong R&D capabilities which help us develop superior processes and catalysts resulting in a strong pipeline of Specialty Ingredients products.
- **Longstanding client relationships –** The Company has strong and established business relationship with clients across Pharmaceuticals, Personal Care, Agrochemicals, Nutrition and Specialty Ingredients industries.
- **Optimal utilisation of resources –** We have undertaken strategic initiatives to increase capacity utilisation of our multipurpose plants by retrofitting and debottlenecking existing plants. In addition, six sigma and lean initiatives program will continue to further improve our operations with focus on reducing costs and improving yields.
- **Integrated Value Chain –** Vertical integration across the value chain enables cost competitive advantage. Intermediates produced by our Ethanol business are used as feedstock by downstream business units and similarly Advance Intermediates products like Pyridine and Beta Picoline are used by Fine Ingredients, Crop Science Ingredients and Vitamins businesses.

In Drug Discovery Solutions, the business model is to have a partnership and collaborative model, proprietary in-house innovation with intent to out-license molecules and strategic investments in venture funds investing in early stage discovery companies.

The Company has reported highest ever revenue and profits in FY 2017. The differentiated business model focusing on Specialty Pharmaceuticals - Injectables has enabled us to deliver exceptional results and build a strong base for growth in our Pharmaceuticals segment. The Company has generated strong operating cash flow, which enabled reduction of debt and is expected to deliver better results going forward. Our focus is to strengthen the balance sheet, invest in strategic opportunities without increasing debt levels and build strong pipeline or products across businesses.

Financials

Consolidated Income Statement

Consolidated Income Statement (₹ Mn)	FY 2016	FY 2017	% Growth
Total Revenue from Operations	**58,933**	**60,063**	**2%**
Other Income	**134**	**249**	**86%**
Total Income	59,067	60,312	2%
Material Cost	21,175	19,995	-6%
Excise Duty on Sales	1,442	1,449	0%
Power and Fuel Cost	3,667	3,337	-9%
Employee Cost	11,251	12,309	9%
Other Expenditure	8,929	9,521	7%
Earnings Before Interest, Taxes, Depreciation and Amortisation	**12,603**	**13,701**	**9%**
Depreciation	3,467	2,914	-16%
Finance Cost	3,714	3,411	-8%
Profit Before Tax and Exceptional Items	**5,422**	**7,376**	**36%**
Tax Expenses	1,554	1,630	5%
Minority Interest	-50	-10	
Profit After Tax	**3,918**	**5,756**	**47%**

> Total Revenue from Operations during the year stood at ₹ 60,063 million as compared to ₹ 58,933 million in FY 2016

Revenue

Total Revenue from Operations during the year stood at ₹ 60,063 million as compared to ₹ 58,933 million in FY 2016. Revenue from Pharmaceuticals segment grew 8% YoY at ₹ 31,167 million and contributing 52% to overall revenue. Revenue from Life Science Ingredients segment stood at ₹ 27,076 million in the year contributing 45% of the total revenue. Revenue from Drug Discovery Solutions segment stood at ₹ 1,820 million in the year, growing 45% YoY and contributing 3% to the total revenues.

Total Expenditure

Total expenditure stood at ₹ 46,611 million in the fiscal year ended March 31, 2017 from ₹ 46,464 million in the fiscal year ended March 31, 2016. Materials cost decreased by 6% to ₹ 19,995 million in the fiscal year ended March 31, 2017 from ₹ 21,175 million in the fiscal year ended March 31, 2016, primarily due to better operational efficiencies, price realisations, lower input prices and sales mix. Power and Fuel cost decreased 9% to ₹ 3,337 million from ₹ 3,667 million, mainly due to operational efficiency and lower energy costs. Employee benefit expenses increased marginally to ₹ 12,309 million in the fiscal year ended March 31, 2017 from ₹ 11,251 million in the fiscal year ended March 31, 2016. Other expenses stood at ₹ 9,521 million during the year, increasing 7% from ₹ 8,929 million in FY 2016.

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

The overall EBITDA in FY 2017 grew by 9% YoY to ₹ 13,701 million translating to EBITDA margin of 22.8%. The EBITDA of Pharmaceuticals segment grew 9% YoY to ₹ 9,751 million as against ₹ 8,920 million in FY 2016 with margins of 31.3% as against 30.9% in FY 2016. The EBITDA for Life Science Ingredients segment stood at ₹ 4,338 million as compared to ₹ 4,332 million in FY 2016, translating to EBITDA margin of 16% compared to 15% in FY 2016. Drug Discovery Solutions EBITDA stood at ₹ 258 million as compared to ₹ 16 million in FY 2016, translating to EBITDA margins of 14.2%.

Finance Cost and Depreciation

The depreciation and amortisation in FY 2017 stood at ₹ 2,914 million compared to ₹ 3,467 million in FY 2016. The finance cost in FY 2017 stood at ₹ 3,411 million as against ₹ 3,714 million in the corresponding period last year. The blended interest rate for the borrowing stood at 6.8% with the rupee rate of borrowing at 8.8% and the foreign currency borrowing at 5.9%.

Profit Before Tax

Profit Before Tax for the fiscal year ended March 31, 2017 stood at ₹ 7,376 million.

Tax Expenses

Tax Expenses stood at ₹ 1,630 million in the fiscal year ended March 31, 2017 from ₹ 1,554 million in the fiscal year ended March 31, 2016. The tax rate for the year stood at 22.1%.

Profit After Tax

The Profit After Tax stood at ₹ 5,756 million with an Earnings Per Share (EPS) of ₹ 36.93 per equity share of ₹ 1 each.

Indebtedness

During the year, the Company has generated net cash of ₹ 5,056 million which has been used to reduce the debt level to ₹ 36,844 million on a constant currency basis as against ₹ 41,900 million as on March 31, 2016. The net debt stood at ₹ 36,248 million on March 31, 2017 compared to ₹ 41,900 million as on March 31, 2016.

Review of Operations

Our operations comprise of products and services across Pharmaceuticals, Life Science Ingredients and Drug Discovery Solutions segments.

1. Our **Pharmaceuticals** segment includes following businesses
   - **(i) Specialty Pharmaceuticals – Injectables,** comprising Radiopharmaceuticals, Contract Manufacturing of Sterile Injectables and Allergy Therapy Products
   - **(ii) Generics,** comprising Solid Dosage Formulations, Active Pharmaceutical Ingredients (APIs) and India Branded Pharmaceuticals
2. **Life Science Ingredients** segment includes following businesses
   - **(i) Specialty Intermediates and Nutritional Products**
   - **(ii) Life Science Chemicals**
3. **Drug Discovery Solutions** segment provides proprietary in-house innovation and collaborative research and partnership for out-licensing through 3 world class research centers in India and the US.

Segmental Revenue Analysis	Revenue (₹ millions)		Revenue Mix (%)	YoY Growth %
	FY 2016	FY 2017		
Pharmaceuticals	28,850	31,167	52%	8%
Specialty Pharmaceuticals - Injectables	**14,861**	**16,558**	**28%**	**11%**
Radiopharmaceuticals	7,129	8,164	14%	15%
CMO of Sterile Injectables	5,696	5,950	10%	4%
Allergy Therapy Products	2036	2444	4%	20%
Generics	**13,989**	**14,609**	**24%**	**4%**
Solid Dosage Formulations	7,974	8,140	14%	2%
Active Pharmaceutical Ingredients	5,889	6,289	10%	7%
India Branded Pharmaceuticals	125	180	0%	44%
Life Science Ingredients	**28,824**	**27,076**	**45%**	**-6%**
Specialty Intermediates and Nutritional Products	**15,899**	**13,988**	**23%**	**-12%**
Specialty Intermediates	10,952	9,367	16%	-14%
Nutritional Products	4,947	4,621	8%	-7%
Life Science Chemicals	**12,925**	**13,088**	**22%**	**1%**
Drug Discovery Solutions	**1259**	**1820**	**3%**	**45%**
Total Revenue Operations	**58,933**	**60,063**	**100%**	**2%**

PHARMACEUTICALS SEGMENT

The Pharmaceuticals segment is engaged in manufacture and supply of Radiopharmaceuticals, Allergy Therapy Products, Solid Dosage Formulations, APIs and Contract Manufacturing of Sterile and Non Sterile products through 6 US FDA approved facilities in India, US and Canada. Revenue contribution from our Pharmaceuticals segment stands at 52% of our Total Revenue from Operations. Revenue from this segment has improved 8% YoY to ₹ 31,167 million from ₹ 28,850 million last year.

Specialty Pharmaceuticals - Injectables

Our Specialty Pharmaceuticals - Injectables segment includes Radiopharmaceuticals, CMO of Sterile Injectables, and Allergy Therapy Products. Our total revenue from this vertical increased to ₹ 16,558 million in the fiscal year ended March 31, 2017 from ₹ 14,861 million last year.

Radiopharmaceuticals

We manufacture and market radiopharmaceutical products, which are used in the diagnosis, treatment and monitoring of various diseases. We specialise in cardiac, lung, thyroid, kidney and bone imaging as well as thyroid disease therapy. Our Company made significant strides in this business during the year.

In FY 2017, we made a major breakthrough by receiving the US FDA approval for RUBY-FILL®, for its New Drug Application (NDA) pursuant to section 505 (b)(2) filing. This approval provides for the use of RUBY-FILL® for Positron Emission Tomography (PET) imaging of the myocardium under rest or pharmacologic stress conditions to evaluate regional myocardial perfusion in adult patients with suspected or existing coronary artery disease. RUBY-FILL® is expected to begin to generate commercial sales in FY 2018. Currently the cardiovascular PET market in the US is estimated to be approximately US$ 70 million and has the potential to grow up to US$ 250 million over the next five years.

Over the years we have built an integrated organisation which includes a dedicated Research and Development team, specialised manufacturing facilities, best in class regulatory affairs, sales and marketing operations. Our Company is well positioned in the North American nuclear medicine market, which is expected to grow across the therapeutic segments of Oncology, Neurology and Cardiology over the next five years.

Our Radiopharmaceuticals business saw revenues growth of 15% YoY to ₹ 8,164 million in FY 2017 as compared to ₹ 7,129 million in FY 2016, on account of improved performance from our product portfolio.

This business has promising growth prospects which will be aided by long-term contracts which the Company has with all the leading distribution networks in the US for multi-year supply of critical products. We are also confident of leveraging our product development capabilities to file additional products in the coming years.

It is our strategy to be a growth leader in Nuclear Medicine with selective investment in existing products to demonstrate quality, value and sustainability to physicians and their patients as well as additional radiopharmaceuticals to increase the scope of our product portfolio. We aspire to be the leading manufacturer of nuclear medicine products in North America. At an appropriate time we will also look to expand to into newer markets such as Latin America, Europe, Japan and Asia.

With strong R&D capabilities the business has developed new products and a strong pipeline of products, which will be launched in the future. This business will continue to deliver a robust performance as we accelerate new product launches and greater market penetration across newer geographic expansion in emerging markets.

Contract Manufacturing of Sterile Injectables

Our Company is a fully integrated leading CMO and offers sterile manufacturing services including sterile injectables, lyophilisation and laboratory services. We also offer non-sterile manufacturing services for ointment, cream and liquid products in bottles, tubes, jars, suppositories and applicators. Our Company is among top 5 CMOs in North America for sterile injectables. We are continuously working on developing a partnership with innovators in the pharmaceutical and biopharmaceutical domain for their patented products.

We have our manufacturing facilities at strategic locations in North America (Spokane, Washington, USA and Montreal, Quebec, Canada) which help us directly service customers present in those geographies. During the year we successfully completed US FDA inspection at our Montreal and Spokane facilities.

> Our existing sites can be leveraged to enhance our performance as the industry dynamics are favourable. We have high emphasis on compliance and Intellectual Property Rights.

The business reported revenues of ₹ 5,950 million in FY 2017 from ₹ 5,696 million in FY 2016, up 4% YoY, due to ramp up of operations.

Our existing sites can be leveraged to enhance our performance as the industry dynamics are favourable. We have high emphasis on compliance and Intellectual Property Rights. An increasing proportion of injectable dominated new launches by innovators have a shortage of capacity for high quality manufacturing sterile sites as available with us. We will continue to focus on highest level of compliance with a lean operation setup and supply of right quality products in a timely manner to our customers which help us further grow the order book.

Allergy Therapy Products

Our Allergy Therapy Products business is focused on providing allergy immunotherapy products in the US. The model we employ covers the supply of bulk extracts to physicians who can use the same for diagnostic testing and also to administer treatment. Allergenic extracts in our portfolio are offered in the form of quality products along with a range of specialised diagnostic devices for skin testing.

During FY 2017 revenues in the business were at ₹ 2,444 million as compared to ₹ 2,036 million in FY 2016, up 20% YoY, due to higher off-take during the year.

Emphasis is on innovation where we strive to develop novel products to address allergies. We remain keen to expand the leadership that our product brands enjoy given a robust product line-up backed by complete control on production and an extensive presence in important markets. We are focused on growing the business beyond the US and build out strongly in other countries such as Canada, New Zealand, France, South Korea and Australia, where we are driving our brands.

Generics

The Generics segment includes Solid Dosage Formulations, Active Pharmaceutical Ingredients (APIs) and India Branded Pharmaceuticals businesses. Total revenue from this vertical was 4% YoY higher at ₹ 14,609 million in FY 2017 as compared to ₹ 13,989 million in FY 2016.

Solid Dosage Formulations

Solid Dosage Formulations covers the manufacture and marketing of formulations in the generics space. We have historically been focused on the key the US market, which is the largest market for generics, through our own 100% subsidiary. Our presence is also rapidly expanding in RoW markets like Japan and Australia and we have aggressive plans to grow in some of the leading non-US markets in the near future.

The business has the benefit of backward integration with majority of our commercial Solid Dosage Formulations based on in-house APIs. The broad therapeutic areas covered include Cardiovascular System, Central Nervous System and Anti-allergy streams. We enjoy leadership position in the US for Methylprednisolone and Terazosin whereas in Meclizine, Prochlorperazine, Lamotrigine, Cyclobensaprine, Donepezil and Hydrochlorothiazide we rank within the top 3 in the US.

During FY 2017, revenues in the business were at ₹ 8,140 million as compared to Rs 7,974 million in FY 16, up 2% YoY, led by increased sales to RoW markets offset by lower sales in the US.

While we have manufacturing presence within the US at Salisbury, Maryland we also maintain a strong presence at Roorkee, Uttarakhand in India. Both facilities are US FDA approved whereas the India unit facility is approved by UK MHRA, ANVISA Brazil, PMDA Japan, TGA Australia and MCC South Africa.

As on March 31, 2017 the business had 55 products commercialised, that includes 29 in the US, 9 in Canada, 30 in Europe and 31 in RoW. For Solid Dosage Formulations, as at March 31, 2017, we had filed a total of 81 ANDA filings in the United States, 99 MAs in Europe, 22 filings in Canada and 641 filings in other RoW countries so far. As on March 31, 2017, we had received 51 approvals in the US, 96 MAs in Europe, 20 approvals in Canada and 471 registrations in RoW markets.

Plans are underway to expand the product line in oral solids and certain niches in ophthalmic and injectable products with a view to increase the contribution to revenues. Opportunities beyond traditional regulated markets are being pursued.

Our sustained efforts strategy to pursue partnership with local players in Japan, supported by our in-house product development & partner's marketing strengths, is yielding results as we have added three new products in the pipeline. To give impetus to the same, we have further invested in augmenting our Japan specific capabilities in R&D.

Our efforts to optimise the operations in Europe are yielding results. We have a strong customer base of more than 40 customers in Europe and we are strengthening our product portfolio with them. We expect Europe to be one of the fastest growing regions for us.

In RoW markets, the focus on key markets for Jubilant brands is moving in the right direction. In the next financial year, we are expecting regulatory approvals in key markets of Asia and Africa, including South Africa, Philippines, Ethiopia and Malaysia with plans to successfully commercialise the same. In Latin America and Commonwealth of Independent States (CIS) markets, our growth would be driven by new filings and launches in key countries of Brazil, Chile and Ukraine.

Active Pharmaceutical Ingredients (APIs)

APIs are also known as bulk drugs or drug actives, and are responsible for rendering therapeutic action in a drug. We are one of the leading players globally and specialise in Cardiovascular System (CVS), Central Nervous System (CNS) and Anti-infective along with other therapeutic areas.

Our emphasis is on building leadership in chosen products and delivering superior quality within supply timelines. The strategy is to have sizeable capacities and dedicated lines for high volume molecules. This will help us maintain a long-term relationship with leading generic drug companies in developed markets with our range of world class products.

Revenue from this business stood at ₹ 6,289 million in FY 2017 from ₹ 5,889 million in the previous year, up 7% YoY, following improvement in sales of key products and optimal utilisation of resources.

We have 40 commercial products and during the year we have filed 7 Drug Master Files (DMFs) in the US, 1 filing in Japan, 2 Certificates of suitability to the monographs of the European Pharmacopoeia (CEPs) in Europe and made 1 filing in Australia. Our facility at Nanjangud, Karnataka, India is approved by key regulators including US FDA, AFSSAPS France, PMDA Japan, ANVISA Brazil, KFDA Korean, Cofepris Mexico and TGA Australia.

Over the years we have developed a differentiated strategy for our products in key markets. In the upcoming year, our focus is to launch new products on the backdrop of strong filings in focused markets. This will help us further enhance market share. Our emphasis on cost optimisation backed by a highly experienced team combined with our forward integration with the Solid Dosage Formulations segment also will help augment performance. Our Research and Development function remains fully geared to strengthen our new products pipeline.

India Branded Pharmaceuticals (IBP)

We are targeting the domestic formulations market in India through this business. The chosen therapeutic areas include chronic specialty underlined by combination of enabling growth factors, including higher awareness, longer life spans, enhanced propensity to spend and evolving lifestyles. We are also looking at Cardiology and Diabetes segments.

During FY 2017, Revenues in the business were at ₹ 180 million as compared to ₹ 125 million in FY 2016, up 44% YoY, primarily on account of new product introductions.

Our portfolio of brands includes high growth molecules and combinations like Rosuvastatin, Telmisartan, Teneligliptin, Glimepiride, Cilnidipine and Azilsartan. These primary therapies are supported by supplementary formulations like Vitamin B12 & Vitamin D3 preparations. This is further supported by an extensive distribution network covering 25,000 retail points and robust field force of more than 400 sales representatives that service 30,000 Cardiologists, Diabetologists, Nephrologists, Neurologists and Consulting Physicians spread across the country.

We continue to evaluate additional products where we believe we can make an impact in our preferred segments of therapy and have begun the process of increasing coverage geographically.

LIFE SCIENCE INGREDIENTS SEGMENT

Life Science Ingredients segment revenue contributed 45% to our total revenue from operations. Revenue in this segment stood at ₹ 27,076 million for the year ended March 31, 2017 as compared to ₹ 28,824 million in FY 2016. The lower revenue was mainly due to focus on profitability and also lower input prices and lower crude prices resulting in decrease in prices of finished products.

Specialty Intermediates

Our Specialty Intermediates business deals in more than 60 commercial products viz. Pyridines, Picolines, Cyanopyridines and their value added derivatives (Fine Ingredients & Crop Science Ingredients), having applications in pharmaceutical, agrochemical, personal care and many other life science industries globally. For more than 30 years, we have been working towards adding many chemistry platforms using our in-house R&D to expand our technological capabilities and thereby adding several value added products for life science industry.

We are one of the global leaders in Pyridine and Picoline and through forward integration coupled with world class manufacturing facilities and customer centric approach, also globally No 1 in 11 Pyridine derivatives. Revenue from this business was at ₹ 9,367 million during the year as against ₹ 10,952 million in FY 2016, down 14% YoY, primarily due to lower volumes in Pyridine.

Our business has strong enablers in place to ensure successful execution, including differentiated strategy, scale, cost effectiveness, strategic tie-ups and an experienced and dedicated team.

During the year we undertook capacity de-bottlenecking of our key Fine Ingredients products which has resulted into cost optimisation and better productivity. We have improvised our process for various products to make them more environment friendly by establishing zero liquid discharge facilities & re-cyclability of process effluent.

We are constantly reviewing our product portfolio to align our product mix to areas where demand is growing. Continuous retrofitting and debottlenecking initiatives undertaken will lead to better utilisation levels and result in an improved performance for this segment.

In a significant development the government in China has issued environment protection norms aimed at reducing the harmful impact of pesticide production on environment in China. Industry experts believe that will lead to increase in prices of pesticides as well as key raw materials. This

situation offers favorable opportunity for Jubilant having products that are key raw materials for agrochemicals and their associated industries. We shall continue to explore the market for our Specialty Intermediates to get benefit of this situation going forward.

We have taken strategic initiatives to setup a facility to produce products in fully cGMP compliant facility, which can be audited by international food and drug authorities.

As a single window resource for custom manufacturing our portfolio includes customised solutions for pharmaceutical and agrochemical customers for both their cGMP and non-cGMP products.

Nutritional Products

We primarily manufacture and market Vitamin B3 (Niacinamide and Niacin) in this segment. Vitamin B3 finds applications in food, animal feed, pharmaceuticals and personal care. We are the second largest manufacturer of Vitamin B3 (Niacinamide and Niacin) globally. Our product quality and consistency have ensured a growing and dedicated customer base for us. We have competitive edge in the market from being able to control our own supply of major raw material Beta Picoline (which is a precursor to Vitamin B3 and is manufactured by our Specialty Intermediates business).

Currently Jubilants Niacinamide is being sold in more than 80 countries. In this year Jubilant entered the Russian market directly and made significant progress. The Vitamin B3 prices were very low in the first three quarters but saw a recovery in the last quarter.

Along with Vitamin B3 product range, we are the largest manufacturer of Vitamin B4 (Choline Chloride) in India catering to different application like feed, food, pharmaceuticals, dye manufacturing and shale stabilisation. We also offer specialty feed additives to farmers across many countries, mainly Feed Emulsifier, Encapsulated Butyrates, Organic & Inorganic Trace Mineral Premix, Feed Acidifiers, Mould Inhibitors, Mycotoxin Binders, Chromium based Growth Promoter, Liver Nourishment Products. Additionally, we have introduced wide range of microencapsulated products for dairy animals. Now, we cater to various segments of the industry like poultry, dairy, aqua and pet food.

Revenue from this business was at ₹ 4,621 million during the year as against ₹ 4,947 million in FY 2016, down 7% YoY due to lower volumes in few products.

Globally, Jubilant Life Sciences enjoys a strong position of trust and reliability with customers. Our facilities are in compliance with the prominent best practices and possess ISO, cGMP, FAMI-QS, FSSC: 22000, Kosher & Halal certifications. We are associated with globally renowned analytical equipment manufacturers for providing nutritional services to our customers.

Vertically integrated value chain and low cost manufacturing are our key competitive advantages. The green route production with delivery of high quality product will help us increase our market share in better margin segments such as food, cosmetics and pharmaceuticals.

Life Science Chemicals

Life Science Chemicals business deals in Acetyl range of organic intermediates like Acetic Anhydride, Ethyl Acetate, Monochloroacetic Acid and Sodium Monochloroacetate. We have optimised the manufacturing process over a period of time, and thereby achieved optimum cost to remain competitive in the market place. This has also resulted in making us the largest producer and supplier of these products in India since last few decades thereby helping us to maintain global scale.

Revenue for FY 2017 stood at ₹ 13,088 million as compared to ₹ 12,925 million in the previous year, up 1% YoY, due to enhanced volumes and firm pricing in our key products. Our margins have been better on account of low feedstock prices during the first half of the year. The Rupee appreciation during the last quarter of the fiscal also made a positive impact on our imports bill.

Acetic Anhydride as an intermediate finds use globally in various different usage like pharmaceutical, agrochemical, wood acetylation etc. The demand of Acetic Anhydride has been growing consistently both domestically and internationally and we are competitively placed to capture this growth. We have strong enablers to succeed, with competitive advantages such as backward integration, reliable customer base and strong cost control from continuous capacity debottlenecking.

Ethyl Acetate is a globally preferred green solvent by pharmaceutical, packaging, printing and inks industry. We are the market leader in India and enjoy a substantial share in global market. During the year our capacity utilisation of Ethyl Acetate has been better than last year due to better market demand.

DRUG DISCOVERY SOLUTIONS SEGMENT

We are engaged in discovering new chemical entities and broader therapeutic platforms in this business. It comprises 3 subsidiaries Jubilant Biosys, Jubilant Chemsys and JDS Malvern. We render services to pharmaceutical & biotechnology companies and academic institutions at the research and pre-clinical stages in therapeutic areas such as Oncology, Metabolic Disorders, Central Nervous System (CNS), and Pain & Inflammation.

We are seeking to add new customers by focusing on therapeutic areas of interest to our clients leveraging our integrated drug discovery expertise where our acumen and capabilities in the emerging markets is an additional advantage. Our core promise underlines cost effectiveness and is backed by world-class research and development facilities including a common Good Manufacturing Practices (cGMP) facility that can undertake multi-kilogram manufacturing for pre-clinical and clinical stages.

During FY 2017, revenues in the business were at ₹ 1,820 million as compared to ₹ 1,259 million in FY 2016, up 45% YoY, primarily due to onboarding of new customers and expansion of existing contracts.

We continue to invest in developing a portfolio of novel assets which can be moneti ed through licensing to our clients. During FY 2017 we out-licensed Novel BET (Bromodomain and Extra Terminal) Inhibitors to Checkpoint Therapeutics for an upfront payment of US$ 2 million and contingent payment of US$ 180 million across various milestones leading to commercialisation. During March 2017, Company has successfully delivered the Toxicology milestone and the asset is progressing for Investigational New Drug application (IND) filing. An additional asset from the portfolio is under scientific due diligence by a client.

BUSINESS ENABLERS

Research & Development and Intellectual Property

Pharmaceuticals

At Jubilant, Research & Development (R&D) is the manifestation of our belief in innovation and quality that fuels our business aspirations. Diversely-qualified best-in-class R&D scientists working cohesively in multi-located state-of-the-art R&D centers spread in India, US and Canada focus on delivering innovative, quality products and platforms across value chain of pharmaceutical research. Its key R&D centers support the execution of business strategies. All multi-located dedicated R&Ds are diversified but internally integrated to leverage knowledge and innovation in allied scientific domains. Each R&D has dedicated unit integrated with relevant business. Company's consistent endeavors to invest in R&D have helped the Company to create a robust product pipeline ensuring sustainable growth.

The multi-skilled R&D team specialised across value chain of pharmaceuticals focuses on generics research including APIs & across dosage forms, novel drug delivery systems research, radiopharmaceuticals, allergenic extracts research, drug discovery research, analytical research and biological support including pharmacokinetics and BA/BE research. R&D supports the activities of various businesses through developing new breakthrough products, process development, process intensification, absorption of technologies and establishing technologies at commercial scale. Our R&D thrives on 'green chemistry culture' and has developed various environmental friendly & disruptive technologies wherein many batch processes have been replaced by continuous processes, incorporated optimum atom efficiencies, recycling and reuse of solvents/ reagents/by-products targeting towards zero discharge of effluents, removal/ substitution/ minimisation of hasardous chemicals and replacing chemical processes with enzymatic/ chemo catalysis processes.

We dedicate considerable resources to R&D in order to develop new as well as improved products and processes, which in turn create value for our customers. Our Intellectual Property (IP) - enabled innovative R&D efforts have helped us avoiding any intellectual property (IP) disputes after developing outstanding designing around capabilities around third party IP by identifying newer opportunities, better understanding of emerging challenges, developing alternative/innovative research strategies and creating intellectual property which is well protected in defined geographies of our business interests. Our efforts

have fructified into intellectual properties, which have grown over the years creating a strong position in generic pharmaceutical businesses in regulated markets.

We have evolved our production technologies including specialised proprietary know-how over a period of time with the help of R&D. We keep our options to licence-in/licence-out technologies/know-how to accelerate businesses of interest.

The basic mission of R&D remains to enhance innovation level, scientific efficiency and effectiveness in compliance with Jubilant core values.

Life Science Ingredients

Research & Development is the lynchpin of innovation and plays a vital role in developing and adopting new technologies in the technologically intensive pharmaceutical industry.

In Jubilant, a team of well qualified and experienced professionals in R&D centers spread across multiple locations are specialised across the value chain of chemical research, chemistry/ process development of advance intermediates, fine ingredients and contract research. Our R&D centers conform to international standards and are well equipped with world-class infrastructure managed by best-in-class manpower. Each R&D centre has dedicated unit integrated with relevant business.

All multi-located dedicated R&D centers are diversified but internally integrated to leverage knowledge and innovation in allied scientific domains. Our R&D performance hinges on the coherence and cohesiveness among multi-located R&D centers where rapid exchange of knowledge takes place to keep pace with competition and to develop disruptive technologies for future. The R&D team focuses on process intensification, absorption of technologies and establishing technologies at commercial scale.

We develop new technologies at the lab scale and the scientists and manufacturing engineers work in close co-ordination to ensure parameters established during lab development are within the determined design space leading to seamless scale-up to commercial scale without losing on the proficiency of the process with a lead-time comparable to the best in the industry. Six Sigma initiatives at plants and R&D support the adoption of new technologies and enhancing the efficiencies of our manufacturing plants to provide better services to our customers.

Through our investment in R&D, together with our implementation of management tools and strategies in manufacturing, design and project management, we continue to improve our cost competitiveness and quality of production by improving the efficiency of our supply chain management and developing better processes and product development and manufacturing capacities to reduce process inefficiencies, process variations, plant inefficiencies, assets under-utilisation and the time required for product and process development.

We continually develop new products that provide our customers with better solutions for existing problems and new solutions for emerging problems. This requires us to expend significant effort on research, development, manufacturing and marketing. To preserve the value of our investment, we rely on the patent laws of the jurisdictions where we do business. In addition, we need to continue improve our production efficiency. Our production technologies typically incorporate specialised proprietary know-how. We have both developed intellectual property internally and acquired intellectual property through acquisitions. From time to time, we may grant licenses to third parties to use our patents and know-how, and may obtain licenses from others to manufacture and sell products using their technology and know-how.

> Our R&D continues to lead to new, innovative processes and new knowledge-driven products that increase the efficiencies of our production and allow us to capitalise on opportunities for growth in competitive markets

We have designed a very successful R&D which continues to ensure delivery of a sustainable pipeline of high-value products. The Company's R&D strategy is centered on improving the speed and yield.

Our R&D continues to lead to new, innovative processes and new knowledge-driven products that increase the efficiencies of our production and allow us to capitalise on opportunities for growth in competitive markets.

Our R&D efforts have helped us in avoiding any intellectual property dispute by identifying newer opportunities, better understanding of emerging challenges, developing alternative/innovative research strategies and creating intellectual property which is well protected in defined geographies of our business interests

We have been conferred with various prestigious awards nationally for R&D work.

Drug Discovery Solutions

FY 2017 was marked by the initial success on the board's vision on in-house innovation. The first ever out-licensing deal was inked and execution was mostly in the last financial year. The execution of IND support demonstrated the end to end capabilities of Jubilant Drug Discovery Solutions in various developmental areas like Good Manufacturing Practices (GMP) manufacturing, Good Laboratory Practice (GLP) toxicology studies etc. as an extension of Drug Discovery capabilities built at Drug Discovery Solutions. Jubilant Biosys also came up with the new emerging capability in the area of immune-oncology which boasts cutting edge discovery frontier in oncology

> Drug Discovery Solutions in Jubilant is offering state-of-the-art capabilities in small molecule discovery and pre-clinical development. These include Discovery Informatics, Molecular Modeling, Structural Biology, Medicinal Chemistry, in vitro Biology, ADME, Pharmacology, Toxicology and in-vivo efficacy.

research and was marked by acquisition of state of the art instruments – some of them, first of their kind in India in any industry.

Last year, Jubilant Biosys filed three patent application (one PCT, one complete, and one provisional application) and enabled filing of patents for the various clients. Besides four research articles published in high impact journals and conferences. The team also did some data disclosures in various international and national conferences.

Drug Discovery Solutions in Jubilant is offering state-of-the-art capabilities in small molecule discovery and pre-clinical development. These include Discovery Informatics, Molecular Modeling, Structural Biology, Medicinal Chemistry, in vitro Biology, ADME, Pharmacology, Toxicology and in-vivo efficacy. Our disease biology expertise spans across multiple therapy areas including oncology, metabolic disorders, neurological disorders and inflammation. Drug discovery at Jubilant is driven by the passion of its personnel to provide affordable drugs to the patients worldwide in areas of unmet need. Jubilant scientists collaborate across technology and therapeutic platforms to identify and validate novel small molecules and platforms that will enable first or best in class healthcare efforts of our collaborators. The competence of this team has been demonstrated by the progression of molecules to candidates starting from targets in a span of three years. Jubilant's ISO 27001-certified facility is designed to firewall collaborations for scientific, operational and data exclusivity. Working with Jubilant not only offers a significant cost advantage, but also provides access to the expertise of scientists trained in leading global universities and pharmaceutical companies.

Manufacturing

Jubilant Life Sciences is environmentally conscious and has been a good corporate citizen. Taking forward the initiatives of previous year and identifying new initiatives throughout the year in capacity enhancements, capability improvements, costs, production efficiencies, Environment, Health and Safety (EHS), Team Manufacturing has been pivotal in contributing to the EBITDA growth of the organisation in a volatile world market. Manufacturing strategy driven Process Innovation, Manufacturing Excellence, high levels of Automation, Business Excellence initiatives towards cost saving, efficiency improvements and intensive focus on EHS and Natural Resource Conservation has enabled the Company to save on operating costs and improve the overall statutory and regulatory compliances. Energy conservation efforts have been intensified during the year and will be carried forward more aggressively in the coming years.

With the active support of Manufacturing, most of our businesses saw a reasonable EBITDA improvement, led by enhancement of capacities, reduction of ingredient and energy consumptions and better yields across all the plants. Ingredients Norms reduction has yielded considerable cost savings in all the manufacturing locations. Business, Manufacturing & Engineering excellence initiatives have resulted in improvement of the Plant Efficiencies, Asset reliability improvements and Manpower efficiency improvements.

Jubilant Life Sciences Limited has led from the front and matched the pace by setting industry benchmarks for due care to the environment and improvement of the environment. Following the approach of triple bottom line (Environment, Economic and Social) factors and adopting the same as a part of the overall Company strategy, the Company has marched ahead towards creating a Sustainable Environment and has achieved the coveted Responsible Care RC14001:2013 certification for Corporate Office at Noida, Uttar Pradesh, India and plant at Gajraula, Uttar Pradesh, India under the American Chemical Council's (ACC) Responsible Care ® programme and ISO 50001 certification for Energy Management System in Bharuch Plant, Gujarat, India.

Reduction in Utility (Steam, Power & fuel) consumption has been the focus area throughout the year for the continuous process plants. Parallel reduction in generation of waste and recycling of industrial and sewage effluents has been carried out to reduce the environmental load. Social initiatives have been focused in and around environmental improvement. Our Life Science Ingredients

plants are equipped with adequate energy measurement systems, energy saving equipment / devices like Variable Frequency Drive (VFDs) and adopted latest technologies. Other measures related to environment protection and energy conservation Initiatives including natural resource conservation initiatives have been aggressively pursued. The Gajraula and Ambernath facilities have achieved zero liquid discharge and has adopted new technologies and spent considerable resources for the same. Other facilities have also planned for ZLD which is planned for implementation within the shortest possible time.

Jubilant is committed to improving the health and quality of people's lives worldwide. Maintaining high and uniform quality standards across our facilities, with emphasis on compliance to regulations, Good Practices (GXP's) and continuous improvement are key drivers for ensuring consistent manufacturing of quality pharmaceutical products. At Jubilant, senior leadership and all employees at all levels are committed to maintaining quality throughout our organisation. Quality is the responsibility of every team member. Jubilant ensures compliance by continuous assessment and review of quality systems, and compliance with industry guidelines and regulations.

In the financial year 2017, all the five manufacturing facilities in our Pharmaceuticals segment i.e. two in India and three in North America were successfully audited by the US FDA. All manufacturing and APIs facility in Jubilant are compliant with respect to applicable regulations and have successfully undergone inspections by the US FDA. All manufacturing facilities did not receive any major observations and Establishment Inspection Reports (EIR's) were received or pending for all facilities, indicating successful closure of these inspections.

In addition, Jubilant's manufacturing facilities have undergone successful audits by various regulatory agencies from Health Canada, PMDA Japan, MHRA etc. The inspections have confirmed that Jubilant's facilities are compliant with the expected regulatory standards to ensure consistent supply of quality pharmaceutical products across advanced regulated markets.

Jubilant has invested significantly in electronic quality, manufacturing and training systems with the objective of embracing the latest technology for harmonisation of key global quality systems and training of its' employees. This is backed by the strong belief that "People are our number one asset", employee development, talent succession and career planning, which has a sustained & focused effort at the manufacturing locations. Productivity improvement tools and techniques have been implemented at all locations. Leadership development programs have been provided from premier management institutes to take Jubilant to another benchmark level.

To achieve greater heights and deliver right quality product in time, Manufacturing continues to act as a support and catalyst for the organisation. To reinforce the confidence on our world class processes and management systems, the company has been certified by various international agencies in the following areas:

Gajraula, Nira, Savli and Bharuch plants are certified for Integrated Management systems (ISO 9001, ISO 14001 & OHSAS 18001) by Det Norkse Veritas.

Animal Nutrition Unit at Savli and Vitamins plant at Bharuch is certified for FAMI-QS Code Version 5.1 in Feed Safety Management System.

Vitamins Plant of Bharuch is certified to Kosher, Halal-India, Halal-Malaysia, Halal Indonesia, FSSC 22000 (Global Food Safety) Compliance, HACCP (Hazard Analysis and Critical Control Points) and GMP (Good Manufacturing Practices)

Gajraula Quality Control Laboratory has also been accredited by National Accreditation Board for Testing and Calibration Laboratories (NABL) for chemical testing in accordance with the ISO/ IEC 17025:2005. Gajraula.

- Gajraula manufacturing facility has been Kosher approved for 9 core products in the Fine Ingredient business and also Halal certified for 8 core products
- The Carbon Dioxide manufacturing facility at Gajraula has been certified for FSSC 22000:2005 also against TS22002-01:2009 (Food Safety System Certification) for production and dispatch of food grade Carbon Dioxide for beverages. This facility is also approved by FSSAI.
- Nira Ethyl Acetate and Acetic Anhydride manufacturing facility has been recommended for Food Safety System

Certification (FSSC) ISO 22000:2005 for production and dispatch of these food grade products

- Glacial Acetic Acid from Nira has been recommended to FSSC /ISO 22000 : 2005 for storage and supply of food grade Acetic Acid.
- Manufacturing facility at Nira has been Kosher approved for four products i.e. Ethyl Acetate, Acetic Acid, Acetic Anhydride and Ethyl Alcohol. The facility is also Halal Certified for Acetic Anhydride, Ethyl Acetate and Acetic Acid.

Supply Chain

Pharmaceuticals

For Supply Chain the year FY 2017 was one of the challenging and enthusiastic years. Supply Chain was actively involved in timely execution of many capacity expansion projects. We have migrated from Baan ERP system to SAP. Though the implementation of SAP was a challenging task, the team was successful in implementing and expediting go-live as per plan. This is one of the milestones in transforming ourselves to a cutting edge Management Information System (MIS) enabling access to real time data thus helping Supply Chain Management (SCM) in effective decision making.

During the year, overall spend had gone through both positives and negative phases and during the second half of the year market witnessed a surge in crude oil prices and demand - supply gap for major solvents across the globe. This was a major challenge for SCM to keep spend within the budget. By leveraging on strategic negotiation, alternate vendor development and entering into long term contracts we ensured business continuity and also mitigated the negative purchase price variances.

Initiatives like outsourcing the Advance Intermediates helped in releasing in house capacities and generating more sales revenue. Consolidation of spend with other businesses helped us in achieving saving and better service levels to internal customers.

In the Year 2016-17 SCM has coordinated and supported the timely filing of new DMFs which are critical for business growth, plant expansion projects were taken up and completed on time during the year successfully through excellent coordination and delivery adherence.

In our journey of excellence, our key focus during these years has been de-risking of single sourced items and reducing our dependency on China for raw material procurement due to cost escalation and environmental challenges faced there. Compared to previous year, we were successful in reducing the China dependency to a large extent. Plans

are in place to come out of this dependency by outsourcing model developing our own processes.

Many green supply chain initiatives were taken like disposing of solid waste and spent solvents to cement industry thereby reducing burden on land filling. Usage of Bio-Diesel as a boiler fuel. Power trading through Indian Energy Exchange (IEX) giving good savings.

Life Science Ingredients

The year FY 2017 was very challenging and engaging for Supply Chain in Life Science Ingredients. Supply Chain was actively involved in timely execution of many capacity expansion projects of the business. Our continued focus on consolidation of spend has helped us in reduction of buying cost and improvement in service levels to internal customers.

In line to our objective of being the best in class Supply Chain, we have been constantly working towards initiatives that help us achieve our goals directly or indirectly. We have started leveraging the power of data analytics that has helped us in consolidation of logistics spend across the globe and Maintenance, Repair and Operations (MRO) spends across all plant sites bringing in significant bottom line impact. We make sure that we de-risk our Supply Chain across categories and this year, logistics has been one of the key beneficiaries of our de-risking strategy with the introduction of a new rail operator. The Supply Chain organisation has become leaner while empowering the team with added responsibilities.

In year FY 2017, the market witnessed turbulent crude oil prices leading to a lot of volatility in the commodity price and freights. It was our endeavor to strategise the buying policies and leverage the market scenarios to reduce the negative impact of this turbulence on the overall Supply Chain efficiency.

As a part of our continuous improvement philosophy, Jubilant Life Sciences Limited in collaboration with a consultant launched an engagement to review the entire supply chain efficiency and support in cost reduction initiatives. A flawless execution and closure of the project helped us achieve significant savings over the last financial year. Market competitive business models were used with rigorous benchmarking of pricing, margins and cost across competition.

Going forward, we shall continue to target and achieve higher levels of efficiency across categories with a primary focus in the area of raw material and logistics while ensuring delivery of value to our end customer.

Drug Discovery Solutions

During FY 2017, Supply Chain continued to manage with lean staff and better work-defined break structures. Consolidation of rate contracts for supplies and services across Jubilant, efficient inventory management and linking customer demands to available budgets has brought in increased savings; adding value to the actual spend. Emphasis was laid on vendor performance evaluation leading to much better feedback loop comprising of assessing parameters like quality, economic cost and reliability analysis. Process excellence plans were also implemented by selecting process control elements at all levels, precisely aligning to the Information Systems (IS). Persistent road blocks due to increased scrutiny at Customs for imports that posed unexpected challenges were learnt and advance plans were made to moderate the purchase flow. Besides other efforts, increased vendor base on domestic front improved the Turn Around Time (TAT) leading to improved project life cycles.

As we step into another year with ample challenges driven by Goods and Services Tax (GST) roll-out, Supply Chain continues to strive to benchmark compliance as an essential component, thereby keeping existing attributes intact.

Business Excellence

Pharmaceuticals and Life Science Ingredients

Business Excellence strives to create a culture of excellence in the organisation by continuously seeking to enhance Jubilant's people, processes and system capabilities. Business Excellence function, with latest transformation methodologies is proactively creating the framework for new improvement strategies which drives the competitive advantage backed by a strong execution mechanism and capability.

> “We have extended Business Excellence initiatives to Supply Chain and other functions as well through Lean Supply Chain, Lean Operation & Lean Office methodology.”

Over the past years a very strong foundation of using these improvement techniques in operations has been made. Projects dealing with productivity, cost, efficiency, quality improvements and capacity enhancements have significantly added to the bottom-line of the Company.

While sustaining and enhancement of these gains are being done in operations, we have extended Business Excellence initiatives to Supply Chain and other functions as well through Lean Supply Chain, Lean Operation & Lean Office methodology. This includes Inventory and cost optimisation projects in Supply Chain, Process lead time reductions and standardisation in Human Resources (HR), Information Technology (IT), Finance, Research & Development (R&D) and Procurement processes. The Business Excellence organisation is being reorganised to improve effectiveness by inclusion of relevant Subject Matter Experts (SMEs).

At the same time, we continue to build Continuous Improvement DNA in the organisation through Total Productive Maintenance (TPM) practice, Lean Six Sigma Certifications and the 'Sankalp' initiative. These initiatives have contributed significantly to the improvement projects and added values at the sites on a quality, cost & delivery. TPM practice and plant performance evaluation through Overall Process Effectiveness (OPE) measurement at the sites have improved the efficiency. The Certification programme has been extended to include champion and black belt certifications so as to include top management participation. The 'Sankalp' initiative has been extended vigorously to all sites.

Continuous calibration is essential. Keeping stakeholders' expectations, Business Excellence is building comprehensive plans for sharing of best practices, benchmarking and participation in competitions – both internal and external.

Our vision is to build a world class business excellence management system to create value for the organisation through a culture of continuous improvement.

Drug Discovery Solutions

Last financial year has been a year of some major initiatives on Business Excellence fronts to improve upon various functions within Drug Discovery Solutions (DDS) to the next level. At DDS we believe that the scientific services organisation can only excel by creating a culture of excellence in the organisation by continuously seeking to enhance people, processes and systems.

Initiatives on the Supply Chain front included inventory and cost optimisation projects, harmonisation of contracts for products and services areas Jubilant lead to the significant reduction on TAT to the internal customers which in turn improved the prompt delivery to the clients.

At DDS, much like the parent organisation, continuous improvement is the mantra and with the induction of seven new green belts we have a larger project on hand to add to this process in the current year.

Human Resource Management

Our employees are pivotal to the success of our company and play a central role in ensuring sustainable business growth and future readiness. As on March 31, 2017 we provide employment to over 6500 employees across various businesses and functions globally.

We foster a work environment and culture where we live Our Values: Inspire Confidence, Nurture Innovation, Always Stretch, and Excellent Quality. We constantly endeavour to make Jubilant Life Sciences one of the best places to work as we live Our Promise of Caring, Sharing, Growing. We actively create and foster a performance-oriented culture, which stands on the foundation of meritocracy.

Our philosophy of continuous growth and development of all our employees is reinforced by the learning opportunities that are made available to all our employees . We continue to make investments in varied learning platforms, which are contemporary and digitally enabled.

At Jubilant, employees experience openness, empowerment and transparency, which fosters their creativity, and enable them to perform to their potential. Our employees are actively encouraged to participate, contribute and share their opinions through employee engagement surveys, town halls and open houses which are conducted at regular frequency.

Since building a robust leadership pipeline is critical to our success, we ensure that continuous investments are made in leadership capability building around our leadership competency framework. The leadership competencies form the bedrock of our talent management and development agenda and is integrated into all the assessment tools, development programs and engagement initiatives. Development is inclusive and learning continuum of programs based on the role and competencies required are offered to employees. Action Learning projects are an integral part of the learning plan for key talent. We also engage with and hire from identified leading campuses to have a steady infusion of fresh talent thereby creating a strong talent pipeline.

Today's fast paced business changes make it imperative to focus on forward looking and futuristic systems and applications. As a step towards this, we have integrated PeopleSoft based Human Resource Information Systems (HRIS) across all our locations and entities across the globe. The HRIS system is designed to cover all key HR processes – Performance Management, Recruitment, Training & Development, Profile & Position Management, Career & Succession Planning and Compensation & Benefits, and we continue to make improvements in this system.

We encourage a culture of appreciation and recognition through our well established recognition platforms. Our policies and processes are contemporary and the benefits offered to our employees are the best in class.

Our focus on governance is uncompromising and adherence to the code of conduct and fair business practices is non negotiable. We provide equal employment opportunity and follow fairness as a fundamental guiding principle for all our actions and decisions.

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 achieve its objectives effectively and efficiently.

Internal Financial Control Framework

Section 134(5)(e) of the Companies Act, 2013 requires a company to lay down Internal Financial Controls (IFC) system and to ensure that these are adequate and operating effectively. Internal Financial Controls, here, means the policy and procedure adopted by the company for ensuring the orderly and efficient conduct of its business including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information.

The above requirement has the following elements:

1. Orderly and efficient conduct of business
2. Safeguarding of its assets
3. Adherence to company's policies
4. Prevention and detection of frauds and errors
5. Accuracy and completeness of the accounting records and timely preparation of reliable financial information

At Jubilant Life Sciences Limited, the Internal Financial Controls system has been established and incorporates all the five elements as mentioned above. In addition, the Company has a transparent framework for periodic evaluation of the Internal Financial Controls in the form of internal audit exercise carried out through the year and online controls self-assessment through Controls Manager Software, thereby reinforcing the commitment to adopt best corporate governance practices.

Policy and procedure adopted by the Company to adhere to IFC elements is given below:

Orderly and Efficient Conduct of Business

The Company has a well laid down organisational structure which defines the authority-responsibility relationship. The Company has a formal financial planning and budgeting system encompassing short term as well as long term planning. In order to ensure that decisions are made and action taken at an appropriate level, the Board of Directors of the Company has formulated the Delegation of Authority which has been designed to ensure that there is judicious balance of authority and responsibility. The adherence to Delegation of Authority is part of Internal Audit Plan. The Company also has a risk management framework which has been discussed under the heading 'Our Vision on Risk Management'.

Compliance with respect to various statutes, rules and regulations applicable to the Company is managed by Secretarial Department. Status of compliance is governed through an intranet based application 'Statutory Compliance Reporting System' (SCRS). Respective control owners certify the compliances on a quarterly basis in SCRS and a compliance report is prepared through SCRS. The objective of the SCRS certification is to ensure that the compliances are effectively managed and controlled and that they support the Company's business objectives and corporate policy requirements.

Safeguarding of its Assets

The Company has taken an all industrial risk policy for all of its plants as well as Corporate Office to safeguard its assets. The Company also carries out a physical verification of its assets.

Adherence to the Company's Policies

The Company has two tier policies and procedures viz. Entity Level Controls and Process Level Controls. The entity level controls include a comprehensive Code of Conduct. The Company also has a Whistle Blower Policy and any employee of the Company can directly write to the Ombudsman. We also have process level controls which cover a wide range of key operating financial and compliance related areas like Accounting, Order to Cash, Procurement to Payment, Inventory and Production,

> "The Company has a well laid down organisational structure which defines the authority-responsibility relationship. The Company has formal financial planning."

Treasury, Legal, Forex, Fixed Assets, Direct and Indirect Tax, R&D, ITGC etc.

Self-assessment certification of controls is being done by the Control Owners through a verifiable and transparent process and such certification is reinforced by Activity and Location Owners, as they give in-principle approval to the self-assessment by the Control Owners. Result of Controls Manager certification is prepared and presented to the audit committee every quarter by the Chief Financial Officer (CFO) for exception review.

Controls certification is also being validated by the in-house team through review of the assertions certified by the Control Owners on sample basis regularly across business units, plants, branches and corporate office and validation results of Controls Manager certification are prepared and presented annually to the audit committee.

The above policies are periodically reviewed and refreshed in line with the changes in business and regulatory requirements.

The Audit Committee, on a quarterly and annual basis, reviews the adequacy and effectiveness of the internal controls being exercised by various business and support functions.

Prevention and Detection of Frauds and Errors

Due to the presence of strong Code of Conduct and Whistle Blower Policy, it is generally expected that serious frauds will not take place. In order to prevent and detect frauds and errors, perpetual internal audit activity is carried out by Ernst & Young LLP. Action points and suggestions made by them are discussed in Sub-Audit Committee meeting before presenting the same to the Audit Committee. Subsequently, follow-up audits are also carried out by in-house internal audit team to ensure implementation of the suggestions. In addition, special audits are carried out by the in-house audit team in areas that may be vulnerable to fraud.

> "To make the Internal Financial Controls framework robust, we have worked on three lines of defense strategy."

Accuracy and Completeness of the Accounting Records and Timely Preparation of Reliable Financial Information

The Company has a well-documented Accounting Manual. The Accounting Manual contains detailed guidelines on all aspects of accounting this helps in ensuring that the accounts and finance team is well updated on the accounting requirements. Financial consolidation is carried out through an Enterprise Resource Planning system called Hyperion thereby minimising the chances of manual errors. The financial information is verified by the statutory auditors on a periodic basis as per the requirements of Companies Act, 2013, Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations'), ICAI guidelines, etc. The Company provides structured training to the accounts and finance team on a wide range of topics covering Ind AS (Indian Accounting Standards), IFRS (International Financial Reporting Standards), Companies Act, 2013, Direct & Indirect taxes, etc. through in-house & outside experts.

Implementation of Internal Financial Controls

To compete globally, world class Corporate Governance and Financial Control over operations are a must for the Company. The Internal Financial Controls as mandated by the Companies Act, not only require a certification from CEO-CFO but also put an obligation on the Board of Directors to ensure that the Internal Financial Controls are adequate and operating effectively. Besides this, the Statutory Auditors are also required to give an opinion on the adequacy and effectiveness of Internal Controls over Financial Reporting (ICFR).

To make the Internal Financial Controls framework robust, we have worked on three lines of defence strategy which is as under:

- First Line of Defence: Build internal controls into operating processes – To this end, we have ensured that a detailed Delegation of Authority is issued, Standard Operating Procedures (SOPs) for the processes are created, financial decision making is done through Committees, IT controls are built into the processes, segregation of duties is done, strong budgetary control framework exists, the Entity level controls including Code of Conduct, Ombudsman Office are put in place, etc.
- Second Line of Defence: Create an efficient review mechanism – We created a review mechanism under which all the business units and functions are reviewed for performance at least once in a month by the respective CEOs and once in a quarter, by

the corporate team. The formats for these reviews are detailed and finalised with the help of global consulting firms.

- Third Line of Defence: Independent assurance – We have appointed a Big Four firm as our internal auditors to perform systematic independent audit of every aspect of the business to provide independent assurance on the effectiveness of the internal controls and highlight the gaps for continuous improvement.

We have implemented a program under which more than 2,000 financial controls are established and certified on a quarterly basis by the relevant process owners before the financial results are closed for the quarter. A quarterly certification process is maintained through a work flow based IT tool called 'Controls Manager' and this certification is the basis of the 'CEO-CFO certification' of internal controls as per Regulation 17(8) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations')

The Company regularly updates the control library and Risk and Control Matrix. The exercise of review of controls was conducted during the year by in-house process owners with the help of a Big Four firm. The revised control framework after such review was tested for operational effectiveness by the Statutory Auditors and they have given an affirmative opinion about the adequacy and effectiveness of Internal Controls for Financial Reporting in the Company.

The Company has three business segments namely a) Pharmaceuticals b) Life Science Ingredients and c) Drug Discovery Solutions. Each segment has a complete management set up with CEO, CFO and other functional heads who are responsible for running the operations and report to the Chairman/ Co-Chairman and Managing Director (CCMD) and the Corporate Committee.

To improve the controls in operations, we have established, for each line of business, the concept of financial decision making through operational committees. The entire Purchase, Credit Control and Capital Expenditure decisions are taken jointly in committees. The key roles of these business committees are as under:

- Purchase Committee which ensures high quality purchases at economical cost and maintains reliability of supplies from reputed suppliers with long-term relationships. This committee includes CEO, CFO, Head of Supply Chain and the relevant SBU (Strategic Business Unit) / Functional head.
- Capex Committee which ensures cost reduction with proper negotiation and monitors time & cost overrun. This committee includes CEO, CFO, Head of Project, Head of Supply Chain and the relevant SBU head/ Functional head.
- Credit Committee which evaluates the credit risk and approves the maximum credit which can be provided to a customer. This committee approves the credit limits at the beginning of the year and is empowered to make changes as and when required. This committee includes CFO, CEO and the SBU head.
- Business Performance Committee which reviews the business performance on a monthly basis. This committee includes CEO, CFO, Functional heads and the relevant SBU head.

In addition to the above, to maintain periodic review and control, we have a structured weekly meeting between the corporate team and the business leadership team. Through this meeting, the corporate team keeps itself abreast of the latest business developments and guides the business team to undertake mid-course corrections, if required. This meeting also provides a forum for obtaining the relevant approvals required from the Corporate team as per Delegation of Authority. Participants at this meeting are Chairman/ CCMD/ Executive Directors/ Chief Scientific Officer from Corporate side and CEOs and CFOs from the Business side.

Further, a detailed quarterly review of the business performance with the Chairman/ CCMD and the Corporate Committee is organised to identify any gaps in performance and to consider mid-course corrections.

Our 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

The Company has a strong risk management framework that enables regular and active monitoring of business activities for identification, assessment and mitigation of potential internal or external risks. The Company has 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 for risk minimisation culture through defined and communicated corporate values, clearly assigned risk mitigation 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 (EDs), Chief Executive Officers (CEOs), Business Chief Financial Officers (CFOs), Functional Heads, Strategic Business 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 & CEOs and actions are drawn upon. Progress against the risk management plan is periodically monitored.

The Audit Committee, Executive Directors, CEOs, CFOs and Head of Management Assurance act as a governing body to monitor the effectiveness of the Internal Financial Controls framework.

Risk Mitigation Methodology

The Company has 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.

Each SBU Head updates the risk register and identifies top 3 to 5 risks for the business. The CEOs then consolidate top 10 risks of the Life Science Ingredients segment and report the same on a periodic basis to the Board of Directors along with mitigation plan.

The Company has a quarterly certification process wherein, the concerned control/ process owners certify the correctness of entity level and process level controls. The certification process has been in operation for more than 10 years and covers over 2,000 controls. The process level controls cover a wide variety of key operating, financial and compliance related areas while 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 financial control 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 the provisions of the 'Listing Regulations'.

Management's Assessment of Risk

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

Competition, Cost Competitiveness & Pricing

In Pharmaceuticals segment, dependency on Chinese suppliers for import of raw materials may lead to import disruptions, short supplies and production bottlenecks due to unforeseen changes in government regulations and economic policies of China.

The Company is making efforts to create newer alternative sources of raw material supplies. Continuous tracking of market trends is done by the procurement team for keeping adequate inventory levels to avoid any shortages.

The pharmaceutical industry is highly competitive and is affected by new technologies, new developments, government regulations, healthcare legislation, availability of financing and other factors. Many of our competitors have longer operating history and substantially greater financial, research and development, marketing and other resources than us. As a generic pharmaceutical supplier, we compete with branded products, as well as generic pharmaceutical companies supplying other bioequivalent products.

The Company faces intense competition from other pharmaceutical companies in North America and in India and introduction of new products by competitors may impair the Company's competitive advantage and lead to decline in revenue and profit.

Like most other companies, in Pharmaceuticals segment, the Company is subject to pricing pressure. Prices are a function of demand and supply. The Company faces nearly perfect competition in the generic drugs industry. Prices change in response to supply and other competitive forces. Domestic pricing is influenced by global trends in both availability and prices of imported Active Pharmaceutical Ingredients (APIs). With respect to our Contract Manufacturing of Sterile Injectables business, the market is competitive and companies often use pricing as a differentiator from their competitors.

The US market is undergoing structural changes with supply chain consolidation and delay in Abbreviated New Drug Application (ANDA) approvals affecting the industry. We have adopted a multi-pronged approach to grow our business in this market. Apart from our regular filings of oral solid products, we are planning to file more

> We have adopted a multi-pronged approach to grow our business in the US market. Apart from our regular filings of oral solid products, we are planning to file more Complex Products including Injectables, Ophthalmics, leveraging our strength in sterile manufacturing.

complex products including Injectables, Ophthalmics, leveraging our strength in sterile manufacturing. Some pharmaceutical companies with noticeable presence in particular segments which are in greater demand are able to differentiate themselves as they offer a higher value proposition.

Our competitors in APIs and Solid Dosage Formulations include other pharmaceutical companies that develop or may develop products within the same therapeutic areas as our current and future products, such as major pharmaceutical and chemical companies, specialised contract research organisations, R&D firms, universities and other research institutions.

In order to combat the risk of rising competition and to ensure that cost competitiveness is maintained, the company continues to explore all options viz.

- In Pharmaceuticals segment, new products continue to get launched by experienced and talented R&D teams which work to deliver on the marketing strategy by developing new cost effective processes/ products to meet customer demand and build market share.
- For some of its generic formulations, the Company has captive manufacturing of APIs to ensure timely material availability and effective cost control to focus on improving profit margins.
- In Pharmaceuticals segment, the Company is able to manage pricing pressure and focus on quality assurance to minimise the possibilities of commoditisation. The in-house R&D team is striving to develop cost effective products by redefining the production process.
- The competitive strengths of our manufacturing expertise across different businesses of our Pharmaceuticals segment along with our market lead in North America in sterile vial manufacturing and active relationships with global pharmaceutical companies allow us to compete effectively against our competitors.

In Life Science Ingredients segment, a significant share of the Company's business comes from exports, it faces stiff competition from both domestic and international markets.

Manufacturers in China, who gain from economies of scale, favourable policies, and lower cost along with other advantages, may adversely affect the Company's ability to maintain its market leadership, achieving its planned growth and generating planned margins.

Additional risk of competition exists 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, strategy by Chinese manufacturers to initiate price wars with local players amongst others and excess capacity which can force a decrease in prices and consequently affect margins.

In Pyridine, which is a part of the Advance Intermediates business, the Company has been facing competition from China due to excess capacity. However over the last few months, Chinese environmental authorities have increased the pressure on manufacturers in terms of effluent management compliances. Due to this, most of the Pyridine manufacturers have adjusted their Pyridine output to stay within compliance norms. Correspondingly, Beta Picoline output has also been affected, resulting in lower availability of Pyridine as well as Beta Picoline in the market. This has led to an increase in prices across the Beta Picoline value chain.

Fine Ingredients (FI) business faces significant competition from Chinese players both in the Indian as well as international markets. The slight benefit due to firming up of Pyridine prices is offset by the proliferation of new players in the Chinese Fine Ingredients market. The competition has further intensified due to the entry of Pyridine manufacturers in the downstream FI market. At the same time, China has significant advantages in terms of excess capacity, low cost capital and availability of raw materials. This poses a risk of downward pressure on the prices of FI products and may lead to supply of material at low prices by Chinese companies in Indian market adversely affecting the Company's market share. The Company recognises the risk and has engaged in proactive mitigation by doing continuous improvement in processes, promoting our products into new applications, entering into long term contracts with customers and maximising the utilisation of existing assets to improve margins.

In Vitamin B3 market, capacity far exceeds demand and there has been emergence of new vertically integrated competitors. This could result in downward pressure on Vitamin B3 pricing if these players resort to aggressive pricing to gain market share, however their capacity utilisation is restricted by availability of critical raw material Beta Picoline, which is evident from current market situation where Beta Picoline availability is low. The Company plans to mitigate this risk by focusing business efforts towards more profitable market applications which are less price sensitive.

As this is a 100% export oriented business, there is risk to profitability if the Indian Rupee appreciates against US Dollar or Euro. The Company manages its Foreign Exchange Risks suitably.

In Animal Nutrition business, the Company sold its products at higher prices in comparison to the last financial year. However, stiff competition and over supply continued to exert downward pressure on prices of broiler and eggs, leading to unpredictable price trends in domestic poultry market during the year. Introducing more innovative performance enhancer products and diversification to other species' feed markets such as Dairy and Aqua are primary risk mitigation measures being undertaken.

The Company has encountered stiff competition in Crop Science Ingredients business as global agrochemicals market is in a downturn, which has resulted in lower demand and lower prices of our products. In order to mitigate the risk, we have decided to strategically manufacture new value added products and expand the exclusive synthesis product portfolio for global agrochemical customers.

Through the Ethanol business, the Company participated in ethanol supply tender, issued by Oil Marketing Companies (OMCs), by successful and timely completion of the installation of new assets. However price revisions based on Government's new policy have impacted the business margins. In order to mitigate this risk, the Company has been making representations to the Government of India along with other industry bodies/associations seeking modifications in policy so as to make the business more viable to motivate industry to support the "Ethanol Blending Program (EBP)"of Government of India.

In order to combat the risk of rising competition and to ensure that cost competitiveness is maintained, the company continues to explore all options viz.

- Increasing penetration in other geographies and strengthening our supply position with our existing strategic customers through competitive offering to achieve a higher share of customers' business. 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.
- Building long term relationships with key customers by offering improved quality and service experience. Passing on the increase in raw material prices to customers on the strength of excellent customer relationships and sales & distribution network.
- Building economies of scale in manufacturing, distribution channel and procurement to maintain cost advantage and sustained entry barrier.
- Introducing cost improvement initiatives and manufacturing efficiency improvement plans at plants by undertaking projects under Business Excellence programme and by applying many tools and techniques like Lean, Six Sigma and Total Productive Maintenance (TPM) etc. Developing economical alternatives and re-engineering costs to counter increase in input cost. Cost optimisation helps in countering international competition.
- Significant R&D has been done to improve raw material and utility consumption and increase manufacturing efficiency.
- Developing external manufacturing facilities to make the products expeditiously and at lower cost.
- Developing new suppliers to mitigate the risk of higher input prices and non-availability of raw material in time. Micro level planning of inventory also places focus on handling inventory costs.

In Drug Discovery Solutions segment, there are significant challenges facing the pharmaceutical industry such as the escalating cost of R&D, patent expirations, pricing pressures from payers, increased regulatory and safety hurdles as well as lower productivity. The pharmaceutical industry as a whole has been constantly re-evaluating its business model across the entire R&D value chain. This has resulted in a drive towards cost reduction which has increased the industry's appetite for externalisation of more R&D processes. This increased outsourcing has benefited the Company as well as the entire drug discovery and development marketplace which has resulted in a better market, albeit with increased competition from Custom Research Organisations (CROs) around the world. To mitigate this risk, the Company is constantly reviewing its internal processes and organisational structure to ensure higher efficiency and cost effectiveness. We have also evolved our business model to include a portfolio of proprietary drug discovery projects which we can out-license to the pharmaceutical industry to generate revenue in the form of milestone based fees and royalties along with research funding. The Company performs traditional CRO role that delivers small molecule drug discovery services to our clients. We also develop our own portfolio of proprietary discovery programs that we use to initiate R&D collaborations with our clients through out-licensing.

Dependence on Certain Key Products and Customers

The Company depends on certain key products for a significant portion of its total revenue, cash flows and earnings, and any events that adversely affect the markets for key products may adversely affect its business, financial condition and results of operations. We derive a significant portion of our revenue and earnings from a few key products. If the volume or pricing of our largest selling products declines in future or we are unable to satisfy market demand for these products, our business, financial position and results of operations could also be materially adversely affected. Any event that adversely affects any of these products or their markets could have a material and adverse effect on our business, financial condition and results of operations.

The Company continues to launch new products with the help of R&D teams which help in developing new cost effective processes/ products to meet customer demand and build market share. The Company may also change its product mix appropriately.

In Drug Discovery Solutions segment, the Company has several large collaborations with key pharmaceutical and biotech companies that provide a large portion of the segment revenue each year. If these collaborations were to end abruptly there would be an impact on our revenue and profitability. To mitigate this risk, the Company has a team of business development professionals in the field constantly interacting with clients to generate additional business. These interactions include the development of new clients as well as strengthening of relationships with existing clients. The Company has a strong brand and reputation in the industry which helps us to attract and retain our clients. In addition, our mixed business model with our portfolio of proprietary programs is also an attractive marketing tool to bring in larger deals and to develop our long term interaction with key clients.

Foreign Currency and Interest Rate Exposures

There has been significant movement in exchange rates over many years. Due to its global operations, the Company has significant foreign currency exposures. Adverse movement in exchange rates can significantly impact the financial results of the Company. Volatility and uncertainty in foreign exchange rates 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. The Company borrows funds in the domestic and international markets from various banks and financial institutions to meet the long-term and short-term funding requirements for operations and funding growth initiatives. Increases in interest rates may increase the cost of any floating rate debt that we incur.

To mitigate foreign currency related risks, the Company may enter into forward contracts. The Company has a Foreign Exchange Risk Management Team which includes top management. This team formulates the foreign exchange risk management approach and reviews it dynamically to align it with developments in the external environment and business requirements. 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 available production capacity is not aligned with market demand. Insufficient capacity threatens the Company's ability to meet demand and be competitive, or excess capacity threatens the organisation's ability to generate competitive profit margins.

The Company ensures that capacities are well planned and optimised to respond to market realities in the following ways -

- We continue to invest in the optimisation of our manufacturing capacity utilisation. Such optimisation is driven by continuous de-bottlenecking of our manufacturing plants/streams and by value engineering through the application of Six Sigma, Lean Sigma and other value-added tools for productivity enhancement.

In addition, we also build new capacities as per our commercialisation plans based on customer approvals and patent expiry of various molecules. We intend to continuously increase production capacity for several of our API products. For example, we expanded production capacity of our products such as Lamotrigine, Citalopram, Oxcarbazepine and Tramadol through de-bottlenecking and line balancing of our existing plants at Nanjangud to increase production capacity.

- The business teams regularly track the trends for each product to ensure that there is sufficient capacity to meet demand. The Company has robust processes to continuously monitor plant capacities and utilisation, drive improvements aligned with good manufacturing practices such as preventive maintenance schedules and modify 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 to build additional capacities without committing significant capital outlay thereby generating better return on investment. We have proactively improved capacities of key Fine Ingredient products by 15-25%, hence gearing up for the growing demand for their Pharmaceutical end products.
- The Company has developed a dedicated external manufacturing team which can help to outsource some capacities and capabilities in order to ensure quicker response to unforeseen market demand.
- To mitigate excess capacity situations or lower asset utilisation, the Company continuously evaluates manufacturing of new intermediates by using existing assets thereby making the plants multi-purpose, thus improving flexibility. During the year, the Company re-started the production of Alpha and Gamma Picolines, which would primarily cater to captive demand, besides meeting the market requirements. We have retrofitted our existing multi-purpose plants to manufacture new Pyridine derivatives for Pharmaceutical and Biocide applications. We are also doing forward integration to create value added Fine Ingredients products from our current Good Manufacturing Practices (cGMP) multi-purpose facility for Global customers. We are also filing secondary Drug Master Files (DMFs) for new Advance Intermediates.

Manufacturing Operations

One of the key strengths of the company is its excellence in carrying out manufacturing activities with utmost efficiency. Hence, any risk that challenges the manufacturing operations would be a cause of concern. The Company has made an effort to identify such risks and be prepared to mitigate the same.

The Company is committed to process improvement by means of automation, regular training to workers, establishing clear SOPs (Standard Operating Procedures) and process guidelines which will lead to reduction in cycle time and improvement in productivity.

Any inconsistency in the availability of water may pose a threat to our manufacturing operations in India. As a proactive approach, operations team has been working on maximising the recycling of water from effluent streams and reduction of water intake at source.

In Pharmaceuticals segment, manufacturing problems could cause inventory shortages and delay product shipments and regulatory approvals, which may adversely affect the results of our operations. In order to generate revenue from our products, we must be able to produce sufficient quantities of our products to satisfy demand. Many of our products are the result of complex manufacturing processes and subject to regulation by various governmental authorities. Failure to comply with these requirements may lead to delays in the submission or approval of potential new products or financial penalties. We must register our facilities, whether located in the United States or elsewhere, with the US Food and Drug Administration (FDA) as well as regulators outside the United States, and our products must be made in a manner consistent with cGMP or similar standards in each territory in which we manufacture. We may have to write-off the costs of manufacturing any batch that fails to pass quality inspection or meet regulatory approval. The manufacturing process for pharmaceutical products is also highly regulated and regulators may shut down manufacturing facilities that they believe do not comply with regulations. To mitigate these risks, the Company has adopted necessary quality systems and control measures have been implemented to ensure that the quality is maintained by process design. Continuous monitoring is being done by QC/ QA team to deliver highest quality products.

Dependence on Single Manufacturing facility

In Pharmaceuticals segment, some of our products are produced by a single manufacturing facility, such as our Allergy Therapy Products within our Specialty Pharmaceuticals - Injectables business line which are solely produced by our Spokane facility. If any events arise that affect the production of such products by the relevant manufacturing facility, we will be unable to reallocate production to alternative manufacturing facilities, which may affect our ability to manage our capacity utilisation and product mix to the extent that our business may be materially and adversely affected.

Similarly, our manufacturing facility in Nanjangud is the sole manufacturing facility for APIs. On account of this facility being located in India, it may be subject to risks such as political instability, resulting from a change in government, changes in regulatory, economic, fiscal and taxation policies, natural calamities, terrorist attacks etc. which may affect the operations or profitability of our APIs manufacturing facility and our other manufacturing facility located in India.

Research and Development (R&D) Effectiveness

Innovation, speed-to-market and a robust product pipeline are critical factors in ensuring success for an integrated global pharmaceutical and life sciences company. Failure of Research & Development to provide innovative and cost effective products would result in non-achievement of top line or 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 at risk, its ability to command market share. Risk of the Company failing to develop products which are compliant with accepted standards documentation will significantly dent the 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 can pose a risk to the Company's competitive position.

The Company has an effective strategy to mitigate these risks 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 using the same assets.

In Pharmaceuticals segment, the R&D team focuses on generics research including APIs, Solid Dosage Formulations and Radiopharmaceuticals. R&D supports the activities of various businesses through new product and process development, process intensification, absorption of technologies and establishing technologies at a commercial scale. Regarding APIs, our focus continues to be on developing commercially competitive, intellectual property compliant, robust and eco-friendly technologies. Our Radiopharmaceuticals division has a small focused R&D team with radiochemical expertise, based in Montreal, Canada. This team supports existing products and leads the development of new products using its own resources, and also collaborating with our R&D team in India. In Radiopharmaceuticals, we are continually engaged in the development of new products that have yielded a pipeline of products that can be introduced in the future.

Fine Ingredients business faces significant competition from China and other competitors. R&D has taken a pro-active approach to introduce new products in Pyridine chemistry and also in non-Pyridine Chemistry. This will be done by deploying our various technological capabilities. New products continue to get developed by experienced and talented R&D teams which work to deliver in line with the marketing strategy by developing new cost effective processes/ products. Further, in order to ensure that cost competitiveness is maintained, R&D is working on the improvement of existing processes, their carbon efficiency and atom economy. Initiatives are also being taken to develop alternative green processes involving fewer manufacturing steps with reduced consumption of utilities and increased manufacturing efficiency.

The focus is on development of processes within deadlines at optimum cost. The Company has institutionalised robust processes and proven R&D methodologies to ensure successful commercialisation and avoid unpleasant surprises during scale-up. The R&D function keeps itself updated with the regulations, upcoming technological changes and trends and proactively aligns with pharmacopeia methods and industry best practices.

In Drug Discovery Solutions segment, the Company has a mixed business model that delivers small molecule drug discovery services to our clients as well as our own portfolio of proprietary discovery programmes that we use to initiate R&D collaborations with our clients through out-licensing. Drug discovery is inherently a risky venture with a high failure rate. To mitigate this, we maintain a pipeline of client programs that can help offset attrition of client programs. For our own portfolio of internal proprietary drug discovery programs to help offset attrition risk we have 1) built a pipeline of early and late stage programs and 2) are developing select relationships with academic groups as a source for new targets which allows us to replace programs where the science does not deliver an asset that is fit for out-licensing.

Supply Interruptions due to Single Source Supplier

In Pharmaceuticals segment, the Company must ensure a regular and secure supply of the raw materials required to produce our products. For some of our key raw materials, we have only a single or a few external sources of supply, and alternate sources of supply may not be readily available. If we are unable to maintain our relationships with our suppliers or find alternative suppliers on commercially acceptable terms, our business, financial position and results of operations could be materially and adversely affected in the event of any supply shortage or disruption. In addition, if we are unable to obtain such raw materials, or if we are unable to obtain them at a competitive cost, our competitiveness would be affected and we may lose market share.

The Company has an effective strategy to mitigate these risks by developing alternative suppliers on a continuous basis.

Limited Product Pipeline

In Pharmaceuticals segment, if the Company is unable to maintain a sufficiently large portfolio of pharmaceutical products and services and manage their development and approval processes so as to bring them to market on a timely basis, our growth strategy may not be successful and our business would be adversely affected. Our future success will depend to a significant degree on our ability to continue to develop and commercialise new pharmaceutical products in a timely and cost-effective manner. The development and commercialisation of new products is complex, time-consuming and costly. Due to the long lead times associated with obtaining regulatory approvals for many of these products, as well as the competitive advantage that can come from gaining early approval, it is important that we maintain a sufficiently large portfolio of products and a product pipeline and manage their development and approval processes so as to bring products to market on a timely basis.

As mitigating steps, our R&D team strives to create new, innovative processes and new knowledge-driven products that allow us to capitalise on opportunities for growth in competitive markets. The Company has R&D centres located in India and North America and employs a large team of research scientists with expertise in the development of non-infringing products for APIs, Solid Dosage Formulations, Radiopharmaceuticals and other products.

Failure to Supply to Customer

In Pharmaceuticals segment, if the Company is not able to supply the material to customers as per the agreed timelines or specifications or other conditions, we may face penalty from our customers as per the terms of the agreement. Our business, financial position and results of operations could be materially and adversely affected. It may also adversely affect our reputation and our competitiveness and we may lose market share. Such failures can have a far-reaching impact on the business and brand value. The Company ensures that such risks are monitored and mitigated on a continuous basis.

Human Resources – Acquire and Retain Talent

The Company has committed substantial resources to acquire, retain and develop talent, given the competition for qualified and experienced human resources. 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, on the other hand employees get rewarded under Reward and Recognition Program based on performance.

The Company realises that an insufficient focus on human resources processes (e.g. recruiting, talent management, labour management, development and training) threatens the ability of the Company 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 from key positions.

As a part of our Strategic Talent & Succession Management process, the leadership invests valuable time in identifying high potential and succession candidates for critical positions and planning their development for the next higher role. Leadership Development program and 360-degree feedback are conducted for these employees based on the Leadership Competency Framework of the organisation, helping the Human Resources department perform GAP analysis followed by capability development activities.

The GAP analysis is used to create individual development program to develop the next line of managers. In certain businesses, sales trainees, recruited from campuses, are being groomed for future sales positions. The Company also recruits management trainees and graduate engineer trainees to build a strong talent pipeline.

Talent development is imperative for the success of businesses and therefore, training need identification is done during annual performance appraisal. This is included in the Company's training calendar and courses are designed to help employees perform their roles at their highest potential. Senior management employees at critical positions are also sent for customised general management programs at premier institutes to prepare them for larger roles and also build cross-functional capability in the organisation.

The Company also understands the need to create a culture of high employee engagement as a method to retain talent in the organisation. Regular communication forums are organised in the form of town hall, skip meeting and new joiner assimilation program to understand employee concerns and a structured mitigation process is developed for effective redressal.

Today's fast paced business changes make it imperative to focus on forward looking and futuristic systems and applications. As a step towards this, we have integrated PeopleSoft based Human Resource Information Systems (HRIS) across all our locations and entities across the globe. The HRIS system is designed to cover all key HR processes – Performance Management, Recruitment, Training & Development, Profile & Position Management, Career & Succession Planning, and Compensation and Benefits. We continue to make improvements in this system.

We ensure that there is full adherence to the code of business conduct and fair business practices are followed.

Compliance and Regulatory

Regulatory affairs play a vital role in the development of all businesses. Due to constantly increasing regulatory obligations, new requirements as well as globalisation of market, the demands and responsibilities of business in terms of regulatory readiness are becoming stringent. We have Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) regulations in 28 member countries of European Union and REACH like regulations in all major countries like China, Korea, Japan, Malaysia, Taiwan, Turkey etc. These regulations require registration and extensive data submission without which we cannot enter the market. The Company has established systems and controls to monitor and upgrade registration as per business needs. There are also other major challenges in terms of meeting the requirements of other compliances like United Nations Globally Harmonised System (GHS), Classification, Labelling and Packaging (CLP) and other country specific GHS requirements.

Besides, there are other specific regulatory requirements that pertain to end use applications like biocides, pesticides, food and feed applications etc. which have various parameters depending upon the geography. These are being complied with for all businesses proactively.

Over the last few years, various regulators and law enforcement 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 pharmaceuticals and life sciences space. Besides, there are laws of many countries that the Company needs 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 for 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, timely submission of dossiers and ensuring timely product availability. The Company is proactively following-up with regulatory authorities regarding pending approvals and queries raised by authorities are addressed promptly. Further, estimation of risks on account of failure/ delay in obtaining approvals is duly considered while designing business plans. The Company has also put in place a compliance management system to ensure compliance with all applicable laws and regulations. The Company has a dedicated team of experts whose knowledge ensures that the global regulatory compliances are met and we can build competitive advantage. The Company also undertakes training and orientation program to keep the relevant process owners updated on new regulations and changes in the existing laws.

The Company is subject to Good Manufacturing Practices (GMP) requirements of various regulatory bodies including US FDA, European authorities, International Conference on Harmonisation (ICH) & World Health Organisation (WHO) requirements and various other international and national guidelines. GMP requirements encompass extensive regulations governing all activities of pharmaceutical business from material sourcing, manufacturing process and controls, quality assurance and controls, manufacturing facilities, manpower and training, packaging, labelling, storage, distribution and post marketing monitoring. The Company has a well-developed GMP culture focusing on data integrity, well defined quality system procedures to meet the various guidelines on GMP, procedures to ensure permanent resolution of issues through implementation of corrective and preventive actions based on root cause analysis, training for all employees on cGMPs. The Company has systems to monitor the changes in regulatory environment and GMP requirements and upgrade the internal procedures and processes continuously. Regular training is imparted to employees on cGMPs, regulatory guidelines and expectations. Quality Risk Management (QRM) procedures are adopted to evaluate and identify the quality risks associated with products and processes proactively and take actions to mitigate the risks. All the manufacturing facilities of the Company comply with GMP requirements and significant upgradations are taken up in the facilities, if required, to ensure compliance with cGMP requirements.

In Pharmaceuticals segment, the Company always strives to conform to regulatory and compliance standards to meet stringent requirement of customers to ensure the medicines provide health care and wellness for the consumers. The Company's facilities are audited by multiple regulatory authorities on a periodic basis. Observations and recommendations based on such audits serve as a means of communication regarding potential areas of corrective actions. Non-compliance with such observations could lead to further regulatory actions, to the detriment of our business. The Company has necessary systems to prevent any violations or deviations.

Environment, Health and Safety (EHS)

The Company is aware of the rapid changes in the business environment such as increased global competition; more rigorous customer and societal demands; and extensive investor pressure. To face these challenges and ensure sustainability, excellence in Cost, Quality, Services, and Environment, Health and Safety is of paramount importance. The Company is committed to protecting the environment and ensuring the health and safety of its employees, customers, and the public. It takes pride in managing its operations with a high concern for EHS.

Over the years, EHS excellence has been extensively promoted as a part of the Company's culture. It is also clearly reflected in the Company's policies on Sustainability, EHS, Responsible Care, Climate Change and Green Supply Chain. The Company does the right things right so that the employees, the community at large, and the environment, including natural resources, are protected. Leaving minimal environmental footprint is integral to the Company's EHS philosophy. On the road to achieving EHS excellence, the Company has adopted a top down approach and has been enhancing EHS initiatives by making it a line function responsibility through active employee consultation and participation.

Caring for the Environment is a core corporate promise and as a part of this commitment, high capital expenditure is being incurred on process improvements as well as up-gradation of environmental management facilities using the latest technologies that have helped to reduce environmental footprint. While end-of-the-pipe solutions are implemented, we are also making progress on initiatives for reduction of waste at source. Efforts to process more by-products and waste to make them reusable are paying off in terms of ecological and economic impact.

The Government of India has rightly been focussing on the environmental issues and making the environmental laws appropriately stringent for industry to follow. With the initiatives of cleaning the Ganges, these laws and guidelines are expected to get even more stringent and industry will have to be more disciplined in adhering to the same. The Company is extremely sensitive to these externalities and strives to pro-actively adhere to all latest guidelines laid out by Government of India from time to time for all its locations.

Investments were made for the up-gradation of process safety & enhanced process controls at our sites. Safety culture in terms of safe behaviour is being aggressively promoted and propagated at workplace through 'Sanchetna' – a platform for encouraging identification and 360-degree correction of unsafe acts and conditions. Safety knowledge of the technical personnel is constantly updated through various external and in-house training programs, including special training programs by external experts & consultants.

All sites are equipped with an Occupational Health Centre (OHC) run by Occupational Health Physician. The sites run a comprehensive health assessment programme wherein the occupational health of the employees is assessed on a periodic basis. The OHC provides curative, advisory and health promotion services to the employees.

The Company proactively engages with government, industry forums and academia to support creation of responsible and practicable EHS regulations.

The Company has a full-fledged EHS team which is continuously addressing the issues of environmental safeguards by conducting periodical safety audits and training programmes.

Protecting Intellectual Property Rights (IPR)

Our efforts have helped us avoid any intellectual property issues by developing designed around research strategies, better understanding of emerging challenges, identifying newer opportunities and creating 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 protect our products with patents in major markets. Depending on the jurisdiction, patent protection may be available for individual active ingredients; specific compounds, formulations and combinations containing active ingredients; manufacturing processes; intermediates useful in the manufacture of products; and new uses for existing products. The protection that a patent provides varies from country to country, depending on the type of claim granted, the scope of the claim's coverage and the legal remedies available for enforcement. We have filed intellectual property applications in various countries for innovations. We have trademarks primarily in India, United States of America, Canada, Europe, Nigeria, South Africa, Mexico, Columbia, China and Australia.

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

The Company has a dedicated team of scientists whose primary task is to ensure that the products are manufactured using only non-infringing processes and compliance requirements are met by reviewing and monitoring IPR issues continuously.

In Pharmaceuticals segment, the Company takes all reasonable steps to ensure that our products do not infringe valid third-party IPRs. Any material litigation or other communications alleging such infringements could delay the sale of or prevent us from selling our products. In the normal course of business, we are sometimes subject to lawsuits. The ultimate outcome of any such litigation could adversely affect our results of operations, financial condition and cash flow. The uncertainties inherent in patent litigation make it difficult for us to predict the outcome of any such litigation. If we are unsuccessful in defending ourselves against these suits, we could be prevented from selling our products, resulting in a decrease in revenues, or to damages, which may be substantial. Either event could materially and adversely affect our consolidated financial position, results of operations or liquidity.

Information Technology (IT)

Information Technology today has become the backbone of any business. Robust IT strategy that includes adequate IT infrastructure, integrity, data confidentiality and data availability at all times is key to achieving business objectives of the company. Occurrence of any unforeseen threats to information technology systems could have adverse impact on data availability and continuity of business operations.

The Company has an information security framework based on the ISO/IEC 27001 standards that ensures all the information assets are adequately safeguarded. There is Information security steering committee at the apex level which gives directions and resources to manage information security of the company. All IT security events impacting critical IT infrastructure are getting logged and monitored round the clock by Security Operations Centre (SOC).

Most of the information technology assets are hosted in the data centres which are subject to appropriate physical and logical access controls. Various components of information technology like network, operating system, firewall, software license compliance, applications controls etc. are covered under the annual audit plans and appropriate corrective and preventive actions are taken based on audit findings. Requisite redundancies have been built within the IT infrastructure to ensure availability of information at all times.

Since employee awareness is an integral part of managing information security risk, the Company provides structured training to the employees through internal & external training program. The Company also publishes monthly Information Security newsletter to create end user awareness about information security risks and mitigation strategies.

Risk of changes in Tax Legislation

The Company's activities are subject to tax at various rates around the world computed in accordance with local legislation and practice. Actions by governments to increase tax rates or to impose additional taxes may reduce our profitability. Revisions to tax legislation or to its interpretation (whether with prospective or retrospective effect) may also affect our results and significant judgment is required in determining our provision for income taxes. Likewise, we are subject to audit by tax authorities in many jurisdictions. In such audits, our interpretation of tax legislation might be challenged and tax authorities in various jurisdictions may disagree with, and subsequently challenge, the amount of profits taxed in such jurisdictions. Although we believe our estimates are reasonable, the ultimate outcome of such audits and related litigation could be different from our provision for taxes and might have a material adverse effect on our financial statements.

The Company has a dedicated team of tax professionals whose primary task is to ensure that the tax liabilities are correctly computed and any revision in the tax legislation is monitored continuously.

Mergers & Acquisitions

In Pharmaceuticals segment, the Company may expand its business through selective, targeted mergers or acquisitions of businesses and assets we believe to be complementary to our existing business. Mergers and acquisitions may involve a number of risks, including diversion of management's attention, failure to retain key acquired personnel and clients, unanticipated events or circumstances, cultural differences, legal liabilities, some or all of which could harm our results of operations and financial condition. If we are not able to successfully integrate other businesses we may acquire or merge with in the future, with the rest of our business, we may be unable to realise the anticipated benefits of such mergers or acquisitions, or our existing business may be harmed. The Company has adopted measures to address these issues by increasing the efficiency and reducing the impact if any. Further, estimation of risks on account of failure/delay in integration is duly considered while designing business plans. The Company has a dedicated team of experts whose knowledge ensures that the requirements are met and we can build competitive advantage.

Political or Economic Instability or Acts of Terrorism

We are an integrated global pharmaceutical and life sciences company with worldwide operations and one of our strategic objectives is to continue to expand our geographic outreach. The Company derives sales and procures materials from countries that may be adversely affected by political or economic instability, major hostilities or acts of terrorism. Moreover, as we often export a substantial number of products into global markets, we may be denied access to customers or suppliers of raw materials. We may also be denied the ability to ship products from any of our sites as a result of a closing of the borders of the countries due to political or economic instability and acts of terror, in such countries.

Duties by Export Destination Countries

A substantial portion of the Company's products are exported and sold in various countries across the world. Export destination countries may impose varying duties on our products. Any increase in such duties may adversely affect our ability to compete with the local manufacturers and other competitors.

Acceptance of Our Products in Market

In Pharmaceuticals segment, the Company's ability to market our products successfully depends, in part, upon the acceptance of the products not only by customers, but also by independent third parties including wholesalers, distributors, physicians, hospitals, pharmacies, government representatives and other retailers, as well as patients. Unanticipated side effects or unfavourable publicity concerning any of our products or brands, could have an adverse effect on our ability to achieve acceptance by prescribing physicians, managed care providers, pharmacies and other retailers, customers and patients.

If our products are approved by the regulatory authorities but do not achieve an adequate level of acceptance by independent third parties, we may be unable to generate any or sufficient revenue from these products to make them profitable.

Policies regarding returns, allowances and chargebacks in the United States

In Pharmaceuticals segment, consistent with industry practice in the United States, our U.S. subsidiary, Jubilant Cadista Pharmaceuticals Inc., like many other generic product manufacturers, has liberal return policies and has been willing to give customers post-sale inventory allowances in our generics and solid dosage formulations businesses. Under these arrangements, from time to time, this subsidiary may give customers credits on generic products that customers hold in inventory after it has decreased the market prices of the same generic products. Therefore, if new competitors enter the marketplace and significantly lower the prices of any of their competing products, we may reduce the price of our product. As a result, this subsidiary may be obligated to provide significant credits to customers who are then holding inventories of such products, which could reduce sales revenue and gross margin for the period the credit is provided.

Like our competitors, this subsidiary also gives credits for chargebacks to wholesale customers that have contracts with us for their sales to hospitals, group purchasing organisations, pharmacies or other retail customers. A chargeback represents an amount payable in the future to a wholesaler for the difference between the invoice price paid to us by our wholesale customer for a particular product and the negotiated contract price that the wholesaler's customer pays for that product. As a mitigation strategy, company establishes reserves based on prior experience and best estimates of the impact that these policies may have in subsequent periods.

Labour Union

If we experience labour union issues, our production capacity and overall profitability could be adversely affected. Although we generally enjoy cordial relations with our employees, we may experience strike over wages and other matters. This may be resolved amicably through a voluntary negotiations and mediation process. However, if any such negotiations in future regarding wages with our employees or any of the labour unions are not concluded quickly, our relations with our employees could suffer, which could have a material adverse effect on our results of operations.

Consolidation of Customer Base

In Pharmaceuticals segment, sales of our products may be adversely affected by the continuing consolidation of our customer base. A significant part of our generics sales is made to relatively few retail drug chains and pharmaceutical wholesalers in the US and in other geographical markets. These customers are continuing to undergo significant consolidation. Such consolidation has provided and may continue to provide them with additional purchasing leverage, and consequently may increase the pricing pressure that we face. We expect that consolidation of drug wholesalers and retailers will increase pricing and other competitive pressures on generic drug manufacturers, including those in the United States.

The Company is able to manage pricing pressure by taking initiatives to continuously redefine production processes to control cost. For some of its generic formulations, the Company has captive manufacturing of APIs to ensure effective cost control to focus on improving profit margins.

Directors' **Report**

Your Directors are happy in presenting the Thirty Ninth Annual Report together with the Audited Standalone and Consolidated Financial Statements for the year ended March 31, 2017.

OVERVIEW

Jubilant Life Sciences Limited ('the Company' or 'Jubilant') is an integrated global Pharmaceutical and Life Sciences company engaged in Pharmaceuticals, Life Science Ingredients and Drug Discovery Solutions. The Pharmaceuticals segment, through its wholly-owned subsidiary Jubilant Pharma Limited, is engaged in manufacture and supply of Active Pharmaceutical Ingredients ('APIs'), Solid Dosage Formulations, Radiopharmaceuticals, Allergy Therapy Products and Contract Manufacturing of Sterile and Non-sterile products through 6 USFDA approved manufacturing facilities in India, USA and Canada. The Life Science Ingredients segment, is engaged in Specialty Intermediates, Nutritional Products and Life Science Chemicals through 5 manufacturing facilities in India. The Drug Discovery Solutions segment provides proprietary in-house innovation and collaborative research and partnership for out-licensing through 3 world class research centres in India and USA. Jubilant Life Sciences Limited has a team of over 6,500 multicultural people across the globe and is committed to deliver value to its customers 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.

RESULTS OF OPERATIONS AND STATE OF COMPANY'S AFFAIRS

FINANCIAL RESULTS

(₹ / Million)

Particulars	Standalone		Consolidated	
	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2017	Year ended March 31, 2016
Total Revenue from Operations	**26,230**	27,910	**60,063**	58,933
Total Operating Expenditure	**23,050**	24,787	**46,610**	46,464
EBITDA	**3,180**	3,123	**13,453**	12,469
Other Income	**519**	617	**248**	134
EBITDA including Other Income	**3,699**	3,740	**13,701**	12,603
Depreciation and Amortisation Expense	**811**	870	**2,914**	3,467
Finance Costs	**1,743**	2,006	**3,411**	3,714
Profit after Depreciation and Finance Cost but before Exceptional Items	**1,145**	864	**7,376**	5,422
Exceptional Item - (Gain)/ Loss	**-**	-	**-**	-
Tax Expenses	**353**	134	**1,630**	1,554
Reported Net Profit After Tax	**792**	730	**5,746**	3,868
Attributable to:				
Shareholders of the Company	**-**	-	**5,756**	3,918
Non-Controlling Interests	**-**	-	**(10)**	(50)
Other Comprehensive Income	**(9)**	(8)	**(577)**	731
Total Comprehensive Income for the period	**783**	722	**5,169**	4,599
Retained Earnings brought forward from previous year	**7,976**	7,761	**16,167**	12,606
Transfer on account of sale of Equity Instruments	**-**	-	-	203
Adjustment on account of consolidation of Jubilant Employees Welfare Trust	**-**	-	**12**	14
Retained Earnings available for appropriation which the Directors have appropriated as follows:	**8,768**	8,491	**21,935**	16,741
- Dividend on Equity Shares	**478**	478	**478**	478
- Tax on Dividend on Equity Shares	**58**[1]	37[1]	**97**	97
- Transfer to Debenture Redemption Reserve	**375**	-	**375**	-
- Transfer to Legal Reserve	-	-	**1**	(1)
Retained Earnings to be carried forward	**7,857**	7,976	**20,984**	16,167

[1]After reversal of dividend distribution tax of ₹ 39 Million (March 31, 2016: ₹ 60 Million), on account of dividend received during the year from a subsidiary company.

(i) Standalone Financials

Revenue from Operations

In the Financial Year 2016-17, on standalone basis, the Company recorded total Revenue from operations of ₹ 26,230 Million.

International Revenues

International business contributed 40% to the Net Revenue from operations at ₹ 10,365 Million.

EBITDA

For the year ended March 31, 2017, Earnings before Interest, Taxes, Depreciation and Amortisation ('EBITDA') stood at ₹ 3,699 Million with EBITDA margins at 14%.

Reported Net Profit/ Loss after Tax and EPS

Reported Net Profit after Tax was ₹ 792 Million in the Financial Year 2016-17. Basic Earnings Per Share ('EPS') stood at ₹ 4.97.

(ii) Consolidated Financials

The Consolidated Financial Statements, prepared in accordance with the provisions of the Companies Act, 2013 (the 'Act'), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations') and Ind-AS 110 'Consolidated Financial Statements' prescribed under Section 133 of the Act, form part of the Annual Report.

Performance Review

Our strong performance continued in the Financial Year 2016-17 and the Company reported highest ever revenue and profits during the year. The differentiated business model focusing on Specialty Pharmaceuticals (Injectables) has enabled us to deliver exceptional results and build a strong base for growth going forward in our Pharma business. The Company has generated strong operating cash flow which enabled reduction of debt and is expected to deliver better results going forward. Our focus is to strengthen the Balance Sheet, invest in strategic opportunities without increasing debt levels and build strong pipeline of products across our businesses.

Revenue from operations was the highest ever at ₹ 60,063 Million, up 2% YoY, with International revenue at ₹ 42,468 Million, contributing 71% of the total revenue. Pharmaceuticals revenues were at ₹ 31,167 Million, up 8% YoY and contributing 52% to the revenues. Within this segment, Specialty Pharmaceuticals (Injectables) displayed a growth of 11% YoY. The Company believe that, this growth is a testimony to our strategy and the business model wherein we have been able to build multiple levers of exciting and differentiated businesses which have helped the business deliver robust performance. This has been aptly demonstrated in the consistent growth witnessed in Specialty Pharmaceuticals (Injectables) despite strong headwinds in the US Generics business from supply chain consolidation. Life Science Ingredients revenue stood at ₹ 27,076 Million and contributed 45% to the revenue. Drug Discovery Solutions revenue improved 45% YoY to ₹ 1,821 Million contributing 3% of the revenue.

EBITDA was 9% higher YoY at record ₹ 13,701 Million, translating to margin improvement of 143 basis points at 22.8% as against 21.4% in the Financial Year 2015-16. This was led by the Pharmaceuticals segment which reported EBITDA of ₹ 9,751 Million, a growth of 9% YoY with a margin of 31.3% as against the margin of 30.9% achieved last year. The Pharmaceuticals segment now contributes about 68% to the overall EBITDA.

Life Science Ingredients reported EBITDA of ₹ 4,338 Million translating to EBITDA margin of 16%, an improvement from 15% in the Financial Year 2015-16. Drug Discovery Solutions EBITDA was at ₹ 258 Million translating to EBITDA margin of 14.2%. Depreciation and amortization in the Financial Year 2016-17 was at ₹ 2,914 Million as compared to ₹ 3,467 Million in the Financial Year 2015-16. Finance cost stood at ₹ 3,411 Million, lower by 8% YoY.

Net profit attributable to shareholders improved by 47% YoY at ₹ 5,756 Million as compared to ₹ 3,918 Million in the Financial Year 2015-16 with a Basic EPS of ₹ 36.93 as compared to ₹ 25.10 in the Financial Year 2015-16.

From Balance Sheet perspective, in the Financial Year 2016-17, the Company repaid ₹ 5,056 Million of Debt and the Net Debt stood at ₹ 36,844 Million on a constant currency basis.

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, 2017. Total dividend payout of ₹ 536 Million includes tax on dividend of ₹ 58 Million (net of reversal of dividend distribution tax of ₹ 39 Million for the year ended March 31, 2016, on account of dividend received during the year from a subsidiary company). The payment of dividend is subject to approval of the shareholders at the forthcoming Annual General Meeting ('AGM') of the Company.

CAPITAL STRUCTURE

(a) Share Capital

During the year, there has been no change in the authorised, subscribed and paid-up share capital of the Company. As on March 31, 2017, the paid-up share capital stood at ₹ 159,281,139 comprising of 159,281,139 equity shares of ₹ 1 each.

(b) Employees Stock Option Plans (ESOPs)

The Company has two employees stock option plans namely Jubilant Employees Stock Option Plan 2005 ('Plan 2005') and JLL Employees Stock Option Plan 2011 ('Plan 2011'). During the year, there was no material change in Plan 2005 and Plan 2011 and both the plans are in compliance with the SEBI (Share Based Employee Benefits) Regulations, 2014 (the 'SEBI ESOP Regulations').

Plan 2005: During the year, 3,700 Options were exercised by the option holders. As on March 31, 2017, 2,867 Options were outstanding under the Plan 2005. Each Option entitles the holder to acquire five equity shares of ₹ 1 each of the Company at the exercise price fixed at the time of grant, being the market value as per the erstwhile SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (the 'SEBI Guidelines').

Plan 2011: During the year, 337,075 Options were exercised by the option holders. As on March 31, 2017, 71,185 Options were outstanding under the Plan 2011. Each Option entitles the holder to acquire one equity share of ₹ 1 of the Company at the exercise price fixed at the time of grant, being the market value as per the SEBI Guidelines.

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

The details pursuant to the SEBI ESOP Regulations have been placed on the website of the Company and weblink of the same is www.jubl.com/Uploads/image/499imguf_esop_disclosure2017.pdf.

(c) Debentures

During the year, the Company has offered, issued and allotted Secured Redeemable Non-Convertible Debentures ('NCDs') of ₹ 4,950 Million on a private placement basis. NCDs are listed on Whole-sale Debt Market Segment of National Stock Exchange of India Limited ('NSE'). The net proceeds of the funds raised have primarily been used to refinance the existing debt of the Company.

SUBSIDIARIES

As on March 31, 2017, the Company had 49 subsidiaries. Brief particulars of the principal subsidiaries are given below:

Jubilant Pharma Limited

Jubilant Pharma Limited, Singapore ('Jubilant Pharma') is a wholly-owned subsidiary of your Company. Jubilant Pharma holds the global pharmaceutical business of the Company through its subsidiaries in USA, Canada, Europe, India and rest of the world. These subsidiaries of Jubilant Pharma are engaged in manufacturing and marketing of various pharmaceutical products and services like APIs, oral dosage forms (tablets and capsules), contract manufacturing of sterile injectables, ointment, creams and liquids, allergy therapy products and radiopharmaceutical products. Revenue of the company during the Financial Year 2016-17 was ₹ 833.18 Million as compared to ₹ 521.90 Million during the Financial Year 2015-16.

During the year, Jubilant Pharma has, through its debut issue, raised US$ 300 Million by offering 4.875% Rated Unsecured High Yield Bonds ('Notes') under Regulation S of the US Securities Act of 1933. The Notes are listed on the Singapore Exchange Securities Trading Limited. The net proceeds of the funds raised have primarily been used to refinance the existing debt of the Company and its subsidiaries.

Jubilant Generics Limited

Jubilant Generics Limited ('JGL') is a wholly-owned subsidiary of the Company through Jubilant Pharma. JGL owns two manufacturing facilities; one at Nanjangud, Karnataka and another at Roorkee, Uttarakhand which are engaged in APIs and Dosage Forms business, respectively.

The manufacturing location at Nanjangud spread on 69 acres is engaged in manufacturing of APIs and caters to the sales worldwide. API portfolio is focused on Lifestyle driven Therapeutic Areas (CVS, CNS) and also targets complex and newly approved molecules. The company is market leader in four APIs and is amongst the top 3 players for another three APIs in its portfolio helping it maintain a high contribution margin. The manufacturing location at Roorkee, Uttarakhand with 5 acres of infrastructure is USFDA, Japan PMDA, UK MHRA, TGA, WHO and Brazil ANVISA audited and approved. This business focusses on B2B model for EU, Canada and emerging markets. It has capabilities to develop multiple dosage forms including Oral solid, injectable and ophthalmic dosage forms. Revenue of the company during the Financial Year 2016-17 was ₹ 10,726.09 Million as compared to ₹ 9,197.82 Million during the Financial Year 2015-16.

Jubilant Pharma Trading Inc.

This corporation incorporated in Delaware, USA is a wholly-owned subsidiary of Jubilant Pharma. It undertakes sales and distribution of APIs in North America. Revenue of the company during the Financial Year 2016-17 was ₹ 1,232.63 Million as compared to ₹ 1,296.41 Million during the Financial Year 2015-16.

Cadista Holdings Inc. and Jubilant Cadista Pharmaceuticals Inc.

(i) Cadista Holdings Inc. ('Cadista'), a corporation incorporated in Delaware, USA is a wholly-owned subsidiary of Jubilant Pharma Holdings Inc.

(ii) Jubilant Cadista Pharmaceuticals Inc., a corporation incorporated in Delaware, USA is a wholly-owned subsidiary of Cadista. This company is in the business of manufacturing solid dosage forms of generic pharmaceuticals at its U.S. Food and Drug Administration ('USFDA') 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 on March 31, 2017, there were 29 products marketed in the US with focus in the therapeutic areas of CVS, CNS, Anti Allergic, Steroids, etc. Revenue of the company during the Financial Year 2016-17 was ₹ 5,374.65 Million as compared to ₹ 5,822.31 Million during the Financial Year 2015-16.

Jubilant HollisterStier LLC

This subsidiary is based in Spokane, State of Washington, USA. It is a wholly-owned subsidiary of HSL Holdings Inc.

This subsidiary has 2 businesses; Contract Manufacturing (CMO) and Allergenic Extracts.

In the contract manufacturing business of sterile injectables, this company provides a complete range of services to support drug manufacturing in the pharmaceutical and biopharmaceutical industries. Its contract manufacturing capabilities include aseptic liquid fill/ finishing and lyophilisation of small lot parenteral 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), Europe, Japan, Brazil and Canada. Its contract manufacturing business serves customers including innovators ranging from small biotechnology to large pharmaceutical companies.

Additionally, it is an innovator, manufacturer and distributor of allergenic extracts, targeted primarily at treating allergies and asthma. With nearly 100 years of leadership in research, extract production and immunotherapy products, the organization is respected worldwide in the field of allergy. Currently, the business is comprised of allergenic extracts and mixes, along with specialized skin test diagnostic devices. The business lays special emphasis on innovation towards introducing new products to treat and cure allergies. Revenue of the company during the Financial Year 2016-17 was ₹ 7,133.07 Million as compared to ₹ 6,709.53 Million during the Financial Year 2015-16.

Jubilant DraxImage Inc.

Jubilant DraxImage Inc. ('JDI') is a wholly-owned subsidiary of the Company through Jubilant Pharma. JDI develops, manufactures and markets radiopharmaceuticals used in Nuclear Medicine for the diagnosis, treatment and monitoring of various diseases. It serves hospital-based customers (Nuclear Medicine Physicians and Technologists) in addition to specialized radiopharmacies and through them patients, globally with high quality and reliable specialty products. The business is backed by a dedicated research and development team, specialized manufacturing, strong regulatory affairs and commercial operations. The areas of specialization include cardiac, lung, bone and thyroid diseases. JDI employs about 160 skilled professionals and is based in Montreal, Canada, where it operates a manufacturing facility approved by USFDA and Health Canada.

JDI has earned and maintained market leadership in North America in several specialty niche products including I-131 Therapeutic & Diagnostic capsules for imaging and treatment of thyroid diseases and thyroid cancer, Methylene-Diphosphonate (MDP) for bone imaging, Macro-Aggregated Albumin (MAA) for lung imaging and Diethylene Triamine Penta-acetic Acid (DTPA) for renal and brain imaging. Recently, JDI received approval from USFDA for RubyFill®, a cutting edge technology for PET myocardial perfusion imaging (MPI) under rest and pharmacological stress conditions to evaluate regional myocardial perfusion in adult patients with suspected or existing coronary artery disease. Revenue of the company during the Financial Year 2016-17 was ₹ 8,112.66 Million as compared to ₹ 7,049.54 Million during the Financial Year 2015-16.

Jubilant DraxImage Limited

This is a wholly-owned subsidiary of the Company through Jubilant Pharma. Jubilant Draximage Limited ('JDI, India') has been set up with a vision to cater to the Radiopharmaceutical and Nuclear Medicine field in India which lacks a structured focus from Pharmaceutical Industry. This company is engaged in marketing of innovative diagnostic imaging, radiopharmaceutical solution and therapeutic radiopharmaceutical products. Presently, JDI, India is marketing Lyophilized kits like Sestamibi, DTPA MDP and MAA in rest of the world. 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 and Myocardial Perfusion Imaging), Thallium-201 and Iodine-131 (Ranked 2nd in market share value wise in India) capsules and solution (for the diagnosis and treatment of Thyroid and its related disease), Lutetium-177 and Gallium-68 generator (Ranked 2nd in market share value wise in India) via various partnerships across South Asia. The target customers are Nuclear Medicine physicians, Cardiologists and Oncologists of various hospitals and imaging labs. Revenue of the company during the Financial Year 2016-17 was ₹ 112.97 Million as compared to ₹ 99.23 Million during the Financial Year 2015-16.

Jubilant Pharma NV

This is a wholly-owned subsidiary of the Company through JGL and Jubilant Pharma. This company holds shares of Jubilant Pharmaceuticals NV (99.8%) and PSI Supply NV (99.5%) along with Jubilant Pharma which holds the balance shares.

Jubilant Pharmaceuticals NV

This is a wholly-owned subsidiary of the Company through Jubilant Pharma NV, Belgium, which holds 99.8% of its shares and Jubilant Pharma holds the balance shares. This company is engaged in the business of licensing generic dosage forms and providing regulatory services to generic pharmaceutical companies. Revenue of the company during the Financial Year 2016-17 was ₹ 35.12 Million as compared to ₹ 43.85 Million during the Financial Year 2015-16.

PSI Supply NV

This is a wholly-owned subsidiary of the Company. 99.5% of its shares are held by Jubilant Pharma NV and the balance by Jubilant Pharma. It is engaged in the supply of generic dosage forms to the European markets. Revenue of the company during the Financial Year 2016-17 was ₹ 219.50 Million as compared to ₹ 239.03 Million during the Financial Year 2015-16.

Jubilant Life Sciences NV

This is a wholly-owned subsidiary of the Company. 99.99% of its shares are held by the Company and the balance by Jubilant Infrastructure Limited. It is engaged in the supply of bulk chemicals such as ethyl acetate, acetic anhydride, etc. and vitamins (feed and food grade) to the European markets.

Revenue of the company during the Financial Year 2016-17 was ₹ 3,018.02 Million as compared to ₹ 3,341.75 Million during the Financial Year 2015-16.

Jubilant Biosys Limited

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

This company provides Drug Discovery Services to global pharmaceutical and biotech companies in:

- Standalone Service Model including functional services in the areas of In Vitro Biology, In Vivo Biology, Structural Biology, DMPK, Toxicology and Discovery Informatics, on Full Time Equivalent (FTE) or Fee For Service (FFS) based model;
- Collaborative/Partnership Model with integrated discovery program across a single or a portfolio of molecules;
- In house proprietary model to develop assets that can be out-licensed under terms including research funding, payments for scientific milestones achieved through Discovery and Development phase and royalties on successful commercialization of drugs.

Revenue of the company during the Financial Year 2016-17 was ₹ 887.26 Million as compared to ₹ 588.47 Million during the Financial Year 2015-16.

During the Financial Year 2016-17, the Company acquired 186,620,000 12% Optionally Convertible Non-cumulative Redeemable Preference Shares of ₹ 10 each of Jubilant Biosys Limited at par aggregating to ₹ 1,866.20 Million. The loans granted earlier by the Company have been applied towards subscription money for the Preference Shares.

Jubilant Chemsys Limited

This company is a wholly-owned subsidiary of the Company through Jubilant Drug Development Pte. Ltd., Singapore. This company offers services in Synthetic Organic Chemistry, Combinatorial Chemistry, Medicinal Chemistry, Process Research & Development and Manufacturing, Scale up services and GMP Manufacturing-Clinical Supply to drug discovery companies of US, Europe and rest of the world on Full Time Equivalent, Fee For Service and Hybrid Model.

It also works closely with Jubilant Biosys Limited in collaborative drug discovery research. Revenue of the company during the Financial Year 2016-17 was ₹ 988.78 Million as compared to ₹ 662.42 Million during the Financial Year 2015-16.

Jubilant Clinsys Limited

Jubilant Clinsys Limited (‘JCL’) is a wholly-owned subsidiary of the Company through Jubilant Drug Development Pte. Ltd., Singapore. Revenue of the company during the Financial Year 2016-17 was ₹ 35.06 Million as compared to ₹ 25.54 Million during the Financial Year 2015-16.

During the year, JCL made an application to the National Company Law Tribunal (‘NCLT’) to extinguish its preference share capital of ₹ 270.50 Million held by the Company and payment of equivalent amount to the Company. The order of NCLT is awaited.

Jubilant Clinsys Inc.

This New Jersey based USA Corporation is a wholly-owned subsidiary of Jubilant Pharma Holdings Inc. This company provides Clinical Research Data Management services through TrialStat platform. Revenue of the company during the Financial Year 2016-17 was ₹ 17.40 Million as compared to ₹ 37.62 Million during the Financial Year 2015-16.

Jubilant Discovery Services Inc.

This Delaware based USA Corporation is a wholly-owned subsidiary of Jubilant Biosys Limited. This company is providing Ion channel screening services using electrophysiology. It also performs Assay development, medium-high-throughput screening, comprehensive cell-culture services under FTE and FFS business models. Apart from these services, it also provides sales, marketing and liaising services to Jubilant Biosys Limited and Jubilant Chemsys Limited. Revenue of the company during the Financial Year 2016-17 was ₹ 176.04 Million as compared to ₹ 133.21 Million during the Financial Year 2015-16.

Jubilant Infrastructure Limited

This wholly-owned subsidiary of the 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 the best in class infrastructure facilities and utility plants like Boiler, Gas Turbine, Effluent Treatment, Incinerator and DM Water.

The Company has two units in this SEZ. The finished products of Unit-1 and Unit-2 are fully backward integrated and are using in-house developed innovative technologies.

The global scale plants of Vitamin B3 and 3-Cyanopyridine at SEZ make your Company the largest producer of Vitamin B3 in India and the second largest globally. Revenue of the company during the Financial Year 2016-17 was ₹ 715.99 Million as compared to ₹ 889.10 Million during the Financial Year 2015-16.

Jubilant Life Sciences (USA) Inc.

This corporation incorporated in Delaware, USA is a wholly-owned subsidiary of the Company. It undertakes sales and distribution of advance intermediates, nutrition ingredients and fine chemicals in North America. Revenue of the company during the Financial Year 2016-17 was ₹ 1,508.07 Million as compared to ₹ 1,506.87 Million during the Financial Year 2015-16.

Jubilant Life Sciences (Shanghai) Limited

This wholly-owned subsidiary of the Company is held through Jubilant Life Sciences International Pte. Limited. It undertakes sales and distribution of products in China. This company is engaged in trading of advance intermediates (pyridine and its derivatives), specialty ingredients and nutrition products. 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. Revenue of the company during the Financial Year 2016-17 was ₹ 1,036.30 Million as compared to ₹ 1,325.07 Million during the Financial Year 2015-16.

Jubilant DraxImage Radiopharmacies Inc.

During the year, Jubilant DraxImage Radiopharmacies Inc. ('JDRI') was incorporated as a wholly-owned subsidiary of the Company through Jubilant Pharma Holdings Inc. to undertake speciality pharma business in the United States.

JDRI has signed an Asset Purchase Agreement with Triad Isotopes Inc. and its parent, Isotope Holdings, Inc. ('Triad') to acquire substantially all of the assets which comprise the radiopharmacy business of Triad. The closing of the transaction is subject to customary closing conditions, including contract, regulatory and other approvals. This is the second largest radiopharmacy network in the US with more than 50 pharmacies, distributing nuclear medicine products to the largest National GPOs, regional health systems, stand-alone imaging centres, cardiologists and hospitals. The acquisition will provide Jubilant with direct access to hospital networks with ability to deliver more than 3 million patient doses annually through approximately 1,700 customers. The acquisition will facilitate Jubilant forward integrate in the radiopharmaceutical business.

Jubilant Pharma Australia PTY Limited

During the year, Jubilant Pharma Australia PTY Limited ('JPA') was incorporated as a wholly-owned subsidiary of the Company through Jubilant Pharma. JPA has been set up to make regulatory filings in its own name in timely and efficient manner. This will enable Jubilant to carry on its pharma business in Australia in an effective manner. JPA will continue to follow a B2B partnership model for marketing its products in Australia.

Other subsidiaries are mentioned below:

Jubilant Innovation Pte. Limited

Jubilant Biosys (Singapore) Pte. Limited

Jubilant Drug Development Pte. Limited

Drug Discovery and Development Solutions 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 Pharma Holdings Inc.

HSL Holdings Inc.

Draxis Pharma LLC

Jubilant DraxImage (USA) Inc.

Draximage LLC (Merged into Jubilant DraxImage (USA) Inc. effective from April 1, 2017)

Deprenyl Inc., USA (Merged into Jubilant DraxImage (USA) Inc. effective from April 1, 2017)

Jubilant HollisterStier Inc.

Draximage Limited, Cyprus

Draximage Limited, Ireland

6963196 Canada Inc.

6981364 Canada Inc.

DAHI Animal Health (UK) Limited

Draximage (UK) Limited

Jubilant Drug Discovery & Development Services Inc.

Jubilant Life Sciences (Switzerland) AG

Vanthys Pharmaceutical Development Private Limited

Jubilant Innovation (India) Limited

Jubilant First Trust Healthcare Limited

PERFORMANCE AND FINANCIAL POSITION OF SUBSIDIARIES

The performance and financial position of the subsidiaries are given in Form AOC-1 attached to the Financial Statements for the year ended March 31, 2017.

PARTNERSHIPS

Jubilant HollisterStier General Partnership

It is a Canada based partnership managed by two subsidiaries of the Company - Jubilant HollisterStier Inc. and Draxis Pharma LLC. This partnership provides contract manufacturing services. It manufactures products in two categories: sterile products and non-sterile products. Sterile products include liquid and freeze-dried (lyophilized) injectables and sterile ointments and creams. Non-sterile products include non-sterile ointments, creams and liquids.

Draximage General Partnership

It is a partnership based in Canada managed by two Canadian subsidiaries of the Company i.e. Jubilant Draximage Inc. (90%) and 6981364 Canada Inc. (10%).

STATUTORY AUDITORS

M/s B S R & Co. LLP, Chartered Accountants ('BSR') were appointed as the Statutory Auditors of the Company at the 36th AGM of the Company to hold office until the conclusion of AGM to be held in the year 2018, subject to ratification by the members at every AGM. BSR has confirmed that ratification of their appointment, if made at the ensuing AGM, shall be in accordance with the conditions specified in the Act.

The Auditors' Reports for the Financial Year 2016-17 do not contain any qualification, reservation, adverse remark or disclaimer.

COST AUDIT

Pursuant to Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014, the Central Government has prescribed audit of cost records for certain products. Accordingly, the Company needs to carry out cost audit of its products. Based on the recommendations of the Audit Committee, the Board of Directors has re-appointed M/s J. K. Kabra & Co., Cost Accountants as Cost Auditors of the Company to conduct cost audit for the Financial Year 2016-17.

SECRETARIAL AUDIT

The Board had appointed M/s Sanjay Grover & Associates, Company Secretaries to conduct Secretarial Audit pursuant to the provisions of Section 204 of the Act for the Financial

Year 2016-17. The Report of the Secretarial Auditors is attached as **Annexure-1** to this Report and does not contain any qualification, reservation, adverse remark or disclaimer.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. Hari S Bhartia was re-appointed as Co-Chairman and Managing Director of the Company for a period of 5 years effective from April 1, 2017 by the Shareholders at the AGM held on August 30, 2016. Mr. Hari S Bhartia retires by rotation at the forthcoming AGM and being eligible, offers himself for re-appointment.

The Board has appointed Mr. Pramod Yadav as Whole-time Director of the Company for a period of 2 years effective from April 1, 2017 subject to approval of the Shareholders at the ensuing AGM.

The Board has, at its meeting held on May 23, 2017, appointed Mr. Sushil Kumar Roongta and Mr. Vivek Mehra as Additional Directors in the category of Independent Directors and Mr. Priyavrat Bhartia and Mr. Arjun Shanker Bhartia as Additional Directors in the category of Non-Executive Directors.

Mr. Shardul S Shroff resigned from the Board of Directors of the Company effective from May 24, 2016. Mr. Shyamsundar Bang resigned as Executive Director of the Company effective from February 7, 2017 on his superannuation from the services of the Company. He continued as Non-Executive Director of the Company till March 31, 2017.

MEETINGS OF THE BOARD

Four meetings of the Board of Directors of the Company were held during the Financial Year 2016-17.

DECLARATION OF INDEPENDENT DIRECTORS

All Independent Directors have given declaration that they meet the criteria of independence as provided under Section 149 of the Act and Regulation 16 of the Listing Regulations.

APPOINTMENT AND REMUNERATION POLICY

The Company has implemented Appointment and Remuneration Policy pursuant to the provisions of Section 178 of the Act and Regulation 19 read with Schedule II, Part D of the Listing Regulations. The Policy has been disclosed in the Corporate Governance Report attached to this Report.

ANNUAL PERFORMANCE EVALUATION OF THE BOARD

A statement on annual evaluation by the Board of its performance and performance of its Committees as well as individual Directors forms part of the Corporate Governance Report attached to this Report.

DIRECTORS' RESPONSIBILITY STATEMENT

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

(i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(ii) the Directors have 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, 2017 and of the profits of the Company for the year ended March 31, 2017;

(iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) the Directors have prepared the annual accounts on a going concern basis;

(v) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively.

Based on the framework of internal financial controls including the Controls Manager for financial reporting and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors and the reviews performed by the management and the relevant Board committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the Financial Year 2016-17; and

(vi) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

COMPOSITION OF AUDIT COMMITTEE

As on date, the Audit Committee comprises Mr. S Sridhar, Chairman, Ms. Sudha Pillai and Dr. Ashok Misra. The Board has accepted all the recommendations made by the Audit Committee.

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 disclosed pursuant to Section 134 of the Act read with the Companies (Accounts) Rules, 2014 is given as **Annexure-2** and forms part of this Report.

EMPLOYEES

Particulars of Directors and Employees as required under Section 197(12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, are given as **Annexure-3** and form part of this Report.

RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS

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 financial control systems play a key role in directing and guiding the Company's 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 the process of risk identification, risk minimization and risk optimization as a part of the 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 reviewed on a periodic basis by the Board. Some of the critical risks identified in various businesses of the Company are:

- Competition, Cost Competitiveness and Pricing
- Dependence on Certain Key Products and Customers
- Foreign Currency and Interest Rate Exposures
- Capacity Planning and Optimisation
- Manufacturing Operations
- Dependence on Single Manufacturing facility
- Research & Development Effectiveness
- Supply Interruptions due to Single Source Supplier
- Limited Product Pipeline
- Failure to Supply to Customers
- Human Resources- Acquire and Retain Talent
- Compliance and Regulatory
- Environment, Health and Safety
- Protecting Intellectual Property Rights
- Information Technology
- Risk of changes in Tax Legislation
- Mergers & Acquisitions
- Political or Economic Instability or Acts of Terrorism
- Duties by Export Destination Countries
- Acceptance of Our Products in Market
- Policies regarding returns, allowances and chargebacks in the United States
- Labour Unions
- Consolidation of Customer Base

The Company promotes strong ethical values and high levels of integrity in all its 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.

Implementation of Internal Financial Controls

To compete globally, world class Corporate Governance and Financial Controls over operations are a must for the Company. The Internal Financial Controls as mandated by the Act, not only require a certification from CEO-CFO but also put an obligation on the Board of Directors to ensure that the Internal Financial Controls are adequate and operating effectively. Besides this, the Statutory Auditors are also required to give an opinion on the adequacy and effectiveness of Internal Controls over Financial Reporting ('ICFR').

To make the Internal Financial Controls framework robust, the Company has worked on three lines of defense strategy which is as under:

- First Line of Defense: Build internal controls into operating processes – To this end, we have ensured that a detailed Delegation of Authority is issued, Standard Operating Procedures for the processes are created, financial decision making is done through Committees, IT controls are built into the processes, Segregation of Duties is done, strong budgetary control framework exists, the Entity level controls including Code of Conduct, Ombudsman Office are put in place, etc.
- Second Line of Defense: Create an efficient review mechanism – We created a review mechanism under which all the business units and functions are reviewed for performance at least once in a month by the respective CEOs and once in a quarter, by the Corporate team. The formats for these reviews are detailed and finalized with the help of global consulting firms.
- Third Line of Defense: Independent assurance – A Big Four firm has been appointed as our internal auditors to perform systematic independent audit of every aspect of the business to provide independent assurance on the effectiveness of the internal controls and highlight the gaps for continuous improvement.

We have implemented a programme under which more than 2,000 financial controls are established and certified on a quarterly basis by the relevant process owners before the financial results are closed for the quarter. A quarterly certification process is maintained through a work flow based IT tool called 'Controls Manager' and this certification is the basis of the CEO-CFO certification stipulated by Regulation 17(8) read with Part B of Schedule II to the Listing Regulations.

The Company regularly updates the controls library and Risk and Control Matrix. The exercise of review of controls was conducted during the year by the in-house process owners with the help of a Big Four firm. The revised control framework after such review was tested for operational effectiveness by the Statutory Auditors and they have given an affirmative opinion about the adequacy and effectiveness of the Internal Controls for Financial Reporting in the Company.

The Company has three business segments namely (a) Pharmaceuticals (b) Life Science Ingredients and (c) Drug Discovery Solutions. Each segment has a complete management set up with CEO, CFO and other functional heads who are responsible for running the operations and report to the Chairman/Co-Chairman and Managing Director and the Corporate Committee.

To improve the controls in operations, we have established, for each line of business, the concept of financial decision making through operational committees.

A detailed note on Internal Control Systems and Risk Management is given under **'Management Discussion and Analysis Report'.**

CERTIFICATIONS

The Company has received Responsible Care®14001:2013 certification under the American Chemistry Council's (ACC) Responsible Care® program for Corporate Office in Noida and Gajraula Manufacturing facility. Implementation of RC14001 and Responsible Care Management System by Jubilant demonstrates its commitment to employee health and safety, community and the environment.

Responsible Care initiative encompasses comprehensive environmental management system, occupational health and safety, product stewardship, security, community outreach and transportation safety and aims at achieving and sustaining high standards of performance.

Gajraula, Nira, Bharuch and Savli Manufacturing facilities are certified under Integrated Management System program for ISO 9001 (Quality Management System), ISO 14001 (Environmental Management System) and OHSAS 18001 (Occupational Health and Safety Management system).

Gajraula

Gajraula Quality Control Laboratory has also been accredited by National Accreditation Board for Testing and Calibration Laboratories in accordance with the ISO/ IEC 17025:2005. The Carbon Dioxide manufacturing facility has been certified for FSSC 22000:2005 and TS 22002-01:2009 (Food Safety System Certification) for production and dispatch of food grade Carbon Dioxide for Beverages. Carbon Dioxide product is approved by Food Safety and Standards Authority of India (FSSAI).

Gajraula manufacturing facility has been Kosher and also Halal Certified for key products going in for human consumption.

Savli

Animal Nutrition Unit at Savli is certified for FAMI-QS Code Version 5.1 in Feed Safety Management System.

Ambernath

Ambernath Manufacturing facility is ISO 9001:2008 certified for Quality Management System.

Bharuch

Bharuch Site has received Energy Management System Certification ISO 50001:2011 for energy Conservation programme (ENCON).

Vitamins plant at Bharuch is certified for FAMI-QS Code Version 5.1 in Feed Safety Management System, Kosher, Halal-India, Halal-Malaysia, Halal-Indonesia, FSSC 22000 (Global Food Safety) Compliance, Hazard Analysis and Critical Control Points ('HACCP') and Good Manufacturing Practices ('GMP').

Nira

Acetyl manufacturing facility at Nira has been recommended for FSSC/ ISO 22000:2005 (Food Safety System Certification) for production and dispatch of these food grade products. Further, Glacial acetic acid from Nira has been recommended to FSSC /ISO 22000:2005 for storage and supply of food grade acetic acid. Manufacturing facility at Nira has been Kosher approved and Halal certified for the products manufactured at the facility.

HUMAN RESOURCES

Our employees remain at the core of the Company's growth strategy and play a vital role in ensuring sustainable business growth and future readiness. The Company has been focusing on strengthening its talent management and employee engagement processes through clear role expectations with specific and well defined Key Performance Indicators for each role. We believe in creating a culture of performance and merit that provides all our employees with opportunities to excel, learn and progress. We have been focusing on attracting the best talent from India's leading campuses to have a steady flow of fresh talent, thereby creating a strong pool of internal talent.

Our well defined Leadership Competency Framework lays tremendous focus on outlining a common leadership culture throughout the organization. All our initiatives are backed by an action oriented development plan. The development initiatives lay the foundation of our talent pipeline.

Last year, we participated in the Great Place to Work survey. The results of the survey has enabled us to re-design our practices and address areas that concern our employees.

As on March 31, 2017, a total of 384 employees at our manufacturing plants at Savli, Nira and Gajraula were either members of unions or had collective bargaining capabilities. During the year, we enjoyed cordial relations with our employees and there have been no instances of labour unrest or disputes at any of the manufacturing sites.

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

A detailed note on Human Resource Management is given in the **'Management Discussion and Analysis Report'**.

INVESTOR SERVICES

With a view to keep its investors well informed of its activities, the Company has taken the following initiatives:

- E-mailing quarterly results and press releases to the Shareholders soon after they are sent to the stock exchanges and e-mailing Annual Reports. Maintaining user friendly Investor Section on the website of the Company www.jubl.com;
- A dedicated e-mail address viz. investors@jubl.com for interacting on various matters with respect to share transfer, transmission, dividends and other related issues with the Company Secretary and Compliance Officer;
- Mailing feedback forms to the investors on an 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 Presentation and Release detailing the quarterly results that are uploaded on the website www.jubl.com. Earnings call is typically conducted post announcement of results to the stock exchanges as per the schedule

mentioned in the Concall Invite which is also uploaded on the website of the Company. Earnings calls playback is made available on the link shared in the Concall Invite and transcripts are uploaded on the website of the Company;

- Meeting the investors and analysts from time to time at their request;
- The presentation and meeting schedule of Roadshows attended by the Company are uploaded on its website after intimating the same to the Stock Exchanges; and
- Disclosure made to the Stock Exchanges are promptly uploaded on the website of the Company for information of the Investors.

AWARDS AND ACCOLADES

During the year, various awards and accolades were received by the Company like:

- 17th CII National Award for Excellence in Energy conferred under the Chemical/Pharma/Fertilizers category - Gajraula Plant, India;
- Sustainability Award for 'Best Green Process' in Chemical sector in FICCI Chemicals & Petrochemicals Awards, 2016 - Gajraula Plant, India;
- ICC Certificate of Merit for continuous efforts of 'water resources management in chemical industries'- Gajraula Plant, India; and
- One Gold and Three Silver Awards in Kaizen Category at Quality Circle Forum of India, Ankleshwar, Gujarat - Bharuch Plant, India.

VIGIL MECHANISM

The details of Vigil Mechanism (Whistle Blower Policy) adopted by the Company have been disclosed in the Corporate Governance Report attached to this Report and which forms an integral part of this Report.

GREEN INITIATIVES

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

- Conducting paperless Board/ Committee Meetings;
- Uploading the Corporate Sustainability Report on the website of the Company (instead of circulating in paper or CD form) and providing its weblink to the Shareholders alongwith the Annual Report; and
- E-mailing Annual Reports to the Shareholders whose e-mail addresses are provided by the depositories or who have opted for the electronic version.

CORPORATE SOCIAL RESPONSIBILITY

Jubilant's approach to sustainable development focuses on the triple bottom line of Economic, Environmental and Social performance. Corporate Social Responsibility ('CSR') is an integral part of the social performance of the Company. At Jubilant, CSR is the commitment of the Company to contribute towards inclusive growth. The thrust of CSR initiatives is to create value in the lives of the communities around the area of operations of the Company, which is an important stakeholder. Following are the highlights of CSR at Jubilant:

- During the Financial Year 2016-17, Jubilant continued its CSR initiatives in various sectors;
- Following the approach of 'triple bottom line', Jubilant has been publishing its Corporate Sustainability Report every year from 2003 onwards. The report is externally verified and is in accordance with Global Reporting Initiative ('GRI') guidelines; and
- Acknowledged application level A+ by GRI for our Corporate Sustainability Report since 2007 onwards. Latest report is in accordance with GRI G4 – Comprehensive. All our reports are available on the Company's website 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 organization. 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. The social initiatives of the Company are in line with the United Nations Sustainable Development Goals.

JBF in partnership with Schwab Foundation for Social Entrepreneurship has been conferring Social Entrepreneur of the Year (SEOY) Award in India since the year 2010. The award celebrates mature-stage social entrepreneurs and their organizations that implement innovative, sustainable and large-scale solutions to address poverty, indignity and lack of basic services and resources in 'Bottom of the Pyramid' and ultra-poor communities. They work in areas as diverse as health, education, job creation, water, clean energy, building identity and entitlements and access to information and technology. Whether they set up social businesses, hybrid social ventures or not-for-profit organizations, the primary focus of social entrepreneurs is large-scale, transformational impact.

SEOY does not fall in the purview of CSR activities pursuant to the provisions of Schedule VII to the Act. The Company shall, however, continue to confer the SEOY award over and above CSR budget of the Company in view of the social benefits of the award.

JBF's detailed activities are available on its website www.jubilantbhartiafoundation.com. Annual Report on CSR including contents of the CSR Policy is attached as **Annexure-4** to this Report.

The Listing Regulations have mandated inclusion of the Business Responsibility Report ('BR Report') as part of the Annual Report starting from the Financial Year 2016-17 for top 500 listed entities based on market capitalisation. In compliance with the Listing Regulations, BR Report forms part of the Annual Report.

During the Financial Year 2015, Jubilant Pharma had taken loan from International Finance Corporation ('IFC'). Jubilant Pharma had ensured compliance towards the Environmental and Social Action Plan suggested by IFC post Environment and Social Due Diligence. Jubilant Pharma is also submitting Annual Monitoring Report ('AMR') to IFC containing detailed environment and social performance of the company with respect to the IFC Performance Standards in a timely manner. The AMR also includes the latest compliance status towards the Environmental and Social Action Plan recommended by IFC during their annual E&S supervision visit.

OTHER DISCLOSURES

i. Extracts of Annual Return: Pursuant to the provisions of Section 92 of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014, extract of the Annual Return is attached as **Annexure-5** to this Report.

ii. Public Deposits: No deposits have been accepted by the Company during the year from the public. The Company had no outstanding, overdue, unpaid or unclaimed deposits at the beginning and end of the Financial Year 2016-17.

iii. Loans, Guarantees and Investments: Details of loans, guarantees/ securities and investments along with the purpose for which the loan, guarantee or security is proposed to be utilised by the recipient have been disclosed in Note nos. 5, 6, 11, 40 and 41 to the Standalone Financial Statements.

iv. Particulars of Contracts or Arrangements with the Related Parties: The Company has formulated a policy on Related Party Transactions ('RPTs'), dealing with the review and approval of RPTs. Prior omnibus approval is obtained for RPTs which are of repetitive nature. All RPTs are placed before the Audit Committee for review and approval.

   All RPTs entered into during the Financial Year 2016-17 were in the ordinary course of business and on arm's length basis. No material RPTs were entered into during the Financial Year 2016-17 by the Company as defined in the Policy on Materiality of Related Party Transactions. Accordingly, the disclosure of RPTs as required under Section 134(3)(h) of the Act in Form AOC-2 is not applicable. Your Directors draw attention of the members to Note no. 37 to the Standalone Financial Statements which sets out the Related Party disclosures.

v. Material Changes in Financial Position: No material change or commitment has occurred after the close of the Financial Year 2016-17 till the date of this Report, which affects the financial position of the Company.

vi. Orders passed by Courts/ Regulators: No significant or material order has been passed by the regulators or courts or tribunals impacting the going concern status of the Company or its future operations.

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 is attached as **Annexure-6** and forms part of this Report. A certificate from a Practising Company Secretary confirming compliance with the conditions of Corporate Governance, as stipulated in Clause E of Schedule V to the Listing Regulations is attached to the Corporate Governance Report.

The Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for Directors and Senior Management for the year ended March 31, 2017. A certificate from the Co-Chairman & Managing Director confirming the same is attached to the Corporate Governance Report.

A certificate from the CEO and CFO confirming correctness of the financial statements, adequacy of internal control measures, etc. is also attached to the Corporate Governance Report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report on the operations of the Company as provided under the Listing Regulations has been given separately and forms part of this Report.

ACKNOWLEDGMENTS

Your Directors acknowledge with gratitude the co-operation and assistance received from the Central and State Government authorities. Your Directors thank the shareholders, debentureholders, financial institutions, banks/ other lenders, debenture trustees, 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 the 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

Shyam S Bhartia
Chairman
(DIN: 00010484)

Hari S Bhartia
Co-Chairman & Managing Director
(DIN: 00010499)

Place: Noida
Date: May 23, 2017

Annexure-1

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2017

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Jubilant Life Sciences Limited
(CIN: L24116UP1978PLC004624)
Bhartiagram, Gajraula, District Amroha,
Uttar Pradesh-244223

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Jubilant Life Sciences Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

We report that-

a) Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

b) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

c) We have not verified the correctness and appropriateness of the financial statements of the Company.

d) Wherever required, we have obtained the Management representation about the compliances of laws, rules, regulations and standards and happening of events etc.

e) The compliance of the provisions of the corporate and other applicable laws, rules, regulations and standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.

f) The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2017 ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2017 according to the provisions of:-

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

(d) The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014;

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client;

(g) *The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

(h) *The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and

(i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

*No event took place under these regulations during the audit period.

We have also examined compliance with the applicable clauses of the Secretarial Standards on Meetings of the Board of Directors and on General Meetings issued by the Institute of Company Secretaries of India.

During the Audit period, the Company has complied with the provisions of the Act, Rules, Regulations and Guidelines, to the extent applicable, as mentioned above.

(vi) The Company's Businesses comprise of products and services across Pharmaceuticals and Life Science Ingredients. The Company has manufacturing facility of ANU (Animal Nutrition Unit) at Savli near Vadodara, Gujarat, Vitamins plant at Bharuch in Gujarat, Pyridine & Picolines manufacturing at Gajraula in Uttar Pradesh, Fine Ingredients manufacturing at Gajraula in Uttar Pradesh and Ambernath in Maharashtra, Ethyl Acetate, Acetic Anhydride and Carbon Dioxide manufacturing facility at Nira in Maharashtra and Gajraula in Uttar Pradesh. As informed by the management, following are some of the laws specifically applicable to the Company:-

- Narcotics Drugs and Phychotropic Substance Act, 1985 and rules made thereunder;
- Legal Metrology Act, 2009 and rules made thereunder;
- Boilers Act, 1923 and rules made thereunder;
- Essential Commodities Act, 1955 and rules made thereunder;

We have checked the compliance management system of the Company to obtain reasonable assurance about the adequacy of systems in place to ensure compliance of specifically applicable laws and this verification was done on test basis. We believe that the Audit evidence which we have obtained is sufficient and appropriate to provide a basis for our audit opinion. In our opinion and to the best of our information and according to explanations given to us, we believe that the compliance management system of the Company seems adequate to ensure compliance of laws specifically applicable to the Company.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the audit period were carried out in compliance with the provisions of the Act.

Adequate notices were given to all directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent in advance of the meetings and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting for meaningful participation at the meeting.

Board decisions are carried out with unanimous consent and therefore, no dissenting views were required to be captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations, standards and guidelines.

We further report that during the audit period,

1) pursuant to provisions of Sections 41, 42, 62 and 71 of the Companies Act, 2013 and any other applicable laws, Members of the Company via postal ballot (result declared on May 31, 2016) accorded their approval to the Board of Directors of the Company to create, issue, offer and allot following securities for an aggregate amount not exceeding INR equivalent of USD 200 million (US Dollar Two Hundred Million):-

    i) Global Depository Receipts, American Depository Receipts, Foreign Currency Convertible Bonds, Foreign Currency Exchangeable Bonds convertible into or exchangeable for equity shares of the Company having face value of Re. 1/- each (Rupee One only) or other securities of the Company through public and/or private offerings and/ or on preferential allotment basis and/ or

    ii) Equity Shares, fully convertible debentures, partly convertible debentures, non-convertible debentures with warrants and/ or any security convertible into Equity Shares (collectively referred to as "Indian Securities") or any combination of Indian Securities, through a Qualified Institutional Placement.

2) pursuant to the provisions of Sections 23, 42 and 71 of the Companies Act, 2013 and any other applicable laws, Members of the Company via postal ballot (result declared on December 26, 2016) accorded their approval to the Board of Directors of the Company to issue, offer, invite for subscription and to allot Listed Redeemable Non-Convertible Debentures *(listed on National Stock Exchange of India Limited)* on private placement basis, in one or more series/ tranches, during a period of 1 (one) year from the date of passing of this resolution, upto ₹ 1,000 Crore (Rupees One Thousand Crore only).

For Sanjay Grover & Associates
Company Secretaries
Firm Registration No.: P2001DE052900

Sanjay Grover
Managing Partner
CP No.: 3850

New Delhi
May 23, 2017

Annexure-2

Disclosures under Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014

A. CONSERVATION OF ENERGY

i) Steps taken or impact on conservation of energy

- Reduced power consumption norm of 28 Tonnes Per Hour boiler at Bharuch and 90 Tonnes Per Hour boiler at Gajraula
- Reduced Steam and Power Norm in Advance Intermediate plant at Gajraula
- Energy cost optimisation in Life Science Chemicals plant at Gajraula
- Reduced Steam norm in Ethanol plant at Nira
- Reduced power norm in Vitamin plant at Bharuch
- Reduced Furnace Heat losses in Incinerator-2 and utilized flue gas waste heat at Gajraula
- Reduced steam distribution losses at Gajraula

The above steps have resulted into savings of ₹ 64.00 Million during the Financial Year 2016-17.

ii) Steps taken by the Company for utilizing alternate sources of energy

The Company recognizes the reality of climate change and its impact. To bring down the carbon foot print, the Company continuously strives to use renewable energy. Biogas and Biomass are the key renewable energy sources in the overall energy mix of the Company. In the Financial Year 2016-17, 4.5% of the total energy consumed in the plants was from renewable sources. This amounts to energy equivalent to 0.31 peta joules.

iii) Capital investment on energy conservation equipment

Capital investment on energy conservation equipment for the Financial Year 2016-17 was ₹ 25.80 Million.

B. TECHNOLOGY ABSORPTION

i) Efforts made towards technology absorption

Research & Development ('R&D') is the linchpin of innovation and plays a vital role in developing and adopting new technologies in the technologically intensive pharmaceutical industry.

The basic mission of R&D remains to enhance innovation level, scientific efficiency and effectiveness in compliance with Jubilant core values.

In Jubilant, a team of well qualified and experienced professionals in R&D Centres spread across multiple locations is specialized across the value chain of pharmaceutical and chemical research. Our R&D Centres conform to International Standards and are well equipped with world-class infrastructure managed by best-in-class manpower. Each R&D Centre has a dedicated unit integrated with relevant business.

All multi-located dedicated R&D Centres are diversified but internally integrated to leverage knowledge and innovation in allied scientific domains. Our R&D performance hinges on the coherence and cohesiveness among multi-located R&D Centres where rapid exchange of knowledge takes place to keep pace with competition and to develop disruptive technologies for future. The R&D team focuses on Drug formulation research, Contract research, Novel Drug Delivery Systems research, Drug Discovery research, Chemical research pertaining to APIs, Radiopharmaceuticals, advance intermediates, fine ingredients and biological support including pharmacokinetics and Bio Availability/Bio Equivalence studies. R&D supports the activities of various businesses through new product and process development, process intensification, absorption of technologies and establishing technologies at commercial scale.

Our R&D thrives on 'green chemistry culture' and has developed various environment friendly technologies wherein many batch processes have been replaced by continuous processes, incorporated optimum atom efficiencies recovery, recycling and reuse of solvents/reagents/by-products targeting towards zero discharge of effluents, removal/substitution/ minimization of hazardous chemicals and replacing chemical processes with enzymatic/chemo catalysis processes.

ii) Benefits derived like product improvement, cost reduction, product development or import substitution

Through our investment in R&D, together with our implementation of management tools and strategies in manufacturing, design and project management, we continue to improve our cost competitiveness and quality of production by improving the efficiency of our supply chain management and developing better processes and product development and manufacturing capacities to reduce process inefficiencies, process variations, plant inefficiencies, assets underutilization and the time required for product and process development.

We continually develop new products that provide our customers with better solutions for existing problems and new solutions for emerging problems.

This requires us to expend significant effort on research, development, manufacturing and marketing. To preserve the value of our investment, we rely on the patent laws of the jurisdictions where we do business. In addition, we need to continue to improve our production efficiency. Our production technologies typically incorporate specialized proprietary know-how. We have both developed intellectual property internally and acquired intellectual property through acquisitions. From time to time, we may grant licenses to third parties to use our patents and know-how and may obtain licenses from others to manufacture and sell products using their technology and know-how.

Our R&D continues to lead to new, innovative processes and new knowledge-driven products that increase the efficiencies of our production and allow us to capitalize on opportunities for growth in competitive markets.

Our R&D efforts have helped us in avoiding any intellectual property dispute by identifying newer opportunities, better understanding of emerging challenges, developing alternative/innovative research strategies and creating intellectual property which is well protected in defined geographies of our business interests.

We have been conferred with various prestigious awards nationally for R&D work.

iii) Imported Technology

Not Applicable.

iv) Expenditure incurred on Research and Development

(₹ / Million)

Sr. No.	Particulars	2016-17	2015-16
(a)	Capital	**14.30**	12.34
(b)	Recurring	**161.64**	131.16
Total		**175.94**	143.50

C. Foreign Exchange Earnings and Outgo

(₹ /Million)

Particulars	2016-17	2015-16
Foreign exchange outgo in terms of actual outflows	**10,082**	9,430
Foreign exchange earned in terms of actual inflows	**10,365**	12,344

Annexure-3

Particulars prescribed under Section 197(12) of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

PART A:

i) The ratio of remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2016-17 and the percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary, in the Financial Year 2016-17 are as under:

Sr. No.	Name and Designation of Director/ Key Managerial Personnel	Remuneration during Financial Year 2016-17 (In ₹)	% increase in Remuneration	Ratio of Remuneration of each Director to median Remuneration of Employees
1	Mr. Shyam S Bhartia Chairman	-	-	-
2	Mr. Hari S Bhartia Co-Chairman & Managing Director	42,549,239	-	89.29
3	Mr. Shyamsundar Bang Executive Director	37,817,448	-	79.36
4	Dr. Ashok Misra Non-Executive Independent Director	1,470,000	226.67	3.08
5	Mr. S Sridhar Non-Executive Independent Director	1,545,000	212.12	3.24
6	Ms. Sudha Pillai Non-Executive Independent Director	1,530,000	218.75	3.21
7	Mr. Shardul S Shroff Non-Executive Independent Director	-	-	-
8	Mr. R Sankaraiah Chief Financial Officer (Designated as Executive Director - Finance)	72,619,965	20.09	Not Applicable
9	Mr. Rajiv Shah Company Secretary	7,390,527	31.64	Not Applicable

Notes:

1. Mr. Shyam S Bhartia, Chairman has opted not to take commission and sitting fees for the Financial Year 2016-17.
2. Remuneration of Mr. Hari S Bhartia includes commission payable. Percentage increase in his remuneration is not quantified as no remuneration was paid to him by the Company in the Financial Year 2015-16.
3. Mr. Shyamsundar Bang resigned as Executive Director effective from February 7, 2017 on his superannuation from the services of the Company and as Director effective from March 31, 2017. His remuneration includes ₹ 8,628,218 towards perquisite value of ESOPs exercised. Percentage increase in his remuneration is not quantified as no remuneration was paid to him by the Company in the Financial Year 2015-16.
4. Mr. Shardul S Shroff resigned effective from May 24, 2016.
5. Remuneration of Non-Executive Independent Directors consists of sitting fees and commission payable.
6. Remuneration of Mr. R Sankaraiah includes ₹ 12,636,668 towards perquisite value of ESOPs exercised.
7. Median of Total Cost to Company (CTC) on payable basis has been taken for all on-roll employees as on March 31, 2017. Median salary of all on-roll employees is ₹ 476,524.

(ii) The percentage increase in the median remuneration of employees in the Financial Year 2016-17 was 8.82%.

(iii) 2,389 permanent employees were on the rolls of the Company as on March 31, 2017.

(iv) Average percentage increase already made in the salaries of employees other than the managerial personnel in the last Financial Year and its comparison with the percentage increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.

Average increase in the remuneration of employees other than managerial personnel was 10% in the Financial Year 2016-17. Details of remuneration paid to the Managerial Personnel is given in the table above. The remuneration has been paid to the Managerial Personnel in line with the resolutions approved by the Shareholders.

(v) Affirmation that the remuneration is as per the remuneration policy of the Company:

It is hereby affirmed that the remuneration paid is as per the Appointment and Remuneration Policy for Directors, Key Managerial Personnel and other employees.

PART B:

Sr. 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. Top Ten Employees in terms of remuneration drawn during the Financial Year 2016-17									
1	Ajay Khanna	Chief – Strategic and Public Affairs	B.Com, LL.B	36	1-Jun-09	57	29,880,859	Partner	Accenture India Pvt. Limited
2	Anil Khubchandani	Senior VP & GU Head-Fine Chemicals	Bachelor of Technology	25	19-Jul-02	47	15,648,321	Plant Manager-Technical	Duncans Industries Limited
3	Ashutosh Agarwal	CSO	M.Sc., Ph.D	37	20-Aug-98	59	42,647,054	DGM - Organic Chemical Business	Ballarpur Industries Limited
4	Chandan Singh Sengar	President-Acetyls & Ethanol	B.Sc., MBA	31	13-Jul-88	53	23,843,637	Assistant Officer	J.K.Synthetics Limited
5	Hari S Bhartia	Co-Chairman & Managing Director	IIT Delhi - Chemical Engineering	35	1-Jan-82	60	42,549,239	-	-
6	Prakash Chandra Bisht	CFO (LSI) & Senior VP - Group Account	B.Com, CA	30	23-Apr-09	53	16,040,372	Head-Accounts	Apollo Tyres Limited
7	Pramod Yadav	Co-CEO - Life Science Ingredients	B.Sc. (Tech), MMM	30	4-Sep-95	54	41,410,290	Marketing Manager (North)	Bhansali Engg. Polymers Limited
8	R Sankaraiah	ED - Finance	B.Sc., FCA	33	9-Sep-02	58	72,619,965	GM - Finance	SRF Limited
9	Rajesh Kumar Srivastava	Co-CEO - Life Science Ingredients	B. Tech, MMM	30	19-Aug-00	52	43,107,407	Marketing Manager	Ranbaxy Fine Chemicals Limited
10	Shyamsundar Bang	ED - Manufacturing & Supply Chain	B.Tech, M.Tech.	47	1-Feb-97	66	37,817,448	President	Enpro India Limited
B. Employed for full year and in receipt of remuneration for the year which in aggregate was not less than ₹ 10,200,000 per annum (other than those mentioned in Para A above)									
1	Praveen Kumar Gupta	Senior VP & Head - Direct Taxation	B.Com, FCA, FCS	20	25-Jan-05	43	13,328,341	DGM Taxation	Ballarpur Industries Limited
2	Umesh Mehta	CIO-India	B.Sc. (Computer Science), PGLSCM	28	1-Sep-10	51	13,670,238	Vice President	Asia Motor Work Limited
3	Vimal Deep Kulshrestha	Senior VP & BU Head - Ethanol & Specialty Gases	B.Tech (Chemical Engg.)	30	28-Jun-95	52	15,181,693	Asstt. Manager - Poly	Modipon Fibers Company

Sr. 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
C. Employed for part of the year and in receipt of remuneration which in aggregate was not less than ₹ 850,000 per month (other than those mentioned in Para A above)									
1	A P Srivastava	Senior VP - Corporate Affairs	B.A.	44	17-Nov-90	71	13,964,349	Manager	Reliance Industries Limited
2	Anant Pande	President - Manufacturing	B.E.(Hons)-Chemical, M.Sc.(Hons)-Chemistry	30	12-Apr-10	54	12,821,699	Chief Operating Officer	Indo Greenfuel Private Limited
3	Biswajit Mitra	Executive VP & Chief of Manufacturing	B.Tech.	27	20-Jun-16	55	8,626,893	Director- Global Operations	Chemo Espana Madrid
4	Raju Sunil Mistry	Chief Human Resources Officer	M.A., Ph. D.	24	24-Nov-16	53	8,240,176	Group Head- Talent Management	Aditya Birla Group

Notes:

1. Employment of Mr. Hari S Bhartia and Mr. Shyamsundar Bang are contractual. Employment of the other 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. Mr. Hari S Bhartia is a relative of Mr. Shyam S Bhartia, Chairman and Mr. Arjun Shanker Bhartia, Director. None of the other employees is related to any Director of the Company.
4. None of the above employees is covered under Rule 5(2)(iii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
5. Remuneration comprises salary, allowances, perquisites/ taxable value of perquisites etc. including perquisite value of ESOPs exercised. Remuneration of Mr. Hari S Bhartia includes commission payable.

Abbreviations: BU - Business Unit; CEO - Chief Executive Officer; CIO - Chief Information Officer; CSO - Chief Scientific Officer; CFO - Chief Financial Officer; DGM - Deputy General Manager; ED - Executive Director; GM - General Manager; GU - Growth Unit; LSI - Life Science Ingredients; VP- Vice President.

Annexure-4

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES – FINANCIAL YEAR 2016-17

1. **A brief outline of the Company's Corporate Social Responsibility Policy ('CSR Policy'), including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs**

Corporate Social Responsibility ('CSR') at Jubilant is the commitment of businesses to contribute to sustainable economic development by working with the employees, their families, the local community and the society at large to improve their lives in ways that are good for business and for its development.

CSR segment of the organisation is guided by the Sustainability Mission of the Company. In compliance with the provisions of Section 135 of the Companies Act, 2013 (the 'Act') read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has taken the following steps:

- Updation of CSR Policy which has been placed on the Company's website www.jubl.com
- Approval by the Sustainability & CSR Committee (the 'Committee') to implement CSR activities through 'Jubilant Bhartia Foundation', a not-for-profit organisation registered under Section 25 of the Companies Act, 1956 (corresponding to Section 8 of the Act)
- While implementing CSR projects, the Company shall give priority to the area around its manufacturing locations in India
- The Committee approved the following CSR activities which are in line with Schedule VII to the Act:
  - **Project Arogya and Swasthya Prahari:** Improving health indices through innovative services and promoting health seeking behavior;
  - **Project Muskaan:** Universalising elementary education and improving quality parameters for primary education through community involvement; and
  - **Nayee Disha:** Enhancing employability through vocational training.
- While Social Entrepreneur of the Year Award is not a part of Schedule VII to the Act, the Company shall continue its support to the project over and above the CSR Budget

2. **Composition of the Sustainability & CSR Committee**

Composition of the Committee as on March 31, 2017:

Sr. No.	Name of Director	Designation in CSR Committee
1	Dr. Ashok Misra	Chairman
2	Mr. Shyam S Bhartia	Member
3	Mr. Hari S Bhartia	Member
4	Mr. Shyamsundar Bang[1]	Member
5	Ms. Sudha Pillai	Member

[1] Mr. Shyamsundar Bang has ceased to be a member of the Committee consequent to his resignation as Director effective from March 31, 2017. Mr. Pramod Yadav, Whole-time Director has been appointed as a member of the Committee effective from April 1, 2017.

3. **Average net profit of the Company for last three Financial Years:** ₹ -52.04 Million

4. **Prescribed CSR Expenditure (2% of the amount as in item 3 above):** Nil

5. **Details of CSR Expenditure during the Financial Year 2016-17**

   (a) Total amount to be spent as per budget for the Financial Year 2016-17: ₹ 16.10 Million

   (b) Amount unspent vis-a-vis prescribed CSR expenditure as per Section 135(5) of the Act: Nil

(c) Manner in which the amount spent during the year is detailed below:

(₹ in Million)

(1)	(2)	(3)	(4)		(5)	(6)		(7)	(8)
Sr. No.	CSR Project or Activity identified	Sector in which the Project is covered	Projects or Programmes		Amount outlay (budget) Project or Programme wise	Amount spent on the Projects or Programmes		Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
			Local area or other	State and District where Projects or Programmes were undertaken		Direct expenditure on Projects or Programmes	Overheads		
1	Health (Arogya and Swasthya Prahari)	Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation and making available safe drinking water	Local/ Other	Uttar Pradesh (Gajraula – Distt. Amroha), Karnataka (Nanjangud – Distt. Mysore), Maharashtra (Nira – Distt. Pune), Gujarat (Samlaya, Distt. Vadodara and Vilayat, Distt. Bharuch) and Uttarakhand (Roorkee, Distt. Haridwar)	7.50	4.43	-Nil-	4.43	Jubilant Bhartia Foundation
2	Education (Muskaan)	Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly and the differently abled and livelihood enhancement projects	Local/ Other	Uttar Pradesh (Gajraula – Distt. Amroha), Karnataka (Nanjangud – Distt. Mysore), Maharashtra (Nira – Distt. Pune), Gujarat (Samlaya, Distt. Vadodara and Vilayat, Distt. Bharuch) and Uttarakhand (Roorkee, Distt. Haridwar)	5.30	3.39	-Nil-	3.39	Jubilant Bhartia Foundation

(₹ in Million)

(1)	(2)	(3)	(4)		(5)	(6)		(7)	(8)
Sr. No.	CSR Project or Activity identified	Sector in which the Project is covered	Projects or Programmes		Amount outlay (budget) Project or Programme wise	Amount spent on the Projects or Programmes		Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
			Local area or other	State and District where Projects or Programmes were undertaken		Direct expenditure on Projects or Programmes	Overheads		
3	Livelihood (Nayee Disha)	Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly and the differently abled and livelihood enhancement projects	Local/ Other	Uttar Pradesh (Gajraula – Distt. Amroha), Karnataka (Nanjangud – Distt. Mysore), Maharashtra (Nira – Distt. Pune), Gujarat (Samlaya, Distt. Vadodara and Vilayat, Distt. Bharuch) and Uttarakhand (Roorkee, Distt. Haridwar)	3.30	2.45	-Nil-	2.45	Jubilant Bhartia Foundation
Total					**16.10**	**10.27**	-	**10.27**	

Notes:

a. Plants at Nanjangud (Karnataka) and Roorkee (Uttarakhand) are owned by Jubilant Generics Limited, a wholly owned subsidiary of the Company. Similarly, Jubilant Infrastructure Limited, a wholly owned subsidiary of the Company also has a plant at Bharuch (Gujarat).

b. Jubilant Bhartia Foundation is the implementing agency.

6. **In case the Company has failed to spend 2% of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report:** Not Applicable

7. **The Sustainability & CSR Committee confirms that the implementation and monitoring of the CSR Policy is in compliance with CSR objectives and Policy of the Company.**

For Jubilant Life Sciences Limited

Hari S Bhartia
Co-Chairman & Managing Director
(DIN: 00010499)

Ashok Misra
Chairman - Sustainability & CSR Committee
(DIN: 00006051)

Annexure-5

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

as on the Financial Year ended on March 31, 2017
[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies
(Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

i)	**CIN**	L24116UP1978PLC004624
ii)	**Registration Date**	June 21, 1978
iii)	**Name of the Company**	Jubilant Life Sciences Limited
iv)	**Category/ Sub-Category of the Company**	Public Company/ limited by shares
v)	**Address of the Registered office and contact details**	Bhartiagram, Gajraula, District Amroha-244 223, Uttar Pradesh, India Ph. +91-5924-252351-56/ 58-60
vi)	**Whether listed company**	Yes
vii)	**Name, Address and Contact details of Registrar and Transfer Agent, if any**	Alankit Assignments Limited (Unit: Jubilant Life Sciences Limited) 1E/ 13, Alankit Heights, Jhandewalan Extension, New Delhi - 110055 Ph.+91-11-42541234/ 23541234 Email: rta@alankit.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:

Sr. No.	Name and Description of Main Products/ Services	NIC Code of the Product/Service	% to Total Turnover of the Company
1	Basic Organic Chemicals	2011	92%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN/ GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section of the Companies Act, 2013
1	Jubilant Clinsys Limited 1A, Sector-16A, Noida-201301, U.P.	U24232UP2004PLC029008	Subsidiary	100% (Through subsidiary)	2(87)
2	Jubilant Biosys Limited 1A, Sector-16A, Noida-201301, U.P.	U24110UP1998PLC029591	Subsidiary	66.98% * (Through subsidiary)	2(87)
3	Jubilant Chemsys Limited 1A, Sector-16A, Noida-201301, U.P.	U24232UP2004PLC029009	Subsidiary	100% (Through subsidiary)	2(87)
4	Jubilant First Trust Healthcare Limited 1A, Sector-16A, Noida-201301, U.P.	U85110UP2006PLC035993	Subsidiary	100%	2(87)
5	Jubilant Infrastructure Limited 1A, Sector-16A, Noida-201301, U.P.	U45201UP2006PLC031618	Subsidiary	100%	2(87)

Sr. No.	Name and Address of the Company	CIN/ GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section of the Companies Act, 2013
6	Jubilant DraxImage Limited 1A, Sector-16A, Noida-201301, U.P.	U74900UP2009FLC038194	Subsidiary	100% (Through subsidiary)	2(87)
7	Jubilant Innovation (India) Limited 1A, Sector-16A, Noida-201301, U.P.	U73100UP2007PLC034211	Subsidiary	100% (Through subsidiary)	2(87)
8	Vanthys Pharmaceutical Development Private Limited 1A, Sector-16A, Noida-201301, U.P.	U73100UP2009PTC037333	Subsidiary	100% (Through subsidiary)	2(87)
9	Jubilant Generics Limited 1A, Sector-16A, Noida-201301, U.P.	U24100UP2013FLC060821	Subsidiary	100% (Through subsidiary)	2(87)
10	Cadista Holdings Inc. 207 Kiley Drive, Salisbury, MD 21801, USA	N.A.	Subsidiary	100% (Through subsidiary)	2(87)
11	Jubilant Cadista Pharmaceuticals Inc. 207 Kiley Drive, Salisbury, MD 21801, USA	N.A.	Subsidiary	100% (Through subsidiary)	2(87)
12	Jubilant Drug Discovery & Development Services Inc. 16751 Trans-Canada Highway Kirkland, Quebec H9H 4J4, Canada	N.A.	Subsidiary	100% (Through subsidiary)	2(87)
13	Jubilant Pharma Holdings Inc. 790 Township Line Road Suite 120 Yardley, PA 19067, USA	N.A.	Subsidiary	100% (Through subsidiary)	2(87)
14	Jubilant Clinsys Inc. One Crossroads Drive, Building A, Second Floor, Bedminster, New Jersey 07921, USA	N.A.	Subsidiary	100% (Through subsidiary)	2(87)
15	HSL Holdings Inc. 2711 Centerville Road, Suite 400, City of Wilmington, 19808, County of New Castle, Delaware, USA	N.A.	Subsidiary	100% (Through subsidiary)	2(87)
16	Jubilant HollisterStier LLC 2711 Centerville Road, Suite 400, City of Wilmington, 19808, County of New Castle, Delaware, USA	N.A.	Subsidiary	100% (Through subsidiary)	2(87)
17	Jubilant Life Sciences (USA) Inc. 790 Township Line Road Suite 120 Yardley, PA 19067, USA	N.A.	Subsidiary	100%	2(87)
18	Draximage LLC 1209 Orange Street, Wilmington, New Castle County, Delaware 19801, USA	N.A.	Subsidiary	100% (Through subsidiary)	2(87)

Sr. No.	Name and Address of the Company	CIN/ GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section of the Companies Act, 2013
19	Jubilant DraxImage (USA) Inc. 2711 Centerville Road, Suite 400, City of Wilmington, 19808, County of New Castle, Delaware, USA	N.A.	Subsidiary	100% (Through subsidiary)	2(87)
20	Deprenyl Inc., USA 2711 Centerville Road, Suite 400, City of Wilmington, 19808, County of New Castle, Delaware, USA	N.A.	Subsidiary	100% (Through subsidiary)	2(87)
21	Draxis Pharma LLC 790 Township Line Road Suite 120 Yardley, PA 19067, USA	N.A.	Subsidiary	100% (Through subsidiary)	2(87)
22	Jubilant HollisterStier Inc. 790 Township Line Road Suite 120 Yardley, PA 19067, USA	N.A.	Subsidiary	100% (Through subsidiary)	2(87)
23	Jubilant Discovery Services Inc. 365 Phoenixville pike LLC, Malvern, PA 19355, USA	N.A.	Subsidiary	66.98% (Through subsidiary)	2(87)
24	Jubilant Pharma Trading Inc. 790 Township Line Road Suite 120 Yardley, PA 19067, USA	N.A.	Subsidiary	100% (Through subsidiary)	2(87)
25	DAHI Animal Health (UK) Limited 2nd Floor, 5 Old Bailey London EC4M 7BA United Kingdom	N.A.	Subsidiary	100% (Through subsidiary)	2(87)
26	Draximage (UK) Limited 125 Old Broad Street, 26th Floor, London EC2N 1AR United Kingdom	N.A.	Subsidiary	100% (Through subsidiary)	2(87)
27	Jubilant Pharma Limited 160, Robinson Road #17-01, SBF Center, Singapore 068914	N.A.	Subsidiary	100%	2(87)
28	Jubilant Life Sciences International Pte. Limited 160, Robinson Road #17-01, SBF Center, Singapore 068914	N.A.	Subsidiary	100%	2(87)
29	Jubilant Biosys (Singapore) Pte. Limited 160, Robinson Road #17-01, SBF Center, Singapore 068914	N.A.	Subsidiary	100% (Through subsidiary)	2(87)
30	Jubilant Drug Development Pte. Limited 160, Robinson Road #17-01, SBF Center, Singapore 068914	N.A.	Subsidiary	100% (Through subsidiary)	2(87)
31	Jubilant Innovation Pte. Limited 160, Robinson Road #17-01, SBF Center, Singapore 068914	N.A.	Subsidiary	100% (Through subsidiary)	2(87)
32	Drug Discovery and Development Solutions Limited 160, Robinson Road #17-01, SBF Center, Singapore 068914	N.A.	Subsidiary	100%	2(87)

Sr. No.	Name and Address of the Company	CIN/ GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section of the Companies Act, 2013
33	Jubilant Life Sciences (Shanghai) Limited Room No: 401-A, No. 169, Tiagu Road, Wai Gao Qiao Free Trade Zone, Shanghai-2001317, China	N.A.	Subsidiary	100% (Through subsidiary)	2(87)
34	Draximage Limited, Cyprus Themistokli Dervi, 3, Julia House, P.C. 1066, Nicosia, Cyprus	N.A.	Subsidiary	100% (Through subsidiary)	2(87)
35	Draximage Limited, Ireland 1st Floor, Riverview House, 21/ 23 City Quay, Dublin 2, Ireland	N.A.	Subsidiary	100% (Through subsidiary)	2(87)
36	Jubilant Pharma NV AXXES BUSINESS PARK, Guldensporenpark 22 - Blok C, B - 9820 Merelbeke, Belgium	N.A.	Subsidiary	100% (Through subsidiary)	2(87)
37	Jubilant Pharmaceuticals NV AXXES BUSINESS PARK, Guldensporenpark 22 - Blok C, B - 9820 Merelbeke, Belgium	N.A.	Subsidiary	100% (Through subsidiary)	2(87)
38	PSI Supply NV AXXES BUSINESS PARK, Guldensporenpark 22 - Blok C, B - 9820 Merelbeke, Belgium	N.A.	Subsidiary	100% (Through subsidiary)	2(87)
39	Jubilant Life Sciences NV AXXES BUSINESS PARK, Guldensporenpark 22 - Blok C, B - 9820 Merelbeke, Belgium	N.A.	Subsidiary	100% (Including through subsidiary)	2(87)
40	Jubilant Innovation (BVI) Ltd. Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands	N.A.	Subsidiary	100% (Through subsidiary)	2(87)
41	Jubilant Life Sciences (BVI) Limited Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands	N.A.	Subsidiary	100% (Through subsidiary)	2(87)
42	Jubilant Biosys (BVI) Limited Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands	N.A.	Subsidiary	100% (Through subsidiary)	2(87)
43	Jubilant DraxImage Inc. 16751 Trans-Canada Highway Kirkland, Quebec H9H 4J4, Canada	N.A.	Subsidiary	100% (Through subsidiary)	2(87)

Sr. No.	Name and Address of the Company	CIN/ GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section of the Companies Act, 2013
44	6963196 Canada Inc. 100, King St. West 1 First Canadian Place, #6100 Toronto, Ontario M5X 1B8, Canada	N.A.	Subsidiary	100% (Through subsidiary)	2(87)
45	6981364 Canada Inc. 100, King St. West 1 First Canadian Place, #6100 Toronto, Ontario M5X 1B8, Canada	N.A.	Subsidiary	100% (Through subsidiary)	2(87)
46	Jubilant Innovation (USA) Inc. 365 Phoenixville pike LLC, Malvern, PA 19355, USA	N.A.	Subsidiary	100% (Through subsidiary)	2(87)
47	Jubilant Life Sciences (Switzerland) AG Bei Klauser & Partner AG Muhlentalstrasse 2 8200 Schaffhausen, Switzerland	N.A.	Subsidiary	100% (Through subsidiary)	2(87)
48	Jubilant Pharma Australia Pty Limited Level 2 108 Power Street, Hawthorn VIC 3122, Australia	N.A.	Subsidiary	100% (Through subsidiary)	2(87)
49	Jubilant DraxImage Radiopharmacies Inc. 2711 Centerville Road, Suite-400, City of Wilmington, 19808, County of New Castle, Delaware, USA	N.A.	Subsidiary	100% (Through subsidiary)	2(87)

* Denotes Equity Shares

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Shareholding

Category of Shareholders		No. of Shares held at the beginning of the year (April 1, 2016)				No. of Shares held at the end of the year (March 31, 2017)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	**Promoters**									
(1)	**Indian**									
	a) Individual/ HUF	503,500	–	503,500	0.32	503,500	–	503,500	0.32	–
	b) Central Govt.	–	–	–	–	–	–	–	–	–
	c) State Govt(s)	–	–	–	–	–	–	–	–	–
	d) Bodies Corporate	78,577,176	–	78,577,176	49.33	78,577,176	–	78,577,176	49.33	–
	e) Banks/ FI	–	–	–	–	–	–	–	–	–
	f) Any Other	–	–	–	–	–	–	–	–	–
	Sub-total (A) (1):-	**79,080,676**	**–**	**79,080,676**	**49.65**	**79,080,676**	**–**	**79,080,676**	**49.65**	**–**
(2)	**Foreign**									
	a) NRIs - Individuals	1,399,935	–	1,399,935	0.88	1,399,935	–	1,399,935	0.88	–
	b) Other-Individuals	–	–	–	–	–	–	–	–	–
	c) Bodies Corporate	5,570,445	–	5,570,445	3.50	5,570,445	–	5,570,445	3.50	–
	d) Banks/ FI	–	–	–	–	–	–	–	–	–
	e) Any Other	–	–	–	–	–	–	–	–	–
	Sub-total (A) (2):-	**6,970,380**	**–**	**6,970,380**	**4.38**	**6,970,380**	**–**	**6,970,380**	**4.38**	**–**
	Total Shareholding of Promoters (A) = (A)(1)+(A)(2)	**86,051,056**	**–**	**86,051,056**	**54.02**	**86,051,056**	**–**	**86,051,056**	**54.02**	**–**
B.	**Public Shareholding**									
(1)	**Institutions**									
	a) Mutual Funds	24,234	–	24,234	0.02	5,637,657	–	5,637,657	3.54	3.52
	b) Banks/ FI	202,923	600	203,523	0.13	268,927	600	269,527	0.17	0.04
	c) Central Govt.	–	–	–	–	–	–	–	–	–
	d) State Govt(s)	–	–	–	–	–	–	–	–	–
	e) Venture Capital Funds	–	–	–	–	–	–	–	–	–

	Category of Shareholders	No. of Shares held at the beginning of the year (April 1, 2016)				No. of Shares held at the end of the year (March 31, 2017)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
	f) Insurance Companies	–	–	–	–	–	–	–	–	–
	g) FIIs	17,235,641	–	17,235,641	10.82	2,619,509	–	2,619,509	1.64	(9.18)
	h) Foreign Venture Capital Funds	–	–	–	–	–	–	–	–	–
	i) Others									
	(a) Alternate Investment Funds	–	–	–	–	15,623	–	15,623	0.01	0.01
	(b) Foreign Portfolio Investors	26,438,195	–	26,438,195	16.60	30,357,772	–	30,357,772	19.06	2.46
	Sub-total (B)(1):-	**43,900,993**	**600**	**43,901,593**	**27.56**	**38,899,488**	**600**	**38,900,088**	**24.42**	**(3.14)**
(2)	**Non-Institutions**									
	a) Bodies Corporate									
	i) Indian	8,561,665	3,440	8,565,105	5.38	8,503,487	3,440	8,506,927	5.34	(0.04)
	ii) Overseas	–	–	–	–	–	–	–	–	–
	b) Individuals									
	i) Individual shareholders holding nominal share capital upto ₹ 1 Lac	12,533,833	1,213,573	13,747,406	8.63	14,722,854	1,180,203	15,903,057	9.99	1.36
	ii) Individual shareholders holding nominal share capital in excess of ₹ 1Lac	2,413,477	–	2,413,477	1.52	5,368,436	–	5,368,436	3.37	1.85
	c) Others									
	i) Trusts	3,950,035	–	3,950,035	2.48	3,623,956	–	3,623,956	2.28	(0.20)
	ii) Non-Resident Individuals/ Foreign Nationals	605,667	46,800	652,467	0.41	881,579	46,040	927,619	0.58	0.17
	Sub-total (B)(2):-	**28,064,677**	**1,263,813**	**29,328,490**	**18.42**	**33,100,312**	**1,229,683**	**34,329,995**	**21.56**	**3.14**
	Total Public Shareholding (B)=(B)(1)+(B)(2)	**71,965,670**	**1,264,413**	**73,230,083**	**45.98**	**71,999,800**	**1,230,283**	**73,230,083**	**45.98**	**–**
C.	**Shares held by Custodian for GDRs & ADRs**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
	Grand Total (A+B+C)	**158,016,726**	**1,264,413**	**159,281,139**	**100.00**	**158,050,856**	**1,230,283**	**159,281,139**	**100.00**	**–**

ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (April 1, 2016)			Shareholding at the end of the year (March 31, 2017)			% Change in Share Holding during the Year
		No. of Shares	% of Total Shares of the Company	% of Shares Pledged/ Encumbered to Total Shares	No. of Shares	% of Total Shares of the Company	% of Shares Pledged/ Encumbered to Total Shares	
1	Mr. Shyam S Bhartia	1,399,935	0.88	–	1,399,935	0.88	–	–
2	Mr. Hari S Bhartia	360,885	0.23	–	360,885	0.23	–	–
3	Ms. Kavita Bhartia	10,285	0.01	–	10,285	0.01	–	–
4	Mr. Shamit Bhartia	129,245	0.08	–	129,245	0.08	–	–
5	Mr. Priyavrat Bhartia	3,085	0.00	–	3,085	0.00	–	–
6	Vam Holdings Limited	5,681,400	3.57	–	–	–	–	(3.57)
7	Jubilant Stock Holding Private Limited	29,676,992	18.63	3.74	21,871,992	13.73	7.57	(4.90)
8	Jaytee Private Limited	7,600	0.00	–	7,600	0.00	–	–
9	HSB Corporate Consultants Private Limited	18,698,979	11.74	–	18,698,979	11.74	–	–
10	SSB Consultants and Management Services Private Limited	21,007,665	13.19	–	21,007,665	13.19	–	–
11	Nikita Resources Private Limited	3,504,540	2.20	–	3,504,540	2.20	–	–
12	Rance Investment Holdings Limited	2,400,000	1.51	–	2,400,000	1.51	–	–
13	Torino Overseas Limited	770,445	0.48	–	770,445	0.48	–	–
14	Cumin Investments Limited	2,400,000	1.51	–	2,400,000	1.51	–	–
15	MAV Management Advisors LLP	–	–	–	5,681,400	3.57	–	3.57
16	Jubilant Consumer Private Limited	–	–	–	5,567,000	3.50	–	3.50
17	Jubilant Advisors LLP	–	–	–	2,238,000	1.40	–	1.40
	Total	**86,051,056**	**54.02**	**3.74**	**86,051,056**	**54.02**	**7.57**	**–**

(iii) Change in Promoters' Shareholding

There is no change in the aggregate shareholding of the Promoters during the year ended March 31, 2017. The following *inter-se* transfer of shares took place in the shareholding of Promoters during the year ended March 31, 2017:

Sr. No.	Name	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year (April 1, 2016 to March 31, 2017)	
		No. of shares at the beginning (April 1, 2016)/ end of the year (March 31, 2017)	% of total shares of the Company				No. of shares	% of total shares of the Company
1	Jubilant Stock Holding Private Limited	29,676,992	18.63	1-Apr-16				
				23-Mar-17	-7,805,000	Inter-se transfer amongst Promoters	21,871,992	13.73
		21,871,992	13.73	31-Mar-17	-	-	21,871,992	13.73
2	Jubilant Consumer Private Limited	-	-	1-Apr-16				
				23-Mar-17	5,567,000	Inter-se transfer amongst Promoters	5,567,000	3.50
		5,567,000	3.50	31-Mar-17	-	-	5,567,000	3.50
3	Jubilant Advisors LLP	-	-	1-Apr-16				
				23-Mar-17	2,238,000	Inter-se transfer amongst Promoters	2,238,000	1.40
		2,238,000	1.40	31-Mar-17	-	-	2,238,000	1.40
4	VAM Holdings Limited	5,681,400	3.57	1-Apr-16				
				23-Mar-17	-5,681,400	Inter-se transfer amongst Promoters	-	-
		-	-	31-Mar-17	-	-	-	-
5	MAV Management Advisors LLP	-	-	1-Apr-16				
				23-Mar-17	5,681,400	Inter-se transfer amongst Promoters	5,681,400	3.57
		5,681,400	3.57	31-Mar-17	-	-	5,681,400	3.57

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	Name	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year (April 1, 2016 to March 31, 2017)	
		No. of shares at the beginning (April 1, 2016)/ end of the year (March 31, 2017)	% of total shares of the Company				No. of shares	% of total shares of the Company
1	East Bridge Capital Master Fund Limited	6,240,540	3.92	1-Apr-16				
				30-Jun-16	37,219	Transfer	6,277,759	3.94
				22-Jul-16	1,100,000	Transfer	7,377,759	4.63
		7,377,759	4.63	31-Mar-17	-	-	7,377,759	4.63
2	Samena Special Situations Mauritius*	4,773,109	3.00	1-Apr-16				
				21-Oct-16	-1,308,526	Transfer	3,464,583	2.17
				28-Oct-16	-53,494	Transfer	3,411,089	2.14
				4-Nov-16	-358,394	Transfer	3,052,695	1.92
				6-Jan-17	-1,865,048	Transfer	1,187,647	0.75
				13-Jan-17	-671,301	Transfer	516,346	0.32
				20-Jan-17	-516,346	Transfer	-	-
		-	-	31-Mar-17	-	-	-	-
3	Morgan Stanley Asia (Singapore) Pte.	3,909,646	2.45	1-Apr-16				
				8-Apr-16	-30,217	Transfer	3,879,429	2.44
				15-Apr-16	-80,066	Transfer	3,799,363	2.38
				22-Apr-16	19,044	Transfer	3,818,407	2.40
				29-Apr-16	21,625	Transfer	3,840,032	2.41
				6-May-16	-77,453	Transfer	3,762,579	2.36
				13-May-16	-18,659	Transfer	3,743,920	2.35
				20-May-16	-6,232	Transfer	3,737,688	2.35
				27-May-16	-20,818	Transfer	3,716,870	2.33
				3-Jun-16	-5,081	Transfer	3,711,789	2.33
				10-Jun-16	-18,656	Transfer	3,693,133	2.32
				17-Jun-16	-9,005	Transfer	3,684,128	2.31
				24-Jun-16	-23,479	Transfer	3,660,649	2.30
				30-Jun-16	-13,124	Transfer	3,647,525	2.29
				8-Jul-16	-16,885	Transfer	3,630,640	2.28
				15-Jul-16	8,795	Transfer	3,639,435	2.28
				22-Jul-16	-108,045	Transfer	3,531,390	2.22
				29-Jul-16	-37,848	Transfer	3,493,542	2.19
				5-Aug-16	-21,792	Transfer	3,471,750	2.18
				12-Aug-16	-215,139	Transfer	3,256,611	2.04
				19-Aug-16	-31,556	Transfer	3,225,055	2.02
				26-Aug-16	-24,725	Transfer	3,200,330	2.00
				2-Sept-16	-7,986	Transfer	3,192,344	2.00
				23-Sept-16	-505,723	Transfer	2,686,621	1.69
				10-Feb-17	-10,653	Transfer	2,675,968	1.68
				24-Feb-17	-44,041	Transfer	2,631,927	1.65

Sr. No.	Name	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year (April 1, 2016 to March 31, 2017)	
		No. of shares at the beginning (April 1, 2016)/ end of the year (March 31, 2017)	% of total shares of the Company				No. of shares	% of total shares of the Company
				3-Mar-17	-84,680	Transfer	2,547,247	1.60
				10-Mar-17	-87,804	Transfer	2,459,443	1.54
				17-Mar-17	-55,163	Transfer	2,404,280	1.51
				24-Mar-17	-29,990	Transfer	2,374,290	1.49
		2,287,096	1.43	31-Mar-17	-87,194	Transfer	2,287,096	1.43
4	Jubilant Employees Welfare Trust	3,904,526	2.45	1-Apr-16				
				29-Apr-16	-8,743	Transfer	3,895,783	2.44
				17-Jun-16	-5,974	Transfer	3,889,809	2.44
				15-Jul-16	-78,746	Transfer	3,811,063	2.39
				2-Sept-16	-19,429	Transfer	3,791,634	2.38
				25-Nov-16	-9,350	Transfer	3,782,284	2.37
				16-Dec-16	-163,600	Transfer	3,618,684	2.27
				23-Dec-16	-1,004	Transfer	3,617,680	2.27
				3-Mar-17	-43,591	Transfer	3,574,089	2.24
				10-Mar-17	-25,138	Transfer	3,548,951	2.23
		3,548,951	2.23	31-Mar-17	-	-	3,548,951	2.23
5	Government Pension Fund Global	3,400,000	2.13	1-Apr-16				
				26-Aug-16	-30,000	Transfer	3,370,000	2.11
				2-Sept-16	-70,000	Transfer	3,300,000	2.07
				16-Sept-16	-30,000	Transfer	3,270,000	2.05
				23-Sept-16	-181,584	Transfer	3,088,416	1.94
				30-Sept-16	-41,416	Transfer	3,047,000	1.91
				7-Oct-16	136,434	Transfer	3,183,434	2.00
				14-Oct-16	-60,000	Transfer	3,123,434	1.96
				21-Oct-16	-200,000	Transfer	2,923,434	1.83
				28-Oct-16	-120,000	Transfer	2,803,434	1.76
				11-Nov-16	-25,000	Transfer	2,778,434	1.74
				18-Nov-16	-50,000	Transfer	2,728,434	1.71
				25-Nov-16	-25,000	Transfer	2,703,434	1.70
				2-Dec-16	-2,564	Transfer	2,700,870	1.70
				6-Jan-17	-47,436	Transfer	2,653,434	1.67
				13-Jan-17	-90,000	Transfer	2,563,434	1.61
				27-Jan-17	67,902	Transfer	2,631,336	1.65
				3-Feb-17	182,205	Transfer	2,813,541	1.77
				10-Feb-17	2,031	Transfer	2,815,572	1.77
				17-Feb-17	154,089	Transfer	2,969,661	1.86
		2,969,661	1.86	31-Mar-17	-	-	2,969,661	1.86
6	Deutsche Securities Mauritius Limited*	3,103,408	1.95	1-Apr-16				
				29-Apr-16	-3,103,408	Transfer	-	-
		-	-	31-Mar-17	-	-	-	-

Sr. No.	Name	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year (April 1, 2016 to March 31, 2017)	
		No. of shares at the beginning (April 1, 2016)/ end of the year (March 31, 2017)	% of total shares of the Company				No. of shares	% of total shares of the Company
7	Goldman Sachs (Singapore) Pte*	2,162,588	1.36	1-Apr-16				
				8-Apr-16	-164,324	Transfer	1,998,264	1.25
				15-Apr-16	-165,409	Transfer	1,832,855	1.15
				22-Apr-16	-142,827	Transfer	1,690,028	1.06
				29-Apr-16	-259,640	Transfer	1,430,388	0.90
				6-May-16	-148,212	Transfer	1,282,176	0.80
				13-May-16	-296,333	Transfer	985,843	0.62
				20-May-16	-170,013	Transfer	815,830	0.51
				27-May-16	-307,770	Transfer	508,060	0.32
				3-Jun-16	-78,841	Transfer	429,219	0.27
				17-Jun-16	-132	Transfer	429,087	0.27
				30-Jun-16	1,125	Transfer	430,212	0.27
				15-Jul-16	-215,825	Transfer	214,387	0.13
				22-Jul-16	-177,990	Transfer	36,397	0.02
				29-Jul-16	-6,027	Transfer	30,370	0.02
				5-Aug-16	-1,915	Transfer	28,455	0.02
				12-Aug-16	12,229	Transfer	40,684	0.02
				19-Aug-16	3,954	Transfer	44,638	0.03
				2-Sept-16	-544	Transfer	44,094	0.03
				9-Sept-16	-140	Transfer	43,954	0.03
				16-Sept-16	65,604	Transfer	109,558	0.07
				23-Sept-16	-65,604	Transfer	43,954	0.03
				30-Sept-16	-1,130	Transfer	42,824	0.03
				7-Oct-16	-5,247	Transfer	37,577	0.02
				14-Oct-16	-5,671	Transfer	31,906	0.02
				21-Oct-16	-18,761	Transfer	13,145	0.01
				28-Oct-16	-1,729	Transfer	11,416	0.01
				4-Nov-16	-1,404	Transfer	10,012	0.01
				11-Nov-16	-5,955	Transfer	4,057	0.00
				18-Nov-16	1,385	Transfer	5,442	0.00
				2-Dec-16	3,772	Transfer	9,214	0.01
				16-Dec-16	9,005	Transfer	18,219	0.01
				23-Dec-16	-2,660	Transfer	15,559	0.01
				30-Dec-16	-15,559	Transfer	-	-
				20-Jan-17	3,544	Transfer	3,544	0.00
				10-Feb-17	14,261	Transfer	17,805	0.01
				17-Feb-17	11,742	Transfer	29,547	0.02
				24-Feb-17	26,762	Transfer	56,309	0.03
				3-Mar-17	17,657	Transfer	73,966	0.05
				10-Mar-17	22,863	Transfer	96,829	0.06
				17-Mar-17	-3,312	Transfer	93,517	0.06

Sr. No.	Name	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year (April 1, 2016 to March 31, 2017)	
		No. of shares at the beginning (April 1, 2016)/ end of the year (March 31, 2017)	% of total shares of the Company				No. of shares	% of total shares of the Company
				24-Mar-17	-54,356	Transfer	39,161	0.02
				31-Mar-17	-18,950	Transfer	20,211	0.01
		20,211	0.01	31-Mar-17	-	-	20,211	0.01
8	Bio Veda Action Research Private Limited*	1,548,819	0.97	1-Apr-16				
				26-Aug-16	-256,452	Transfer	1,292,367	0.81
				2-Sept-16	-262,190	Transfer	1,030,177	0.65
				28-Oct-16	-184,162	Transfer	846,015	0.53
				4-Nov-16	-30,000	Transfer	816,015	0.51
				2-Dec-16	-137,099	Transfer	678,916	0.43
				16-Dec-16	-9,700	Transfer	669,216	0.42
				6-Jan-17	-116,500	Transfer	552,716	0.35
				13-Jan-17	-53,900	Transfer	498,816	0.31
				20-Jan-17	-18,000	Transfer	480,816	0.30
				27-Jan-17	-8,120	Transfer	472,696	0.30
				3-Feb-17	-8,475	Transfer	464,221	0.29
				10-Mar-17	-10,000	Transfer	454,221	0.28
				24-Mar-17	-11,000	Transfer	443,221	0.28
		436,521	0.28	31-Mar-17	-6,700	Transfer	436,521	0.28
9	GHI LTP Limited	1,244,127	0.78	1-Apr-16				
				22-Jul-16	75,000	Transfer	1,319,127	0.83
				21-Oct-16	-15,000	Transfer	1,304,127	0.82
		1,304,127	0.82	31-Mar-17	-	-	1,304,127	0.82
10	Dimensional Emerging Markets Value Fund	993,088	0.62	1-Apr-16				
		993,088	0.62	31-Mar-17	-	-	993,088	0.62
11	Rajendra Prasad Bubna*** Joint Holders: 1. Sanjeev Bubna 2. Vinay Kumar Goenka	-	-	1-Apr-16				
				8-Apr-16	843,500	Transfer	843,500	0.53
		843,500	0.53	31-Mar-17	-	-	843,500	0.53
12	Atyant Capital India Fund I ***	792,613	0.50	1-Apr-16				
				22-Jul-16	272,000	Transfer	1,064,613	0.67
				7-Oct-16	-7,000	Transfer	1,057,613	0.66
		1,057,613	0.66	31-Mar-17	-	-	1,057,613	0.66
13	Vanguard Total International Stock Index Fund***	646,451	0.41	1-Apr-16				
				8-Apr-16	89,354	Transfer	735,805	0.47
				15-Jul-16	81,718	Transfer	817,523	0.51
				13-Jan-17	53,190	Transfer	870,713	0.55
		870,713	0.55	31-Mar-17	-	-	870,713	0.55

Sr. No.	Name	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year (April 1, 2016 to March 31, 2017)	
		No. of shares at the beginning (April 1, 2016)/ end of the year (March 31, 2017)	% of total shares of the Company				No. of shares	% of total shares of the Company
14	Citigroup Global Markets Mauritius Private Limited**	-	-	1-Apr-16				
				29-Apr-16	3,160,446	Transfer	3,160,446	1.98
				13-May-16	47,771	Transfer	3,208,217	2.01
				20-May-16	161	Transfer	3,208,378	2.01
				27-May-16	-18,772	Transfer	3,189,606	2.00
				3-Jun-16	-46,660	Tansfer	3,142,946	1.97
				30-Sept-16	-22,347	Transfer	3,120,599	1.96
				7-Oct-16	-624,052	Transfer	2,496,547	1.57
				14-Oct-16	-251,374	Transfer	2,245,173	1.41
				21-Oct-16	-2,245,173	Transfer	-	-
		-	-	31-Mar-17	-	-	-	-
15	Vanguard Emerging Markets Stock Index Fund, A Series of Vanguard International Equity Index Fund***	99,748	0.06	1-Apr-16				
				29-Apr-16	38,475	Transfer	138,223	0.09
				6-May-16	78,500	Transfer	216,723	0.14
				3-Jun-16	122,685	Transfer	339,408	0.21
				10-Jun-16	13,383	Transfer	352,791	0.22
				17-Jun-16	60,361	Transfer	413,152	0.26
				24-Jun-16	99,371	Transfer	512,523	0.32
				30-Jun-16	41,834	Transfer	554,357	0.35
				22-Jul-16	21,264	Transfer	575,621	0.36
				29-Jul-16	60,404	Transfer	636,025	0.40
				5-Aug-16	33,681	Transfer	669,706	0.42
				2-Sept-16	72,294	Transfer	742,000	0.46
				9-Sept-16	3,750	Transfer	745,750	0.47
				23-Sept-16	188,787	Transfer	934,537	0.59
				7-Oct-16	9,664	Transfer	944,201	0.59
				14-Oct-16	6,644	Transfer	950,845	0.60
				21-Oct-16	22,650	Transfer	973,495	0.61
				28-Oct-16	9,060	Transfer	982,555	0.62
				11-Nov-16	22,880	Transfer	1,005,435	0.63
				25-Nov-16	32,232	Transfer	1,037,667	0.65
				2-Dec-16	18,225	Transfer	1,055,892	0.66
				6-Jan-17	3,576	Transfer	1,059,468	0.66
				13-Jan-17	7,599	Transfer	1,067,067	0.67
				20-Jan-17	3,576	Transfer	1,070,643	0.67
				3-Feb-17	10,728	Transfer	1,081,371	0.68
				17-Feb-17	2,980	Transfer	1,084,351	0.68
				24-Mar-17	6,615	Transfer	1,090,966	0.68
		1,097,434	0.69	31-Mar-17	6,468	Transfer	1,097,434	0.69

Sr. No.	Name	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year (April 1, 2016 to March 31, 2017)	
		No. of shares at the beginning (April 1, 2016)/ end of the year (March 31, 2017)	% of total shares of the Company				No. of shares	% of total shares of the Company
16	Jhunjhunwala Rakesh Radheshyam ***	-	-	1-Apr-16				
				19-Aug-16	250,000	Transfer	250,000	0.16
				26-Aug-16	750,000	Transfer	1,000,000	0.63
				9-Sept-16	250,000	Transfer	1,250,000	0.78
				6-Jan-17	250,000	Transfer	1,500,000	0.94
		1,500,000	0.94	31-Mar-17	-	-	1,500,000	0.94
17	Rakesh Jhunjhunwala Joint Holder: 1. Rekha Jhunjhunwala ***	-	-	1-Apr-16				
				23-Sep-16	499,335	Transfer	499,335	0.31
				30-Sep-16	665	Transfer	500,000	0.31
				7-Oct-16	125,000	Transfer	625,000	0.39
				6-Jan-17	375,000	Transfer	1,000,000	0.63
				17-Mar-17	250,000	Transfer	1,250,000	0.78
		1,250,000	0.78	31-Mar-17	-	-	1,250,000	0.78
18	Motilal Oswal Most Focused Multicap 35 Fund***	-	-	1-Apr-16				
				21-Oct-16	3,014,860	Transfer	3,014,860	1.89
				28-Oct-16	456,700	Transfer	3,471,560	2.18
				25-Nov-16	38,000	Transfer	3,509,560	2.20
				13-Jan-17	135,715	Transfer	3,645,275	2.29
				20-Jan-17	72,000	Transfer	3,717,275	2.33
				3-Feb-17	-27,209	Transfer	3,690,066	2.32
				17-Feb-17	52,500	Transfer	3,742,566	2.35
				3-Mar-17	32,021	Transfer	3,774,587	2.37
				10-Mar-17	83,259	Transfer	3,857,846	2.42
				17-Mar-17	65,000	Transfer	3,922,846	2.46
				24-Mar-17	106,320	Transfer	4,029,166	2.53
		4,077,736	2.56	31-Mar-17	48,570	Transfer	4,077,736	2.56

*Ceased to be in the Top 10 shareholders as on March 31, 2017. The same is reflected above as the shareholder was one of the Top 10 shareholders as on April 1, 2016.

**Not in the list of Top 10 shareholders as on April 1, 2016. The same has been reflected above as the shareholder was one of the Top 10 shareholders during the year and ceased to be one of the Top 10 shareholders as on March 31, 2017.

***Not in the list of Top 10 shareholders as on April 1, 2016. The same is reflected above since the shareholder was one of the Top 10 shareholders as on March 31, 2017.

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name	Shareholding at the beginning of the year (April 1, 2016)		Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity, etc.)	Cumulative Shareholding during the year (2016-17)		At the end of the year (March 31, 2017)	
		No. of shares	% of total shares of the Company		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Mr. Shyam S Bhartia, Chairman	1,399,935	0.88	No change during the Financial Year 2016-17	1,399,935	0.88	1,399,935	0.88
2	Mr. Hari S Bhartia, Co-Chairman and Managing Director	360,885	0.23		360,885	0.23	360,885	0.23
3	Mr. Shyamsundar Bang, Executive Director*	–	–	Refer Note A			78,746	0.05
4	Mr. Shardul S Shroff, Director**	–	–	No change during the Financial Year 2016–17	–	–	–	–
5	Dr. Ashok Misra, Director	–	–		–	–	–	–
6	Mr. S Sridhar, Director	–	–		–	–	–	–
7	Ms. Sudha Pillai, Director	–	–		–	–	–	–
8	Mr. R Sankaraiah, Chief Financial Officer (Designated as Executive Director - Finance)	53,746	0.03	Refer Note B			81,901	0.05
9	Mr. Rajiv Shah, Company Secretary	–	–	No change during the Financial Year 2016–17	–	–	–	–

* Mr. Shyamsundar Bang resigned as Executive Director effective from February 7, 2017 on his superannuation from the services of the Company and as Director effective from March 31, 2017.

**Mr. Shardul S Shroff, Director resigned effective from May 24, 2016.

Note A:

Shareholding movement of Mr. Shyamsundar Bang, Executive Director during the Financial Year 2016-17

Sr. No.	Date	Increase/ Decrease in Shareholding	Reasons for Increase/ Decrease (e.g. allotment/ transfer/ bonus/ sweat equity, etc.)	Cumulative Shareholding during the year (2016-17)	
				No. of shares	% of total shares of the Company
1	April 1, 2016	–	–	–	–
2	July 12, 2016	78,746	Acquisition on exercise of Stock Options	78,746	0.05

Note B:

Shareholding movement of Mr. R Sankaraiah, Chief Financial Officer (Designated as Executive Director - Finance) during the Financial Year 2016-17

Sr. No.	Date	Increase/ Decrease in Shareholding	Reasons for Increase/ Decrease (e.g. allotment/ transfer/ bonus/ sweat equity, etc.)	Cumulative Shareholding during the year (2016-17)	
				No. of shares	% of total shares of the Company
1	April 1, 2016	–	–	53,746	0.03
2	December 13, 2016	28,155	Acquisition on exercise of Stock Options	81,901	0.05

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/ accrued but not due for payment:

(₹ /Million)

Particulars		Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the Financial Year (April 1, 2016)*					
i)	Principal Amount	15,722.43	2,361.68	–	18,084.11
ii)	Interest due but not paid	–	–	–	–
iii)	Interest accrued but not due	60.40	16.15	–	76.55
Total (i+ii+iii)		**15,782.83**	**2,377.83**	**–**	**18,160.66**
Change in Indebtedness during the Financial Year (including Forex effect)					
i)	Addition	7,538.75	3,411.12	–	10,949.87
ii)	Reduction	11,366.49	647.10	–	12,013.59
Net Change		**-3,827.74**	**2,764.02**	**–**	**-1,063.72**
Indebtedness at the end of the Financial Year (March 31, 2017)					
i)	Principal Amount	11,858.37	5,119.68	–	16,978.05
ii)	Interest due but not paid	–	–	–	–
iii)	Interest accrued but not due	96.72	22.17	–	118.89
Total (i+ii+iii)		**11,955.09**	**5,141.85**	**–**	**17,096.94**

* Restated as per Ind-AS

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director/ Whole-time Director and/ or Manager:

Amount (₹)

Sr. No.	Particulars of Remuneration		Mr. Hari S Bhartia, Co-Chairman and Managing Director	Mr. Shyamsundar Bang, Executive Director	Total Amount
1	Gross Salary				
	(a)	Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	34,336,017	23,107,450	57,443,467
	(b)	Value of Perquisites under Section 17(2) of the Income Tax Act, 1961	560,297	78,653	638,950
	(c)	Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock Option		-	8,628,218	8,628,218
3	Sweat Equity		-	-	-
4	Commission payable -as a % of Profit		6,000,000	-	6,000,000
5	Others (Mediclaim, Provident Fund and Gratuity, etc.)		1,652,925	6,003,127	7,656,052
	Total (A)		**42,549,239**	**37,817,448**	**80,366,687**
	Total (A) (₹/ Million)		**42.55**	**37.82**	**80.37**
	Ceiling as per the Act		₹ 86.08 Million (being 10% of Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013)		

Note: Mr. Shyamsundar Bang resigned as Executive Director effective from February 7, 2017 on his superannuation from the services of the Company and as Director effective from March 31, 2017.

B. Remuneration to other Directors:

(Amount / ₹)

Sr. No.	Particulars of Remuneration	Names of Directors					Total Amount
		Non-Executive Non-Independent Director *	Independent Directors				
		Mr. Shyam S Bhartia	Mr. Shardul S Shroff**	Mr. S Sridhar	Ms. Sudha Pillai	Dr. Ashok Misra	
1	Fees for attending Board/ Committee meetings	–	–	545,000	530,000	470,000	1,545,000
2	Commission payable	–	–	1,000,000	1,000,000	1,000,000	3,000,000
3	Others	–	–	–	–	–	–
	Total (B)	–	–	**1,545,000**	**1,530,000**	**1,470,000**	**4,545,000**
	Total (B) (₹/ Million)	–	–	**1.54**	**1.53**	**1.47**	**4.54**
	Ceiling as per the Act	₹ 8.61 Million (being 1% of Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013)					
	Overall Ceiling as per the Act (A+B)	₹ 94.69 Million (being 11% of Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013)					

* Mr Shyam S Bhartia, Chairman has opted not to take commission and sitting fees for the Financial Year 2016-17.

** Resigned effective from May 24, 2016.

C. Remuneration to Key Managerial Personnel other than Managing Director/ Manager/ Whole-time Director

Amount (₹)

Sr. No.	Particulars of Remuneration		Name of Key Managerial Personnel		
			Mr. R Sankaraiah Chief Financial Officer (Designated as Executive Director - Finance)	Mr. Rajiv Shah, Company Secretary	Total Amount
1	Gross Salary:				
	(a)	Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	55,455,407	6,778,166	62,233,573
	(b)	Value of perquisites under Section 17(2) of the Income Tax Act, 1961	94,823	8,997	103,820
	(c)	Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock Option		12,636,668	-	12,636,668
3	Sweat Equity		-	-	-
4	Commission – as % of profit – others		-	-	-
5	Others (Mediclaim, Provident Fund and Gratuity, etc.)		4,433,067	603,364	5,036,431
	Total		**72,619,965**	**7,390,527**	**80,010,492**

VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES

There were no penalties / punishment / compounding of offences for breach of any Section of the Companies Act against the Company or its Directors or other officers in default, if any, during the year.

Report on **Corporate Governance**

Annexure – 6

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 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."

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 stakeholder 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 Lean Six Sigma, Total Productive Maintenance and world class manufacturing;
- Responsible Care®14001:2013 certification for Corporate Office and Gajraula manufacturing unit;
- Online monitoring of internal controls on all operations spanning more than 2,000 control assertions through a specially designed software to institutionalize a quarterly system of certification to enable CEO/CFO certification of internal controls as per Regulation 17(8) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations');
- 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 Vigil Mechanism and Ombudsman Process;
- Detailed Policy for disclosure of material events and information;
- 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 HR 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 Reports and obtaining regular and also online feedback.

Securities and Exchange Board of India regulates Corporate Governance practices for listed companies through the Listing Regulations. Jubilant is in full compliance with the Listing Regulations.

B) BOARD OF DIRECTORS

(i) Composition

The Board of Jubilant presently comprises ten members, including a Woman Director, of which five are Non-Executive Independent Directors, three Non-Executive Non-Independent Directors, one

Managing Director and one Whole-time Director.

The maximum tenure of Independent Directors is upto five consecutive years from the date of their appointment. However, they can be re-appointed for another term of five consecutive years. The date of appointment and tenure of the existing Independent Directors are given below:

Sr. No.	Name of Independent Director	Date of Appointment	Date of Completion of Tenure
1	Mr. S Sridhar	September 2, 2014	March 31, 2019
2	Ms. Sudha Pillai	September 2, 2014	March 31, 2019
3	Dr. Ashok Misra	September 15, 2014	March 31, 2019
4	Mr. Sushil Kumar Roongta	May 23, 2017	Upto the date of ensuing Annual General Meeting
5	Mr. Vivek Mehra	May 23, 2017	Upto the date of ensuing Annual General Meeting

Note: Shareholders shall be considering appointment of Mr. Sushil Kumar Roongta and Mr. Vivek Mehra as Independent Directors at the ensuing Annual General Meeting ('AGM').

The letters of appointment are issued to the Independent Directors and the terms and conditions thereof are posted on the Company's website.

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

(ii) Key functions of the Board

The Board performs various statutory and other functions in connection with managing the affairs of the Company. The key functions performed by the Board of Jubilant are:

a. Reviewing and guiding corporate strategy, major plans of action, annual budgets and business plans, setting performance objectives, monitoring implementation and corporate performance and overseeing major capital expenditures, acquisitions and divestments

b. Monitoring effectiveness of the Company's governance practices and making changes as needed

c. Selecting, compensating, monitoring and when necessary, replacing Key Managerial Personnel and overseeing succession planning

d. Aligning remuneration of the Key Managerial Personnel and the Board with long term interests of the Company and its shareholders

e. Ensuring a transparent Board nomination process with the diversity of thought, experience, knowledge, perspective and gender in the Board

f. Monitoring and managing potential conflicts of interest of management, Board members and shareholders, including misuse of corporate assets and abuse in related party transactions

g. Ensuring integrity of the Company's accounting and financial reporting systems, including the independent audit and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational controls and compliance with the law and relevant standards

h. Overseeing the process of disclosure and communications

i. Monitoring and reviewing Board Evaluation framework

(iii) Meetings of the Board

Meetings of the Board are normally 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 four times i.e. on May 24, 2016, August 9, 2016, October 27, 2016 and February 7, 2017.

The Company has held a minimum of one Board Meeting in each quarter and maximum gap between two consecutive meetings did not exceed 120 days which is in compliance with the Listing Regulations and provisions of the Companies Act, 2013 (the 'Act').

An annual calendar of meetings is prepared well in advance and shared with the Directors before commencement of the year to enable them to plan their attendance at the meetings. Directors are expected to attend the Board and Committee meetings, spend 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 sent electronically to the Directors, well in advance, before the meetings. Draft minutes of the Board and Committee meetings are circulated to the Directors of the Company for their comments and thereafter, noted by the Board/ Committees at the next meeting.

Composition of the Board of Directors as on March 31, 2017 and attendance at the Board meetings held during the Financial Year ended March 31, 2017 and at the last Annual General Meeting ('AGM') are given in the table below:

COMPOSITION OF THE BOARD AND ATTENDANCE OF DIRECTORS AT THE BOARD MEETINGS AND AT 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[1] *Chairman*	Non-Executive and Promoter	4	4	Yes
Mr. Hari S Bhartia[1] Co-Chairman & Managing Director	Executive and Promoter	4	4	No
Mr. Shyamsundar Bang[2] Director	Non-Executive and Non Independent	4	4	Yes
Mr. Shardul S Shroff[3] *Director*	Non-Executive, Independent	0	0	Not Applicable
Mr. S Sridhar *Director*	Non-Executive, Independent	4	4	Yes
Ms. Sudha Pillai *Director*	Non-Executive, Independent	4	4	Yes
Dr. Ashok Misra *Director*	Non-Executive, Independent	4	4	Yes

[1]Mr. Shyam S Bhartia and Mr. Hari S Bhartia are related to each other, being brothers

[2]Resigned as Executive Director effective from February 7, 2017 on his superannuation from the services of the Company and as Director effective from March 31, 2017

[3]Resigned effective from May 24, 2016

Notes:

1. Mr. Pramod Yadav has been appointed as an Additional Director and Whole-time Director effective from April 1, 2017
2. Following Directors have been appointed as Additional Directors effective from May 23, 2017:
    - Mr. Sushil Kumar Roongta, Independent Director
    - Mr. Vivek Mehra, Independent Director
    - Mr. Priyavrat Bhartia, Non-Executive and Promoter Director
    - Mr. Arjun Shanker Bhartia, Non-Executive and Promoter Director

(iv) Other Directorships

Number of directorships in other bodies corporate and memberships/ chairmanships of Board Committees held by the Directors as on March 31, 2017 are given in the table below:

Name of Director	No. of Directorships in Other Bodies Corporate				No. of Chairmanships/ Memberships of Committees	
	Public Listed	Public Unlisted	Private	Foreign	Chairmanships	Memberships
Mr. Shyam S Bhartia	2	2	11	28	0	2
Mr. Hari S Bhartia	3	1	11	1	0	0
Mr. Shyamsundar Bang	0	5	0	0	0	2
Mr. S Sridhar	5	4	5	0	5	3
Ms. Sudha Pillai	3	3	0	0	1	5
Dr. Ashok Misra	2	0	3	0	0	3

Note: Pursuant to Regulation 26 of the Listing Regulations, Chairmanship/ Membership of Audit Committees and Stakeholders Relationship Committees of Indian Public Companies, whether listed or not, have been considered. Committees of Jubilant are also included.

(v) 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, budgets and updates thereon;
- Capital budgets and updates thereon;

- Quarterly results of the Company and its operating divisions or business segments;
- Minutes of the meetings of Audit Committee and other committees of the Board of Directors;
- Information on recruitment and remuneration of senior officers just below the Board level, including appointment or removal of the Chief Financial Officer and the Company Secretary;
- 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 defaults 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 investments, subsidiaries, assets which are material in nature and not in normal course of business;
- Quarterly details of foreign exchange exposures and steps taken by the 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;
- Non-compliance of any regulatory, statutory or listing requirements and shareholder services such as non-payment of dividend, delay in share transfer, etc.;
- Compliance reports pertaining to applicable laws and steps taken to rectify instances of non-compliances, if any; and
- Quarterly Compliance Report on Corporate Governance.

(vi) Board Process

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 at least 7 days before the meetings. Important decisions taken at the Board/ Committee meetings are promptly communicated to the concerned departments/ divisions.

The Company has complied with the Secretarial Standards on Meetings of the Board of Directors and on General Meetings issued by the Institute of Company Secretaries of India.

(vii) Independent Directors' Meeting

The Independent Directors met on May 22, 2017 without the attendance of Non-Independent Directors and members of the Management of the Company. The Independent Directors, *inter alia*, evaluated performance of the Non-Independent Directors, Chairperson of the Company and the Board of Directors as a whole for the Financial Year ended March 31, 2017. They also assessed the quality, content and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

(viii) Familiarisation Programme for Independent Directors

The Company familiarises its Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, legal updates, etc. In this regard, the Company follows a structured familiarisation programme for the Independent Directors. The details related thereto are displayed on the Company's website www.jubl.com. The web-link for the same is: http://www.jubl.com/cpage.aspx?mpgid=28&pgid=29&spgid=1018&spgid1=1023

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 circulated quarterly to the Board for noting.

Major Committees are:

- Audit Committee
- Nomination, Remuneration and Compensation Committee
- Stakeholders Relationship Committee
- Sustainability & CSR Committee
- Capital Issue Committee
- Finance Committee
- Fund Raising Committee

The Company Secretary officiates as the Secretary of the Committees. Detailed terms of reference, composition, quorum, meetings, attendance and other relevant 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 the 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 have accounting or financial management expertise.

(i) Terms of Reference

The Audit Committee functions according to its terms of reference that define its authority, responsibility and reporting functions in accordance with the provisions of the Act and Regulation 18 read with Part C of Schedule II to the Listing Regulations which, *inter alia*, include the following:

1. Oversight of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible
2. Recommendation for appointment, remuneration and terms of appointment of cost auditors and statutory auditors including their replacement or removal
3. Approval for payment to statutory auditors for any other permitted services rendered by statutory auditors
4. Reviewing with the management, the annual financial statements and auditors' report thereon 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 judgement 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' reports including qualifications, if any
5. Reviewing with the management, the quarterly financial statements before submission to the Board for approval
6. Reviewing with the management, the statement of uses/ application of funds raised through an issue (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 steps in this matter
7. Reviewing and monitoring with the management, independence and performance of statutory and internal auditors, adequacy of internal control systems and effectiveness of the audit processes
8. Reviewing adequacy of internal audit function 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 payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors
13. 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 and 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 statements, in particular, investments made by the subsidiary company(ies)
23. Any other role as may be prescribed by law from time to time

(ii) Composition

As on date, the Committee comprises Mr. S Sridhar, Chairman, Ms. Sudha Pillai and Dr. Ashok Misra.

Invitees

Mr. R Sankaraiah, Executive Director-Finance, Mr. Pramod Yadav, Whole-time Director, Mr. Rajesh Kumar Srivastava, Co-CEO - Life Science Ingredients and Mr. Gurpartap Singh Sachdeva, CEO-Pharma are permanent invitees to the Audit Committee meetings.

The Statutory Auditors, representatives of the Internal Audit firm and Head of the Management Assurance Services Department attend the meetings. Cost Auditors and other executives, as desired by the Committee, attend the meetings as invitees.

(iii) Meetings, Quorum and Attendance

The Audit Committee meets at least four times in a year with a gap of not more than one hundred and twenty days between two consecutive meetings. The quorum for the meetings is two members or one-third of members whichever is higher, with atleast two Independent Directors.

During the year, the Committee met five times i.e. on May 24, 2016, August 9, 2016, August 31, 2016, October 27, 2016 and February 7, 2017.

Attendance details of the members are given in the table below:

Name of the Committee Member	Meetings Held During Tenure	Meetings Attended
Mr. S Sridhar, Chairman	5	5
Ms. Sudha Pillai	5	5
Dr. Ashok Misra	5	5

Nomination, Remuneration and Compensation Committee

The Nomination, Remuneration and Compensation Committee functions according to its terms of reference that define its authority, responsibility and reporting functions in accordance with the provisions of the Act and Regulation 19 read with Part D of Schedule II to the Listing Regulations which, *inter alia*, include the following:

(i) Terms of Reference

The role of the Committee is:

1. To identify persons who are qualified to become directors 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 of:
    a. Directors
    b. Key Managerial Personnel
    c. Other employees of the Company
7. To discharge the role envisaged under the SEBI (Share Based Employee Benefits) Regulations, 2014
8. Any other role as may be prescribed by law from time to time

(ii) Composition

As on date, the Committee comprises Ms. Sudha Pillai, Chairperson, Mr. Shyam S Bhartia and Mr. S Sridhar.

Invitee

Mr. R Sankaraiah, Executive Director-Finance is a permanent invitee to the Nomination, Remuneration and Compensation Committee meetings.

(iii) Meetings, Quorum and Attendance

During the year, the Committee met thrice i.e. on May 24, 2016, October 27, 2016 and February 7, 2017. The quorum for the meetings is two members or one-third of members, whichever is higher.

Attendance details of the members are given in the table below:

Name of the Committee Member	Meetings Held During Tenure	Meetings Attended
Ms. Sudha Pillai, Chairperson	3	3
Mr. Shyam S Bhartia	3	3
Mr. S Sridhar	3	3
Mr. Shardul S Shroff*	1	0

*Resigned effective from May 24, 2016

Stakeholders Relationship Committee

The Stakeholders Relationship Committee oversees, *inter alia*, redressal of shareholder and investor grievances, transfer/ transmission of shares, issue of duplicate share certificates, dematerialisation/ rematerialisation of shares and related matters in accordance with the provisions of the Act and Regulation 20 read with Part D of Schedule II to the Listing Regulations. The Committee meets as often as required. Additionally, the Board has authorised the Executive Director-Finance and the Company Secretary to jointly exercise the powers of approving transfer/ transmission of shares. Normally, transfers/ transmissions are approved once in a fortnight.

(i) Terms of Reference

The role of Committee 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 the powers delegated by the Board and to note transfer of securities approved by the Executive Director-Finance and the Company Secretary

d. Any other role as may be prescribed by law from time to time

(ii) Composition

As on date, the Committee comprises Mr. S Sridhar, Chairman, Mr. Shyam S Bhartia, Dr. Ashok Misra and Mr. Pramod Yadav (effective from April 1, 2017).

Mr. Shyamsundar Bang ceased to be a member of the Committee on his resignation as a Director effective from March 31, 2017.

Invitee

Mr. R Sankaraiah, Executive Director-Finance is a permanent invitee to the meetings of the Committee.

Compliance Officer

Mr. Rajiv Shah, Company Secretary and Compliance Officer, officiates as the Secretary to the Committee.

(iii) Meetings, Quorum and Attendance

The Committee meets as frequently as circumstances necessitate. During the year, the Committee met once i.e. on May 24, 2016. The quorum for the meetings is two members or one-third of members, whichever is higher.

Attendance details of the members are given in the table below:

Name of the Committee Member	Meetings Held During Tenure	Meetings Attended
Mr. S Sridhar, Chairman	1	1
Mr. Shyam S Bhartia	1	1
Dr. Ashok Misra	1	1
Mr. Shyamsundar Bang	1	1

(iv) Investor Complaints

During the year, the Company received 18 complaints, which were duly resolved to the satisfaction of shareholders. No complaint was pending as on March 31, 2017.

(v) Transfers and Transmissions approved

During the year, the Company received 122 cases representing 1,14,570 shares of share transfer/ transmission of which, 48 cases representing 50,580 shares were approved and 74 cases representing 63,990 shares were rejected on technical grounds.

The Company had 36,547 shareholders as on March 31, 2017.

Sustainability & CSR Committee

Sustainability & CSR Committee has been constituted to review and oversee the Sustainability and Corporate Social Responsibility ('CSR') initiatives of the Company.

(i) Terms of Reference

The role of Committee 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 to in the CSR Policy and review the same;

- To monitor the CSR Policy including CSR projects/ programmes.

iii. **Business Responsibility Policies:**

- To review and implement Business Responsibility policies; and

iv. Any other role as may be decided by the Board from time to time.

(ii) Composition

As on date, the Committee comprises Dr. Ashok Misra, Chairman, Mr. Shyam S Bhartia, Mr. Hari S Bhartia, Ms. Sudha Pillai and Mr. Pramod Yadav (effective from April 1, 2017).

Mr. Shyamsundar Bang ceased to be a member of the Committee on his resignation as a Director effective from March 31, 2017.

Invitees

Mr. R Sankaraiah, Executive Director-Finance, Mr. Rajesh Kumar Srivastava, Co-CEO - Life Science Ingredients and Mr. Gurpartap Singh Sachdeva, CEO-Pharma are permanent invitees to the meetings of the Committee.

(iii) Meetings, Quorum and Attendance

The Committee meets atleast once in every six months. During the year, the Committee met twice i.e. on May 24, 2016 and October 27, 2016. The quorum for the meetings is two members or one-third of members, whichever is higher.

Attendance details of the members are given in the table below:

Name of the Committee Member	Meetings Held During Tenure	Meetings Attended
Dr. Ashok Misra, Chairman	2	2
Mr. Shyam S Bhartia	2	2
Mr. Hari S Bhartia	2	2
Ms. Sudha Pillai	2	2
Mr. Shyamsundar Bang	2	2

Capital Issue Committee

The Capital Issue Committee functions according to its terms of reference that define its authority and responsibility which, *inter alia*, include the following:

(i) Terms of Reference

The salient terms of reference of the Committee include deciding about the following with reference to fund raising:

a. Type of instruments

b. Size of the issue within the overall limit approved by the Board of Directors

c. Terms and conditions of the issue / allotment / conversion

d. Appointment of merchant bankers, lawyers, auditors, depositories, printers and various other agencies

e. Other consequential actions as may be necessary for implementing the above referred proposal.

(ii) Composition

As on date, the Committee comprises Mr. Shyam S Bhartia, Chairman, Mr. Hari S Bhartia, Mr. S Sridhar and Mr. Pramod Yadav (effective from April 1, 2017).

Mr. Shyamsundar Bang ceased to be a member of the Committee on his resignation as a Director effective from March 31, 2017.

Invitee

Mr. R Sankaraiah, Executive Director-Finance is a permanent invitee to the Capital Issue Committee meetings.

(iii) Meetings, Quorum and Attendance

During the year, the Committee met thrice i.e. on April 18, 2016, January 16, 2017 and March 9, 2017. The quorum for the meetings is two members or one-third of members, whichever is higher.

Attendance details of the members are given in the table below:

Name of the Committee Member	Meetings Held During Tenure	Meetings Attended
Mr. Shyam S Bhartia, Chairman	3	1
Mr. Hari S Bhartia	3	3
Mr. S Sridhar	3	2
Mr. Shyamsundar Bang	3	3

Finance Committee

The Board of Directors of the Company has delegated to the Finance Committee the powers to borrow money 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 lender by way of term loans, working capital loans or any other funding method

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

(c) To give corporate guarantees to banks / financial institutions for financial assistance availed by wholly-owned subsidiaries

(d) To open, operate, transfer and close accounts with banks/ institutions outside India from time to time

(ii) Composition

As on date, the Committee comprises Mr. Shyam S Bhartia, Chairman, Mr. Hari S Bhartia and Mr. Pramod Yadav (effective from April 1, 2017).

Mr. Shyamsundar Bang ceased to be a member of the Committee on his resignation as a Director effective from March 31, 2017.

Invitee

Mr. R Sankaraiah, Executive Director-Finance is a permanent invitee to the Finance Committee meetings.

(iii) Meetings, Quorum and Attendance

The Committee meets as frequently as circumstances necessitate.

During the year, the Committee met seven times i.e. on April 27, 2016, May 24, 2016, August 26, 2016, October 13, 2016, December 13, 2016, December 26, 2016 and March 23, 2017. The quorum for the meetings is two members.

Attendance details of the members are given in the table below:

Name of the Committee Member	Meetings Held During Tenure	Meetings Attended
Mr. Shyam S Bhartia, Chairman	7	5
Mr. Hari S Bhartia	7	6
Mr. Shyamsundar Bang	7	7

Fund Raising Committee

The Fund Raising Committee functions according to its terms of reference that define its authority and responsibility which, *inter alia*, include the following:

(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 and to give loans to, make investments in and provide guarantee/ security to wholly-owned subsidiaries or any other person/ body corporate.

(ii) Composition

As on date, the Committee comprises two members namely, Mr. Shyam S Bhartia, Chairman and Mr. Hari S Bhartia.

Invitee

Mr. R Sankaraiah, Executive Director-Finance is a permanent invitee to the meetings of the Committee.

(iii) Meetings and Attendance

The Committee meets as frequently as circumstances necessitate. During the year, no meeting of the Fund Raising Committee was held.

D) PERFORMANCE EVALUATION AND ITS CRITERIA

Pursuant to the provisions of the Act, the Listing Regulations and the Performance Evaluation Policy of the Company, the Board has carried out annual evaluation of its performance, its committees, Chairperson and Directors through structured questionnaire.

Performance of the Board was evaluated by each Director on the parameters such as its role and responsibilities, business risks, contribution to the development of strategy and effective risk management, understanding of operational programmes, availability of quality information in a timely manner, regular evaluation of progress towards strategic goals and operational performance, adoption of good governance practices and adequacy and length of meetings, etc. Independent Directors also carried out evaluation of the Board performance.

Board committees were evaluated by the respective committee members on the parameters such as its role and responsibilities, effectiveness of the committee vis-a-vis assigned role, appropriateness of committee composition, timely receipt of information by the committee, effectiveness of communication by the committee with the Board, Senior Management and Key Managerial Personnel.

Performance of the Chairperson was evaluated by the Independent Directors on the parameters such as demonstration of effective leadership, contribution to the Board's work, communication with the Board, use of time and overall efficiency of Board meetings, quality of discussions at the Board meetings, process for settling Board agenda, etc.

Directors were evaluated individually by the Board of Directors (excepting the Director himself) on the parameters such as his/ her preparedness at the Board meetings, attendance at the Board meetings, devotion of time and efforts to understand the Company and its business, quality of contribution at the Board meetings, application of knowledge and experience while considering the strategy, effectiveness of follow-up in the areas of concern, communication with Board members, Senior Management and Key Managerial Personnel, etc. Nomination, Remuneration and Compensation Committee also carried out the performance evaluation of the individual Directors. The performance evaluation of the Non Independent Directors was also carried out by the Independent Directors.

Outcome of the evaluation was submitted to the Chairman of the Company. The Chairman briefed the outcome of the performance evaluation to the Board.

E) REMUNERATION OF DIRECTORS

The details of remuneration paid to Executive and Non-Executive Directors during the Financial Year 2016-17 are given below:

(i) Remuneration to Managing/ Whole-Time Directors

(Amount in ₹)

Sr. No.	Particulars	Mr. Hari S. Bhartia, Co-Chairman and Managing Director	Mr. Shyamsundar Bang, Executive Director
1	Salary	9,130,000	10,571,850
2	Commission Payable (as a % of profit)	6,000,000	–
3	House Rent Allowance	–	5,285,925
4	Contribution to Provident Fund	1,095,600	1,268,622
5	Gratuity	478,519	3,776,299
6	Leave Encashment	–	871,039
7	Perquisite Value of Stock Options	–	8,628,218
8	Allowances/ Perquisites	25,845,120	7,415,495
Total		**42,549,239**	**37,817,448**

Notes:

1. Mr. Shyamsundar Bang resigned as Executive Director effective from February 7, 2017 on his superannuation from the services of the Company and as Director effective from March 31, 2017.
2. Perquisites have been taken at actual value/ in accordance with the Income Tax Rules prescribed under the Income Tax Act, 1961.

Service Contracts, Notice Period and Severance Fees

Appointments of Managing Director and Whole-time Director are contractual. Appointment of Whole-time Director is terminable on 3 months' notice or by payment of Basic Salary in lieu thereof. No severance fee is payable to Managing Director and Whole-time Director.

(ii) Remuneration to Non-Executive Directors

The Company considers the time and efforts put in by the Non-Executive Directors in deliberations at the Board/ Committee meetings. They are remunerated by way of sitting fees for attending the meetings and through commission, as approved by the Board and shareholders of the Company.

Details of commission and sitting fees to the Non-Executive Directors for the year ended March 31, 2017 are given in the table below:

Name of Director	Sitting Fees (₹)	Commission Payable (₹)	Total (₹)
Mr. Shyam S Bhartia	–	–	–
Mr. S Sridhar	545,000	1,000,000	1,545,000
Ms. Sudha Pillai	530,000	1,000,000	1,530,000
Dr. Ashok Misra	470,000	1,000,000	1,470,000
Mr. Shardul S Shroff	–	–	–
Total	**1,545,000**	**3,000,000**	**4,545,000**

Notes:

1. Mr. Shyam S Bhartia, Chairman has opted not to take commission and sitting fees for the Financial Year 2016-17.
2. Mr. Shardul S Shroff has resigned as Director of the Company effective from May 24, 2016.

Details of Equity Shares/ Stock Options held by the Non-Executive Directors in the Company as on March 31, 2017 are given in the table below:

Name of Director	No. of Equity Shares of ₹ 1 held	No. of Options under Plan 2005	No. of Options under Plan 2011
Mr. Shyam S Bhartia	1,399,935	Nil	Nil
Mr. S Sridhar	Nil	Nil	Nil
Ms. Sudha Pillai	Nil	Nil	Nil
Dr. Ashok Misra	Nil	Nil	Nil
Mr. Shyamsundar Bang	78,746	Nil	28,155

Mr. Shyamsundar Bang was granted 50,591 Options on October 24, 2011 and 56,310 Options on December 5, 2012 under JLL Employees Stock Option Plan 2011 ('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, 2017, all 106,901 Options have been vested in Mr. Shyamsundar Bang. After exercise of 78,746 Options, 28,155 Options were outstanding as on March 31, 2017.

The Options are vested in the following manner: (i) 20% on the first anniversary of the grant date; (ii) 30% on the second anniversary of the grant date and (iii) the balance 50% on the third anniversary of the grant date. The Options can be exercised within 8 years from the grant date subject to compliance with the conditions prescribed under Plan 2011.

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

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
2013-14 (36th AGM)	September 2, 2014	11:30 a.m.	Registered Office: Bhartiagram, Gajraula, District Amroha – 244 223, U.P.
2014-15 (37th AGM)	September 1, 2015		
2015-16 (38th AGM)	August 30, 2016		

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

Meeting	Subject Matter of Special Resolutions Passed
36th AGM	Nil
37th AGM	Nil
38th AGM	Re-appointment of Mr. Hari S Bhartia as Co-Chairman and Managing Director for a period of 5 years effective from April 1, 2017.

(ii) Special Resolutions passed through Postal Ballot in Financial Year 2016-17

Details of Special Resolutions passed through Postal Ballot during the Financial Year 2016-17 and the pattern of voting are given below:

Sr. No.	Particulars of Resolutions	Votes in Favour of Resolution	Votes Against Resolution
1	Approval for issue of Equity Shares and/or Other Securities	81,857,406	14,059,421
2	Approval for issue of Non-Convertible Debentures	94,864,200	362,088

The Company had appointed Mr. Sanjay Grover, a Practicing Company Secretary (FCS No. 4223, C.P. No. 3850) of M/s Sanjay Grover & Associates, Company Secretaries as the Scrutinizer to conduct the Postal Ballot process.

(iii) Whether any Special Resolution is proposed to be passed through Postal Ballot

Special Resolution(s) as may be necessary under the Act and/ or the Listing Regulations would be passed through Postal Ballot.

(iv) Procedure for Postal Ballot

- The notices containing the proposed resolutions and explanatory statement 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 the 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/ Co-Chairman of the Company, who on the basis of the report, announces the results; and
- The Company has entered into an agreement 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 are provided an electronic platform to participate and vote on the resolutions to be passed through Postal Ballot.

G) CODES AND POLICIES

The Company has established a robust framework of Codes and Policies that facilitates and reflects adoption of good governance practices. The salient Codes and Policies adopted by the Company are mentioned below:

i. **Code of Conduct for Directors and Senior Management**

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

ii. **Code of Conduct for Prevention of Insider Trading**

The Company has adopted a revised Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities of the Company by the Designated Persons. Dealing in the shares of the Company by the Designated Persons is effectively monitored for ensuring compliance with the Code.

Report on dealing in the shares of the Company by the Designated Persons is placed before the Chairman of the Audit Committee and the Board.

iii. **Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information**

The Company has adopted a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information with a view to facilitate prompt, uniform and universal dissemination of unpublished price sensitive information.

iv. **Policy for Determining Materiality of Events and Information**

During the year, the Company has revised the Policy for Determining Materiality of Events and Information. This policy aims to ensure timely and adequate disclosure of all material and price sensitive information to the Stock Exchanges. The Policy is displayed on the Company's website- www.jubl.com.

v. **Whistle Blower Policy**

Jubilant has a robust Whistle Blower Policy and Ombudsman Process to make the workplace at Jubilant conducive to open communication regarding business practices. It enables the Directors and full time employees to voice their concerns or disclose or report fraud, unethical behaviour, violation of the Code of Conduct, questionable accounting practices, grave misconduct, etc. without fear of retaliation/ unlawful victimization/ discrimination which is a sine qua non for an ethical organization.

The Whistle Blower Policy has been posted on the Company's website www.jubl.com. The Audit Committee periodically reviews the functioning of the Policy and Ombudsman Process. During the year, no Director or full time employee was denied access to the Chairman of the Audit Committee.

vi. **Appointment and Remuneration Policy**

The Company's policy on appointment and remuneration of the Directors, Key Managerial Personnel and other employees is given as **Annexure-B.**

vii. 'Policy for Determining Material Subsidiaries' is displayed on the Company's website. The web-link for the same is: http://www.jubl.com/investors/corporate-governance/policies-and-codes/policy-for-determining-material-subsidiaries. Jubilant Generics Limited is the material unlisted Indian subsidiary company.

viii. 'Policy on Materiality of Related Party Transactions and Dealing with Related Party Transactions' is displayed on the Company's website. The web-link for the same is: http://www.jubl.com/investors/corporate-governance/policies-and-codes/policy-on-rpts.

ix. **Dividend Distribution Policy**

During the year, the Company has formulated and implemented the Dividend Distribution Policy in accordance with the Listing Regulations. The Policy has been posted on the Company's website www.jubl.com and is given as **Annexure-C.**

x. **Policy for Preservation of Documents**

The Company has a Policy for Preservation of Documents. The Policy facilitates preservation of documents in compliance with the laws applicable to various functions and departments of the Company.

xi. **Archival Policy**

The Company has an Archival Policy that lays down the process and manner of archiving the disclosures made to the Stock Exchanges under the Listing Regulations. The Policy provides that such disclosures shall be hosted on the website of the Company for a period of five years from the date of disclosure to the Stock Exchanges. The Policy also lays down the manner of archiving these disclosures after the period of 5 years. The Policy has been posted on the Company's website www.jubl.com.

xii. 'Corporate Social Responsibility Policy' is displayed on the Company's website www.jubl.com.

xiii. Policy on Board Diversity.

xiv. Succession Plan for Board Members and Senior Management.

xv. Performance Evaluation Policy.

H) DISCLOSURES

(i) There are no materially significant transactions with the related parties viz. promoters, directors, their relatives or the management, subsidiaries, etc. that may have a potential conflict with the interests of the Company at large. Related Party Transactions are given at Note No. 37 to the Standalone Financial Statements;

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

(iii) Listing fees for the Financial Year 2017-18 have been paid to the Stock Exchanges on which securities of the Company are listed;

(iv) Detailed note on risk management is included in the Management Discussion and Analysis section.

(v) Commodity Price Risks/ Foreign Exchange Risk and Hedging Activities: Commodity price volatility affects both input as well as output of Life Science Ingredients ('LSI') business of the Company. However, by ensuring that a significant part of LSI product portfolio is of speciality chemicals, the cascading effect of commodity prices to the output is limited only to the Life Science Chemicals business. The dimension of foreign exchange volatility is also managed by balancing domestic and exports sales accordingly. Pharma business of the Company is not commodity dependent.

The Company follows a structured risk management approach and reviews it dynamically to align it with developments in the external environment and business requirements. The Company uses various instruments like forward contracts, currency and interest rate swaps, etc. to hedge its currency exposures.

(vi) The Company has complied with the requirements specified in Regulations 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.

I) 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 compliance with the Listing Regulations

(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 and press release just after release to the Stock Exchanges, e-mailing of Annual Reports and Corporate Sustainability Reports.

(v) Regular and online feedback is obtained from the shareholders regarding satisfaction for shareholder services.

(vi) 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.

A detailed docket on the financials and business highlights is released to the stock exchanges after the Board approves the results every quarter. We host 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. We conducted 4 conference calls during the year 2016-17, wherein over 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's discussion and analysis. Transcripts of the conference calls are also made available on the Company's website. The Company, as a process, disseminates material information on specific business updates through business or press releases, as is appropriate.

In addition, one on one calls and meetings with analysts from intermediary broking outfits and investors are conducted.

J) GENERAL SHAREHOLDER INFORMATION

(i) Date, time and venue of 39th Annual General Meeting

As per the notice of 39th 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 the year 2017-18 is as follows:

Item	Tentative Dates*
First Quarter Results	Tuesday, July 18, 2017
Second Quarter Results	Saturday, October 28, 2017
Third Quarter Results	Wednesday, January 17, 2018
Audited Annual Results for the year	Wednesday, May 9, 2018

*As approved by the Board. These dates are subject to change.

(iii) Book Closure & Dividend Payment Dates

As per the Notice convening the 39th 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:

Sr. No.	Name and address of the Stock Exchange	Security Listed	Stock Code
1.	BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001	Equity Shares	530019
2.	National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051	Equity Shares	JUBILANT
		Non-Convertible Debentures	-

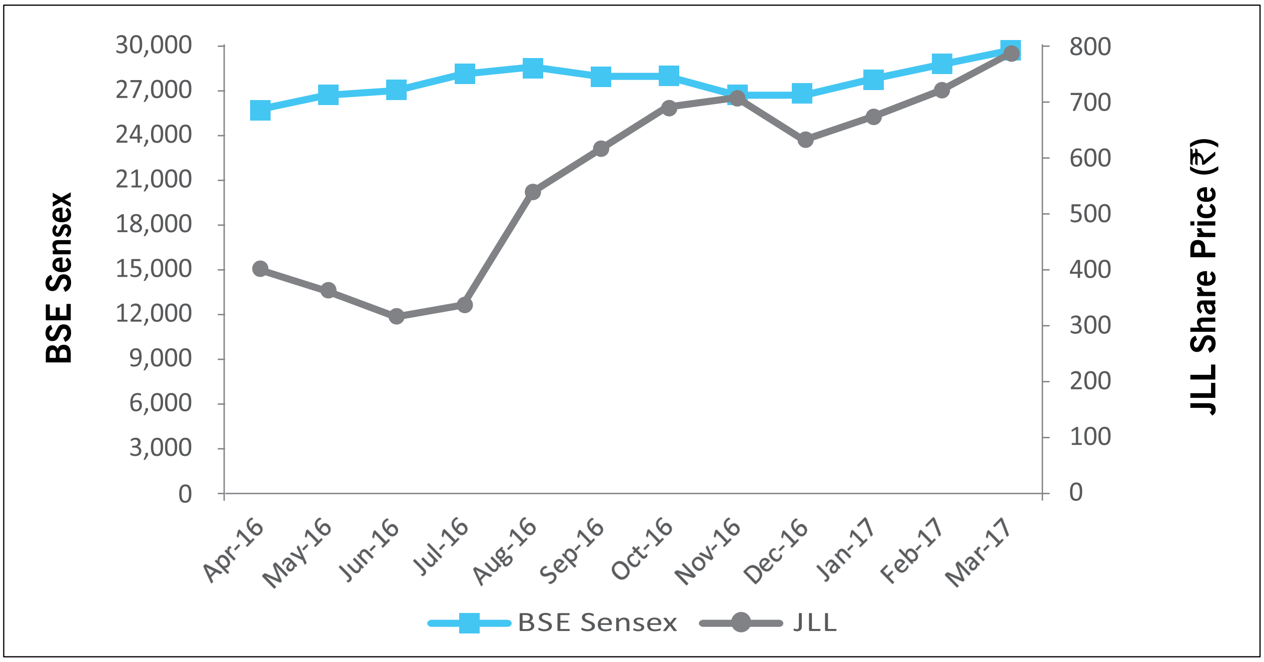
(v) Market Information

Monthly high/ low of the market price of the Company's Equity Shares (of ₹ 1 each) traded on the Stock Exchanges during the year 2016-17 is given hereunder:

(Amount in ₹)

Month	BSE Limited		National Stock Exchange of India Limited	
	High	Low	High	Low
Apr-16	421.70	375.00	421.80	372.55
May-16	401.60	335.00	401.85	336.50
Jun-16	374.50	294.20	374.65	285.00
Jul-16	344.10	298.05	344.00	297.40
Aug-16	552.75	315.10	552.90	315.00
Sep-16	655.00	533.00	654.75	531.55
Oct-16	700.90	621.10	701.00	620.15
Nov-16	724.60	515.00	725.00	510.00
Dec-16	726.40	552.40	727.00	555.00
Jan-17	752.00	610.10	752.00	615.00
Feb-17	765.00	656.00	765.00	655.70
Mar-17	829.95	696.10	832.75	695.00

(vi) Performance of the Company's Equity Shares vis-a-vis BSE Sensex during 2016-17



The above graph is based on the monthly closing prices of equity shares of the Company on BSE 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 Limited upon merger with the Company	256,522	5,417,502	10
1999-2000	Issued to shareholders of Anichem India Limited and Enpro Speciality Chemicals Limited 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 and Vam Investments Limited	-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
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 Limited 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 ₹ 207 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 2, 2001	Purchased shares @ ₹ 62.90 per share (BSE Opening 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 2016-17 @ ₹799.80 per share is ₹ 20,344,673 and Market Value of 1,271.86 Equity Shares of JIL as at the end of Financial Year 2016-17 @ ₹ 312.65 per share is ₹ 397,647 resulting in an aggregate of ₹ 20,742,320. Thus, the shareholder has multiplied his wealth over 207 times in 16 years, implying a Compounded Annual Growth Rate of 40% 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. Rajiv Shah, Company Secretary, is the Compliance Officer. 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 securities related matters, investors are requested to correspond with the Company's Registrar and Transfer Agents - Alankit Assignments Limited quoting their Folio No. / DP ID & Client ID at the following address:

Alankit Assignments Limited (Unit: Jubilant Life Sciences Limited), 1E/13, Alankit Heights, Jhandewalan Extension, New Delhi-110055; Tel: +91-11-23541234, 42541234; E-mail: rta@alankit.com.

(xi) Share Transfer System

Stakeholders Relationship Committee is authorised to approve transfers of shares. Share transfers which are received in physical form, are processed and share certificates are 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 to assess the shareholders' satisfaction level for the investor services rendered by the Company during the year, comprising:

1. Timely receipt of Annual Report, Dividend & other documents/ correspondence
2. Quality & contents of Annual Report
3. Dissemination of information about the Company
4. Response time & satisfaction level experienced
5. Interaction with the Company officials
6. Interaction with Registrar & Transfer Agents
7. Investor service section of the 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 2016-17 is 78.07%.

(xiii) Distribution of Shareholding as on March 31, 2017

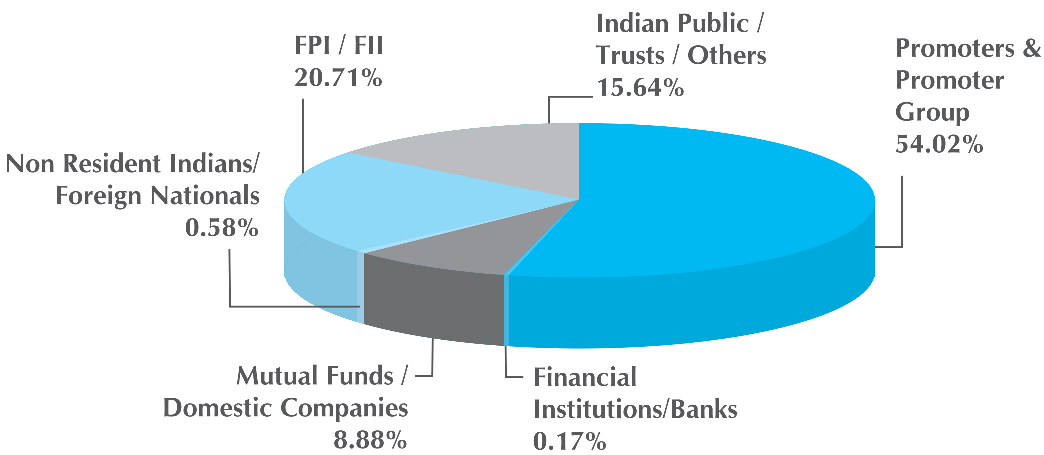
(a) Value wise

Shareholding of Nominal Value in ₹	Shareholders		Shareholding	
	Number	% of Total	Number	% of Total
Upto 5000	35,844	98.08	11,951,397	7.50
5001 to 10000	307	0.84	2,212,189	1.39
10001 to 20000	152	0.42	2,167,467	1.36
20001 to 30000	56	0.15	1,407,201	0.88
30001 to 40000	27	0.07	948,716	0.60
40001 to 50000	17	0.05	793,582	0.50
50001 to 100000	52	0.14	3,859,610	2.42
100001 and above	92	0.25	135,940,977	85.35
Total	**36,547**	**100.00**	**159,281,139**	**100.00**

(b) Category wise

Sr. 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	269,527	0.17
	2. Mutual Funds/ Domestic Companies	14,144,584	8.88
	3. Non Resident Indians/ Foreign Nationals	927,619	0.58
	4. FPI / FII	32,977,281	20.71
	5. Indian Public/ Trusts/ Others	24,911,072	15.64
Grand Total		**159,281,139**	**100.00**

Graphic depiction of the shareholding:



(xiv) Unclaimed Dividends

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. Shareholders having valid claims of unpaid/ unclaimed dividend for any of these financial years may approach the Registrar of Companies, Uttar Pradesh and Uttarakhand, Kanpur or authority to be constituted by the Central Government.

Dividends pertaining to the financial years 1994-95 to 2008-09 remaining unpaid, have been transferred to the Investor Education and Protection Fund (the 'Fund').

In respect of unpaid/ unclaimed dividends for the Financial Year 2009-10 onwards, the shareholders are requested to write to the Registrar and Transfer Agent. Dividends remaining unclaimed for seven years from the date of transfer to the unpaid dividend account shall be transferred to the Fund.

Shareholders who have not encashed their warrants relating to the dividends specified in the table 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
2009-10	September 28, 2010	November 4, 2017
2010-11	August 23, 2011	September 23, 2018
2011-12	August 28, 2012	September 29, 2019
2012-13	August 27, 2013	September 30, 2020
2013-14	September 2, 2014	October 4, 2021
2014-15	September 1, 2015	October 3, 2022
2015-16	August 30, 2016	October 1, 2023

(xv) Compliance Certificate of Practicing Company Secretary

The Company has obtained a certificate from a Practicing Company Secretary, TVA & Co. LLP, Company Secretaries, confirming compliance with the conditions of Corporate Governance as stipulated in Schedule V (E) of the Listing Regulations. The Certificate is attached as **Annexure-D.**

(xvi) (a) Dematerialisation of Shares

The equity 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 NSDL and CDSL for dematerialization connectivity. As on March 31, 2017, 158,050,856 Equity Shares of the Company (99.23% of the Paid-up capital) were in dematerialised form.

Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's equity 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 and are in the category of Group A scrips on the Bombay Stock Exchange.

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

(a) As on March 31, 2017, no FCCBs / GDRs / ADRs / Warrants or convertible instruments were outstanding.

(b) Paid-up Share Capital

The Paid-up Share Capital as at March 31, 2017 stands at ₹ 159,281,139 comprising of 159,281,139 equity shares of ₹ 1 each, the same as in previous year.

(xviii) Location of the Manufacturing Facilities

<table>
<tr><th>Uttar Pradesh</th><th colspan="2">Gujarat</th></tr>
<tr><td rowspan="3">Bhartiagram, Gajraula,
District Amroha – 244 223</td><td>1</td><td>Block 133, Village Samlaya, Taluka Savli, District Vadodara – 391 520</td></tr>
<tr><td>2</td><td>Plot No. P1-L1 (Plot No. 5 of Jubilant SEZ), Vilayat GIDC, Taluka Vagra, District Bharuch - 392 012</td></tr>
<tr><td>3</td><td>P1-L13 to L16, Plot No. 5, Vilayat GIDC, Taluka Vagra, District Bharuch - 392 012</td></tr>
</table>

Maharashtra	
1	Village Nimbut, Railway Station Nira, Taluka - Baramati, District Pune - 412 102
2	B-34, Vadolgaon, MIDC, Behind Reliance Petrol Pump, Ambernath(W) - 421 501, District Thane
3	N-34, MIDC Anand Nagar, Addl. Ambernath, Ambernath(E) - 421 506, District Thane

(xix) R&D Centre

Bhartiagram, Gajraula, District Amroha - 244 223, Uttar Pradesh

(xx) Address for Correspondence

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

(xxi) Corporate Identification Number (CIN)

L24116UP1978PLC004624

(xxii) Equity Shares in Suspense Account

Pursuant to Clause 5A of the erstwhile Listing Agreement (corresponding to Schedule VI to the Listing Regulations), shareholders holding physical shares and not having claimed share certificates were sent three reminder letters to claim their equity shares. In terms of the aforesaid clause, equity shares which remained unclaimed were transferred during 2012 to JLL Unclaimed Suspense Account. Details required under Schedule V (F) of the Listing Regulations are given in the table below:

Particulars	Number of Shareholders	Number of Equity Shares
Aggregate number of shareholders and outstanding shares in the Unclaimed Suspense Account lying as on April 1, 2016	4,561	2,503,050
Number of shareholders who approached the Company for transfer of shares from the Unclaimed Suspense Account during 2016-17	81	76,090
Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during 2016-17	81	76,090
Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account as on March 31, 2017	4,488	2,426,960

Of the 81 shareholders who approached the Company during the year, 8 shareholders have lodged claim for part of their shareholding.

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

(xxiii) Pursuant to the provisions of Regulation 53 of the Listing Regulations, the details of Debenture Trustee are:

Name	Vistra ITCL (India) Limited
Address	The IL&FS Financial Centre Plot No. C-22, G Block, 7th Floor, Bandra Kurla Complex, Bandra (East), Mumbai - 400051, Maharashtra
Telephone Number	+91-22-26593535
Fax Number	+91-22-26533297
Email ID	neelu.subramanian@vistra.com

K) COMPLIANCE WITH THE REGULATIONS RELATED TO CORPORATE GOVERNANCE IN THE LISTING REGULATIONS

(a) Mandatory Requirements

The Company has complied with the mandatory requirements relating to Corporate Governance as prescribed in the Listing Regulations.

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

The status of adoption of non-mandatory requirements as specified in Regulation 27(1) read with Part E of Schedule II of the Listing Regulations is given below:

1. The Board

– **Non-Executive Chairman's Office**

The Chairman is Non-Executive Promoter Director.

2. **Shareholders' Rights**

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

3. **Modified opinion(s) in the audit reports**

   Audit Reports on the Financial Statements of the Company do not contain any modified opinion.

4. **Separate posts of Chairman and Managing Director/CEO**

   The Co-Chairman is the Managing Director of the Company.

5. **Reporting of Internal Auditors**

   Internal Auditors report to the Audit Committee.

(c) CEO/CFO Certification

In compliance with Regulation 17(8) read with Schedule II (B) of the Listing Regulations, a declaration by CEO i.e. the Co-Chairman & Managing Director and CFO, i.e. the Executive Director-Finance, is enclosed as **Annexure-E** which, *inter alia*, certifies to the Board about accuracy of the financial statements and adequacy of internal controls for the financial reporting purpose.

For and on behalf of the Board

Shyam S Bhartia
Chairman
(DIN: 00010484)

Hari S Bhartia
Co-Chairman & Managing Director
(DIN: 00010499)

Place: Noida
Date: May 23, 2017

Annexure-A

TO WHOMSOEVER IT MAY CONCERN

This is to confirm that all the Board members and senior management personnel have affirmed compliance with the Code of Conduct for Directors and Senior Management of the Company for the year ended March 31, 2017.

For **Jubilant Life Sciences Limited**

Place: Noida
Date: May 23, 2017

Hari S Bhartia
Co-Chairman & Managing Director

Annexure-B

APPOINTMENT AND REMUNERATION POLICY

SCOPE

This Policy aims to ensure that the persons appointed as Directors, Key Managerial Personnel and Senior Management possess requisite qualifications, experience, expertise and attributes commensurate to their positions and level and that the composition of remuneration to such persons is fair and reasonable and sufficient to attract, retain and motivate the personnel to manage the Company successfully.

This Policy has been developed and implemented by the Nomination, Remuneration and Compensation Committee and is applicable to Directors, Key Managerial Personnel, Senior Management and other employees of the Company.

This Policy is in compliance with Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement with the Stock Exchanges and applies to the following categories of Directors and employees of the Company:

Part I - Key Managerial Personnel

Part II - Non-executive Directors / Independent Directors

Part III - Senior Management and other employees

DEFINITIONS

i. "Act" means the Companies Act, 2013 read with the rules, clarifications, circulars and orders issued thereunder from time to time including any modification or re-enactment thereof.

ii. "Board" means the Board of Directors of the Company.

iii. "Independent Director" means an Independent Director of the Company appointed in pursuance of the Act and Listing Agreement with the stock exchanges.

iv. "Key Managerial Personnel" or "KMP" means person(s) appointed as such in pursuance of Section 203 of the Act.

v. "Listing Agreement" means the listing agreement between the Company and the stock exchanges on which the securities of the Company are listed and traded.

vi. "NRC" means Nomination, Remuneration and Compensation Committee of the Board, constituted in accordance with the provisions of Section 178 of the Act and the Listing Agreement.

vii. "Other Employees" means all the employees of the Company other than the Key Managerial Personnel and the Senior Management.

viii. "Rules" means the rules framed under the Act.

ix. "Senior Management" shall mean the personnel of the Company designated as Senior Management in accordance with the definition laid down under Explanation to Section 178 of the Act and Clause 49(VIII)(D)(2) of the Listing Agreement.

x. "Stock Options" means the options given or to be given by the Company as per the prevalent Employees Stock Option Scheme/Plans of the Company.

Unless the context otherwise provides, terms not defined herein and used in this Policy, shall bear the same meaning as prescribed under the Act, the Listing Agreement or any other relevant law.

Where an employee is a Key Managerial Personnel as well as holds a Senior Management Position (such as CFO), his/her terms of appointment shall be governed by both Part I and Part III of this Policy and in the event of any conflict, the stricter clause shall prevail.

GENERAL QUALIFICATIONS AND ATTRIBUTES FOR ALL DIRECTORS

The prospective Director:

- Should be a reasonable person with integrity and ethical standards.
- Should meet the requirements of the Act, the Listing Agreement and other applicable laws for the time being in force.
- Should have the requisite qualifications, skills, knowledge, experience and expertise relevant or useful to the business of the Company. The relevant experience could be in areas of management, human resources, sales, administration, research, Corporate Governance, manufacturing, international operations, public service, finance, accounting, strategic planning, risk management, supply chain, science and technology, marketing, law or any other area considered necessary by the Board/ NRC.
- Should be a person who is capable of balancing the interests of the Company, its employees, the shareholders, the community and for the protection of the environment.
- Is expected to:
  a. Uphold ethical standards of integrity and probity.
  b. Act objectively and constructively while exercising his/her duties.
  c. Exercise his/her responsibilities in a bonafide manner in the interest of the Company.
  d. Devote sufficient time and attention for informed and balanced decision making.
  e. Not allow any extraneous considerations that will vitiate his/her exercise of objective independent judgment in the paramount interest of the Company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making.
  f. Not abuse his/her position to the detriment of the Company or its shareholders or to gain direct or indirect personal advantage or advantage for any associated person.
  g. Avoid conflict of interest, and in case of any situation of conflict of interest, make appropriate disclosures to the Board.
  h. Assist the Company in implementing the best corporate governance practices.
  i. Exhibit his/her 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.
  j. Have ability to read and understand the financial statements.
  k. Protect confidentiality of the confidential and proprietary information of the Company.

  NRC has the discretion to decide whether qualification, expertise, experience and attributes possessed by a person are sufficient/ satisfactory for the concerned position.

COMPLIANCES

The terms/ process of appointment / re-appointment and remuneration of the Directors and other employees covered under this Policy shall be governed by the provisions of the Act, Rules, Listing Agreement, other applicable laws and policies and practices of the Company.

DISCLOSURES

This Policy shall be disclosed in the Annual Report of the Company.

REVIEW / AMENDMENT

Based on the recommendation of the NRC, the Board may amend, abrogate, modify or revise any or all clauses of this Policy in accordance with the Act, Listing Agreement and/or any other applicable law or regulation.

PART I – KEY MANAGERIAL PERSONNEL

Part I of this Policy comprises of two parts as under:

PART A - Managing Directors / Whole-Time Directors ("EDs")

PART B - Chief Financial Officer, Company Secretary and other KMPs

PART A- MANAGING DIRECTORS / WHOLE-TIME DIRECTORS ("EDs")

OBJECTIVES

- Identify persons who possess appropriate qualifications, experience and attributes for appointment as EDs.
- The remuneration payable to the EDs is commensurate with their qualification, experience and capabilities and takes into account the past performance and achievements of such ED. A suitable component of remuneration payable to the EDs is linked to their performance, performance of the business and the Company.
- The remuneration payable to the EDs is comparable with the remuneration paid to the EDs of other companies which are similar to the Company in terms of nature of business, size and complexity.

SPECIFIC QUALIFICATIONS AND ATTRIBUTES

In addition to the qualifications and attributes specified in 'General Qualifications and Attributes' above, the prospective Director satisfies the criteria set out under the applicable law including the Act and the Listing Agreement for eligibility to be appointed as ED.

PROCESS OF APPOINTMENT AND REMOVAL

Appointment

- NRC shall identify suitable persons for appointment and recommend their appointment to the Board along with the terms of appointment and remuneration. The Board will consider recommendations of NRC and approve the appointment and remuneration, subject to approval of the shareholders of the Company.

Removal

- Where the appointee is subjected to any disqualification(s) mentioned in the Act, Rules or under any other law, rules and regulations, code of conduct and / or policies of the Company, NRC shall recommend to the Board his/her removal from the services of the Company.

COMPONENTS OF REMUNERATION / INCREMENTS

Remuneration shall consist of:

- Fixed remuneration including perquisites and allowances, retiral benefits (like Provident Fund/Gratuity/Superannuation/ Leave encashment, etc.) and other benefits as per policy of the Company.
- Commission to Managing Director(s) based on the net profits of the Company and variable pay to Whole-Time Director(s) based on the performance of the individual, business and the Company as a whole.
- No Sitting Fee shall be payable for attending the meetings of the Board or committees thereof.
- Stock Options as per terms of the prevalent Stock Options Plan, if eligible.
- Any other incentive as may be applicable.

Managing Directors

Normally, the remuneration to be paid to the Managing Director(s) payable during the tenure of their appointment is determined by the shareholders of the Company. Therefore, no prescribed increment will be given in salary, allowances and in the commission during their tenure of appointment. However, the actual amount of remuneration may vary from year to year on account of re-imbursement claims and variation in profit linked commission.

Whole-Time Director

Annual increment will be granted by the Board on recommendation of NRC, based on the performance of the individual, performance of the business and the Company as a whole.

The Board and the shareholders of the Company may approve changes in the remuneration from time to time.

PART B - CHIEF FINANCIAL OFFICER, COMPANY SECRETARY AND OTHER KMPs

OBJECTIVES

- Identify persons who possess appropriate qualifications, experience and attributes for appointment as Chief Financial Officer ("CFO"), Company Secretary ("CS") and other Key Managerial Personnel ("KMPs").
- The remuneration payable to CFO, CS and KMPs is commensurate with his/ her qualification, experience and capabilities and takes into account the past performance and achievements of such individual. Remuneration payable to them is comparable with the remuneration paid to persons performing the same or similar roles in other companies which are similar to the Company in terms of nature of business, size and complexity.
- A suitable component of their remuneration is linked to his/ her performance, performance of the business and the Company.

QUALIFICATIONS AND ATTRIBUTES

- Should be a reasonable person with integrity and ethical standards.
- Have requisite qualification and experience as may be relevant to the task he/ she is expected to perform.

NRC/ Board has the discretion to decide whether qualification, expertise, experience and attributes possessed by the person are sufficient/ satisfactory for the concerned position.

PROCESS OF APPOINTMENT AND REMOVAL

Appointment

- Appointment of KMPs (including terms and remuneration) shall be approved by the Board.
- Upon the NRC recommending the appointment of the CFO to the Audit Committee, the Audit Committee shall approve the appointment of CFO and recommend the same to the Board for approval after assessing the qualifications, experience, background, etc.
- Where a KMP is in Senior Management, the appointment (including terms and remuneration) shall be recommended by NRC to the Board for its approval.

Removal

- Where KMP is subjected to any disqualification(s) mentioned in the Act, Rules or under any other applicable law, rules and regulations, Code of Conduct and/ or Policies of the Company, the Board may remove such KMP from the services of the Company.
- Where KMP is in Senior Management, his/her removal shall be recommended by NRC to the Board for its approval.

ELEMENTS/ COMPONENTS OF REMUNERATION

Remuneration and other perquisites/ facilities (including loans/ advances) shall be governed by the policies and practices of the Company from time to time. Remuneration shall consist of:

- Fixed remuneration including perquisites and allowances, retiral benefits (like Provident Fund/ Gratuity/ Superannuation/ Leave encashment, etc.) and other benefits as per policy of the Company.
- Variable remuneration based on the performance of the individual, the function and the Company as a whole.
- Stock Options as per terms of the prevalent Stock Options Plan.
- Any other incentive as may be applicable.

ANNUAL APPRAISAL AND INCREMENT

Appraisal and increment will be done by the Co-Chairman & Managing Director after taking into account the following:

- Individual's performance against Key Performance Indicators.
- The performance of:
  a) individual;
  b) business function handled by the individual; and
  c) Company.
- The prevalent rate of increments given by companies of similar nature of business and size.
- The criticality of the individual to the Company in his capacity as a Key Managerial Personnel.

PART II – NON-EXECUTIVE DIRECTORS/ INDEPENDENT DIRECTORS

OBJECTIVES

- Identify persons who meet the criteria for independence, if required, as set out under the Act and the Listing Agreement and possess appropriate qualifications, experience and attributes for appointment to a Company of our size.
- The remuneration payable to the Non-executive / Independent Directors takes into account the contributions of the Director to the performance of the Company. Remuneration payable to them is fair and reasonable and comparable with the remuneration paid by other companies which are similar to the Company in terms of nature of business, size and complexity.

SPECIAL QUALIFICATIONS AND ATTRIBUTES FOR INDEPENDENT DIRECTORS

In addition to the qualifications and attributes specified in 'General Qualifications and Attributes' above, the prospective Independent Director should meet the requirements of Schedule IV to the Act and the Listing Agreement.

PROCESS OF APPOINTMENT AND REMOVAL

Appointment

- NRC shall identify suitable persons for appointment and recommend their appointment to the Board. The Board will consider recommendations of NRC and accordingly, approve appointment and remuneration of Non-executive and/or Independent Directors subject to approval of the shareholders of the Company.
- The appointment of Independent Directors shall be formalized in accordance with the applicable laws.

Removal

- Where the appointee is subjected to any disqualification(s) mentioned in the Act, Rules or under any other law, rules and regulations, Code of Conduct and / or Policies of the Company, NRC shall recommend to the Board for removal of the appointee from directorship of the Company.

ELEMENTS/COMPONENTS OF REMUNERATION

- Variable remuneration - Commission - As a % of the net profits of the Company as approved by the Board and/or the shareholders of the Company.
- Sitting fees for attending meetings of the Board and Committees thereof as recommended by NRC and approved by the Board and reimbursement of expenses for participation in the meetings of the Board and other meetings.
- Stock Options as per terms of prevalent Stock Options Plan. Independent Directors will not be entitled to Stock Options.

PART III – SENIOR MANAGEMENT & OTHER EMPLOYEES

OBJECTIVES

- Identify persons who possess appropriate qualifications, experience and attributes for appointment in the Senior Management and Other Employees category.
- Remuneration payable to the Senior Management and other employees is commensurate with their qualification, experience and capabilities and takes into account their past performance and achievements. Remuneration payable to them is comparable with the remuneration paid to employees at the same level in other companies which are similar to the Company in terms of nature of business, size and complexity.
- Depending on the level of the employee, a suitable component of remuneration is linked to performance of such individual employee, the performance of the business and the Company as per the HR Policy of the Company.

QUALIFICATIONS AND ATTRIBUTES

- Should be a reasonable person with integrity and ethical standards.
- Senior Management: Should have the requisite qualification and experience as may be relevant to the task he / she is expected to perform.

  NRC has the discretion to decide whether qualification, expertise, experience and attributes possessed by a person are sufficient / satisfactory for the concerned Senior Management position.
- Other Employees: Qualification, expertise, experience and attributes will be determined by the Management as per the HR Policy of the Company.

PROCESS OF APPOINTMENT AND REMOVAL

Appointment

- NRC shall identify suitable persons for appointment in the Senior Management and recommend to the Board their appointment alongwith the terms of appointment and remuneration.
- The Board will consider recommendation of NRC and approve the appointment alongwith the terms of appointment and remuneration.
- Appointments to positions other than the Senior Management will be made as per the Company's HR policy.

Removal

- Where an employee in the Senior Management is subjected to any disqualification(s) mentioned in the Act, Rules or under any other law, rules and regulations, Code of Conduct and/ or Policies of the Company, the Board may remove such employee from the services of the Company, on recommendation of NRC.
- In case of other employees, the Management of the Company may terminate the services of such employee as per HR Policy of the Company.

ELEMENTS / COMPONENTS OF REMUNERATION

Remuneration and other perquisites/ facilities (including loans/ advances) shall be governed by the policies and practices of the Company from time to time. Remuneration shall consist of:

- Fixed remuneration including perquisites and allowances, retiral benefits (like Provident Fund/ Gratuity/ Superannuation/ Leave encashment, etc.) and other benefits as per policy of the Company.
- Variable remuneration based on the performance of the individual, the function and the Company as a whole.
- Stock Options as per terms of the prevalent Stock Options Plan.
- Any other incentive as may be applicable.

ANNUAL APPRAISAL AND INCREMENT

Appraisal and increment will be done for the Senior Management by the Co-Chairman & Managing Director and for other employees, by the Senior Management or any other appropriate authorities after taking into account the following:

- Individual's performance against Key Performance Indicators.
- The performance of the:
  a) individual;
  b) business function handled by the individual; and
  c) Company.
- The prevalent rate of increments given by the companies of similar nature of business and size.
- The criticality of the individual to the Company in his capacity as a member of the Senior Management or other employees category.

Annexure-C

DIVIDEND DISTRIBUTION POLICY

PURPOSE

In compliance with the provisions of the Companies Act, 2013 and rules made thereunder (the 'Act') and Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations'), as amended from time to time, this Policy provides guidance for declaration of dividend and its pay-out by the Company. The Board of Directors (the 'Board') will consider the Policy while declaring / recommending dividend on behalf of the Company. The Policy is not an alternative to the decision of the Board for recommending / declaring dividend, which takes into consideration all the relevant circumstances enumerated hereunder or other factors as may be decided by the Board.

CONCEPT OF DIVIDEND

Dividend is the share of the profit that a company decides to distribute among its shareholders. The profits earned by the company can either be retained in the business or can be distributed among the shareholders as dividend.

TYPES OF DIVIDEND

The Act deals with two types of dividend - Interim and Final.

- Interim Dividend

  Interim dividend is the dividend declared by the Board between two Annual General Meetings as and when considered appropriate. The Board shall have the absolute power to declare interim dividend during the financial year, as and when deemed fit. The Act authorises the Board to declare interim dividend during any financial year out of the profits for the financial year in which the dividend is sought to be declared and/or out of the surplus in the profit and loss account.

  Normally, the Board could consider declaring an interim dividend after finalization of quarterly (or half yearly) financial statements.

- Final Dividend

  Final dividend is recommended for the financial year at the time of approval of the annual financial statements. The Board shall have the power to recommend final dividend to the shareholders for their approval at the Annual General Meeting of the Company.

DECLARATION OF DIVIDEND

Subject to the provisions of the Act, dividend shall be declared and paid out of:

A. Profits of the Company for the year for which the dividend is to be paid after setting off carried over previous losses and depreciation not provided in the previous year(s);

B. Undistributed profits of the previous financial years after providing for depreciation in accordance with law and remaining undistributed.

C. Out of A and B both.

   Before declaration of dividend, the Company may transfer a portion of its profits to reserves of the Company as may be considered appropriate by the Board at its discretion.

   In the event of inadequacy or absence of profits in any financial year, a company may declare dividend out of free reserves subject to the compliance with the Act.

FACTORS GOVERNING DECLARATION OF DIVIDEND

The decision regarding dividend pay-out is a crucial decision as it determines the amount of profit to be distributed among shareholders and amount of profit to be retained in business.

The circumstances for dividend pay-out decision depends on various external and internal factors:

- **External Factors:**

  The Board shall consider various external factors while declaring dividend including the following:

  o Economic Scenario - The Board shall endeavour to retain a larger portion of profits to build up reserves, in case of adverse economic scenario.

- o Competitive / Market Scenario - The Board shall evaluate the market trends in terms of technological changes mandating investments, competition impacting profits, etc., which may require the Company to conserve resources.
- o Regulatory Restrictions / Obligations - In order to ensure compliance with the applicable laws, the Board shall consider the restrictions, if any, imposed by the Act and other applicable laws with regard to declaration of dividend.

  Statutory obligations under the Companies Act, 2013 to transfer a certain portion of profits to any specific reserve such as Debenture Redemption Reserve, Capital Redemption Reserve, etc. may impact the decision with regard to dividend declaration.

  Dividend distribution tax or any tax deduction at source as required by tax regulations in India, applicable at the time of declaration of dividend may impact the decision with regard to dividend declaration.
- o Agreements with Lenders / Debenture Trustees - The decision of dividend pay-out may also be affected by the restrictions and covenants contained in the agreements entered into with the lenders or Debenture Trustees of the Company from time to time.
- o Other Factors - Other factors beyond control of the Management like natural calamities, fire, etc. effecting operations of the Company may impact the decision with regard to dividend declaration.

- **Internal Factors:**

  The Board shall consider internal factors while declaring dividend including the following:

  - o Profitability;
  - o Availability and Liquidity of Funds;
  - o Capex needs for the existing businesses;
  - o Mergers and Acquisitions;
  - o Expansion / Modernization of the business;
  - o Additional investments in subsidiaries/associates of the Company;
  - o Cost of raising funds from alternate sources;
  - o Cost of servicing outstanding debts;
  - o Funds for meeting contingent liabilities
  - o Any other factor as deemed appropriate by the Board.

FINANCIAL PARAMETERS FOR DECLARING DIVIDEND

The Company is committed to deliver sustainable value to its stakeholders. The Company shall strive to distribute an optimal and appropriate level of the profits among the shareholders in the form of dividend.

To keep investment attractive and to ensure capital appreciation for the shareholders, the Company shall also endeavour to provide consistent return over a period of time. While deciding on the dividend, micro and macro economic parameters for the country in general and the Company in particular shall also be considered.

Taking into consideration the aforementioned factors, the Board shall endeavour to maintain a dividend pay-out.

UTILISATION OF RETAINED EARNINGS

Subject to the provisions of the Act and other applicable laws, retained earnings may be utilised as under:

- o Issue of fully paid-up bonus shares;
- o Declaration of dividend - Interim or Final;
- o Augmenting internal resources;
- o Funding for Capex / expansion plans / acquisition;
- o Repayment of debt;
- o Any other permitted use as may be decided by the Board.

PARAMETERS FOR VARIOUS CLASSES OF SHARES

Currently, the Company has only one class of shares - Equity Shares. There is no privilege amongst Equity shareholders of the Company with respect to dividend distribution.

CIRCUMSTANCES IMPACTING DIVIDEND PAYMENT

The Company has been paying dividend to its shareholders over the last three decades and shall endeavour to continue with the dividend payment.

Given below are some of the circumstances in which shareholders of the Company may or may not expect dividend pay-out:

May expect dividend:

- Adequate profits and liquidity;
- Accumulated profits not warranted for immediate business needs.

May not expect dividend:

- Non availability of profits for dividend distribution;
- Funds available for dividend but need to be conserved due to:
  - Business needs;
  - Adverse economic /market scenario expected in near future;
  - Augmenting internal resources.

DISCLOSURE

This Dividend Distribution Policy shall be disclosed in the Annual Report of the Company and on the Company's website www.jubl.com.

If the Company proposes to declare dividend on the basis of any additional parameters apart from those mentioned in the Policy or proposes to change the parameters contained in this Policy, it shall disclose such changes along with the rationale for the same in the Annual Report and on the website.

EFFECTIVE DATE

This Policy shall be effective and applicable for dividend, if any, declared for the Financial Year 2016-17 onwards.

REVIEW / AMENDMENT

The Board may amend, abrogate, modify or revise any or all provisions of this Policy. However, amendments in the Act or in the Listing Regulations shall be binding even if not incorporated in this Policy.

Annexure-D

CERTIFICATE BY PRACTICING COMPANY SECRETARY ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE AS PER SCHEDULE V (E) OF THE LISTING REGULATIONS

To,
The Members of
JUBILANT LIFE SCIENCES LIMITED
CIN: L24116UP1978PLC004624

1. We have examined the compliance of the conditions of Corporate Governance by Jubilant Life Sciences Limited ('the Company') for the Financial Year ended on 31st of March, 2017, as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
2. The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to the 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 under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
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.

TVA & Co. LLP
Company Secretaries

Tanuj Vohra
Partner
M. No.: F5621, C.P. No.: 5253

Delhi, May 23, 2017

Annexure-E

CERTIFICATE OF CEO - CFO

This is to certify that:

A. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2017 and that to the best of our knowledge and belief:
   1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
   2. 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 for financial reporting 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**

Place: Noida
Date : May 23, 2017

R Sankaraiah
Executive Director-Finance

Hari S Bhartia
Co-Chairman & Managing Director

Business Responsibility **Report**

The Directors are pleased to present the Business Responsibility ('BR') Report of the Company for the Financial Year ended on March 31, 2017. The Company also publishes annually, a comprehensive Sustainability Report based on the Global Reporting Initiative (GRI) guidelines.

The details on the aspects discussed in this Report are available in the Company's Sustainability Report for the Financial Year 2016-17. The Sustainability Report of the Company is available on the Company's website www.jubl.com.

Commitment to Sustainable and Inclusive Growth

Jubilant's continued focus on sustainability aims at improving stakeholders value through improved eco efficient use of capital and natural resources. Our Promise of Caring, Sharing, Growing is the essence of our activities that are directed towards sustainable growth. Jubilant's approach to sustainable development focuses on the triple bottom line of Economic, Environment and Social performance. We are committed and working on various areas of energy conservation and climate change mitigation. Our sustainability efforts are being reported through Corporate Sustainability Report since 2003 and the Report has been receiving GRI G3.1 A+ level and GRI Check since 2007 from Global Reporting Initiative (GRI). This reflects our commitment towards sustainable development and continued efforts directed towards protecting the environment wherever we operate.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1.	Corporate Identity Number (CIN) of the Company	L24116UP1978PLC004624
2.	Name of the Company	Jubilant Life Sciences Limited
3.	Registered address	Bhartiagram, Gajraula, District Amroha-244 223, Uttar Pradesh, India
4.	Website	www.jubl.com
5.	E-mail id	sustainability@jubl.com
6.	Financial Year reported	2016-17
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	Basic Organic Chemicals (2011)
8.	List three key products / services that the Company manufactures / provides (as in balance sheet)	(i) Organic Chemicals including specialty chemicals and its intermediates
		(ii) Dry and aqueous choline chloride
		(iii) Feed Premixes
9.	Total number of locations where business activity is undertaken by the Company	
	(a) Number of International Locations (Provide details of major 5)	The Company's businesses and operations are spread across the Country. Details of plant locations of the Company are provided in the section 'General Shareholder Information' in the Corporate Governance Report forming part of the Annual Report.
	(b) Number of National Locations	
10	Markets served by the Company – Local / State / National / International	The Company's products have both National and International presence.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1.	Paid up Capital (in ₹)	159.28 Million
2.	Total Turnover (in ₹)	26,230 Million
3.	Total profit after taxes (in ₹)	792 Million
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	1.30% (CSR expenses of the Company for the Financial Year 2016-17 were ₹ 10.27 Million, though not statutorily required to be spent in the Financial Year)

5.	List of activities in which expenditure in 4 above has been incurred:	**(a) Project Arogya & Swasthya Prahari –** Improving health indices through innovative services and promoting health seeking behaviour. **(b) Project Muskaan –** Universalising elementary education and improving quality parameters for primary education through community involvement. **(c) Nayee Disha –** Enhancing employability through vocational training.

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/ Companies?

Yes, the Company had 49 Subsidiaries as on March 31, 2017.

2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)

Business responsibility report also includes sustainability performance of subsidiaries of the Company which have a significant impact on the sustainability performance of the organisation. The key subsidiary companies of Jubilant Life Sciences covered in the report are as follows:

1. Jubilant Pharma Limited, Singapore
2. Jubilant Generics Limited, India
3. Jubilant HollisterStier LLC, Spokane, USA
4. Jubilant DraxImage Inc., Montreal, Canada
5. Jubilant Cadista Pharmaceuticals Inc., Salisbury, USA
6. Jubilant Biosys Limited, India
7. Jubilant Chemsys Limited, India
8. Jubilant Infrastructure Limited, India

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

Jubilant does engage with all its key stakeholders (e.g. suppliers, employees, investors, community, etc.) and take note of their concerns while designing its business strategy. The Company also communicates its business responsibility policies and approaches to the concerned stakeholders from time to time. For e.g. holding Suppliers' Meet, publication of Annual Supplier Report, Customer CSR assessment, etc. The Green Supply Chain Policy is an example of engaging our suppliers in Jubilant's business responsibility journey. The percentage of such stakeholders is < 30%.

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

(a) Details of the Director/Directors responsible for implementation of the BR policy/policies

The Board of Directors has assigned the implementation of BR Policies to the Sustainability and CSR Committee of the Board of Directors.

(b) Details of the BR head:

Name	Mr. Pramod Yadav
Designation	Whole-time Director
Director Identification Number	05264757
Phone Number	+911204361000
Email ID	pramod_yadav@jubl.com

2. (a) Principle-wise (as per NVGs) BR Policy/policies

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These are as follows:

Principle 1: (P1)	Business should conduct and govern themselves with Ethics, Transparency and Accountability
Principle 2: (P2)	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
Principle 3: (P3)	Businesses should promote the well-being of all employees
Principle 4: (P4)	Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized
Principle 5: (P5)	Businesses should respect and promote human rights
Principle 6: (P6)	Business should respect, protect and make efforts to restore the environment
Principle 7: (P7)	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
Principle 8: (P8)	Businesses should support inclusive growth and equitable development
Principle 9: (P9)	Businesses should engage with and provide value to their customers and consumers in a responsible manner

(b) Details of compliance (Reply in Y/N)

	Principle-wise policies	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	**Do you have a policy/ policies for:**	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	**Has the policy been formulated in consultation with the relevant stakeholders?**	Y	Y	Y	Y	Y	Y	Y	Y	Y
		The relevant policies have evolved over a period of time by taking inputs from the concerned internal stakeholders. However, the Company engages with the key external stakeholders on a regular basis and their concerns are noted and discussed internally which help in shaping our policies.								
3	**Does the policy conform to any national / international standards? If yes, specify? (50 words)**	Y	Y	Y	Y	Y	Y	Y	Y	Y
		All applicable national and international laws as well as international conventions are captured in the policies articulated by the Company. In addition, they reflect the purpose and intent of the United Nations Global Compact (UNGC), GRI guidelines and international standards such as ISO 14001, ISO 9001, ISO 22000, ISO 50001, RC 14001, OHSAS 18001 and others.								
4	**Has the policy been approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?**	Y	Y	Y	Y	Y	Y	Y	Y	Y
		The policies are approved by the Board/Competent Authority to which the requisite authority has been delegated by the Board.								
5	**Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?**	Y	Y	Y	Y	Y	Y	Y	Y	Y
		The Company has set-up various Committees of the Board of Directors or of Senior Executives to oversee implementation of these policies. Sustainability & CSR Committee is one such committee which reviews Sustainability and CSR performance of the Company on a half-yearly basis.								
6	**Indicate the link for the policy to be viewed online?**	All employee related policies are uploaded on the intranet portal of the Company for communication and implementation. Other policies are uploaded on the Company's website www.jubl.com. Relevant policies are also published in the Annual Report and Sustainability Report of the Company.								

	Principle-wise policies	P1	P2	P3	P4	P5	P6	P7	P8	P9
7	**Has the policy been formally communicated to all relevant internal and external stakeholders?**	Y	Y	Y	Y	Y	Y	Y	Y	Y
		Policies are communicated to all relevant stakeholders through Company website, meetings, emails, sustainability report, annual report, etc.								
8	**Does the company have in-house structure to implement the policy/ policies?**	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	**Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?**	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	**Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?**	Y	Y	Y	Y	Y	Y	Y	Y	Y

List of Existing Policies

Following are the key policies which provide broad guidelines for smooth and transparent functioning of the Board	Approved by	On-line view
Code of Conduct for Directors and Senior Management	Board	www.jubl.com
Code of Conduct for Prevention of Insider Trading	Board	Intranet portal of the Company
Policy on Materiality of Related Party Transactions and Dealing with Related Party Transactions	Board	www.jubl.com
Corporate Social Responsibility Policy	Board	www.jubl.com
Policy for Determining Materiality of Events and Information	Board	www.jubl.com
Policy on Board Diversity	Board	-
Succession Plan for Board Members and Senior Management	Board	-
Performance Evaluation Policy	Board	-
Appointment and Remuneration Policy	Board	www.jubl.com (Forms part of Annual Report)
Whistle Blower Policy	Board	www.jubl.com and Intranet portal of the Company
Policy for Determining Material Subsidiaries	Board	www.jubl.com
Archival Policy	Board	www.jubl.com
Policy for Preservation of Documents	Board	-
Dividend Distribution Policy	Board	www.jubl.com
Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information	Board	www.jubl.com
Code of Conduct for Employees	Board	Intranet portal of the Company
Policy on Prevention of Sexual Harassment	Board	Intranet portal of the Company

Other policies adopted by the Company for ensuring effective governance in regular operations	Approved by	On-line view
Sustainability Policy	Chairman and Co-Chairman & Managing Director	www.jubl.com
Climate Change Mitigation Policy	Chairman and Co-Chairman & Managing Director	www.jubl.com
Environment, Occupational Health and Safety Policy	Chairman and Co-Chairman & Managing Director	www.jubl.com
Responsible Care Policy	Chairman and Co-Chairman & Managing Director	www.jubl.com
Green Supply Chain Policy	Chairman and Co-Chairman & Managing Director	www.jubl.com
Quality Policy	Chairman and Co-Chairman & Managing Director	www.jubl.com

3. Governance related to BR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year

There are several committees of the Board of Directors and of Senior Executives who meet at regular frequency to review the BR performance of the Company. Sustainability and CSR Committee of the Board reviews the Sustainability and CSR performance of the Company on a half-yearly basis. This Committee comprises both Executive and Non-Executive Independent Directors.

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The Company is publishing its Sustainability Report annually in line with GRI guidelines since the Financial Year 2002-03. Every year, the Report is assured by a third party. Sustainability Report for the Financial Year 2015-16 was prepared in line with the latest GRI G4 guidelines and was assured by a Big Four Firm. The Report for the Financial Year 2016-17 is being published along with the Annual Report of the Company for the Financial Year 2016-17. Sustainability Reports of the Company are available on the Company's website at the following link: http://www.jubl.com/sustainability/sustainability-report.

Business Responsibility Report Index on Social, Environmental and Economic Issues

	BRR Principle	Section in BR Report	Page	Details in Company's Sustainability Report
P1	Business should conduct and govern themselves with Ethics, Transparency and Accountability	Corporate Governance - Ethics, Transparency & Accountability	113	√
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle	Sustainability of Products and Services across Life-Cycle	114	√
P3	Businesses should promote the well-being of all employees	Employee well being	115	√
P4	Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized	Stakeholder Prioritization and Engagement	115	√
P5	Businesses should respect and promote human rights	Promote Human Rights	116	√

	BRR Principle	Section in BR Report	Page	Details in Company's Sustainability Report
P6	Business should respect, protect and make efforts to restore the environment	Respect, protect & restore Environment	116	√
P7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner	Public Policy Advocacy	116	√
P8	Businesses should support inclusive growth and equitable development	Corporate Social Responsibility	116	√
P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner	Customer satisfaction	117	√

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Business should conduct and govern themselves with Ethics, Transparency and Accountability

Corporate Governance – Ethics, Transparency & Accountability:

Composition of the Board: The Board of Directors (the 'Board') is the apex and highest governing body in Jubilant Life Sciences Limited. 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 objective is to create sustainable value for all stakeholders, provide vision to the Company and oversee implementation of the Board's decisions.

Jubilant Life Sciences is led by a team of eminent professionals who inspire, lead and contribute to the growth of the Company. The Board of Directors of Jubilant has an optimal mix of Executive, Non-Executive, Independent and Non-Independent Directors. As on May 23, 2017, the Board comprised 2 Executive Directors and 8 Non-Executive Directors. The Board had 5 Independent Directors including 1 woman Director. All members of the Board are well experienced and bring expertise in the fields of Life Sciences, Pharmaceuticals, Chemical Engineering, Banking, Accounts, Administration, etc. to the table.

The Independent Directors are not associated with the Company in any executive capacity. The Independent Directors, by furnishing a Certificate of Independence to the Board, affirm their independence on an annual basis.

Senior Leadership Team: Co-Chairman and Managing Director ('CCMD') is the highest Executive Officer of the Company. He belongs to the promoter group and along with the Chairman, he has led the Company to its present growth and success. The Chief Executive Officers ('CEOs') of various businesses of the Company are responsible for smooth functioning of their respective businesses and they are placed one level below the Board. They are responsible for development of business strategies keeping in view the interests of all the stakeholders. The business strategies and plans are reviewed during the Annual Strategy Meet by the Chairman, CCMD, Executive Directors and CEOs.

Board Committees for effective governance: To focus effectively on the issues and to ensure expedient resolution of diverse matters, the Board has constituted several Committees with clearly defined terms of reference and scope. The Committee members are appointed by the Board with the consent of the individual Directors. Key Committees of the Board are:

- Audit Committee
- Nomination, Remuneration and Compensation Committee
- Stakeholders Relationship Committee
- Sustainability & CSR Committee
- Finance Committee
- Capital Issue Committee
- Fund Raising Committee

Codes and Policies: The Company has a detailed framework of codes and policies framed by the Board in compliance with the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations'). Following are the salient codes and policies which provide broad guidelines for smooth and transparent functioning of the Board and the Company:

- Code of Conduct for Directors and Senior Management
- Code of Conduct for Prevention of Insider Trading
- Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information
- Policy for Determining Materiality of Events and Information
- Policy on Materiality of Related Party Transactions and Dealing with Related Party Transactions
- Corporate Social Responsibility Policy
- Policy on Board Diversity
- Succession Plan for Board Members and Senior Management

- Performance Evaluation Policy
- Appointment and Remuneration Policy
- Whistle Blower Policy
- Policy for Determining Material Subsidiaries
- Dividend Distribution Policy
- Policy for Preservation of Documents
- Archival Policy

At Jubilant Life Sciences, good governance is a tradition and a way of life and 'Our Promise' and 'Our Vision' set the overall direction for corporate governance of the Company. The Vision, Values and Promise statements of the Company are adopted by the businesses and all other functions of the Company. In addition to the above mentioned policies framed by the Board, there are several other policies adopted by the Company ensuring effective corporate governance in regular operations. These include:

- Sustainability Policy
- Climate Change Mitigation Policy
- Environment, Occupational Health and Safety Policy
- Responsible Care Policy
- Green Supply Chain Policy
- Quality Policy
- Policy on Prevention of Sexual Harassment
- Code of Conduct for Employees which includes:
    - Child Labour Policy
    - Policy on Forced and Compulsory Labour
    - Anti-Bribery and Corruption Policy
    - Non Discrimination Policy

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

Sustainability of Products and Services across Life-Cycle

Jubilant Life Sciences Limited is an integrated global Pharmaceutical and Life Sciences company engaged in Pharmaceuticals, Life Science Ingredients and Drug Discovery Solutions. The Pharmaceuticals segment, through its wholly owned subsidiary Jubilant Pharma Limited, is engaged in manufacture and supply of Active Pharmaceutical Ingredients, Solid Dosage Formulations, Radiopharmaceuticals, Allergy Therapy Products and Contract Manufacturing of Sterile and Non-sterile products through 6 USFDA approved manufacturing facilities in India, USA and Canada. The Life Science Ingredients segment is engaged in Specialty Intermediates, Nutritional Products and Life Science Chemicals through 5 manufacturing facilities in India. The Drug Discovery Solutions segment provides proprietary in-house innovation and collaborative research and partnership for out-licensing through 3 world class research centres in India and USA.

Jubilant Life Sciences' progress in diverse businesses has been made possible through the contribution of R&D which is focused on products development and cost reduction through process innovation. Innovation at Jubilant is backed by strong chemistry, bio science expertise and the knowledge bank created over the years. We have harnessed our strengths-a strong R&D team, modern R&D facilities, command over cost effective technologies and economies of scale into a synergistic organic entity, continuously creating and nurturing high quality products and technologies.

Material in Use

The Company sources its materials, machinery, spares, stores, etc. from across the globe without compromising on quality and value. In monetary terms, 21.18% of the material was sourced domestically whereas 78.82% was sourced from other countries for Indian operations in Financial Year 2016-17.

On the Road to 'Green Chemistry'

Jubilant manufactures Pyridine using alcohol produced from agricultural feedstock (molasses) instead of using alcohol produced by conventional petro route. As per the Life Cycle based carbon footprint study in Financial Year 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.

Energy Consumption and Conservation

Cost of energy and its linkage with climate change impact is a major business concern at Jubilant like any other industry. To optimise its energy consumption and decouple climate change impact from energy usage, the Company 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 the present energy mix. During the Financial Year 2015-16, Jubilant inducted solar energy in its present renewable energy mix of bio-gas, biodiesel and biomass.

In line with the established practice, the Company took up several resource saving initiatives at its manufacturing facilities. During the year under review, 165 new projects were taken up by the Business Excellence team of the Company. These new projects along with other 105 carry forward projects from the previous year led to total savings of ₹ 809 Million for the Company. Out of this, 109 energy saving projects led to an estimated saving of ₹ 256 Million in the Financial Year 2016-17.

Water and Waste Water Management

Jubilant is aware of the growing conflict for water usage between industry and public at large across the globe. In its bid to become water sustainable, the Company is continuously striving to follow zero discharge strategy. Majority of its plants have already achieved zero discharge and all the plants try to optimize water consumption and maximize effluent recycle and reuse. In addition to process modification, the site management has also put in place the best available effluent treatment technologies for its better recycling and reuse. Further, the Company has also implemented rainwater harvesting structures at several locations to support its commitment in water conservation. Please refer the Sustainability Report of the Company for details of water and waste-water performance.

Waste Optimization

Managing wastes from the chemical industry requires intensive use of environmentally sound technology for its handling and disposal. Waste minimization, waste recovery and reuse and scientific disposal of waste are the three approaches adopted by Jubilant for all types of wastes, whether hazardous or non-hazardous. The Company, while continuing the waste treatment, is laying emphasis on waste minimization. At Jubilant, the non-hazardous wastes are either recycled or reused by the third parties. Fly ash, metal scrap, plastic scrap, paper and wooden material scraps are a few major contributors of non-hazardous waste.

Sustainable Supply Chain

At Jubilant, we treat our suppliers as our partners in our sustainability journey. Our suppliers, contract manufacturers and service providers are intrinsic to the business. We have processes and systems in place to engage with them on a continuous basis. Various categories of suppliers include raw material and packaging vendors, engineering item suppliers, transporters, contractors and other service providers. Considering the growing demand for a sustainable supply chain globally, Jubilant has already developed and communicated its Green Supply Chain policy to its suppliers.

We also regularly update our suppliers on the latest sustainable procurement requirements. Suppliers' concerns are addressed through various interactions on a continual basis. To fulfil our Green Supply Chain commitments, Jubilant has been engaging extensively with its suppliers since 2014 to ensure compliance of applicable laws pertaining to Environment, Health and Safety, Human Rights and Social Requirements. The standard terms and conditions of contracts with the suppliers cover clauses for ensuring compliance with laws pertaining to EHS, Human Rights and Social requirements since 2014. Supplier Audits are conducted annually to cover critical vendors at least once in three years. During the supplier's audit, Jubilant's Quality Assurance teams assesses the supplier's performance against the environment, labour practice, human rights and social impact.

Principle 3: Businesses should promote the well-being of all employees

Employee Well-Being

Engaged and committed workforce is key to our success. It onsets from recruiting qualified professionals, designed on-boarding and regular training, periodic performance discussions and rewarding meritocracy. Our Business Principles commit us to provide our people with a safe working environment, respecting their human rights, promoting their professional development and creating an inclusive work environment. Human Resource policies and benefits have been articulated in the 'HR Policy Manual'. The manual defines eligibility, entitlement, terms & conditions and associated documentation for each policy.

Employee Benefits

To improve employee satisfaction and retention, the Company has put in place several employee benefit schemes. These include maternity leave for female employees, disability and invalidity coverage as per the Maternity Benefit Act, 1961, Industrial Disputes Act, 1947, the Employee's Compensation Act, 1923 and Group Medical Insurance for employees and their dependents. All female employees in Indian units and all employees in North American units are entitled to parental leave. 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. 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.

Head Count and Break-up

All permanent employee records are maintained in our PeopleSoft database in HRIS system. Details of category-wise head count, attrition and new joinees of the Company are available in the Sustainability Report of the Company.

As Chemical manufacturing sites of the Life Science Ingredients business are hazardous in nature, the Company does not encourage employment of differently abled persons on these sites. However, Pharma business employs 25 differently abled personnel as on March 31, 2017.

Employee Association

As on March 31, 2017, a total of 384 employees at our manufacturing plants at Savli, Nira and Gajraula were either members of unions or had collective bargaining capabilities. During the year, we enjoyed cordial relations with our employees and there have been no instances of labour unrest or disputes at any of the manufacturing sites.

Safety and Skill Upgradation Training

Imparting periodic quality training to employees is fundamental to improve the existing talent pool. As a part of learning and development opportunities, the Company organizes various internal and external trainings on a regular basis which include key capability development programs such as leadership development programs, strategic initiatives programs, self-development program and other customized programs. The Company has a dedicated in-house learning and development team which identifies the training needs of the employees, prepares training calendars and conducts trainings. The Company also organises induction programs for new employees at regular intervals and it has been made mandatory to participate in the induction training after joining the organization. Please refer the Sustainability Report of the Company for details of training imparted to the employees.

Principle 4: Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

Stakeholder Prioritization and Engagement

Stakeholder engagement is the foundation of every sustainable business model. Jubilant recognizes the essence and invests significant time and efforts in improving the mode of stakeholder engagement. The Company has always strived to engage in an active dialogue with all its stakeholders. Stakeholder aspirations and concerns are important elements of Jubilant's decision-making process. The Company has a robust system for maintaining a progressive relationship with its stakeholders.

The Company appreciates the need for a formal and systematic approach towards stakeholder prioritization and materiality assessment for better understanding of the ever changing expectations of our stakeholders. In this regard, a practice was developed and introduced in the Financial Year 2014-15 on Stakeholder Prioritisation and Materiality Assessment. In Phase-I, the Stakeholder Prioritisation & Materiality Assessment Survey was conducted, internally engaging the senior leadership team to assess the Company's key stakeholders and key issues influencing decisions of stakeholders. During the year, a detailed survey questionnaire with the list of stakeholders and list of economic, environment and social issues was sent to top management for their identification and prioritization of key-stakeholders and issues material to these key stakeholders. Based on the outcome of the survey, Phase-II on the stakeholder prioritization will be conducted shortly covering the external stakeholders.

The Company has operations in various locations across India and North America. The Company supports local culture and heritage of the respective regions. There have been no violations involving rights of indigenous people or those related to human rights in Jubilant during the reporting period.

Principle 5: Businesses should respect and promote human rights

Promote Human Rights

Jubilant recognises and promotes universal respect for and observance of human rights and fundamental freedom. At Jubilant, we are committed to our Sustainability Mission and are signatory to the United Nations Global Compact (UNGC). We have formulated policies and developed systems to ensure protection of Human Rights for all concerned; these principles are defined in the Business Code of Conduct. Jubilant's policies on Human Rights cover issues of Child Labour, Forced and Compulsory Labour, Non Discrimination, Bribery and Corruption and Collective Bargaining. The Company has made the Business Code of Conduct available to all employees through intranet portal of the Company. During the year, the Company revised its Code of Conduct for its employees and a walk-through session was conducted for the same highlighting the salient features of the Code to the employees.

The Company has well established Whistle-blower Policy and a dedicated Ombudsman team for addressing the grievances reported by the employees. No cases of human rights violation and corruption were reported to the Ombudsman's Office during the Financial Year 2016-17.

Principle 6: Business should respect, protect and make efforts to restore the environment

Respect, Protect and Restore the Environment

In response to its commitment towards better environmental performance, Jubilant's top management has designed and implemented several policies and communicated the same to its employees and other stakeholders. Environment, Occupational Health & Safety (EHS) Policy and the Climate Change Mitigation Policy set the overall tone of the Company's aspiration towards achieving excellence in environmental performance. In addition, the Company has also adopted and effectively communicated Green Supply Chain Policy to its suppliers, expecting them to be sensitive towards the environment. From the Financial Year 2013-14, the Company has also adopted and communicated Responsible Care Policy, which depicts the Company's commitment towards reducing environmental impact due to its business activities beyond the boundaries of its manufacturing facilities. The largest manufacturing facility at Gajraula and corporate office in India has been certified for RC 14001 during the Financial Year 2016-17.

Jubilant recognizes 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 for reducing its carbon footprint. The Company has engaged a dedicated team for identification and implementation of energy efficiency measures and cleaner technology to fulfil its commitment defined in the Climate Change Mitigation Policy.

Environmental performance is reviewed regularly through internal and external audits. New projects are assessed for identifying any potential hazards related to environment, health and safety.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

Public Policy Advocacy

The Company engages with a variety of stakeholders like government, regulatory agencies, NGO and industry associations. Through its interactions with these stakeholders, the Company participates in identifying and framing public policy matters. The Company also engages with the industry association forums to voice its views about policies. Some of such business associations and NGOs are as follows:

- Confederation of Indian Industry
- Federation of Indian Chambers of Commerce & Industries
- Indian Chemical Council
- Indian Chemical Society
- Global Reporting Initiative
- PHD Chamber of Commerce and Industry
- The Institution of Engineers (India)
- World Economic Forum
- All India Distillers' Association

Principle 8: Businesses should support inclusive growth and equitable development

Corporate Social Responsibility (CSR)

Jubilant Bhartia Foundation: Jubilant recognizes that it is extremely important for any organization to function in sync with the community it operates in. Jubilant Bhartia Foundation ('JBF'), the corporate social responsibility wing of Jubilant Bhartia Group established in 2007, is strongly focused on fulfilling 'Our Promise' of Caring, Sharing, Growing. JBF touches different areas of social development including primary education, basic healthcare and skill development for employability and self-sustenance. JBF's regular interface with the local opinion leaders and community representatives provides adequate feedback which helps in evaluating the community requirements and measure the impact of JBF's social initiatives. This feedback helps in shaping the community initiatives at the manufacturing facilities. CSR teams at various locations interact continuously with the surrounding community to address the local needs.

Community Interface Meets: During the Financial Year 2016-17, the Company organised one Community Interface Meet at each location. During these community interfaces, the Company briefed about the business processes like products being manufactured, raw materials utilised and effluent and its management system, safety systems and Corporate Social Responsibility activities. At the end, suggestions/feedbacks were sought from the community.

JBF is part of the Corporate Disaster Resource Network ('CDRN') of National Disaster Management Authority and has signed membership to the recently formed network of CII for Disaster Relief on behalf of Jubilant Bhartia Group.

CSR Policy: The Company has formulated its Corporate Social Responsibility ('CSR') Policy and Sustainability and CSR Committee of the Board of Directors has accorded its approval to implement the CSR activities through JBF. The Company continues to focus on the communities around the manufacturing locations of the Company and its subsidiaries in India for its CSR projects. The CSR activities at Jubilant are in line with the provisions of Section 135 read with Schedule VII to the Companies Act, 2013 and the CSR Policy. JBF has structured most of its community programs considering the expectations of the surrounding communities and the direction defined in the CSR Policy. Major community projects implemented during the reporting period are given below:

- Project Arogya and Swasthya Prahari: Improving health indices through innovative services and promoting health seeking behavior;
- Project Muskaan: Universalizing elementary education and improving quality parameters for primary education through community involvement; and
- Nayee Disha: Enhancing employability through vocational training.

Total expenditure on CSR activities as per Schedule VII to the Companies Act, 2013 was ₹ 10.27 Million while prescribed CSR Expenditure was Nil during the Financial Year 2016-17.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

Customer Satisfaction

Customer Relationship Management: Meeting customer requirements is essential for our inclusive growth. Recently, there has been a paradigm shift in the customer expectations and the management is meticulously reaching out to the customers for understanding their expectations and concerns and addressing them on time. The Company has implemented Salesforce.com-Customer Relationship Management (CRM) software. Salesforce.com gives the Company an effective digital platform to address customer queries more efficiently. Any customer can float a product query and dedicated business personnel respond to those queries online.

Customer Feedback Mechanism: Customer feedback is taken both in formal and informal ways depending on the type of business and products. A standard customer feedback form has been prepared under the existing customer feedback system. Feedback forms are sent to the customers and feedback is taken at least once a year. Based on the feedback received, customer satisfaction index is calculated at the end of the year. The customer satisfaction index paves the way forward for respective businesses and gives direction to the sales and marketing teams to improve customer satisfaction.

Labelling and Packaging: 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. For communication of hazards, international labelling guidelines are followed depending on the requirements of the target customer. For the customers in Europe, CLP (Classification, Labelling and Packaging) is followed, whereas for Chinese customers - China GHS (Global Harmonised System), for Korean customers – Korea GHS and for USA and rest of the world, GHS is followed for classification and labelling of chemicals. Labels are also continuously updated as per the changes and updates in the relevant regulations. There has been no incidence of non-compliance with the regulations or voluntary codes concerning product and services information and labelling in the Financial Year 2016-17.

The Company adheres to all applicable laws, standards and voluntary codes related to marketing communications. The Company does not engage in sale of any banned or disputed products and adheres to the Government of India Competition Policy which protects the interests of consumers and producers by promoting and sustaining a fair competition. There have been no legal actions pertaining to anti-competitive behaviour, anti-trust and monopoly practices during the Financial Year 2016-17 on the Company.

Independent Auditor's **Report**

To the Members of Jubilant Life Sciences Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Jubilant Life Sciences Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows, the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone Ind AS financial statements").

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Act, read with the relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS 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 standalone Ind AS financial statements based on our audit.

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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 including the Ind AS, of the financial position of the Company as at 31 March 2017, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

Independent Auditor's Report (Continued)

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act, read with relevant rules issued thereunder.

(e) On the basis of the written representations received from the directors as on 31 March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

  (i) the Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 38(B) and 38(C) to the standalone Ind AS financial statements;

  (ii) the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 46 to the standalone Ind AS financial statements;

  (iii) there has been no delay in transferring amounts, required to be transferred, to the investor education and protection fund by the Company; and

  (iv) the Company has provided requisite disclosures in the standalone Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016. Based on the audit procedures performed by us and relying on the management representation, we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the management – Refer Note 47 to the standalone Ind AS financial statements.

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 101248W/W-100022

Pravin Tulsyan
Partner
Membership No.: 108044

Place: Noida
Date: 23 May 2017

Annexure A to the Independent Auditor's Report

The Annexure A referred to in our report to the members of the Company for the year ended 31 March 2017. 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. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. As informed to us, the discrepancies noticed on such verification were not material and have been properly adjusted in the books of account.

(c) According to the information and explanations given to us and on the basis of our examination of the books of account, the title deeds of immovable property are held in the name of the Company.

(ii) 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. 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) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. As informed to us, there are no firms covered in the register maintained under section 189 of the Act. Accordingly, paragraph 3(iii) of the Order is not applicable.

(iv) According to the information and explanations given to us, in respect of loans and investments made by the Company, the provisions of section 185 and 186 of the Act have been complied with. As informed to us, the Company has not provided any guarantee or security as specified under Section 185 and 186 of the Act.

(v) According to the information and explanations given to us, the Company has not accepted any deposits from the public. Accordingly, paragraph 3(v) of the Order is not applicable.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules specified by the Central Government for maintenance of cost records under section 148(1) 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.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities.

According to the information and explanations given to us, no amounts payable in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues were in arrears as at 31 March 2017 for a period of more than six months from the date they became payable.

Annexure A to the Independent Auditor's Report (Continued)

(b) According to the information and explanations given to us, there are no dues of sales-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, service tax, duty of customs, duty of excise and value added tax 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	261.56	-	1988-89, 2001-02 2003-08	Income Tax Appellate Tribunal
Central Excise Act, 1944	Excise Duty	280.51	-	2006-2010	High Court
		3.03	-	2003-07, 2003-11	Custom Excise and Service Tax Appellate Tribunal
		247.13**	-		
		8.31	0.05	2010-14	Commissioner (Appeals)
		648.66	-	2008-15	Commissioner
		2.47	-	2011-15	Assistant Commissioner
Finance Act, 1994	Service Tax	1.70	-	2006-07	High Court
		5.74	0.05	2007-11	Custom Excise and Service Tax Appellate Tribunal
Customs Act, 1962	Customs Duty	12.04	-	2012-14	Commissioner (Appeals)
		0.01	-	2006-07	Assistant Commissioner
Uttar Pradesh Value Added Tax Act, 2008	Value Added Tax	66.75	-	2010-16	Supreme Court
		27.36	-	2014-15	Deputy commissioner
		0.21	0.40	2015-16	Assistant Commissioner

* 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 hence, 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 and businesses transferred into Jubilant Generics Limited, though some of the same are still being pursued in the Company's name.

(viii) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to its bankers or to any financial institutions and dues to debenture holders. The Company did not have any loans or borrowings from government during the year.

(ix) Based on our examination of books of account and according to the information and explanations given to us, the term loans taken during the year have been applied for the purposes for which they were obtained. Further, moneys raised through issue of non-convertible debentures have been applied for the purposes for which they were obtained, partially during the year and the balance was utilized subsequent to the year end, for the purposes for which they were raised. As informed to us, the Company has not raised any other moneys by way of initial public offer or further public offer (including debt instruments).

(x) Based on our examination of the books of account and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) Based on our examination of the books of account and according to the information and explanations given to us, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V of the Act.

Annexure A to the Independent Auditor's Report (Continued)

(xii) According to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) Based on our examination of the books of account and according to the information and explanations given to us, all transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the standalone financial statements, as required by the applicable accounting standards.

(xiv) Based on our examination of the books of account and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable.

(xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

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

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 101248W/W-100022

Pravin Tulsyan
Partner
Membership No.: 108044

Place: Noida
Date: 23 May 2017

Annexure B to the Independent Auditor's Report of even date on the standalone Ind AS financial statements of Jubilant Life Sciences Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

We have audited the internal financial controls over financial reporting of Jubilant Life Sciences Limited ("the Company") as of 31 March 2017 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls over financial reporting includes those policies and procedures that

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note issued by the ICAI.

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 101248W/W-100022

Pravin Tulsyan
Partner
Membership No.: 108044

Place: Noida
Date: 23 May 2017

Balance Sheet as at 31 March 2017

(₹ in million)

	Notes	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
ASSETS				
Non-current assets				
Property, plant and equipment	3	14,173.85	14,111.72	14,410.95
Capital work-in-progress	3	646.22	348.28	200.17
Other intangible assets	4	37.63	40.66	71.50
Intangible assets under development	4	7.78	8.52	-
Financial assets				
i. Investments	5	16,999.36	17,019.04	17,685.02
ii. Loans	6	29.54	250.73	460.51
iii. Other financial assets	7	9.55	-	4.49
Deferred tax assets (net)	8	93.99	234.74	197.87
Income tax assets (net)		180.97	298.68	306.11
Other non-current assets	9	289.89	303.95	318.60
Total non-current assets		**32,468.78**	**32,616.32**	**33,655.22**
Current assets				
Inventories	10	4,544.30	4,752.63	5,127.62
Financial assets				
i. Investments	11	97.00	73.50	-
ii. Trade receivables	12	3,856.66	3,412.95	3,634.66
iii. Cash and cash equivalents	13(a)	759.86	382.94	1,367.35
iv. Other bank balances	13(b)	6.70	27.54	-
v. Loans	6	181.09	46.41	899.78
vi. Other financial assets	7	823.75	1,005.25	4,938.66
Other current assets	14	1,173.73	974.75	798.18
Total current assets		**11,443.09**	**10,675.97**	**16,766.25**
Total assets		**43,911.87**	**43,292.29**	**50,421.47**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	15	159.30	159.30	159.30
Other equity		20,268.77	19,978.02	19,666.24
Total equity		**20,428.07**	**20,137.32**	**19,825.54**
Liabilities				
Non-current liabilities				
Financial Liabilities				
i. Borrowings	17(a)	13,870.17	11,148.31	17,273.91
Provisions	18	506.88	454.39	438.50
Total non-current liabilities		**14,377.05**	**11,602.70**	**17,712.41**
Current liabilities				
Financial liabilities				
i. Borrowings	17(b)	1,770.75	4,539.42	3,851.33
ii. Trade payables	19	4,869.11	3,644.87	5,075.70
iii. Other financial liabilities	20	1,950.11	2,938.79	2,431.40
Other current liabilities	21	293.21	228.48	1,383.47
Provisions	18	133.88	145.23	108.44
Current tax liabilities (net)		89.69	55.48	33.18
Total current liabilities		**9,106.75**	**11,552.27**	**12,883.52**
Total liabilities		**23,483.80**	**23,154.97**	**30,595.93**
Total equity and liabilities		**43,911.87**	**43,292.29**	**50,421.47**
Significant accounting policies	2			
Notes to the financial statements	3-56			

The accompanying notes 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/W-100022

Pravin Tulsyan
Partner
Membership No.: 108044

Shyam S. Bhartia
Chairman
DIN:00010484

Place: Noida
Date: 23 May 2017

Rajiv Shah
Company Secretary

R. Sankaraiah
Executive Director-Finance

Hari S. Bhartia
Co-Chairman and Managing Director
DIN:00010499

Statement of Profit and Loss for the year ended 31 March 2017

(₹ in million)

	Notes	For the year ended 31 March 2017	For the year ended 31 March 2016
Revenue from operations	22	26,229.85	27,909.52
Other income	23	518.95	617.41
Total income		**26,748.80**	**28,526.93**
Expenses			
Cost of materials consumed	24	12,443.45	13,483.15
Purchases of stock-in-trade	24(a)	1,196.94	1,171.91
Changes in inventories of finished goods, stock-in-trade and work-in-progress	25	(570.15)	(113.92)
Excise duty on sales		1,317.65	1,348.03
Employee benefits expense	26	2,263.08	2,161.83
Finance costs	27	1,742.55	2,006.55
Depreciation and amortisation expense	28	811.28	869.81
Other expenses	29	6,398.79	6,735.66
Total expenses		**25,603.59**	**27,663.02**
Profit before tax		**1,145.21**	**863.91**
Tax expense	30		
- Current tax		205.73	184.54
- MAT credit entitlement		(81.53)	(80.15)
- Deferred tax charge		229.07	29.49
Total tax expense		**353.27**	**133.88**
Profit for the year		**791.94**	**730.03**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Changes in fair value of investments which are classified at fair value through OCI		3.81	0.38
Remeasurement of defined benefit obligations		(19.61)	(13.20)
Income tax relating to items that will not be reclassified to profit or loss		6.79	4.57
Other comprehensive income for the year, net of tax		**(9.01)**	**(8.25)**
Total comprehensive income for the year		**782.93**	**721.78**
Earnings per equity share of ₹ 1 each	56		
Basic (₹)		4.97	4.58
Diluted (₹)		4.97	4.58
Significant accounting policies	2		
Notes to the financial statements	3-56		

The accompanying notes 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/W-100022

Pravin Tulsyan
Partner
Membership No.: 108044

Shyam S. Bhartia
Chairman
DIN:00010484

Place: Noida
Date: 23 May 2017

Rajiv Shah
Company Secretary

R. Sankaraiah
Executive Director-Finance

Hari S. Bhartia
Co-Chairman and Managing Director
DIN:00010499

Statement of Changes in Equity for the year ended 31 March 2017

A. Equity share capital

(₹ in million)

Balance as at 1 April 2015	**159.30**
Changes in equity share capital during the year	-
Balance as at 31 March 2016	**159.30**
Changes in equity share capital during the year	-
Balance as at 31 March 2017	**159.30**

B. Other equity

(₹ in million)

	Reserves and surplus (2)									Items of Other Comprehensive Income (2)		Total
	Capital reserve	Securities premium reserve	Capital redemption reserve	Amalgamation reserve	General reserve	Debenture redemption reserve	Share based payment reserve (Refer note 51)	Foreign currency monetary item translation difference account (FCMITDA)	Retained earnings	Equity instruments through OCI	Remeasurement of defined benefit obligations	
Balance as at 1 April 2015	**83.10**	**5,878.41**	**9.86**	**13.21**	**5,977.85**	**-**	**91.71**	**(150.32)**	**7,760.60**	**1.82**	**-**	**19,666.24**
Profit for the year	-	-	-	-	-	-	-	-	730.03	-	-	730.03
Other comprehensive income	-	-	-	-	-	-	-	-	-	0.38	(8.63)	(8.25)
Total comprehensive income for the year	-	-	-	-	-	-	-	-	**730.03**	**0.38**	**(8.63)**	**721.78**
Transfer to general reserve	-	-	-	-	71.69	-	(71.69)	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	(477.84)	-	-	(477.84)
Tax on dividend	-	-	-	-	-	-	-	-	(37.07)	-	-	(37.07)
Employee stock option expense (3)	-	-	-	-	-	-	5.32	-	-	-	-	5.32
Exchange loss during year on long-term foreign currency term loan	-	-	-	-	-	-	-	(152.31)	-	-	-	(152.31)
Amortised during the year	-	-	-	-	-	-	-	251.90	-	-	-	251.90
Balance as at 31 March 2016	**83.10**	**5,878.41**	**9.86**	**13.21**	**6,049.54**	**-**	**25.34**	**(50.73)**	**7,975.72**	**2.20**	**(8.63)**	**19,978.02**
Balance as at 1 April 2016	**83.10**	**5,878.41**	**9.86**	**13.21**	**6,049.54**	**-**	**25.34**	**(50.73)**	**7,975.72**	**2.20**	**(8.63)**	**19,978.02**
Profit for the year	-	-	-	-	-	-	-	-	791.94	-	-	791.94
Other comprehensive income	-	-	-	-	-	-	-	-		3.81	(12.82)	(9.01)
Total comprehensive income for the year	-	-	-	-	-	-	-	-	**791.94**	**3.81**	**(12.82)**	**782.93**
Transfer to general reserve	-	-	-	-	20.49	-	(20.49)	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	(477.84)	-	-	(477.84)
Tax on dividend	-	-	-	-	-	-	-	-	(58.01)	-	-	(58.01)
Employee stock option expense (3)	-	-	-	-	-	-	0.01	-	-	-	-	0.01
Transfer to debenture redemption reserves	-	-	-	-	-	374.60	-	-	(374.60)	-	-	-
Exchange loss during year on long-term foreign currency term loan	-	-	-	-	-	-	-	(18.01)	-	-	-	(18.01)
Amortised during the year	-	-	-	-	-	-	-	61.67	-	-	-	61.67
Balance as at 31 March 2017	**83.10**	**5,878.41**	**9.86**	**13.21**	**6,070.03**	**374.60**	**4.86**	**(7.07)**	**7,857.21**	**6.01**	**(21.45)**	**20,268.77**

Statement of Changes in Equity for the year ended 31 March 2017 (Continued)

Notes:

(1) During the year ended 31 March 2017 and 31 March 2016, the Company has paid dividend to its shareholders. This has resulted in payment of Dividend Distribution Tax (DDT) to the taxation authorities. The Company believes that DDT represents additional payment to taxation authority on behalf of the shareholders. Hence DDT paid is charged to equity. Distribution tax on dividend represents tax on dividend paid during the year ended 31 March 2017 amounting to ₹ 97.28 million (31 March 2016: ₹ 97.28 million) net off, distribution tax amounting to ₹ 39.27 million (31 March 2016: ₹ 60.21 million) on dividend received during the year from a subsidiary company

(2) Refer note 16 for nature and purpose of other equity.

(3) Refer note 51.

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

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

Pravin Tulsyan
Partner
Membership No.: 108044

Place: Noida
Date: 23 May 2017

For and on behalf of the Board of Directors of **Jubilant Life Sciences Limited**

Shyam S. Bhartia
Chairman
DIN:00010484

Rajiv Shah
Company Secretary

R. Sankaraiah
Executive Director-Finance

Hari S. Bhartia
Co-Chairman and Managing Director
DIN:00010499

Statement of Cash Flows for the year ended 31 March 2017

(₹ in million)

		For the year ended 31 March 2017	For the year ended 31 March 2016
A.	**Cash flow from operating activities**		
	Net profit before tax	1,145.21	863.91
	Adjustments :		
	Depreciation and amortisation expense	811.28	869.81
	(Gain)/loss on sale/ disposal/ discard/ impairment of property, plant and equipment (net)	(31.68)	7.15
	Finance costs	1,742.55	2,006.55
	Employee share based payment expense	0.01	3.81
	Amortisation of Foreign Currency Monetary Item Translation Difference	61.67	251.90
	Unrealised foreign exchange gain (including mark-to-market on forward contracts)	(28.16)	(63.85)
	Realised foreign exchange on loans to subsidiaries	-	(31.53)
	Interest income	(58.23)	(189.05)
	Dividend income	(192.92)	(258.63)
		2,304.52	**2,596.16**
	Operating cash flow before working capital changes	**3,449.73**	**3,460.07**
	(Increase)/ decrease in trade receivables, loans, other financial assets and other assets	(765.41)	239.91
	Decrease in inventories	208.33	374.99
	Increase/ (decrease) in trade payables, other financial liabilities, other liabilities and provisions	1,352.69	(2,295.52)
	Cash generated from operations	**4,245.34**	**1,779.45**
	Income tax paid (net of refund)	(53.81)	(136.47)
	Net cash generated from operating activities	**4,191.53**	**1,642.98**
B.	**Cash flow from investing activities (3)**		
	Purchase of property, plant and equipment, other intangible assets (including capital work-in-progress and intangible asset under development	(1,188.72)	(686.46)
	Sale of property, plant and equipment	162.28	4.55
	Investment in subsidiaries	-	(61.14)
	Purchase of other investments	-	(20.62)
	Proceeds on capital reduction in subsidiary (Refer note 52)	-	676.12
	Loans to subsidiaries (net)	-	862.78
	Proceeds from sale of businesses (Refer note 50)	-	4,153.43
	Movement in other bank balances*	11.29	(23.05)
	Interest received	391.58	52.73
	Dividend received	192.92	258.63
	Net cash (used in)/ generated from investing activities	**(430.65)**	**5,216.97**

Statement of Cash Flows for the year ended 31 March 2017 (Continued)

(₹ in million)

		For the year ended 31 March 2017	For the year ended 31 March 2016
C.	**Cash flow from financing activities**		
	Proceeds from long term borrowings/debentures	7,500.00	500.00
	Repayment of long term borrowings	(9,063.15)	(5,703.45)
	Proceeds/(repayment) from short term borrowings (net)	(2,722.17)	688.09
	Loans taken from subsidiaries	3,390.00	54.00
	Repayment of loans to subsidiaries	(259.17)	(867.80)
	Dividend paid (including dividend distribution tax)	(530.81)	(509.06)
	Finance costs paid	(1,698.66)	(2,006.14)
	Net cash used in financing activities	**(3,383.96)**	**(7,844.36)**
	Net increase/ decrease in cash and cash equivalents (A+B+C)	**376.92**	**(984.41)**
	Add: cash and cash equivalents at the beginning of year	382.94	1,367.35
	Cash and cash equivalents at the end of the year	**759.86**	**382.94**
	Components of cash and cash equivalents		
	Balances with banks:*		
	- On current accounts	394.21	325.86
	- On dividend accounts	45.57	40.53
	- On deposits accounts with original maturity up to three months	280.15	7.50
	Cash on hand	0.88	0.66
	Cheques/ drafts on hand	2.93	5.41
	Others		
	- Funds in transit	35.33	1.75
	- Imprest	0.79	1.23
		759.86	**382.94**

* ₹ 61.88 million (31 March 2016: ₹ 75.57 million) has restricted use.

Notes:

1. Statement of Cash Flow has been prepared under the indirect method as set out in the Ind AS 7 "Statement of Cash Flows".
2. During the year, the Company paid in cash ₹ 10.27 million (31 March 2016: ₹ 17.82 million) towards corporate social responsibility (CSR) expenditure (included in donation-Refer note 42).
3. Refer note 53.

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/W-100022

Pravin Tulsyan
Partner
Membership No.: 108044

Shyam S. Bhartia
Chairman
DIN:00010484

Place: Noida
Date: 23 May 2017

Rajiv Shah
Company Secretary

R. Sankaraiah
Executive Director-Finance

Hari S. Bhartia
Co-Chairman and Managing Director
DIN:00010499

Notes to the financial statements for the year ended 31 March 2017

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 BSE Limited and National Stock Exchange of India Limited. 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), specialty pharmaceuticals (sterile products) (including radiopharmaceuticals, allergy therapy products and contract manufacturing operations (CMO) of sterile injectable), and Life Science Ingredients (specialty intermediates, nutritional products and life science chemicals). It also provides Drug Discovery Solutions. 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

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

(i) Statement of compliance

These Standalone Ind AS Financial Statements ("financial statements") have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, ("the Act") and other relevant provisions of the Act.

The financial statements up to and for the year ended 31 March 2016 were prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (previous GAAP), notified under Section 133 of the Act and other relevant provisions of the Act.

As these are the Company's first financial statements prepared in accordance with Ind AS. Ind AS 101, First-time Adoption of Indian Accounting Standards has been applied. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in Note 55.

(ii) Historical cost convention

The financial statements have been prepared under historical cost convention on accrual basis, unless otherwise stated.

(b) Current versus non-current classification

The Company presents assets and liabilities in the Balance Sheet based on current/ non-current classification. An asset is treated as current when:

- It is expected to be realised or intended to be sold or consumed in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is expected to be realised within twelve months after the reporting period; or
- It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Company classifies all other assets as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle for the purpose of current-non current classification of assets and liabilities.

(c) Property, plant and equipment (PPE) and intangible assets

(i) Property, plant and equipment

Freehold land is carried at cost. All other items of property, plant and equipment are stated at cost, which includes capitalized finance costs, less accumulated depreciation and any accumulated impairment loss. Cost includes expenditure that is directly attributable to the acquisition of the items. The cost of an item of a PPE comprises its purchase price including import duty, and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition of its intended use. Any

Notes to the financial statements for the year ended 31 March 2017 (Continued)

trade discounts and rebates are deducted in arriving at the purchase price.

Expenditure incurred on startup 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 costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Advances paid towards acquisition of property, plant and equipment outstanding at each Balance Sheet date, are shown under other non-current assets and cost of assets not ready for intended use before the year end, are shown as capital work-in- progress.

(ii) 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 finance 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.
- Intangible assets that are acquired (including implementation of software system) are measured initially at cost.
- After initial recognition, an intangible asset is carried at its cost less 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.

(iii) Depreciation and amortization methods, estimated useful lives and residual value

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

Category of assets	Management estimate of useful life	Useful life as per Schedule II
Motor vehicles	5 years	8 years
Motor vehicles under finance lease	Tenure of lease or 5 years whichever is shorter	8 years
Computer servers and networks	5 years	6 years
Dies and punches for manufacture of dosage formulations	1-2 years	15 years
Employee perquisite related assets (except end user computers)	5 years, being the period of perquisite scheme	10 years

Leasehold land which qualify as finance lease is amortised over the lease period on straight line basis.

Notes to the financial statements for the year ended 31 March 2017 (Continued)

Software systems are being amortised over a period of five years being their useful life. Rights are amortised over the useful life

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Depreciation and amortization on property, plant and equipment and intangible assets added/ disposed off during the year has been provided on pro-rata basis with reference to the date of addition/disposal.

Depreciation and amortization methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

(iv) Derecognition

A property, plant and equipment and intangible assets is derecognised on disposal or when no future economic benefits are expected from its use and disposal. Losses arising from retirement and gains or losses arising from disposal of a tangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss.

(v) Transition to Ind AS

On transition to Ind AS, the Company has elected to measure all its property, plant and equipment and intangible assets at the previous GAAP carrying amount as its deemed cost on the date of transition of Ind AS i.e, 1 April 2015.

On transition to Ind AS, the Company has elected to exercise the option under Ind AS 21 for accounting of Exchange differences pertaining to long term foreign currency monetary items that are related to acquisition of depreciable/ amortisable assets to adjust in the carrying amount of the related property, plant and equipment amd intangible assets in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP. Accordingly amortization and depreciation on exchange fluctuation capitalized is charged over the remaining useful life of the respective assets.

(d) Non-current assets held for sale

Non-current assets, are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, are generally measured at the lower of their carrying amount and fair value less cost to sell. Losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognised in the Statement of Profit and Loss.

Once classified as held-for sale, property, plant and equipment and intangible assets are no longer amortised or depreciated.

(e) Impairment of non-financial assets

The Company's non-financial assets other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment loss recognized in respect of a CGU is allocated first to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

An impairment loss in respect of assets for which impairment loss has been recognized in prior periods, the Company reviews at reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(f) Financial instrument

A Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are

Notes to the financial statements for the year ended 31 March 2017 (Continued)

attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVPL)
- Equity instruments measured at fair value through other comprehensive income (FVOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables.

Debt instrument at FVOCI

A 'debt instrument' is classified as at the FVOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified to the Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVPL

FVPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVOCI, is classified as at FVPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortised cost or FVOCI criteria, as at FVPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

Investments in subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses, if any.

Notes to the financial statements for the year ended 31 March 2017 (Continued)

Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

Upon first-time adoption of Ind AS, the Company has elected to measure its investments in subsidiaries at the previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS i.e., 1 April 2015.

Impairment of financial assets

The Company recognizes loss allowance using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all financial assets with contractual cash flows other than trade receivable, ECLs are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of ECLs (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised as an impairment gain or loss in the Statement of Profit and Loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Transition to Ind AS

Under previous GAAP, the Company has derecognized any assets or liabilities for accounting purposes as and when the asset was written off or liability written back. On transition to Ind AS, the Company has elected to apply the de-recognition provision of Ind AS 109 prospectively from the date of transition to Ind AS.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVPL. A financial liability is classified as at FVPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVPL are measured at fair value and net gains and losses, including any interest expense, are recognised in Statement of Profit and Loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in Statement of Profit and Loss. Any gain or loss on derecognition is also recognised in Statement of Profit and Loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Derivative financial instruments

The Company uses various types of derivative financial instruments to hedge its currency and interest risk etc. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured

Notes to the financial statements for the year ended 31 March 2017 (Continued)

at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the Balance Sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(g) 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-progress 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)	Weighted average method
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. Excise duty liability is included in the valuation of closing inventory of finished goods.

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.

(h) Cash and cash equivalents

Cash and cash equivalent comprise cash at banks and on hand (including imprest) and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

(i) Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(j) Revenue recognition

Revenue from sale of products is recognised when the property in the goods, or all significant risks and rewards of ownership of the products have been transferred to the buyer, and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of products as well as regarding its collection. Revenues include excise duty and are shown net of sales tax, value added tax, and applicable discounts and allowances 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.

Goods sold on consignment are recorded as inventory until goods are sold by the consignee to the end customer.

Sale of utility is recognised on delivery of the same to the consumers and no significant uncertainty exists as to its realisation.

Notes to the financial statements for the year ended 31 March 2017 (Continued)

Export incentive entitlements are recognised as income when the right to receive credit as per the terms of the scheme is established in respect of the exports made, and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds. These are presented as other operating income in the Statement of Profit and Loss.

(k) Employee benefits

(i) *Short-term employee benefits:* All employee benefits falling due within twelve months of the end of the period in which the employees render the related services are classified as short-term employee benefits, which include benefits like salaries, wages, short term compensated absences, performance incentives, etc. and are 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 benefits plans and defined contribution plans as under:

a) Gratuity

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount based on the respective employee's salary and the tenure of employment. The liability in respect of Gratuity, is recognised in the books of accounts based on actuarial valuation by an independent actuary. The gratuity liability for certain employees 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.

For other employees in India, provident fund is deposited with Regional Provident Fund Commissioner. This is treated as defined contribution plan.

(ii) Company's contribution to the provident fund is charged to Statement of Profit and Loss.

(iii) *Other long-term employee benefits:* Compensated absences:

As per the Company's policy, eligible leaves can be accumulated by the employees and carried forward to future periods to either be utilised during the service, or encashed. Encashment can be made during service, on early retirement, on withdrawal of scheme, at resignation and upon death of the employee. Accumulated compensated absences are treated as other long-term employee benefits .The Company's liability in respect of other long-term employee benefits is recognised in the books of account based on actuarial valuation using projected unit credit method as at Balance Sheet date by an independent actuary. 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.

Actuarial valuation

The liability in respect of all defined benefit plans is accrued in the books of account on the basis of actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method, which recognizes each year of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based

Notes to the financial statements for the year ended 31 March 2017 (Continued)

on the market yields on Government securities as at the Balance Sheet date, having maturity periods approximating to the terms of related obligations.

Remeasurement gains and losses in respect of all defined benefit plans arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the Statement of Changes in Equity and in the Balance Sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs. Any differential between the plan assets (for a funded defined benefit plan) and the defined benefit obligation as per actuarial valuation is recognised as a liability if it is a deficit or as an asset if it is a surplus (to the extent of the lower of present value of any economic benefits available in the form of refunds from the plan or reduction in future contribution to the plan).

Past service cost is recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits are already vested immediately following the introduction of, or changes to, a defined benefit plan, the past service cost is recognised immediately in the Statement of Profit and Loss. Past service cost may be either positive (where benefits are introduced or improved) or negative (where existing benefits are reduced)

(l) Share-based payments

The Company has adopted the policy to account for Employees Welfare Trust as a legal entity separate from the company but as a subsidiary of the company. Any loan from the company to the trust is accounted for as a loan in accordance with its term.

The grant date fair value of options granted (net of estimated forfeiture) to employees of the Company is recognized as an employee expense, and those granted to employees of subsidiaries is considered as the Company's equity contribution and is added to the carrying value of investment in the respective subsidiaries, with a corresponding increase in share option outstanding account, over the period that the employees become unconditionally entitled to the options. The expense is recorded for each separately vesting portion of the award as if the award was, in substance, multiple awards. The increase in equity recognized in connection with share based payment transaction is presented as a separate component in equity under "share based payment reserve". The amount recognized as an expense is adjusted to reflect the actual number of stock options that vest. For the option awards, grant date fair value is determined under the option-pricing model (Black-Scholes Merton). Forfeitures are estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures materially differ from those estimates.

Corresponding balance of a share based payment reserve is transferred to general reserve upon expiry of grants or upon exercise of stock options by an employee, as the Company is operating the Employee Stock Option schemes through Jubilant Employees Welfare Trust, which has purchased share from the secondary market.

(m) Finance costs

Finance costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Finance cost also includes exchange differences to the extent regarded as an adjustment to the finance costs. Finance costs that are directly attributable to the construction or production or development of a qualifying asset are capitalized as part of the cost of that asset. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. All other finance costs are expensed in the period in which they occur.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the finance costs eligible for capitalization. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the effective interest method Ancillary costs incurred in connection with the arrangement of borrowings are amortised over the period of such borrowings.

(n) Income tax

Income tax expense comprises current and deferred tax. It is recognised in Statement of Profit and Loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

- *Current tax:*

  Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable

Notes to the financial statements for the year ended 31 March 2017 (Continued)

or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received after considering uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

- *Deferred tax:*

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to freehold land and investments in subsidiaries, to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets (DTA) include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used. Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

For operations carried out in SEZs, deferred tax assets or liabilities, if any, have been established for the tax consequences of those temporary differences between the carrying values of assets and liabilities and their respective tax bases that reverse after the tax holiday ends.

(o) Leases

At the inception of each lease, the lease arrangement is classified as either a finance lease or an operating lease, based on the substance of the lease arrangement.

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. A finance lease is recognized as an asset and a liability at the commencement of the lease, at the lower of the fair value of the asset and the present value of the minimum lease payments. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability

Operating leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

(p) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Chairman and Co-Chairman and Managing Director (CCMD) of the Company is responsible for allocating resources and assessing performance of the operating segments and accordingly identified as the chief operating decision maker. Revenues, expenses, assets and liabilities, which are common to the enterprise as a whole

Notes to the financial statements for the year ended 31 March 2017 (Continued)

and are not allocable to segments on a reasonable basis, have been treated as "unallocated revenues/ expenses/ assets/ liabilities", as the case may be.

(q) Foreign currency translation

(i) Functional and presentation currency

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

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at Balance Sheet date exchange rates are generally recognised in Statement of Profit and Loss.

On transition to Ind AS, the Company has elected to exercise the option for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP.

The Company had adopted following policy for long-term foreign currency monetary items accounted in previous GAAP:

(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.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example translation differences on non-monetary assets such as equity investments classified as FVOCI are recognised in other comprehensive income (OCI).

(r) Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the Statement of Profit and Loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to Statement of Profit and Loss on a straight-line basis over the expected lives of the related assets and presented within other income.

(s) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares

(t) Measurement of fair values

A number of the accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability,

Notes to the financial statements for the year ended 31 March 2017 (Continued)

either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company has an established control framework with respect to the measurement of fair values. This includes a finance team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values.

The finance team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, is used to measure fair values, then the finance team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values used in preparing these financial statements is included in the respective notes.

(u) Critical estimates and judgements

The preparation of Financial Statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes.

- Recognition and estimation of tax expense including deferred tax– Note 30
- Estimated impairment of financial assets and non-financial assets – Note 2(e), 2(f)
- Assessment of useful life of property, plant and equipment and intangible asset – Note 2(c)
- Estimation of assets and obligations relating to employee benefits – Note 32
- Share-based payments – Note 51
- Valuation of Inventories – Note 2(g)
- Recognition and measurement of contingency: Key assumption about the likelihood and magnitude of an outflow of resources – Note 38
- Lease classification – Note 39(b)
- Fair value measurement – Note 2(t)

(v) Recent accounting pronouncements

Applicable standards issued but not yet effective

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Company is evaluating the requirements of the amendment and the effect on the financial statements.

Notes to the financial statements for the year ended 31 March 2017 (Continued)

(₹ in million)

3. Property, plant and equipment

Description	Land-Freehold	Land-Leasehold (4)	Building-Factory	Building-Others	Plant and equipment	Furniture and fixtures	Vehicles-Owned	Vehicles-Leased	Office equipment	Railway sidings	Total
Gross carrying amount											
Deemed cost as at 1 April 2015	**219.57**	**380.07**	**848.87**	**1,570.13**	**10,937.71**	**82.93**	**23.71**	**19.89**	**219.64**	**108.43**	**14,410.95**
Additions/adjustments (5)	-	2.93	8.08	48.14	472.04	9.44	4.54	12.16	45.27	-	**602.60**
Deductions/adjustments	-	-	(1.00)	-	(62.16)	(4.10)	(0.11)	(4.72)	(1.40)	-	**(73.49)**
Gross carrying amount as at 31 March 2016	**219.57**	**383.00**	**855.95**	**1,618.27**	**11,347.59**	**88.27**	**28.14**	**27.33**	**263.51**	**108.43**	**14,940.06**
Accumulated depreciation as at 1 April 2015	-	-	-	-	-	-	-	-	-	-	-
Depreciation charge for the year	-	5.38	32.01	36.75	637.02	19.18	7.27	10.44	75.74	11.08	**834.87**
Deductions/adjustments	-	-	(0.03)	-	(2.99)	(0.58)	-	(2.66)	(0.27)	-	**(6.53)**
Accumulated depreciation as at 31 March 2016	-	**5.38**	**31.98**	**36.75**	**634.03**	**18.60**	**7.27**	**7.78**	**75.47**	**11.08**	**828.34**
Net carrying amount as at 31 March 2016	**219.57**	**377.62**	**823.97**	**1,581.52**	**10,713.56**	**69.67**	**20.87**	**19.55**	**188.04**	**97.35**	**14,111.72**
Capital work-in-progress (CWIP)											
As at 31 March 2016											**348.28**
As at 1 April 2015											**200.17**

Description	Land-Freehold	Land-Leasehold (4)	Building-Factory	Building-Others	Plant and equipment	Furniture and fixtures	Vehicles-Owned	Vehicles-Leased	Office equipment	Railway sidings	Total
Gross carrying amount as at 1 April 2016	**219.57**	**383.00**	**855.95**	**1,618.27**	**11,347.59**	**88.27**	**28.14**	**27.33**	**263.51**	**108.43**	**14,940.06**
Additions/adjustments (5)	-	4.85	38.96	37.71	838.17	8.51	3.69	14.87	27.80	-	**974.56**
Deductions/adjustments	-	(63.02)	-	-	(69.67)	(3.07)	(0.24)	(4.43)	(1.87)	-	**(142.30)**
Gross carrying amount as at 31 March 2017	**219.57**	**324.83**	**894.91**	**1,655.98**	**12,116.09**	**93.71**	**31.59**	**37.77**	**289.44**	**108.43**	**15,772.32**
Accumulated depreciation as at 1 April 2016	-	**5.38**	**31.98**	**36.75**	**634.03**	**18.60**	**7.27**	**7.78**	**75.47**	**11.08**	**828.34**
Depreciation charge for the year	-	5.27	31.81	37.67	611.11	16.66	6.80	9.17	54.84	11.08	**784.41**
Deductions/adjustments	-	(1.63)	-	-	(6.19)	(1.17)	-	(4.40)	(0.89)	-	**(14.28)**
Accumulated depreciation as at 31 March 2017	-	**9.02**	**63.79**	**74.42**	**1,238.95**	**34.09**	**14.07**	**12.55**	**129.42**	**22.16**	**1,598.47**
Net carrying amount as at 31 March 2017	**219.57**	**315.81**	**831.12**	**1,581.56**	**10,877.14**	**59.62**	**17.52**	**25.22**	**160.02**	**86.27**	**14,173.85**
Net carrying amount as at 31 March 2016	**219.57**	**377.62**	**823.97**	**1,581.52**	**10,713.56**	**69.67**	**20.87**	**19.55**	**188.04**	**97.35**	**14,111.72**
Capital work-in-progress (CWIP)											
As at 31 March 2017											**646.22**
As at 31 March 2016											**348.28**

Notes:

(1) Refer note 17(c) for information on property, plant and equipment are provided as security by the company.

(2) Refer note 39(a) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(3) Refer note 44(b) for finance costs capitalised.

(4) Represent land on long-term lease basis.

(5) Includes ₹ 15.89 million (31 March 2016: ₹ 10.57 million) in respect of Research and development (R&D) Assets.

(6) Capital research and development expenditure aggregating to ₹ 14.30 million (31 March 2016: ₹ 12.34 million) incurred during the year included in additions to fixed assets/capital work in progress.

(7) Addition to fixed assets (including movement in CWIP) includes exchange gain of ₹ 3.80 million (31 March 2016: exchange loss of ₹ 136.03 million) (Refer note 48).

Notes to the financial statements for the year ended 31 March 2017 (Continued)

(₹ in million)

	Rights	Softwares	Total
4. Other intangible assets			
Gross carrying amount			
Deemed cost as at 1 April 2015	**12.24**	**59.26**	**71.50**
Additions/adjustments	-	4.10	**4.10**
Gross carrying amount as at 31 March 2016	**12.24**	**63.36**	**75.60**
Accumulated amortisation as at 1 April 2015	-	-	**-**
Amortisation for the year	6.99	27.95	**34.94**
Accumulated amortisation as at 31 March 2016	**6.99**	**27.95**	**34.94**
Net carrying amount as at 31 March 2016	**5.25**	**35.41**	**40.66**
Intangible assets under development			
As at 31 March 2016			**8.52**
As at 1 April 2015			**-**

(₹ in million)

	Rights	Softwares	Total
Gross carrying amount as at 1 April 2016	**12.24**	**63.36**	**75.60**
Additions/adjustments	-	23.84	23.84
Gross carrying amount as at 31 March 2017	**12.24**	**87.20**	**99.44**
Accumulated amortisation as at 1 April 2016	**6.99**	**27.95**	**34.94**
Amortisation for the year	5.25	21.62	26.87
Accumulated amortisation as at 31 March 2017	**12.24**	**49.57**	**61.81**
Net carrying amount as at 31 March 2017	**-**	**37.63**	**37.63**
Net carrying amount as at 31 March 2016	**5.25**	**35.41**	**40.66**
Intangible assets under development			
As at 31 March 2017			7.78
As at 31 March 2016			8.52

(₹ in million)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
5. Non-current Investments			
I. Investment in equity shares (at cost)			
Unquoted investments (fully paid up)			
Subsidiary companies:			
375 (31 March 2016: 375; 1 April 2015: 375) equity shares with no par value			
Jubilant Life Sciences (USA) Inc.	17.11	17.11	17.11
326,758,994 (31 March 2016: 326,758,994; 1 April 2015: 326,758,994) equity shares of with USD 1 par value			
Jubilant Pharma Limited	14,913.01	14,913.65	14,912.51
34,484,000(31 March 2016: 34,484,000; 1 April 2015: 34,484,000) equity shares of ₹ 10 each			
Jubilant Infrastructure Limited	1,298.82	1,298.82	1,298.74
2,050,000(31 March 2016: 2,050,000; 1 April 2015: 14,963,171) equity shares of ₹ 10 each			
Jubilant First Trust Healthcare Limited (1)	44.43	44.43	690.55
Nil (31 March 2016: Nil; 1 April 2015: 100,000 equity shares of ₹ 10 each)			

Notes to the financial statements for the year ended 31 March 2017 (Continued)

(₹ in million)

		As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
	First Trust Medicare Private Limited (1)	-	-	30.00
	437,503 (31 March 2016: 437,503; 1 April 2015: 437,503) equity shares of with USD 1 par value			
	Jubilant Life Sciences International Pte. Limited	3.56	2.91	2.91
	99,999 (31 March 2016: 99,999; 1 April 2015: 99,999) equity shares with no par value			
	Jubilant Life Sciences NV	7.81	7.81	7.81
	1,050,001 (31 March 2016: 1,050,001; 1 April 2015: 100,001) equity shares of with USD 1 par value			
	Drug Discovery and Development Solutions Limited	406.99	406.99	345.57
		16,691.73	**16,691.72**	**17,305.20**
II.	**Investment in equity shares (at fair value through other comprehensive income)**			
	Unquoted investments (fully paid up)			
	Other Companies:			
	6,569,310 (31 March 2016: 6,569,310; 1 April 2015: 4,550,000) equity shares of ₹ 10 each			
	Forum I Aviation Limited	72.13	68.32	47.32
		72.13	**68.32**	**47.32**
III.	**Investment in preference shares (at cost)**			
	Preference shares-unquoted (fully paid up)			
	Subsidiary companies:			
	186,620,000 (31 March 2016: Nil; 1 April 2015: Nil) 12% optionally convertible non-cumulative redeemable preference shares of ₹ 10 each			
	Jubilant Biosys Limited (2)	-	-	-
	Nil (31 March 2016: 6,200,000; 1 April 2015: 6,200,000) 8% optionally convertible non-cumulative redeemable preference shares of ₹ 10 each			
	Jubilant Chemsys Limited	-	62.00	62.00
	2,700,000 (31 March 2016: 6,200,000; 1 April 2015: 6,200,000) 8% optionally convertible non-cumulative redeemable preference shares of ₹ 10 each			
	Jubilant Clinsys Limited (3)	27.00	62.00	62.00
	20,850,000 (31 March 2016: 13,500,000; 1 April 2015: 20,850,000) 6% optionally convertible non-cumulative redeemable preference shares of ₹ 10 each			
	Jubilant Clinsys Limited (3)	208.50	135.00	208.50
		235.50	**259.00**	**332.50**
	Total non-current investments	**16,999.36**	**17,019.04**	**17,685.02**
	Aggregate amount of unquoted investments	**16,999.36**	**17,019.04**	**17,685.02**
	Note:			
	(1) Refer note 52.			
	(2) Refer note 53.			
	(3) Refer note 54.			

Notes to the financial statements for the year ended 31 March 2017 (Continued)

(₹ in million)

	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	Current	Non-current	Current	Non-current	Current	Non-current
6. Loans **Unsecured, considered good**						
Security deposits	63.78	23.78	42.42	43.40	65.18	41.75
Loan to related parties (Refer note 37)	111.99	-	-	200.99	831.25	410.39
Loan to employees	5.32	5.76	3.99	6.34	3.35	8.37
Total loans	**181.09**	**29.54**	**46.41**	**250.73**	**899.78**	**460.51**

(₹ in million)

	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	Current	Non-current	Current	Non-current	Current	Non-current
7. Other financial assets						
Other bank balances:						
Deposits with maturity after 12 months from the reporting date (1)	-	9.55	-	-	-	4.49
Foreign-exchange forward contracts	-	-	-	-	80.51	-
Recoverable from related parties (2) (Refer note 37)	682.95	-	929.24	-	4,828.16	-
Insurance claims receivable	26.69	-	35.09	-	19.23	-
Interest receivable	39.54	-	1.36	-	0.83	-
Others	74.57	-	39.56	-	9.93	-
Total other financial assets	**823.75**	**9.55**	**1,005.25**	**-**	**4,938.66**	**4.49**

Note:

(1) These deposits have restricted use.

(2) Including due by directors and private companies having common director aggregating to ₹ 3.37 million (31 March 2016: ₹ 4.12 million; 1 April 2015: ₹ 0.25 million)

8. Deferred tax

Deferred income tax reflect the net tax effects of temporary difference between the carrying amount of asset and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant component of the Company's net deferred income tax are as follows:

Deferred tax assets: (₹ in million)

	Provision for Compensated absences and gratuity	Expenditure allowed on actual payment basis	MAT credit entitlement	Accrued expenses and other temporary differences	Total
As at 1 April 2015	**189.28**	**47.21**	**2,041.39**	**126.85**	**2,404.73**
(Charged)/credited					
- to Statement of Profit and Loss	12.27	(37.34)	61.80*	12.61	**49.34**
- to other comprehensive income	4.57	-	-	-	**4.57**
As at 31 March 2016	**206.12**	**9.87**	**2,103.19**	**139.46**	**2,458.64**
(Charged)/credited					
- to Statement of Profit and Loss	8.81	13.38	81.53	(127.90)	**(24.18)**
- to other comprehensive income	6.79	-	-	-	**6.79**
As at 31 March 2017	**221.72**	**23.25**	**2,184.72**	**11.56**	**2,441.25**

* Net of MAT credit utilization forming part of current tax ₹ 18.36 million.

Notes to the financial statements for the year ended 31 March 2017 (Continued)

Deferred tax liabilities:

(₹ in million)

	Depreciation and amortisation	Others	Total
At 1 April 2015	**2,125.44**	**81.42**	**2,206.86**
Charged/(credited)			
- to Statement of Profit and Loss	65.55	(48.51)	17.04
- to other comprehensive income	-	-	-
As at 31 March 2016	**2,190.99**	**32.91**	**2,223.90**
Charged/(credited)			
- to Statement of Profit and Loss	144.86	(21.50)	123.36
- to other comprehensive income	-	-	-
As at 31 March 2017	**2,335.85**	**11.41**	**2,347.26**

Reflected in the Balance Sheet as follows:

(₹ in million)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Deferred tax assets	2,441.25	2,458.64	2,404.73
Deferred tax liabilities:	2,347.26	2,223.90	2,206.86
Deferred tax asset, net	**93.99**	**234.74**	**197.87**

Reconciliation of deferred tax asset (net):

(₹ in million)

	For the year ended 31 March 2017	For the year ended 31 March 2016
Balance as at the commencement of the year	**234.74**	**197.87**
Credit / (Expense) during the year recognised in Statement of Profit and Loss (including MAT)*	(147.54)	32.30
Credit during the year recognised in OCI	6.79	4.57
Balance as at the end of the year	**93.99**	**234.74**

*Including MAT credit entitlement of ₹ 18.36 million forming part of current tax for the year ended 31 March 2016.

DTA has not been recognized on temporary differences in relation to indexation benefit of investment in subsidiaries and freehold land amounting to ₹ 3,747.98 million (31 March 2016: ₹ 3,449.57; 1 April 2015: ₹ 3,152.82 million) and ₹ 81.05 million (31 March 2016: ₹ 75.90 million; 1 April 2015: ₹ 69.22 million) respectively, as the Company is able to control the timing of the reversal of the temporary difference and it is probable that the temporary differences will not reverse in foreseeable future. Further, DTA on temporary differences of capital nature amounting to ₹ 430.56 million (31 March 2016: ₹ 430.56; 1 April 2015: ₹ 422.88) has not been recognized as the management believes it is probable that the temporary differences will not reverse in foreseeable future.

(₹ in million)

		As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
9.	**Other non-current assets**			
	Capital advances	7.54	4.74	2.69
	Prepaid expenses	282.35	299.21	315.91
	Total other non-current assets	**289.89**	**303.95**	**318.60**

Notes to the financial statements for the year ended 31 March 2017 (Continued)

(₹ in million)

		As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
10.	**Inventories**			
	Raw materials [including goods-in-transit ₹ 257.14 million (31 March 2016: ₹ 133.33 million; 1 April 2015: ₹ 1,186.18 million)]	1,850.81	2,395.81	3,058.76
	Work-in-progress	652.58	470.30	469.21
	Finished goods	1,415.57	980.95	871.69
	Stock-in-trade	29.48	16.56	20.67
	Stores and spares [including goods-in-transit ₹ 6.25 million (31 March 2016: ₹ 5.78 million; 1 April 2015: ₹ 24.66 million)]	176.73	175.70	199.82
	Others- process chemicals and fuels [including goods-in-transit ₹ 50.21 million (31 March 2016: ₹ 60.63 million; 1 April 2015: ₹ 31.54 million)]	419.13	713.31	507.47
	Total inventories	**4,544.30**	**4,752.63**	**5,127.62**

Note:

Write down of inventories amounted to ₹ 36.04 million (31 March 2016: ₹ 39.29 million).

(₹ in million)

		As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
11.	**Current Investments**			
	Investment in preference shares (at cost)			
	Preference shares-unquoted (fully paid up)			
	Subsidiary companies:			
	Nil (31 March 2016: 7,350,000; 1 April 2015: Nil) 6% optionally convertible non-cumulative redeemable preference shares of ₹ 10 each			
	Jubilant Clinsys Limited (1)	-	73.50	-
	3,500,000 (31 March 2016: Nil; 1 April 2015: Nil) 8% optionally convertible non-cumulative redeemable preference shares of ₹ 10 each			
	Jubilant Clinsys Limited (1)	35.00	-	-
	6,200,000 (31 March 2016: Nil; 1 April 2015: Nil) 8% optionally convertible non-cumulative redeemable preference shares of ₹ 10 each			
	Jubilant Chemsys Limited	62.00	-	-
	Total current investments	**97.00**	**73.50**	**-**
	Aggregate amount of unquoted investments	**97.00**	**73.50**	**-**

(1) Refer note 54.

Notes to the financial statements for the year ended 31 March 2017 (Continued)

(₹ in million)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
12. Trade receivables			
Unsecured and current			
Trade receivables	2,210.99	1,798.29	2,531.92
Receivables from related parties (Refer note 37)	1,651.36	1,624.99	1,116.89
Less: Expected credit loss allowance	(5.69)	(10.33)	(14.15)
Total receivables (1)	**3,856.66**	**3,412.95**	**3,634.66**

Note:

(1) Refer note 34 for expected credit loss for trade receivables

(₹ in million)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
13(a). Cash and cash equivalents			
Balances with banks			
- in current accounts	394.21	325.86	1,239.82
- in dividend accounts	45.57	40.53	34.68
- on deposit accounts with original maturity up to three months	280.15	7.50	0.90
Cash on hand	0.88	0.66	0.76
Cheques/ drafts on hand	2.93	5.41	74.22
Others			
- Funds in transit	35.33	1.75	15.85
- Imprest	0.79	1.23	1.12
Total cash and cash equivalents (1)	**759.86**	**382.94**	**1,367.35**

(1) ₹ 45.63 million (31 March 2016: ₹ 48.03 million; 1 April 2015: ₹ 35.58 million) has restricted use.

(₹ in million)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
13(b). Other bank balances			
Deposit accounts with maturity up to twelve months from the reporting date-held as margin money	6.70	27.54	-
Total other bank balances (2)	**6.70**	**27.54**	**-**
(2) These have restricted use.			

(₹ in million)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
14. Other current assets			
Prepaid expenses	119.38	93.78	85.29
Recoverable from/ balance with government authorities (1)	856.38	732.33	522.51
Advance to employees	2.90	5.19	6.33
Advance for supply of goods and services	145.01	82.64	123.38
Assets held for sale (2)	47.71	58.45	58.34
Others	2.35	2.36	2.33
Total other current assets	**1,173.73**	**974.75**	**798.18**

Note:

(1) Refer note 44(a).

(2) Represents property, plant and equipments which are not considered for active use and are expected to be sold in due course.

Notes to the financial statements for the year ended 31 March 2017 (Continued)

(₹ in million)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
15. Equity share capital			
Authorised			
655,000,000 (31 March 2016 : 655,000,000; 1 April 2015: 655,000,000) equity shares of ₹ 1 each	655.00	655.00	655.00
	655.00	**655.00**	**655.00**
Issued and subscribed			
159,313,139 (31 March 2016 : 159,313,139; 1 April 2015: 159,313,139) equity shares of ₹ 1 each	159.31	159.31	159.31
	159.31	**159.31**	**159.31**
Paid up capital			
159,281,139 (31 March 2016 : 159,281,139; 1 April 2015: 159,281,139) equity shares of ₹ 1 each	159.28	159.28	159.28
Add: Equity shares forfeited (paid up)	0.02	0.02	0.02
	159.30	**159.30**	**159.30**

Movements in equity share capital:

	As at 31 March 2017		As at 31 March 2016	
	Number	₹ in million	Number	₹ in million
At the commencement and at the end of the year	159,281,139	159.28	159,281,139	159.28

Terms and rights attached to equity shares:

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. The distribution will be in proportion to the number of equity shares held by the shareholders.

Details of shareholders holding more than 5% shares in the Company:

Equity shares of ₹ 1 each fully paid-up held by	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	Number	% of total shares	Number	% of total shares	Number	% of total shares
Jubilant Stock Holding Private Limited	21,871,992	13.73 %	29,676,992	18.63 %	29,676,992	18.63 %
SSB Consultants & Management Services Private Limited	21,007,665	13.19 %	21,007,665	13.19 %	21,007,665	13.19 %
HSB Corporate Consultants Private Limited	18,698,979	11.74 %	18,698,979	11.74 %	18,698,979	11.74 %
GA Global Investments Limited	-	-	-	-	10,380,339	6.52 %

Aggregate number of shares issued for consideration other than cash:

Paid up capital includes, 501,364 (31 March 2016: 501,364; 1 April 2015: 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.

Others:

a) 114,835 (31 March 2016: 114,835; 1 April 2015: 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". (Refer note 51)

Notes to the financial statements for the year ended 31 March 2017 (Continued)

b) Under the Jubilant Employees Stock Option 2005 Plan as at 31 March 2017- 2,867 (31 March 2016: 8,467; 1 April 2015: 105,495) outstanding options are convertible into 14,335 (31 March 2016: 42,335; 1 April 2015: 527,475) shares. (Refer note 51).

c) Under the Jubilant Employees Stock Option 2011 Plan as at 31 March 2017- 71,185 (31 March 2016: 431,256; 1 April 2015: 1,112,306) outstanding options are convertible into 71,185 (31 March 2016: 431,256; 1 April 2015: 1,112,306) shares. (Refer note 51).

16. Nature and purpose of other equity

- *Capital reserve*

  Accumulated capital surplus not available for distribution of dividend and expected to remain invested permanently.

- *Securities premium reserve*

  The unutilized accumulated excess of issue price over face value on issue of shares. This reserve is utilised in accordance with the provisions of the Act.

- *Capital redemption reserve*

  Capital redemption reserve represents the unutilized accumulated amount set aside at the time of redemption of preference shares. This reserve is utilised in accordance with the provisions of the Act.

- *Amalgamation reserve*

  Amalgamation reserve represents the unutilized accumulated surplus created at the time of amalgamation of another company with the Company. This reserve is not available for distribution of dividend and is expected to remain invested permanently.

- *General reserve*

  This represents appropriation of profit by the Company and is available for distribution of dividend.

- *Debenture redemption reserve*

  The Company is required to create a debenture redemption reserve out of the profits prior to the redemption of debentures. This reserve is available for distribution of dividend post redemption of debentures.

- *Share based payment reserve*

  The fair value of the equity settled share based payment transactions with employees is recognised in Statement of Profit and Loss with corresponding credit to share based payment reserve. Further, equity settled share based payment transaction with employees of subsidiary is recognised in investment of subsidiaries with corresponding credit to Share based payment reserve. Corresponding balance of a share based payment reserve is transferred to general reserve upon expiry of grants or upon exercise of stock options by an employee, as the Company is operating the Employee Stock Option schemes through Jubilant Employees Welfare Trust, which has purchased share from the secondary market.

- *Foreign Currency Monetary Item Translation Difference Account (FCMITDA)*

  This represent accumulated Monetary Item Translation Difference of long-term foreign currency monetary items to be amortised over the period in which long-term foreign currency monetary items is payable.

- *Equity instrument through OCI*

  The Company has elected to recognize changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the equity instrument through OCI within equity. The Company transfers amount therefrom to retained earnings when the relevant equity securities are derecognized.

- *Remeasurements of defined benefit obligation*

  Remeasurements of defined benefit obligation comprises actuarial gains and losses and return on plan assets.

Notes to the financial statements for the year ended 31 March 2017 (Continued)

(₹ in million)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
17(a). Non-current borrowings			
Secured Debentures			
Secured Rated Listed Non-Convertible Debentures	4,930.32	-	-
Term Loans			
From Banks			
Indian rupee loans (secured)	3,669.20	5,831.91	6,817.98
Other foreign currency loans (secured)	-	1,223.59	2,181.28
From other parties			
Indian rupee loans (secured)	1,859.36	3,863.73	5,983.93
Other foreign currency loans (secured)	-	-	1,250.00
From related parties			
Indian rupee loans from subsidiaries (unsecured)	3,392.40	215.07	1,028.87
Long term maturity of finance lease obligations (secured)	18.89	14.01	11.85
Total non-current borrowings	**13,870.17**	**11,148.31**	**17,273.91**
Add: Current maturities of non-current borrowings (Refer note 20)	1,328.41	2,388.88	1,951.98
Add: Current maturities of financial lease obligations (Refer note 20)	8.73	7.50	10.56
Total Non-current borrowings (including non-current maturities)	**15,207.31**	**13,544.69**	**19,236.45**

(₹ in million)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
17(b). Current borrowings			
Loans repayable on demand			
From Banks			
Secured	43.47	2,392.81	886.98
Unsecured	1,696.28	2,069.11	2,136.85
From others			
Secured	-	-	750.00
From related parties(unsecured)	31.00	77.50	77.50
Total current borrowings	**1,770.75**	**4,539.42**	**3,851.33**

17a. Nature of security of Non-current borrowings and other terms of repayment

17(a) (i) Indian rupee term loans amounting to ₹ 3,849.00 million (31 March 2016: ₹ 7,903.92 million; 1 April 2015: ₹ 10,181.53 million) from Axis Bank Limited, RBL Bank Limited and Non Convertible Debentures amounting to ₹ 4,950.00 million (31 March 2016: Nil; 1 April 2015: ₹ NIL), External commercial borrowings amounting to ₹ 1,199.72 million (31 March 2016: ₹ 2,318.75 million; 1 April 2015: ₹ 2,968.75 million) from DBS Bank Limited, Singapore and foreign currency loans amounting to ₹ Nil (31 March 2016: ₹ 1,325 million; 1 April 2015: ₹ 2,187.50 million) from Export Import Bank of India are secured by a first pari-passu charge created/ to be created amongst the lenders by way of:

1) Mortgage on the immovable fixed assets, both present and future, situate at:

(a) Bhartiagram, Tehsil Dhanora, District Amroha, Uttar Pradesh, India, save and except the following immovable fixed assets from mortgage with effect from current year

i.) Land measuring 90124.24 square meters together with all the buildings and structures thereon situated in the revenue estate of Village Naipura Khadar and Tigariya Bhoor, Tehsil Dhanora, District Amroha, Uttar Pradesh, India, being under common title deeds with other group companies;

Notes to the financial statements for the year ended 31 March 2017 (Continued)

ii.) Land measuring 5.56 Acres OR 2.253 Hectares together with all the buildings and structures thereon situated in the revenue estate of Village Fazalpur Gosai, Tehsil Dhanora, District Amroha, Uttar Pradesh, India; and

iii.) Leasehold Land, being plot no. A-4/2 measuring 157509 square meters, together with all the buildings and structures thereon situated in UPSIDC Industrial Area II, Gajraula, Tehsil Dhanora, District Amroha, Uttar Pradesh, India, being under common lease deed with other group companies;

(b) Village Samlaya, Taluka Savli, District Vadodra, Gujarat, India, and

2) Hypothecation on the entire movable fixed assets, both present and future of the Company. (1 April 2015: Indian rupee loan from Axis Bank Limited was further secured by exclusive first charge created by way of hypothecation on receivable of USD 52.50 million (Rupee equivalent converted at closing rate ₹ 3,281.25 million) from Jubilant Generics Limited arising on account of Business Transfer Agreement) (Refer note 50).

17(a) (ii) Indian rupee term loan amounting to ₹ 1,875.00 million (31 March 2016: ₹ 1,875.00 million; 1 April 2015: ₹ 3,000.00 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, Ambernath and also at Bharuch owned by one of the subsidiaries of the Company.

17(a) (iii) Non convertible debentures amounting to ₹ 4,950.00 million (31 March 2016: Nil; 1 April 2015: Nil) is repayable in four yearly instalments from January 2019.

17(a) (iv) Indian rupee term loan amounting to ₹ 2,575.00 million (31st March 2016: ₹ 3,575.00 million repayable in ten half yearly instalments from September 2017; 1 April 2015: ₹ 3,500.00 million repayable in fourteen half yearly instalments commencing from September 2015) from Axis Bank Limited is repayable in five half yearly instalments from March 2020.

17(a) (v) Indian rupee term loan amounting to ₹ 1,274.00 million (31 March 2016: Nil; 1 April 2015: Nil) from RBL Bank Limited is repayable in nineteen quarterly instalments from June 2017.

17(a) (vi) Indian rupee term loan amounting to ₹ 1,200.00 million (31 March 2016: ₹ 1,200.00 million repayable in eight equal quarterly instalments from June 2018; 1 April 2015: ₹ 1,800.00 million repayable in twelve equal quarterly instalments commencing from June 2017) from Yes Bank Limited has been fully repaid during the current year.

17(a) (vii) Indian rupee term loan amounting to ₹ 1,128.92 million (31 March 2016: ₹ 1,128.92 million repayable in eight quarterly instalments from June 2018; 1 April 2015: ₹ 1,881.53 million repayable in twenty quarterly instalments commencing from June 2015) from IndusInd Bank Limited as on 31 March 2016 has been fully repaid during the current year.

17(a) (viii) External commercial borrowing amounting to USD 18.50 million (₹ 1,199.72 million) (31 March 2016: USD 35 million (₹ 2,318.75 million) repayable in two yearly instalments from December 2016; 1 April 2015: USD 47.5 million (₹ 2,968.75 million) repayable in three yearly instalments from December 2015) from DBS Bank Limited, Singapore is repayable in December 2017.

17(a) (ix) Term loan of USD 20 million (₹ 1,344.40 million) (31 March 2016: USD 20 million (₹ 1,325 million) repayable in one yearly instalments from May 2016; 1 April 2015: USD 35 million (₹ 2,187.50 million repayable in two yearly instalments from May 2015) from Export Import Bank of India has been fully repaid during the current year

17(a) (x) Indian rupee term loan amounting to ₹ 1,875.00 million (31st March 2016: ₹ 1,875.00 million repayable in five equal half yearly instalments from September 2018; 1 April 2015: ₹ 3,000.00 million repayable in eight equal half yearly instalments commencing from March 2017.) from Housing Development Finance Corporation Limited is repayable in five equal half yearly instalments from September 2018.

17(a) (xi) Indian rupee term loan amounting to ₹ 2,000.00 million from IFCI Limited (31 March 2016: ₹ 2,000.00 million repayable in eight equal quarterly instalments from May 2018; 1 April 2015: ₹ 3,000.00 million repayable in twelve equal quarterly instalments commencing from May 2017) has been fully repaid during the current year.

17(a) (xii) Loans from subsidiaries are repayable at end of five years from the date of respective disbursement.

17(a) (xiii) Finance lease obligations are secured by hypothecation of specific assets taken under such lease. The same are repayable within five years.

17(a)(xiv) The term loans carry floating interest rate calculated in accordance with the terms of the arrangement which is a specified benchmark rate (reset at periodic intervals), adjusted for agreed spread. During the year ended 31 March 2017, the interest rate on Indian currency loans and foreign currency loans range from 7.95 % to

Notes to the financial statements for the year ended 31 March 2017 (Continued)

12.75% per annum (31March 2016: 10.75% to 13.25% per annum and 1 April 2015: 9.50% to 13.25% per annum) and 4.41 % to 5.18 % per annum (31 March 2016: 3.50% to 4.75% per annum and 1 April 2015: 3.50% to 4.50% per annum), respectively.

The composition of property, plant and equipment and current assets as mentioned above are defined in detail in the respective financing/credit arrangements.

17b. Nature of security of Current borrowings and other terms of repayment

17(b) (i) Working capital facilities (including cash credit) sanctioned by consortium of banks and notified financial institutions 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. Other working capital loans are repayable as per terms of agreement within one year

17(b) (ii) Short term loans are availed in Indian rupees and in foreign currency which carry floating interest rate calculated in accordance with the terms of the arrangement which is a specified benchmark rate (reset at periodic intervals), adjusted for agreed spread. During the year ended 31 March 2017, the interest rate on Indian currency loans range from 6.09 % to 13.00% per annum (31 March, 2016: 8.75% to 14.00% and 1 April, 2015: 9.50% to 14.00%)

The composition of property, plant and equipment and current assets as mentioned above are defined in detail in the respective financing/credit arrangements.

17c. Property, plant and equipment, inventory and other financial assets with a carrying amount of ₹ 14,035.69 million (31 March 2016: ₹ 13,983.93 million; 1 April 2015: ₹ 14,293.29 million), ₹ 4,544.40 million (31 March 2016: ₹ 4,752.63 million; 1 April 2015: ₹ 5,127.62 million), ₹ 3,856.66 million (31 March 2016: ₹ 3,412.95 million; 1 April 2015: ₹ 3,634.66 million) respectively are provided as security against borrowing at year end.

(₹ in million)

	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	Current	Non-current	Current	Non-current	Current	Non-current
18. Provisions						
Unsecured, considered good						
Provision for employee benefits (Refer note 32)	133.88	506.88	141.21	454.39	108.44	438.50
Other provisions	-	-	4.02	-	-	-
Total provisions	**133.88**	**506.88**	**145.23**	**454.39**	**108.44**	**438.50**

(₹ in million)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
19. Trade payables			
Current			
Trade payables (Refer note 31)	4,690.83	3,358.10	4,800.78
Trade payables to related parties (Refer note 37)	178.28	286.77	274.92
Total trade payables	**4,869.11**	**3,644.87**	**5,075.70**

(₹ in million)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
20. Other current financial liabilities			
Current maturities of non-current borrowings [Refer note 17(a)]	1,328.41	2,388.88	1,951.98
Current maturities of finance lease obligations [Refer note 17(a)]	8.73	7.50	10.56
Interest accrued but not due on borrowings	118.89	76.55	90.80
Unpaid dividend	45.57	40.53	34.68

Notes to the financial statements for the year ended 31 March 2017 (Continued)

(₹ in million)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Security deposit	27.03	26.13	26.20
Capital creditors	156.52	91.90	176.70
Employee benefits payable	264.96	307.30	140.48
Total other current financial liabilities	**1,950.11**	**2,938.79**	**2,431.40**

(₹ in million)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
21. Other current liabilities			
Advance from customers	62.85	58.52	1,237.08
Statutory dues payables	230.36	169.96	146.39
Total other current liabilities	**293.21**	**228.48**	**1,383.47**

(₹ in million)

	For the year ended 31 March 2017	For the year ended 31 March 2016
22. Revenue from operations		
Sale of products (including excise duty)		
- Finished goods	24,170.19	25,900.42
- Traded goods	1,593.70	1,501.61
Sale of services	25.61	20.97
Other operating revenue (1)	440.35	486.52
Total revenue from operations	**26,229.85**	**27,909.52**

(1) Refer note 44(a).

(₹ in million)

	For the year ended 31 March 2017	For the year ended 31 March 2016
23. Other income		
Interest Income	58.23	189.05
Dividend from a subsidiary company	192.92	258.63
Net gain on disposal of property, plant and equipment	85.32	-
Other non-operating income	182.48	169.73
Total other income	**518.95**	**617.41**

(₹ in million)

	For the year ended 31 March 2017	For the year ended 31 March 2016
24. Cost of materials consumed		
Raw materials consumed	12,443.45	13,483.15
Total cost of materials consumed	**12,443.45**	**13,483.15**

(₹ in million)

	For the year ended 31 March 2017	For the year ended 31 March 2016
24(a). Purchase of stock-in-trade		
Purchase of stock-in-trade	1,196.94	1,171.91
	1,196.94	**1,171.91**

Notes to the financial statements for the year ended 31 March 2017 (Continued)

(₹ in million)

		For the year ended 31 March 2017	For the year ended 31 March 2016
25.	**Changes in inventories of finished goods, stock-in-trade and work-in-progress**		
	Opening balance		
	Work-in progress	470.30	469.21
	Finished goods	980.95	871.69
	Stock-in-trade	16.56	20.67
	Total opening balance	**1,467.81**	**1,361.57**
	Closing balance		
	Work-in progress	652.58	470.30
	Finished goods	1,415.57	980.95
	Stock-in-trade	29.48	16.56
	Total closing balance	**2,097.63**	**1,467.81**
	Increase in inventories of finished goods, stock-in-trade and work-in-progress	(629.82)	(106.24)
	Adjustment on account of capitalisation/ insurance claim	59.67	(7.68)
	Total changes in inventories of finished goods, stock-in-trade and work-in-progress	**(570.15)**	**(113.92)**

(₹ in million)

		For the year ended 31 March 2017	For the year ended 31 March 2016
26.	**Employee benefits expense**		
	Salaries, wages, bonus, gratuity and allowances	2,034.82	1,936.05
	Contribution to provident fund, superannuation and other funds	105.82	99.17
	Employee share-based payment expense	0.01	3.81
	Staff welfare expenses	122.43	122.80
	Total employee benefits expense	**2,263.08**	**2,161.83**

(₹ in million)

		For the year ended 31 March 2017	For the year ended 31 March 2016
27.	**Finance costs**		
	Interest expense	1,638.26	1,872.48
	Other finance costs	104.29	56.13
	Exchange differences to the extent considered as adjustment to finance costs	-	77.94
	Total finance costs	**1,742.55**	**2,006.55**

Note:

(1) Refer note 44(b) for finance costs capitalised.

(₹ in million)

		For the year ended 31 March 2017	For the year ended 31 March 2016
28.	**Depreciation and amortisation expense**		
	Depreciation of property, plant and equipment	784.41	834.87
	Amortisation of intangible assets	26.87	34.94
	Total depreciation and amortisation expense	**811.28**	**869.81**

Notes to the financial statements for the year ended 31 March 2017 (Continued)

(₹ in million)

		For the year ended 31 March 2017	For the year ended 31 March 2016
29.	**Other expenses**		
	Power and fuel	2,681.75	2,983.98
	Consumption of stores and spares and packing materials	1,055.34	1,140.95
	Processing charges	110.90	140.28
	Excise duty related to increase/decrease in inventory of finished goods	32.04	(10.92)
	Rental charges	144.77	125.68
	Rates and taxes	32.80	35.98
	Insurance	32.46	35.55
	Advertisement, publicity and sales promotion	58.43	56.58
	Travel and conveyance	155.54	120.26
	Repairs and maintenance		
	i. Plant and machinery	717.49	719.32
	ii. Buildings	58.04	45.28
	iii. Others	103.87	82.71
	Office expenses	108.74	106.92
	Vehicle running and maintenance	24.02	18.69
	Printing and stationery	10.87	12.52
	Telephone and communication charges	24.89	26.06
	Staff recruitment and training	23.69	22.95
	Donation [including corporate social responsibility expenditure (Refer note 42)]	131.94	36.64
	Payments to auditors (Refer note 29(a) below)	8.25	9.95
	Legal and professional fees	127.14	60.39
	Freight and forwarding (including ocean freight)	428.57	322.23
	Subscription	14.05	16.96
	Claims and other selling expenses	56.69	60.38
	Commission on sales	38.15	66.71
	Provision/write off bad debts/irrecoverable advances (net)	-	127.30
	Amortisation of Foreign Currency Monetary Item Translation Difference	61.67	251.90
	Net foreign exchange/mark to market loss	45.51	47.93
	Miscellaneous expenses	111.18	72.48
	Total other expenses	**6,398.79**	**6,735.66**

(₹ in million)

		For the year ended 31 March 2017	For the year ended 31 March 2016
29(a).	**Details of payments to auditors (excluding service tax and including out of pocket expenses)**		
	As auditor:		
	Audit fee	3.00	2.00
	Tax audit fee	-	0.50
	Certification fees and other services	5.25	7.45
	Total payment to auditors	**8.25**	**9.95**

Notes to the financial statements for the year ended 31 March 2017 (Continued)

29(b). Research and development expenses (excluding finance cost, depreciation and amortisation) comprises as mentioned here under:

(₹ in million)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Cost of material consumed	13.46	9.84
Employee benefits expense	106.55	90.79
Utilities- power	4.16	4.69
Other expenses	37.47	25.84
	161.64	**131.16**

30. Income tax

The major components of income tax expense for the years ended 31 March 2017 and 31 March 2016 are:

Profit or loss section

(₹ in million)

	For the year ended 31 March 2017	For the year ended 31 March 2016
Current income tax:		
Current income tax charge for the year	205.73	181.45
Adjustments in respect of current income tax of previous years	-	3.09
	205.73	**184.54**
Deferred tax:		
Deferred tax on profits for the year	114.77	69.44
Adjustments in respect of deferred tax of previous years	114.30	(39.95)
	229.07	**29.49**
MAT credit:		
MAT credit on profits for the year	(64.92)	23.42
Adjustments in respect of MAT credit of previous years	(16.61)	(103.57)
	(81.53)	**(80.15)**
Income tax expense reported in the Statement of Profit and Loss	**353.27**	**133.88**
OCI section		
Tax related to items that will not be reclassified to Profit & Loss	6.79	4.57
Income tax charged to OCI	**6.79**	**4.57**

Reconciliation between average effective tax rate and applicable tax rate for the year ended 31 March 2017 and 31 March 2016:

(₹ in million)

	For the year ended 31 March 2017	For the year ended 31 March 2016
Accounting profit before income tax	1,145.21	863.91
At India's statutory income tax rate of 34.608% (31 March 2016: 34.608%)	396.33	298.98
- Effect of non-deductible expenses and exempt income	(67.78)	10.47
- Incremental allowance for research and development and other capital expenditure	(78.82)	(51.93)
- Effect of prior year re-assessments	97.69	(140.41)
- Others	5.85	16.77
Income tax expense reported in the Statement of Profit and Loss	**353.27**	**133.88**

Notes to the financial statements for the year ended 31 March 2017 (Continued)

During the year ended 31 March 2017 and 31 March 2016, the Company has paid dividend to its shareholders. This has resulted in payment of Dividend Distribution Tax (DDT) to the taxation authorities. The Company believes that DDT represents additional payment to taxation authority on behalf of the shareholders. Hence DDT paid is charged to equity. Distribution tax on dividend represents distribution tax on dividend paid during the year ended 31 March 2017 amounting to ₹ 97.28 million (31 March 2016: ₹ 97.28 million) net off, distribution tax amounting to ₹ 39.27 million on dividend received during the year ended 31 March 2017 (31 March 2016: ₹ 60.21 million) from subsidiary companies.

31. Micro, small and medium enterprises

There are no Micro, Small and Medium Enterprises, to whom the company owes dues, which are outstanding for more than 45 days as at the end of year. The information as required to be disclosed in relation to Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

(₹ in million)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
The principal amount remaining unpaid to any supplier as at the end of the year	20.47	14.53	18.65
The interest due on principal amount remaining unpaid to any supplier as at the end of the year	-	-	-
The amount of interest paid by the Company in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-	-
The 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 Act	-	-	-
The amount of interest accrued and remaining unpaid at the end of the year	-	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under the MSMED Act	-	-	-

32. Employee benefits in respect of the Company have been calculated as under:

(A) Defined Contribution Plans

The Company has certain defined contribution plan such as provident fund (1), employee state insurance, employee pension scheme, employee superannuation fund wherein specified percentage is contributed to them. During the year, the Company has contributed following amounts to:

(₹ in million)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Employer's contribution to provident fund	6.84	6.88
Employer's contribution to employee's pension scheme 1995	29.53	28.80
Employer's contribution to superannuation fund	7.21	7.96
Employer's contribution to employee state insurance	1.55	0.43

(1) For certain employees where Provident Fund is deposited with government authority e.g. Regional Provident Fund Commissioner.

Notes to the financial statements for the year ended 31 March 2017 (Continued)

(B) Defined Benefit Plans

i. Gratuity

In accordance with Ind AS 19 "Employee Benefits", an actuarial valuation has been carried out in respect of gratuity. The discount rate assumed is 7.50% p.a. (31 March 2016: 7.90% p.a.; 1 April 2015: 7.74% 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 (31 March 2016: 58 years; 1 April 2015: 58 years) and mortality table is as per IALM (2006-08) (31 March 2016: IALM (2006-08); 1 April 2015: IALM (2006-08)).

The estimates of future salary increases, considered in actuarial valuation is 10% p.a. for first three years and 6% p.a. thereafter (31 March 2016: 10% p.a. for first three years and 6% p.a. thereafter; 1 April 2015: 10% p.a. for first three years and 6% p.a. thereafter), 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 on plan assets is 7.50% p.a. (31 March 2016: 9.00% p.a.; 1 April 2015: 9.00% p.a.).

Reconciliation of opening and closing balances of the present value of the defined benefit obligation:

(₹ in million)

Particulars	31 March 2017	31 March 2016
Present value of obligation at the beginning of the year	410.82	372.89
Current service cost	38.61	35.24
Interest cost	31.81	28.86
Actuarial loss	19.65	13.17
Benefits paid	(60.73)	(39.34)
Present value of obligation at the end of the year	440.16	410.82

Reconciliation of the present value of defined benefit obligation and the fair value of the plan assets:

(₹ in million)

Particulars	31 March 2017	31 March 2016	1 April 2015
Present value of obligation at the end of the year	440.16	410.82	372.89
Fair value of plan assets at the end of the year	(5.44)	(5.69)	(5.36)
Net liabilities recognised in the Balance Sheet	434.72	405.13	367.53

Fair Value of Plan Assets:**

(₹ in million)

Particulars	31 March 2017	31 March 2016
Plan assets at the beginning of the year	5.69	5.36
Expected return on plan assets	0.45	0.41
Contribution by employer	0.03	0.03
Actual benefits paid	(0.77)	(0.09)
Actuarial gain/ (loss)	0.04	(0.02)
Plan assets at the end of the year	5.44	5.69

** In respect of one location, the plan assets were invested in insurer managed funds.

Company's best estimate of contribution during next year is ₹ 74.52 million (31 March 2016: ₹ 68.81 million)

Notes to the financial statements for the year ended 31 March 2017 (Continued)

Expense recognised in the Statement of Profit and Loss under employee benefits expense:

(₹ in million)

Particulars	31 March 2017	31 March 2016
Current service cost	38.61	35.24
Interest cost	31.36	28.45
Expense recognised in the Statement of Profit and Loss	69.97	63.69

Amount recognised in the other comprehensive income:

(₹ in million)

Particulars	31 March 2017	31 March 2016
Actuarial loss due to demographic assumption change	1.25	0.31
Actuarial loss/(gain) due to financial assumption change	5.66	(3.81)
Actuarial loss due to experience adjustment	12.74	16.67
Actuarial (gain)/loss on plan assets	(0.04)	0.03
Amount recognised in the Other Comprehensive Income	19.61	13.20

Sensitivity analysis

(₹ in million)

Particulars	31 March 2017		31 March 2017	
Assumptions	**Discount rate**		**Future salary increase**	
Sensitivity level	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Impact on defined benefit	(10.15)	10.65	10.70	(10.29)

The sensitivity analysis above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the year and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant.

ii. Provident Fund:

The Company makes monthly contributions to provident fund managed by trust for qualifying employees. Under the scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. As per Ind AS 19 on “Employee Benefits”, employer established provident fund trusts are treated as defined benefit plans, since the Company is obliged to meet interest shortfall, if any, with respect to covered employees. The total liability of ₹ Nil (31 March 2016: ₹ Nil; 1 April 2015: ₹ Nil) as worked out by the actuary has been allocated to each entity based on the corpus value of each entity as at 31 March 2017. Accordingly, liability of ₹ Nil (31 March 2016: ₹ Nil; 1 April 2015: ₹ Nil) has been allocated to Company and ₹ Nil (31 March 2016: ₹ Nil; 1 April 2015: ₹ Nil) has been charged to Statement of Profit and Loss during the year.

Actuarial assumptions made to determine interest rate guarantee on exempt provident fund liabilities are as follows:

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Discount rate	7.50%	7.90%	7.74%
Guaranteed rate of return	8.65%	8.80%	8.75%

The Company has contributed ₹ 72.28 million to provident fund (31 March 2016: ₹ 64.62 million) for the year.

(C) Other long term benefits (compensated absences):

(₹ in million)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Present value of obligation at the end of the year	206.04	190.47	179.41

Notes to the financial statements for the year ended 31 March 2017 (Continued)

33. Fair value measurements

(₹ in million)

	Note	Level of hierarchy	31 March 2017			31 March 2016			1 April 2015		
			FVPI	FVOCI	Amortised cost	FVPI	FVOCI	Amortised cost	FVPI	FVOCI	Amortised cost
Financial assets											
Investments in Equity instruments											
(excluding investment in subsidiaries)	(d)	3	-	72.13	-	-	68.32	-	-	47.32	-
Trade receivables	(a)		-	-	3,856.66	-	-	3,412.95	-	-	3,634.66
Loans	(a, b)		-		210.63	-	-	297.14	-	-	1,360.29
Cash and cash equivalents	(a)		-	-	759.86	-	-	382.94	-	-	1,367.35
Other bank balances	(a)		-	-	6.70	-	-	27.54	-	-	-
Derivative financial assets	(e)	2	-	-	-	-	-	-	80.51	-	-
Other financial assets	(a, b)		-	-	833.30	-	-	1,005.25	-	-	4,943.15
Total financial assets			**-**	**72.13**	**5,667.15**	**-**	**68.32**	**5,125.82**	**80.51**	**47.32**	**11,305.45**
Financial liabilities											
Non-current Borrowings											
(including other current maturities)	(c)	1,3	-	-	15,207.31	-	-	13,544.69	-	-	19,236.45
Current borrowings	(a)		-	-	1,770.75	-	-	4,539.42	-	-	3,851.33
Trade payables	(a)				4,869.11	-	-	3,644.87	-	-	5,075.70
Other financial liabilities	(a)		-	-	612.97	-	-	542.41	-	-	468.86
Total financial liabilities			**-**	**-**	**22,460.14**	**-**	**-**	**22,271.39**	**-**	**-**	**28,632.34**

Note:

(a) Fair valuation of financial assets and liabilities with short term maturities is considered as approximate to respective carrying amount due to the short term maturities of these instruments.

(b) Fair value of non-current financial assets has not been disclosed as there is no significant differences between carrying value and fair value.

Notes to the financial statements for the year ended 31 March 2017 (Continued)

(c) Fair value of borrowing is as below:

(₹ in million)

	Level	Fair Value		
		31 March 2017	31 March 2016	01 April 2015
Secured Rated Listed Non-Convertible Debentures	1	4,847.68	-	-
Other borrowings (including other current maturities)*	3	10,398.15	14,162.82	20,255.34
		15,245.83	**14,162.82**	**20,255.34**

*The fair value of borrowings is based upon a discounted cash flow analysis that used the aggregate cash flows from principal and finance costs over the life of the debt and current market interest rates.

(d) The fair value is determined by using the valuation model/technique with observable/non-observable inputs and assumptions.

(e) Derivatives are carried at fair value at each reporting date. The fair values of the derivative financial instruments has been determined using valuation techniques with market observable inputs. The models incorporate various inputs including the credit quality of counter-parties and foreign exchange forward rates.

There are no transfers between level 1, Level 2 and Level 3 during the year ended 31 March 2017 and 31 March 2016.

Reconciliation of Level 3 fair value measurement:

(₹ in million)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Opening balance	68.32	47.32
Additional investment	-	20.62
Gain recognized in other comprehensive income	3.81	0.38
Closing balance	**72.13**	**68.32**

34. Financial risk management

A. Financial risk management

Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company, through three layers of defense namely policies and procedures, review mechanism and assurance aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations. The Audit committee of the Board with top management oversee the formulation and implementation of the Risk management policies. The risk are identified at business unit level and mitigation plan are identified, deliberated and reviewed at appropriate forums.

The Company has exposure to the following risks arising from financial instruments:

- credit risk (see (i));
- liquidity risk (see (ii)); and
- market risk (see (iii)).

i. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counter party to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, loans and investments.

The carrying amount of financial assets represents the maximum credit risk exposure.

Notes to the financial statements for the year ended 31 March 2017 (Continued)

Trade receivables and other financial assets

The Company has established a credit policy under which each new customer is analysed individually for creditworthiness before the payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, financial statements, credit agency information, industry information and business intelligence. Sale limits are established for each customer and reviewed annually. Any sales exceeding those limits require approval from the appropriate authority as per policy.

In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or a legal entity, whether they are a institutional, dealers or end-user customer, their geographic location, industry, trade history with the Company and existence of previous financial difficulties.

Expected credit loss for trade receivables:

The Company based on internal assessment which is driven by the historical experience/ current facts available in relation to default and delays in collection thereof, the credit risk for trade receivables is considered low. The Company estimates its allowance for trade receivable using lifetime expected credit loss. The balance past due for more than 6 month (net of expected credit loss allowance), excluding receivable from group companies is ₹ Nil (31 March 2016: ₹ Nil, 1 April 2015: ₹ 7.78 million)

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

(₹ in million)

	31 March 2017	31 March 2016
Balance at the beginning of the year	10.33	14.15
Add: Provided during the year (net of reversal)	(4.64)	(3.82)
Less: Amount written off	-	-
Balance at the end of the year	5.69	10.33

Expected credit loss on financial assets other than trade receivables:

With regards to all financial assets with contractual cash flows other than trade receivable, management believes these to be high quality assets with negligible credit risk. The management believes that the parties from which these financial assets are recoverable, have strong capacity to meet the obligations and where the risk of default is negligible and accordingly no provision for excepted credit loss has been provided on these financial assets. Break up of financial assets other than trade receivables have been disclosed on balance sheet.

ii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company's treasury department is responsible for managing the short term and long term liquidity requirements. Short term liquidity situation is reviewed daily by Treasury. Longer term liquidity position is reviewed on a regular basis by the Board of Directors and appropriate decisions are taken according to the situation.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements.

(₹ in million)

		Contractual Cash flows		
31 March 2017	**Carrying Amount**	**Total**	**Within 1 year**	**More than 1 year**
Non-derivative financial liabilities				
Borrowings (1)	16,978.06	17,064.50	3,135.21	13,929.29
Trade payables	4,869.11	4,869.11	4,869.11	-
Other financial liabilities	612.97	612.97	612.97	-

Notes to the financial statements for the year ended 31 March 2017 (Continued)

(₹ in million)

31 March 2016		**Contractual Cash flows**		
	Carrying Amount	**Total**	**Within 1 year**	**More than 1 year**
Non-derivative financial liabilities				
Borrowings (1)	18,084.11	18,198.67	6,965.05	11,233.62
Trade payables	3,644.87	3,644.87	3,644.87	-
Other financial liabilities	542.41	542.41	542.41	-

(₹ in million)

1 April 2015		**Contractual Cash flows**		
	Carrying Amount	**Total**	**Within 1 year**	**More than 1 year**
Non-derivative financial liabilities				
Borrowings (1)	23,087.78	23,240.38	5,849.71	17,390.67
Trade payables	5,075.70	5,075.70	5,075.70	-
Other financial liabilities	468.86	468.86	468.86	-

(1) Carrying amount presented as net of unamortised transaction cost.

iii. Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates that will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the functional currency of the Company. The currencies in which the Company is exposed to risk are USD, EUR, CAD and Other.

The Company follows a natural hedge driven currency risk mitigation policy to the extent possible. Any residual risk is evaluated and appropriate risk mitigating steps are taken, including but not limited to, entering into forward contract and interest rate swap.

Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk as reported to the management of the Company is as follows:

(₹ in million)

	31 March 2017				**31 March 2016**				**1 April 2015**			
	USD	**EUR**	**CAD**	**OTHER**	**USD**	**EUR**	**CAD**	**OTHER**	**USD**	**EUR**	**CAD**	**OTHER**
Cash and cash equivalents	79.22	-	-	-	198.65	-	-	-	56.25	-	-	-
Trade receivables	1,367.04	730.32	-	-	1,138.83	916.36	-	-	1,946.88	143.79	-	-
Loans	-	-	-	-	-	-	-	-	831.25	-	-	-
Other financial assets	330.78	6.93	309.04	-	285.41	7.54	214.60	-	133.75	6.68	100.51	0.85
Trade payables	(2,922.79)	(21.72)	-	(19.77)	(1,656.13)	(17.47)	-	-	(3,274.38)	(16.02)	-	(0.64)
Borrowings	(1,199.73)	-	-	-	(3,667.40)	-	-	-	(6,531.25)	-	-	-
Net statement of financial position exposure	**(2,345.48)**	**715.53**	**309.04**	**(19.77)**	**(3,700.64)**	**906.43**	**214.60**	-	**(6,837.50)**	**134.45**	**100.51**	**0.21**

Notes to the financial statements for the year ended 31 March 2017 (Continued)

Sensitivity analysis

A reasonably possible strengthening (weakening) of the EUR, USD, CAD and other against all other currencies at 31 March would have affected the measurement of financial exposure denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact on forecast sales and purchases.

(₹ in million)

	Profit or Loss (before tax)	
	Strengthening	**Weakening**
31 March 2017		
USD (1% movement)	(23.89)	23.89
EUR (1% movement)	7.16	(7.16)
CAD (1% movement)	3.09	(3.09)
Other (1% movement)	(0.20)	0.20
31 March 2016		
USD (1% movement)	(38.01)	38.01
EUR (1% movement)	9.06	(9.06)
CAD (1% movement)	2.15	(2.15)
Other (1% movement)	-	-

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings of the Company are principally denominated in rupees and US dollars with a mix of fixed and floating rates of interest. The Company has exposure to interest rate risk, arising principally on changes in base lending rate and LIBOR rates. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings.

Exposure to interest rate risk

The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows:

The following table provides a break-up of the Company's fixed and floating rate borrowings:

(₹ in million)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Fixed-rate borrowings	11,247.40	292.57	1,106.37
Floating rate borrowings	5,789.47	17,884.59	22,111.60
Total borrowings (gross of transaction cost)	**17,036.87**	**18,177.16**	**23,217.97**

The sensitivity analysis below have been determined based on the exposure to interest rates for floating rate liabilities assuming the amount of the liability outstanding at the year-end was outstanding for the whole year.

If interest rates had been 25 basis points higher / lower and all other variables were held constant, the Company's profit for the year ended 31 March 2017 would decrease / increase by ₹ 14.46 million (for the year ended 31 March 2016: decrease / increase by ₹ 44.29 million). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

35. Capital management

(a) Risk management

The Company's objectives when managing capital are to:

- safeguard its ability to continue as a going concern, so that its can continue to provide returns for its shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Company monitors capital on the basis of the following gearing ratio:

Net debt (total borrowings net of cash and cash equivalents and other bank balances) and divided by Total 'equity' (as shown in the Balance Sheet).

Notes to the financial statements for the year ended 31 March 2017 (Continued)

The gearing ratios were as follows:

(₹ in million)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Net debt	16,211.50	17,673.63	21,720.43
Total equity	20,428.07	20,137.32	19,825.54
Net debt to equity ratio	**0.79**	**0.88**	**1.10**

(b) **Dividends** (₹ in million)

Particulars		31 March 2017	31 March 2016
(i)	***Equity shares***		
	Final dividend for the year ended 31 March 2016 of ₹ 3 per fully paid equity share (31 March 2015 of ₹ 3 per fully paid up equity share)	575.12	575.12
(ii)	***Dividend not recognised at the end of the reporting period***		
	In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of ₹ 3 per fully paid equity share (31 March 2016: ₹ 3). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	575.12	575.12

36. Segment information

Business Segments

The Chairman and Co-Chairman and Managing Director of the company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, Operating Segments. Operating Segments have been defined and presented based on the regular review by the CODM to assess the performance of each segment and to make decision about allocation of resources. Accordingly, the Company has determined reportable segment by nature of its product and service, accordingly following are the reportable segments:

a. **Pharmaceuticals:** Indian Branded Pharmacetuicals.

b. **Life Sciences Ingredients:** Specialty Intermediates, Nutritional Products and Life Science Chemicals.

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

No operating segments have been aggregated to form the above reportable operating segments.

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and not allocable to segments on reasonable basis have been included under 'unallocated revenue / expenses / assets / liabilities'.

Finance costs and fair value gains and losses on financial assets are not allocated to individual segments as the underlying instruments are managed on a Company basis.

Borrowings, current taxes, deferred taxes and certain financial assets and liabilities are not allocated to those segments as they are also managed on a Company basis.

(₹ in million)

	For the year ended 31 March 2017			For the year ended 31 March 2016		
	Total segment revenue	Inter-segment revenue	Revenue from external customer	Total segment revenue	Inter-segment revenue	Revenue from external customer
REVENUE						
Pharmaceuticals	183.21	-	183.21	172.71	-	172.71
Life Science Ingredients	26,046.64	-	26,046.64	27,736.81	-	27,736.81
Total segment revenue	**26,229.85**	**-**	**26,229.85**	**27,909.52**	**-**	**27,909.52**

Notes to the financial statements for the year ended 31 March 2017 (Continued)

(₹ in million)

	For the year ended 31 March 2017	For the year ended 31 March 2016
RESULT		
Pharmaceuticals	(248.85)	(245.76)
Life Science Ingredients	3,146.50	3,111.71
Total segment	**2,897.65**	**2,865.95**
Un-allocated corporate expenses (net of un-allocated income)	68.12	184.54
Interest income	58.23	189.05
Finance costs	1,742.55	2,006.55
Profit before tax	**1,145.21**	**863.91**
Tax expense	353.27	133.88
Profit for the year	**791.94**	**730.03**

(₹ in million)

	Segment assets			Segment liabilities		
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Pharmaceuticals	45.50	37.58	26.23	66.09	73.69	68.76
Life Science Ingredients	23,704.43	22,705.69	23,095.80	5,948.90	4,491.78	6,987.73
Segment total	**23,749.93**	**22,743.27**	**23,122.03**	**6,014.99**	**4,565.47**	**7,056.49**
Un-allocated corporate asset and liabilities	20,067.95	20,314.28	27,101.57	490.75	505.39	451.66
Total	**43,817.88**	**43,057.55**	**50,223.60**	**6,505.74**	**5,070.86**	**7,508.15**
Deferred tax asset	93.99	234.74	197.87	-	-	-
Borrowings (including other current maturities)	-	-	-	16,978.06	18,084.11	23,087.78
Total assets/liabilities	**43,911.87**	**43,292.29**	**50,421.47**	**23,483.80**	**23,154.97**	**30,595.93**

Other information

(₹ in million)

	Capital expenditure		Depreciation/Amortisation	
	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2017	For the year ended 31 March 2016
Pharmaceuticals	0.47	0.13	1.68	2.62
Life Science Ingredients	1,285.93	721.37	746.21	801.09
Un-allocated	19.01	41.83	63.39	66.10
Total	**1,305.41**	**763.33**	**811.28**	**869.81**

Information about Geographical segments:

(₹ in million)

	For the year ended 31 March 2017	For the year ended 31 March 2016
Revenue by geographical location of customers		
Within India	15,864.82	15,570.10
Outside India	10,365.03	12,339.42
Total	**26,229.85**	**27,909.52**

Notes to the financial statements for the year ended 31 March 2017 (Continued)

(₹ in million)

	For the year ended 31 March 2017	For the year ended 31 March 2016
Capital expenditure		
Within India	1,305.41	763.33
Outside India	-	-
Total	**1,305.41**	**763.33**
Revenue by geographical markets		
India	15,864.82	15,570.10
Americas and Europe	6,786.72	8,016.71
China	1,099.39	1,479.76
Rest of the world	2,478.92	2,842.95
Total	**26,229.85**	**27,909.52**

(₹ in million)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Non-current assets (by geographical location of assets)*			
Within India	15,375.43	15,362.54	15,772.33
Outside India	-	-	-
Total	**15,375.43**	**15,362.54**	**15,772.33**

*Non-current assets are excluding financial instruments and deferred tax assets.

37. Related Party Disclosures

1. **Related parties where control exists**

a) **Subsidiaries including step-down subsidiaries**

Jubilant Pharma Limited, 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., 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, Jubilant Innovation (BVI) Limited, Jubilant Innovation Pte. Limited, Jubilant DraxImage Limited, Jubilant Innovation (India) Limited, Jubilant Innovation (USA) Inc., Jubilant HollisterStier Inc., Draxis Pharma LLC, Jubilant Life Sciences (Switzerland) AG, First Trust Medicare Private Limited (upto 20 August 2015), Jubilant Drug Discovery & Development Services Inc., Vanthys Pharmaceutical Development Private Limited, Jubilant Life Sciences NV, Jubilant Generics Limited, Jubilant Pharma Trading Inc., Drug Discovery and Development Solutions Limited, Jubilant Pharma Australia Pty Limited (w.e.f. 11 August 2016), Jubilant Draximage Radiopharmacies Inc. (w.e.f. 8 March 2017) Jubilant Employee Welfare Trust.

b) **Other Entities:**

Jubilant HollisterStier General Partnership Canada, Draximage General Partnership Canada (controlled through subsidiaries/step down subsidiaries).

2. **Key Management Personnel (KMP) and related entities:**

Mr. Hari S. Bhartia, Mr. S Sridhar, Ms. Sudha Pillai, Dr. Ashok Misra, Mr. Shardul S. Shroff (upto 24 May 2016), Mr. Shyamsundar Bang (Executive Director upto 7 February 2017 and continued as Non-Executive Director upto 31 March 2017) , Mr. R. Sankaraiah, Mr. Rajiv Shah.

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 MotorWorks Private Limited (formerly known as Jubilant Motors Private Limited), Jubilant Fresh Private Limited, Priority Vendor Technologies Private Ltd. (related to relatives of KMP), Jubilant Aeronautics Private Limited., Shardul Amarchand Mangaldas & Co., Amarchand & Mangaldas & Suresh A Shroff & Co.

Notes to the financial statements for the year ended 31 March 2017 (Continued)

3. Others:

Vam Employees Provident Fund Trust, Jubilant Bhartia Foundation, Vam Officers Superannuation Fund.

31 March 2017 **(₹ in million)**

Sr. No.	Particulars	Subsidiaries	Enterprise in which certain key management personnel are interested	Key management personnel	Others	Total
Description of transactions:						
1	**Sales of goods and services:**					
	Jubilant Life Sciences (Shanghai) Limited	728.63				728.63
	Jubilant Life Sciences (USA) Inc.	977.89				977.89
	Jubilant Chemsys Limited	8.51				8.51
	Jubilant Infrastructure Limited	2.79				2.79
	Jubilant Life Sciences International Pte. Limited	1,879.37				1,879.37
	Jubilant Life Sciences NV	2,594.73				2,594.73
	Jubilant Generics Limited	65.80				65.80
	Jubilant Agri and Consumer Products Limited		142.02			142.02
		6,257.72	**142.02**			**6,399.74**
2	**Sales of tangible assets:**					
	Jubilant Infrastructure Limited	146.71				146.71
		146.71				**146.71**
3	**Rental and other income:**					
	Jubilant Chemsys Limited	12.37				12.37
	Jubilant Cadista Pharmaceuticals Inc.	0.14				0.14
	Jubilant HollisterStier LLC	0.43				0.43
	Jubilant DraxImage Inc.	0.11				0.11
	Jubilant HollisterStier General Partnership	0.24				0.24
	Jubilant Biosys Limited	5.17				5.17
	Jubilant Generics Limited	93.01				93.01
	Jubilant Enpro Private Limited		13.36			13.36
	Jubilant Oil & Gas Private Limited		12.74			12.74
	Jubilant FoodWorks Limited		14.43			14.43
	Jubilant Industries Limited		0.18			0.18
	Jubilant Agri and Consumer Products Limited		49.02			49.02
	Jubilant MotorWorks Private Limited		1.59			1.59
	Jubilant Fresh Private Limited		0.71			0.71
		111.47	**92.03**			**203.50**
4	**Dividend income:**					
	Jubilant Infrastructure Limited	172.42				172.42
	Jubilant First Trust Healthcare Limited	20.50				20.50
		192.92				**192.92**
5	**Purchase of goods and services:**					
	Jubilant Infrastructure Limited	646.68				646.68
	Jubilant Generics Limited	7.69				7.69
	Priority Vendor Technologies Private Ltd		1.30			1.30
	Jubilant Agri and Consumer Products Limited		115.95			115.95
		654.37	**117.25**			**771.62**
6	**Purchase of Merchandise Exports from India Scheme (MEIS) scripts and Duty Entitlement Pass Book and License (DEPB)**					
	Jubilant Generics Limited	291.75				291.75
		291.75				**291.75**

Notes to the financial statements for the year ended 31 March 2017 (Continued)

31 March 2017 (₹ in million)

Sr. No.	Particulars	Subsidiaries	Enterprise in which certain key management personnel are interested	Key management personnel	Others	Total
7	**Recovery of expenses:**					
	Jubilant Chemsys Limited	18.05				18.05
	Jubilant Cadista Pharmaceuticals Inc.	53.12				53.12
	Jubilant HollisterStier LLC	89.17				89.17
	Jubilant DraxImage Inc.	94.19				94.19
	Jubilant DraxImage Limited	1.15				1.15
	Jubilant HollisterStier General Partnership	15.71				15.71
	Jubilant Infrastructure Limited	66.38				66.38
	Jubilant Biosys Limited	19.21				19.21
	Jubilant Generics Limited	166.96				166.96
	Jubilant Agri and Consumer Products Limited		18.35			18.35
	Jubilant Oil & Gas Private Limited		1.02			1.02
		523.94	**19.37**			**543.31**
8	**Reimbursement of expenses:**					
	Jubilant Biosys Limited	0.05				0.05
	Jubilant Infrastructure Limited	0.67				0.67
	Jubilant Life Sciences NV	5.54				5.54
	Jubilant Generics Limited	4.36				4.36
	Jubilant Industries Limited		1.84			1.84
	Jubilant Enpro Private Limited		0.86			0.86
		10.62	**2.70**			**13.32**
9	**Remuneration (including perquisites):**					
	Mr. Hari S. Bhartia			42.55		42.55
	Mr. Shyamsundar Bang			37.82		37.82
	Mr. R Sankaraiah			72.62		72.62
	Mr. Rajiv Shah			7.39		7.39
				160.38		**160.38**
10	**Sitting fees:**					
	Dr. Ashok Mishra			0.47		0.47
	Mr. S Sridhar			0.55		0.55
	Ms. Sudha Pillai			0.53		0.53
				1.55		**1.55**
11	**Commission:**					
	Dr. Ashok Mishra			1.00		1.00
	Mr. S Sridhar			1.00		1.00
	Ms. Sudha Pillai			1.00		1.00
				3.00		**3.00**
12	**Company's contribution to provident fund trust:**					
	Vam Employee Provident Fund Trust				72.28	72.28
					72.28	**72.28**
13	**Company's contribution to superannuation fund:**					
	Vam Officers Superannuation Fund				7.21	7.21
					7.21	**7.21**

Notes to the financial statements for the year ended 31 March 2017 (Continued)

31 March 2017 (₹ in million)

Sr. No.	Particulars	Subsidiaries	Enterprise in which certain key management personnel are interested	Key management personnel	Others	Total
14	**Rent expenses:**					
	Jubilant Enpro Private Limited		9.06			9.06
			9.06			**9.06**
15	**Donation:**					
	Jubilant Bhartia Foundation				22.35	22.35
					22.35	**22.35**
16	**Lease rental expenses:**					
	Jubilant Infrastructure Limited	16.32				16.32
		16.32				**16.32**
17	**Interest expenses on loans:**					
	Jubilant Generics Limited	126.43				126.43
	Jubilant Infrastructure Limited	19.13				19.13
	Jubilant Clinsys Limited	3.69				3.69
	Jubilant First Trust Healthcare Limited	0.94				0.94
	Vanthys Pharmaceutical Development Private Limited	2.94				2.94
		153.13				**153.13**
18	**Loans received back:**					
	Jubilant Employee Welfare Trust	89.00				89.00
		89.00				**89.00**
19	**Loans taken:**					
	Jubilant Infrastructure Limited	140.00				140.00
	Jubilant Generics Limited	3,250.00				3,250.00
		3,390.00				**3,390.00**
20	**Loans Repaid:**					
	Jubilant First Trust Healthcare Limited	27.57				27.57
	Jubilant Infrastructure Limited	185.10				185.10
	Jubilant Clinsys Limited	46.50				46.50
		259.17				**259.17**
Amount outstanding:						
21	**Loans payable:**					
	Jubilant Generics Limited	3,250.00				3,250.00
	Jubilant Infrastructure Limited	142.40				142.40
	Vanthys Pharmaceutical Development Private Limited	31.00				31.00
		3,423.40				**3,423.40**
22	**Interest payable on loan**					
	Jubilant Generics Limited	21.12				21.12
		21.12				**21.12**
23	**Commission payable:**					
	Dr. Ashok Mishra			1.00		1.00
	Mr. S Sridhar			1.00		1.00
	Ms. Sudha Pillai			1.00		1.00
				3.00		**3.00**
24	**Trade payables:**					
	Jubilant Pharmaceuticals NV	13.22				13.22
	Jubilant Life Sciences (USA) Inc.	10.74				10.74
	Jubilant Infrastructure Limited	101.38				101.38

Notes to the financial statements for the year ended 31 March 2017 (Continued)

31 March 2017 **(₹ in million)**

Sr. No.	Particulars	Subsidiaries	Enterprise in which certain key management personnel are interested	Key management personnel	Others	Total
	PSI Supply NV	1.03				1.03
	Jubilant Biosys Limited	0.27				0.27
	Jubilant Life Sciences NV	6.32				6.32
	Jubilant Generics Limited	10.15				10.15
	Jubilant Industries Limited		3.48			3.48
	Jubilant Agri and Consumer Products Limited		30.43			30.43
	Jubilant Enpro Private Limited		1.26			1.26
		143.11	**35.17**			**178.28**
25	**Other payables:**					
	Jubilant Oil & Gas Private Limited		1.44			1.44
	B&M Hot Breads Private Limited		0.32			0.32
	Vam Employees Provident Fund Trust				16.64	16.64
	Vam Officers Superannuation Fund				0.61	0.61
			1.76		**17.25**	**19.01**
26	**Loans recoverable:**					
	Jubilant Employee Welfare Trust	111.99				111.99
		111.99				**111.99**
27	**Trade receivables:**					
	Jubilant Life Sciences (USA) Inc.	277.69				277.69
	Jubilant Life Sciences (Shanghai) Limited	203.15				203.15
	Jubilant Chemsys Limited	0.58				0.58
	Jubilant Infrastructure Limited	0.52				0.52
	Jubilant Life Sciences International Pte. Limited	344.82				344.82
	Jubilant Generics Limited	23.39				23.39
	Jubilant Life Sciences NV	736.27				736.27
	Jubilant Agri and Consumer Products Limited		64.94			64.94
		1,586.42	**64.94**			**1,651.36**
28	**Deposits recoverable:**					
	Jubilant Enpro Private Limited		1.27			1.27
			1.27			**1.27**
29	**Other recoverables:**					
	Jubilant Cadista Pharmaceuticals Inc.	38.50				38.50
	Jubilant HollisterStier LLC	278.93				278.93
	Jubilant Clinsys Inc.	13.36				13.36
	Jubilant HollisterStier General Partnership	133.55				133.55
	Jubilant DraxImage Inc.	175.49				175.49
	Jubilant DraxImage Limited	7.52				7.52
	Jubilant Biosys Limited	5.75				5.75
	PSI Supply NV	6.93				6.93
	Jubilant Generics Limited	0.58				0.58
	Jubilant Oil & Gas Private Limited		0.77			0.77
	Jubilant Agri and Consumer Products Limited		17.94			17.94
	B&M Hot Breads Private Limited		0.32			0.32
	Jubilant FoodWorks Limited		1.03			1.03
	Jubilant MotorWorks Private Limited		0.39			0.39
	Jubilant Fresh Private Limited		1.89			1.89
		660.61	**22.34**			**682.95**
30	Mortgage of Land and Building at Bharuch owned by one of Subsidiaries as Security against Term Loan.					

Notes to the financial statements for the year ended 31 March 2017 (Continued)

31 March 2016 (₹ in million)

Sr. No	Particulars	Subsidiaries	Enterprise in which certain key management personnel are interested	Key management personnel	Others	Total
Description of transactions:						
1	**Sales of goods and services:**					
	Jubilant Life Sciences (Shanghai) Limited	152.66				152.66
	Jubilant Life Sciences (USA) Inc.	120.08				120.08
	Jubilant Chemsys Limited	8.99				8.99
	Jubilant Infrastructure Limited	41.48				41.48
	Jubilant Life Sciences International Pte. Limited	3,001.74				3,001.74
	Jubilant Life Sciences NV	2,892.03				2,892.03
	Jubilant Generics Limited	56.96				56.96
	Jubilant Agri and Consumer Products Limited		130.09			130.09
		6,273.94	**130.09**			**6,404.03**
2	**Rental and other income:**					
	Jubilant Chemsys Limited	7.94				7.94
	Jubilant Cadista Pharmaceuticals Inc.	0.55				0.55
	Jubilant HollisterStier LLC	1.71				1.71
	Jubilant DraxImage Inc.	0.44				0.44
	Jubilant HollisterStier General Partnership	0.95				0.95
	Jubilant Biosys Limited	4.67				4.67
	Jubilant Generics Limited	86.46				86.46
	Jubilant Enpro Private Limited		12.09			12.09
	Jubilant Oil & Gas Private Limited		13.58			13.58
	Jubilant FoodWorks Limited		11.76			11.76
	Jubilant Industries Limited		0.18			0.18
	Jubilant Agri and Consumer Products Limited		47.87			47.87
	B&M Hot Breads Private Limited		1.37			1.37
	Jubilant MotorWorks Private Limited		0.62			0.62
		102.72	**87.47**			**190.19**
3	**Interest income:**					
	Jubilant Pharma Limited	4.98				4.98
	Jubilant Generics Limited	18.63				18.63
		23.61				**23.61**
4	**Dividend income:**					
	Jubilant Infrastructure Limited	258.63				258.63
		258.63				**258.63**
5	**Purchase of goods and services:**					
	Jubilant Infrastructure Limited	833.82				833.82
	Jubilant Life Sciences NV	0.45				0.45
	Jubilant Generics Limited	52.54				52.54
	Priority Vendor Technologies Private Ltd		0.84			0.84
	Jubilant Agri and Consumer Products Limited		136.95			136.95
		886.81	**137.79**			**1,024.60**
6	**Purchase of Merchandise Exports from India Scheme (MEIS) scripts and Duty Entitlement Pass Book and License (DEPB)**					
	Jubilant Generics Limited	20.83				20.83
		20.83				**20.83**
7	**Recovery of expenses:**					
	Jubilant Chemsys Limited	11.60				11.60
	Jubilant Cadista Pharmaceuticals Inc.	74.24				74.24
	Jubilant HollisterStier LLC	81.78				81.78

Notes to the financial statements for the year ended 31 March 2017 (Continued)

31 March 2016 **(₹ in million)**

Sr. No	Particulars	Subsidiaries	Enterprise in which certain key management personnel are interested	Key management personnel	Others	Total
	Jubilant DraxImage Inc.	80.00				80.00
	Jubilant DraxImage Limited	0.42				0.42
	Jubilant HollisterStier General Partnership	25.53				25.53
	Jubilant Infrastructure Limited	123.02				123.02
	Jubilant Biosys Limited	18.39				18.39
	Jubilant Generics Limited	159.80				159.80
	Jubilant Industries Limited		0.08			0.08
	Jubilant Agri and Consumer Products Limited		20.08			20.08
		574.78	**20.16**			**594.94**
8	**Reimbursement of expenses:**					
	Jubilant Pharmaceuticals NV	0.41				0.41
	Jubilant Biosys Limited	0.04				0.04
	Jubilant Infrastructure Limited	0.07				0.07
	Jubilant Life Sciences NV	0.33				0.33
	Jubilant Generics Limited	8.13				8.13
	Jubilant Industries Limited		1.26			1.26
	Jubilant Enpro Private Limited		0.89			0.89
		8.98	**2.15**			**11.13**
9	**Remuneration and related expenses :**					
	Mr. R Sankaraiah			60.47		60.47
	Mr. Rajiv Shah			5.61		5.61
				66.08		**66.08**
10	**Sitting fees:**					
	Dr. Ashok Mishra			0.45		0.45
	Mr. S Sridhar			0.50		0.50
	Ms. Sudha Pillai			0.48		0.48
	Mr. Shardul S Shroff			0.13		0.13
				1.56		**1.56**
11	**Company's contribution to provident fund trust:**					
	Vam Employee Provident Fund Trust				64.62	64.62
					64.62	**64.62**
12	**Company's contribution to superannuation fund:**					
	Vam Officers Superannuation Fund				7.96	7.96
					7.96	**7.96**
13	**Rent expenses:**					
	Jubilant Enpro Private Limited		8.22			8.22
			8.22			**8.22**
14	**Donation:**					
	Jubilant Bhartia Foundation				25.90	25.90
					25.90	**25.90**
15	**Professional fees for services:**					
	Shardul Amarchand Mangaldas & Co.		3.63			3.63
			3.63			**3.63**
16	**Lease rental expenses:**					
	Jubilant Infrastructure Limited	15.65				15.65
		15.65				**15.65**
17	**Equity share capital reduction:**					
	Jubilant First Trust Healthcare Limited	676.12				676.12
		676.12				**676.12**

Notes to the financial statements for the year ended 31 March 2017 (Continued)

31 March 2016 (₹ in million)

Sr. No	Particulars	Subsidiaries	Enterprise in which certain key management personnel are interested	Key management personnel	Others	Total
18	**Investment in equity share capital:**					
	Drug Discovery and Development Solutions Limited	61.14				61.14
		61.14				**61.14**
19	**Interest expenses on loans:**					
	Jubilant Infrastructure Limited	23.28				23.28
	Jubilant Clinsys Limited	4.51				4.51
	Jubilant First Trust Healthcare Limited	30.70				30.70
	Vanthys Pharmaceutical Development Private Limited	2.63				2.63
		61.12				**61.12**
20	**Loans received back:**					
	Jubilant Pharma Limited	862.78				862.78
	Jubilant Employee Welfare Trust	209.40				209.40
		1,072.18				**1,072.18**
21	**Loans taken:**					
	Jubilant Clinsys Limited	10.00				10.00
	Jubilant First Trust Healthcare Limited	40.50				40.50
	Vanthys Pharmaceutical Development Private Limited	3.50				3.50
		54.00				**54.00**
22	**Loans repaid:**					
	Jubilant First Trust Healthcare Limited	684.30				684.30
	Jubilant Infrastructure Limited	170.00				170.00
	Jubilant Clinsys Limited	13.50				13.50
		867.80				**867.80**
23	**Advance from customer against goods/assets:**					
	Jubilant Life Sciences International Pte. Limited	1,862.74				1,862.74
		1,862.74				**1,862.74**
Amount Outstanding:						
24	**Loans payable:**					
	Jubilant Infrastructure Limited	187.50				187.50
	Jubilant Clinsys Limited	46.50				46.50
	Jubilant First Trust Healthcare Limited	27.57				27.57
	Vanthys Pharmaceutical Development Private Limited	31.00				31.00
		292.57				**292.57**
25	**Interest payable on loan**					
	Jubilant Infrastructure Limited	13.32				13.32
	Jubilant First Trust Healthcare Limited	0.69				0.69
	Vanthys Pharmaceutical Development Private Limited	0.21				0.21
		14.22				**14.22**
26	**Trade payables:**					
	Jubilant Clinsys Limited	87.35				87.35
	Jubilant Pharmaceuticals NV	14.39				14.39
	Jubilant Life Sciences (USA) Inc.	10.97				10.97
	Jubilant Infrastructure Limited	101.28				101.28
	PSI Supply NV	1.12				1.12
	Jubilant Biosys Limited	0.27				0.27
	Jubilant Life Sciences NV	1.46				1.46
	Jubilant Generics Limited	47.38				47.38

Notes to the financial statements for the year ended 31 March 2017 (Continued)

31 March 2016 (₹ in million)

Sr. No	Particulars	Subsidiaries	Enterprise in which certain key management personnel are interested	Key management personnel	Others	Total
	Jubilant MotorWorks Private Limited		0.01			0.01
	Jubilant Industries Limited		1.82			1.82
	Jubilant Agri and Consumer Products Limited		20.60			20.60
	Jubilant Enpro Private Limited		0.12			0.12
		264.22	**22.55**			**286.77**
27	**Other payables:**					
	Jubilant Oil & Gas Private Limited		1.44			1.44
	B&M Hot Breads Private Limited		0.32			0.32
	Vam Employees Provident Fund Trust				15.30	15.30
	Vam Officers Superannuation Fund				0.68	0.68
			1.76		**15.98**	**17.74**
28	**Loans recoverable:**					
	Jubilant Employee Welfare Trust	200.99				200.99
		200.99				**200.99**
29	**Interest recoverable:**					
	Jubilant Generics Limited	371.53				371.53
		371.53				**371.53**
30	**Trade receivables:**					
	Jubilant Life Sciences (USA) Inc.	39.91				39.91
	Jubilant Life Sciences (Shanghai) Limited	135.28				135.28
	Jubilant Chemsys Limited	0.80				0.80
	Jubilant Infrastructure Limited	36.08				36.08
	Jubilant Life Sciences International Pte. Limited	452.84				452.84
	Jubilant Generics Limited	10.50				10.50
	Jubilant Life Sciences NV	917.44				917.44
	Jubilant Agri and Consumer Products Limited		32.14			32.14
		1,592.85	**32.14**			**1,624.99**
31	**Deposits recoverable:**					
	Tower Promoters Private Limited		21.00			21.00
	Jubilant Enpro Private Limited		1.27			1.27
			22.27			**22.27**
32	**Other recoverables:**					
	Jubilant Cadista Pharmaceuticals Inc.	75.24				75.24
	Jubilant HollisterStier LLC	196.51				196.51
	Jubilant Clinsys Inc.	13.65				13.65
	Jubilant HollisterStier General Partnership	124.75				124.75
	Jubilant DraxImage Inc.	89.85				89.85
	Jubilant DraxImage Limited	7.52				7.52
	Jubilant Chemsys Limited	11.06				11.06
	Jubilant Biosys Limited	2.00				2.00
	PSI Supply NV	7.54				7.54
	Jubilant Oil & Gas Private Limited		0.96			0.96
	Jubilant Agri and Consumer Products Limited		14.43			14.43
	B&M Hot Breads Private Limited		0.32			0.32
	Jubilant FoodWorks Limited		11.04			11.04
	Jubilant Enpro Private Limited		2.84			2.84
		528.12	**29.59**			**557.71**
33	**Advance from customers:**					
	Jubilant Life Sciences International Pte. Limited	1.35				1.35
	Jubilant Life Sciences NV	4.26				4.26
		5.61				**5.61**
34	Mortgage of Land and Building at Bharuch owned by one of Subsidiaries as Security against Term Loan.					

Notes to the financial statements for the year ended 31 March 2017 (Continued)

1 April 2015 (₹ in million)

Sr. No	Particulars	Subsidiaries	Enterprise in which certain key management personnel are interested	Key management personnel	Others	Total
Amount outstanding:						
1	**Loans payable:**					
	Jubilant Infrastructure Limited	357.50				357.50
	Jubilant Clinsys Limited	50.00				50.00
	Jubilant First Trust Healthcare Limited	671.37				671.37
	Vanthys Pharmaceutical Development Private Limited	27.50				27.50
		1,106.37				**1,106.37**
2	**Interest payable on loan**					
	Jubilant Infrastructure Limited	30.56				30.56
	Jubilant Clinsys Limited	3.45				3.45
	Jubilant First Trust Healthcare Limited	29.15				29.15
	Vanthys Pharmaceutical Development Private Limited	2.25				2.25
		65.41				**65.41**
3	**Trade payables:**					
	Jubilant Clinsys Limited	87.00				87.00
	Jubilant Pharmaceuticals NV	12.45				12.45
	Jubilant Life Sciences (USA) Inc.	10.35				10.35
	Jubilant Infrastructure Limited	133.19				133.19
	PSI Supply NV	1.00				1.00
	Jubilant Biosys Limited	0.27				0.27
	Jubilant Life Sciences NV	0.60				0.60
	Jubilant Generics Limited	19.04				19.04
	Jubilant Industries Limited		0.83			0.83
	Jubilant Agri and Consumer Products Limited		10.00			10.00
	Amarchand & Mangaldas and Suresh A Shroff & Co.		0.19			0.19
		263.90	**11.02**			**274.92**
4	**Other payables:**					
	Jubilant Oil & Gas Private Limited		1.44			1.44
	B&M Hot Breads Private Limited		0.32			0.32
	Vam Employees Provident Fund Trust				14.20	14.20
	Vam Officers Superannuation Fund				0.81	0.81
			1.76		**15.01**	**16.77**
5	**Loans recoverable:**					
	Jubilant Pharma Limited	831.25				831.25
	Jubilant Employee Welfare Trust	410.39				410.39
		1,241.64				**1,241.64**
6	**Interest recoverable:**					
	Jubilant Pharma Limited	13.78				13.78
	Jubilant Generics Limited	374.58				374.58
		388.36				**388.36**
7	**Trade receivables:**					
	Jubilant Life Sciences (USA) Inc.	83.26				83.26
	Jubilant Life Sciences (Shanghai) Limited	3.73				3.73
	Jubilant Chemsys Limited	0.79				0.79
	Jubilant Infrastructure Limited	0.23				0.23
	Jubilant Life Sciences International Pte. Limited	889.15				889.15
	Jubilant Generics Limited	12.48				12.48

Notes to the financial statements for the year ended 31 March 2017 (Continued)

1 April 2015 (₹ in million)

Sr. No	Particulars	Subsidiaries	Enterprise in which certain key management personnel are interested	Key management personnel	Others	Total
	Jubilant Life Sciences NV	118.79				118.79
	Jubilant Agri and Consumer Products Limited		8.46			8.46
		1,108.43	**8.46**			**1,116.89**
8	**Deposits recoverable:**					
	Tower Promoters Private Limited		21.00			21.00
	Jubilant Enpro Private Limited		1.27			1.27
			22.27			**22.27**
9	**Other recoverables:**					
	Jubilant Cadista Pharmaceuticals Inc.	1.00				1.00
	Jubilant HollisterStier LLC	106.00				106.00
	Jubilant Clinsys Inc.	12.89				12.89
	Jubilant HollisterStier General Partnership	93.49				93.49
	Jubilant DraxImage Inc.	7.11				7.11
	Jubilant DraxImage Limited	7.09				7.09
	Jubilant Chemsys Limited	4.14				4.14
	Jubilant Biosys Limited	1.54				1.54
	PSI Supply NV	6.72				6.72
	Jubilant Generics Limited	4,183.45				4,183.45
	Jubilant Life Sciences (Switzerland) AG Schaffhausen	0.85				0.85
	Jubilant Agri and Consumer Products Limited		13.30			13.30
	B&M Hot Breads Private Limited		0.16			0.16
	Jubilant FoodWorks Limited		1.97			1.97
	Jubilant Enpro Private Limited		0.09			0.09
		4,424.28	**15.52**			**4,439.80**
10	**Advance from customers:**					
	Jubilant Life Sciences NV	1,202.78				1,202.78
		1,202.78				**1,202.78**
11	Mortgage of Land and Building at Bharuch owned by one of Subsidiaries as Security against Term Loan					

38. Contingent liabilities to the extent not provided for:

A. Guarantees:

Outstanding guarantees furnished by Banks on behalf of the Company is ₹ 719.22 million (31 March 2016: ₹ 406.01 million; 1 April 2015: ₹ 433.63 million).

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

(₹ in million)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Central Excise	1,266.34	1,265.58	1,138.57
Customs	12.05	12.63	18.61
Sales Tax	94.32	88.92	56.47
Income Tax	1,307.04	1,057.04	505.77
Service Tax	9.68	7.38	7.48
Others	32.35	344.20	332.16

Excluding claims in respect of business transferred to Jubilant Generics Limited (Refer note 50) and to Jubilant Industries Limited in accordance with the demerger scheme approved by the Hon'ble Allahabad High Court, though the litigations may be continuing in the name of the Company.

Notes to the financial statements for the year ended 31 March 2017 (Continued)

Future cash outflows in respect of the above matters as well as for matters listed under 38(C) below are determinable only on receipt of judgments/decisions pending at various stages/forums.

C. Other contingent liabilities as at 31 March 2017:

i. 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 (31 March 2016: ₹ 2.51 million; 1 April 2015: ₹ 2.51 million) deposited during the period when the dispute was pending before the High Court. The total amount of disputed transport fee is ₹ 245.46 million (31 March 2016: ₹ 227.20 million; 1 April 2015: ₹ 209.13 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.

ii. 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 ₹ 27.45 million (31 March 2016: ₹ 26.45 million; 1 April 2015: ₹ 25.55 million) under protest which is shown as deposits.

iii. Zila Panchayat at J.P. Nagar (in respect of the Company's Gajraula plant) served a notice demanding a compensation of ₹ 277.40 million (31 March 2016: ₹ 277.40 million; 1 April 2015: ₹ 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 (31 March 2016: ₹ 305.14 million; 1 April 2015: ₹ 305.14 million).

The Company has challenged the demand before the Hon'ble Allahabad High Court, and the Court after considering Company's submissions, stayed the demand till further orders.

iv. 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 (31 March 2016: ₹ 90.00 million; 1 April 2015: ₹ 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. The Hon'ble Supreme court has ordered to list the appeal after the decision in Civil Appeal No 151 of 2007.

v. The Hon'ble Supreme Court has quashed the levy of license fee (FL-39) 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 was entitled to a refund of ₹ 84.06 million (31 March 2016: ₹ 84.06 million; 1 April 2015: ₹ 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 approached the State of Uttar Pradesh for the refund of the said amount. The amount paid has been shown as deposit.

Commissioner, State excise rejected the refund claim of ₹ 84.06 million and directed to recover the Bank Gaurantee (B.G.) of ₹ 68.00 million. Company filed a stay application/revision application against the said order before the Principal Secretary, Government of U.P. The Revision Order passed has rejected our refund claim and held that the amounts secured by BG amount of ₹ 68.00 million has also been recovered from the customer. Writ petition filed against the said revision order in High court of Allahabad. High court has granted stay Vide its order dated 6th January 2017, subject to furnishing of B.G. of ₹ 68.00 million which has been submitted.

vi. A group of villagers from Nira in Pune District, State of Maharashtra had filled a Public Interest Litigation in the year 2009 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

Notes to the financial statements for the year ended 31 March 2017 (Continued)

to effluent discharge to Nira river and asked Company to deposit adhoc amount of ₹ 2.50 million (31 March 2016: ₹ 2.50 million; 1 April 2015: ₹ 2.50 million) with the Collector of Pune. Company deposited the above amount with the Collector of Pune. In its report, the Committee has found that no loss was shown to have been caused to fertility of the land or the agriculturists. Company's compliances are being regularly monitored by MPCB and status is being informed to NGT.

NEERI has submitted its recommendations and NGT has asked some clarifications on the report from NEERI. Meanwhile, the Company has submitted its comments on the NEERI report and also made suggestions for quicker ground water aquifer remediation based on corroborative study by IIT, Delhi. In accordance with the direction of the NGT, the Company has also filed a further affidavit in March, 2017. In response to the NGT directions both NEERI & CGWB have placed before the Court their final view & comments on the proposal submitted by the Company (based on corroborative study by IIT, Delhi). The CGWB is in agreement with the improved measures stated in the Proposal and has suggested that MPCB monitors the implementation of improved measures every 6 months. The NGT has directed the Company to file an action plan to facilitate passing of the final order in the present case. The matter is pending before NGT.

vii. Uttar Pradesh Pollution Control Board served notices on 31 January 2016 upon 3 units of Company at Gajraula to appear and present their submissions in the National Green Tribunal, New Delhi (NGT) in a pending matter (M.C. Mehta vs. Union of India & Ors.) regarding pollution of Ganga and its tributaries. NGT directed all the parties to give their compliance status on Zero Liquid Discharge (ZLD). All 3 units of Company have duly filed submissions that they are compliant of the terms of consent/ ZLD.

Additionally, the Company's Distillery Unit filed a Miscellaneous Application in the matter seeking review of some of the directions of Central Pollution Control Board based on their technical and practical limitations and also requested for considering alternate technologies that are environmentally sustainable options for ZLD. On 06 March 2017, NGT further asked certain information from various industries & in compliance thereof all 3 units of the Company has filed their respective affidavits.

In this matter the NGT is assessing the causes of the pollution to the river Ganges, and the tributaries and drains flowing into the Ganges. One such drain is Bagad nadi (nalla) on the banks of which the Gajraula town is situated where about 13 industries are operating including the 3 units of the Company. By order of 24 April 2017 the NGT constituted a Special Inspection Committee to inspect all these industries and submit a report of findings. At a hearing on 2 April 2017, this committee presented its oral finding from the inspection, and based on which the NGT ordered shut down of all the 13 industries at Gajraula, despite opposition from the industries stating that they weren't provided with the report and so no opportunity to contest. The NGT however allowed them to file their objections as well as detailed status of compliance. To comply with the NGT directions, all 3 units of the Company commenced shut down on 27 April 2017.

Based on the separate application filed by the 3 units of the Company, the NGT allowed the restart of operation of, both the Chemical units of the Company (vide order of 8 May 2017). The Company is an environmentally conscious citizen, expects to resume the distillery operation soon. The matter is pending before NGT.

viii. In 2014, CPCB direct 17 categories of highly polluting industries, CETP's and Common Hazardous Waste and Biomedical waste incinerator sites located across India to install online treated effluent monitoring and stack monitoring with direct connection to the servers of SPCB/CPCB. Nira unit of the Company complied with these direction and installed the online effluent monitoring system at the Outlet of the ETP (Chemical Unit), Stack emission of the Boilers, Stack emission of Chemical plant furnace by 15 May 2015.

Due to server up gradation and configuration at the CPCB, the server connectivity details were not provided by CPCB till April 2016 to the Nira unit of the Company. Further, such issues of connectivity, and resultant incomplete transmission of online monitoring data to SPCB/CPCB servers, continued until March, 2017. Further, CPCB did not issue the connectivity details in spite of repeated requests of the Nira unit of the Company.

CPCB, without providing any final opportunity to any industry, uploaded, on their website on 21 April 2017, Closure Notice (letter dated 06 April 2017) stating the reason as "CPCB is not able to verify the data connectivity of the online monitoring system from the unit and hence the claim of the unit regarding installation of online monitoring system cannot be acceded" to hundreds of industries including Nira Unit's Distillery.

Nira unit of Company successfully pursued CPCB for revocation of the closure notice with suitable submissions and proof that connection to the server of CPCB, which was poor due to technical glitches, and immediately on receipt of server connection details the connectivity was finally established on 26 April 2017 and online data was transmitted to CPCB server immediately. CPCB issued its letter of revocation of closure of Nira Unit on 15 May 2017.

Additionally, the Company is involved in other disputes, lawsuits, claims, governmental and/ or regulatory inspections, inquiries, investigations and proceedings, including commercial matters that arise from time to time in the ordinary course of business.

Notes to the financial statements for the year ended 31 March 2017 (Continued)

The company believes that none of above matters, either individually or in aggregate, are expected to have any material adverse effect on its financial statements.

39. Commitments as at year end

a) Capital Commitments:

Estimated amount of contracts remaining to be executed on capital account (net of advances) ₹ 328.55 million (31 March 2016: ₹ 140.68 million; 1 April 2015: ₹ 147.89 million).

b) Leases:

i) 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 ₹ 111.65 million (31 March 2016: ₹ 93.26 million) has been included under rent expense in note 29.

ii) The Company has operating lease arrangements in respect of vehicles which are cancellable, range between 2 years and 5 years. The aggregate lease rentals payable are charged as expenses. Rental expenses recognized under such leases amounting to ₹ 6.74 million (31 March 2016: ₹ 4.65 million) has been included under vehicle running and maintenance expense in note 29.

iii) The Company has significant operating lease arrangements which are non-cancellable for a period up to 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.

The schedule of future minimum lease rental payments in respect of non-cancellable operating leases is set out below:

(₹ in million)

Particulars	Minimum lease payments		
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Not later than one year	16.61	16.32	15.64
Later than one year but not later than five years	72.37	70.06	68.10
Later than five years	305.65	324.58	342.86

Rental expenses recognised under such leases during the year are ₹ 33.12 million (31 March 2016: ₹ 32.44 million).

iv) Assets acquired under finance lease:

Future minimum lease payments and their present values under finance leases in respect of vehicles are as follows:

(₹ in million)

Particulars	Minimum lease payments			Present value of minimum lease payments			Future interest		
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Not later than one year	11.80	9.88	12.91	8.73	7.50	10.56	3.07	2.38	2.34
Later than one year but not later than five years	22.31	16.70	13.93	18.89	14.01	11.85	3.42	2.69	2.08
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.

c) Other Commitments:

i) Export obligation under Advance License Scheme/DFIA scheme on duty free import of specific raw materials, remaining outstanding is ₹ 4,624.45 million (31 March 2016: ₹ 5,608.88 million; 1 April 2015: 3,213.44 million).

Notes to the financial statements for the year ended 31 March 2017 (Continued)

ii) Outstanding export obligation amounting to ₹ Nil (31 March 2016: ₹ 5.61 million; 1 April 2015: ₹ 1,202.78 million), against equivalent supplier advance received from a step down wholly owned subsidiary.

40. Loans to subsidiary companies, including interest accrued thereon pursuant to information required to be disclosed under clause 32 of listing agreement [Refer note 37]:

(₹ in million)

Particulars	Outstanding amount (including interest accrued thereon)			Maximum balance outstanding during the year	
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015	2017	2016
Jubilant Pharma Limited	-	-	845.03	-	858.48

The above companies have not invested in the securities of the Company.

41. Disclosure pursuant to section 186(4) of the Companies Act, 2013 in respect of unsecured loans to subsidiary companies [Refer note 37]:

(₹ in million)

Particulars	Purpose/Term of loan	As at 31 March 2017	As at 31 March 2016
Jubilant Pharma Limited (denominated in USD)	General business purpose and interest rate upto 5% p.a.		
Outstanding as at the beginning of year		-	831.25
Given during the year		-	-
Repaid during the year		-	862.78
Currency translation adjustment		-	31.53
Outstanding as at the end of year		-	-

42. Corporate Social Responsibility (CSR) Expense

(₹ in million)

Particulars		For the year ended 31 March 2017	For the year ended 31 March 2016
Prescribed CSR expenditure as per Section 135 of the Companies Act, 2013		-	3.12
Details of CSR spent during the financial year			
a)	Construction / acquisition of any asset (1)	-	-
b)	On purposes other than (a) above	10.27	17.82

(1) Included in Donation – Refer note 29

43. Donation includes ₹ 60.00 million (31 March 2016: ₹ Nil) to Satya Electoral Trust during the year.

44(a) Government grant recoverable ₹ 185.12 million (31 March 2016: ₹ 265.18 million; 1 April 2015: ₹ 52.17 million) and Government grant recognized ₹ 304.95 million (31 March 2016: ₹ 361.43 million) in Statement of Profit and Loss.

44(b). During the year, finance costs amounting to ₹ 34.58 million (31 March 2016: ₹ 17.71 million) has been capitalised.

45. Subsequent to the year end, a wholly owned subsidiary of the Company, Jubilant Pharma Limited ("JPL"), through one of its wholly owned subsidiaries, signed an Asset Purchase Agreement with Triad Isotopes Inc. and its parent Isotope Holdings, Inc. ("Triad"), to acquire substantially all of the assets which comprise the radiopharmacy business of Triad. The closing of the transaction is subject to customary closing conditions, including contract, regulatory and other approvals. The acquisition will be funded through JPL's internal accruals.

46. Hedging and derivatives instruments:

(i) The Company uses various derivative instruments such as foreign exchange forward contracts, currency and interest rate swaps to selectively hedge its exposures to movement in foreign exchange rates and interest rates. These derivatives instruments are not used for speculative or trading purposes.

Notes to the financial statements for the year ended 31 March 2017 (Continued)

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 2017:					
Forward Contracts	USD	INR	USD	-	-
As at 31 March 2016:					
Forward Contracts	USD	INR	USD	2.80	Buy
As at 1 April 2015:					
Forward Contracts	USD	INR	USD	22.00	Sell
Forward Contracts	EUR	USD	EUR	3.69	Sell

(ii) Mark to market loss amounting to ₹ Nil (31 March 2016: ₹ 4.02 million) in respect of currency and interest rate swaps contracts have been credited/ charged to the Statement of Profit and Loss. The accumulated mark to market losses on currency swaps (including currency and interest rate swaps) and forward contract outstanding as at 31 March 2017 is ₹ Nil (31 March 2016: ₹ 4.02 million).

47. Disclosure on Specified Bank Notes

During the year, the company had Specified Bank Notes (SBNs) or other denomination notes as defined in the MCA notification, G.S.R.308(E), dated 31 March 2017. The details of SBNs held and transacted during the period from 8 Nov 2016 to 30 Dec 2016, the denomination-wise SBNs and other notes as per the notification are as follows:

(₹ in million)

Particulars	SBNs (1)	Other denomination Notes	Total
Closing cash in hand as on 08 Nov 2016	0.62	0.15	0.77
(+) Permitted receipts	-	1.29	1.29
(-) Permitted payments	-	(1.00)	(1.00)
(-) Amount deposited in Banks	(0.62)	(0.01)	(0.63)
Closing cash in hand as on 30 Dec 2016	-	0.43	0.43

(1) For the purpose of this clause, the term "Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated 8 Nov 2016.

48. During year ended 31 March 2017, the Company has capitalised exchange gain amounting to ₹ 3.80 million (31 March 2016: exchange loss of ₹ 136.03 million) to the cost of property, plant and equipment and accumulated exchange loss of ₹ 18.01 million (31 March 2016: ₹ 152.31 million) to foreign currency monetary item translation difference account (FCMITDA). During the year ₹ 61.67 million (31 March 2016: ₹ 251.90 million) has been amortised to the Statement of Profit and Loss and balance of ₹ 7.07 million (31 March 2016: ₹ 50.73 million) is carried in Balance Sheet as at 31 March 2017.

49. 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.

50. During the year ended 31 March 2015, the Company had transferred, with effect from 1 July 2014, its Active Pharmaceutical Ingredients and Dosage Forms business to Jubilant Generics Limited (JGL), a wholly owned Subsidiary of JPL, by way of a slump sale on going concern basis.

51. 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 Nomination, Remuneration and Compensation Committee ('Committee') of the Board of Directors which comprises a majority of Independent Directors is responsible for administration and supervision of the Stock Option Plans.

Notes to the financial statements for the year ended 31 March 2017 (Continued)

Under Plan 2005, as amended, and under Plan 2011, up to 1,100,000 Stock Options and up to 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 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 up to 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.

	PLAN 2005						PLAN 2011		
	Vesting schedule (With lock in) Applicable for grants made up to 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			

There were no options granted during the year ended 31 March 2017 and 31 March 2016, accordingly disclosures as required under Ind AS 102 w.r.t. weighted average fair value of stock options granted during the year is not applicable.

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, up to ₹ 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 2017 is ₹ 111.99 million (31 March 2016: ₹ 200.99 million;, 1 April 2015: ₹ 410.39 million).

Up to 31 March 2017, 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 2,814,555 (31 March 2016: 2,458,980; 1 April 2015: 1,530,010) shares were transferred to the employees on exercise of Options. The Trust is also holding 170,878 (31 March 2016: 171,802; 1 April 2015: 192,086) equity shares of Jubilant Industries Limited issued to it in accordance with the Scheme of Amalgamation and Demerger amongst the Company, Jubilant Industries Limited and others.

The movement in the equity shares held by trust:

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
	Number of equity shares	Number of equity shares
At the commencement of the year	3,904,526	4,833,496
Transfer to employees on exercise of options	355,575	928,970
At the end of the year	3,548,951	3,904,526

Notes to the financial statements for the year ended 31 March 2017 (Continued)

The movement in the stock options under both the Plans, during the year, is set out below:

Under Plan 2005

Particulars	For the year ended 31 March 2017		For the year ended 31 March 2016	
	Number of options	Weighted average exercise price (₹)	Number of options	Weighted average exercise price (₹)
Outstanding at the beginning of the year	8,467	264.72	105,495	222.73
Forfeited during the year	(1,900)	251.68	(15,850)	231.61
Exercised during the year	(3,700)	247.27	(81,178)	216.61
Outstanding at the end of the year	2,867	295.87	8,467	264.72
Exercisable at the end of the year	2,867	295.87	8,467	264.72

** The Board has decided that no further grants will be made under Plan 2005.*

Under Plan 2011

Particulars	For the year ended 31 March 2017		For the year ended 31 March 2016	
	Number of options	Weighted average exercise price (₹)	Number of options	Weighted average exercise price (₹)
Outstanding at the beginning of the year	431,256	216.18	1,112,306	210.80
Forfeited during the year	(22,996)	217.61	(157,970)	206.61
Exercised during the year	(337,075)	215.95	(523,080)	207.63
Outstanding at the end of the year	71,185	216.83	431,256	216.18
Exercisable at the end of the year	71,185	216.83	182,393	209.74

The Company has granted following stock options to certain senior executives of its subsidiaries/step down subsidiaries under these stock option schemes:

Under Plan 2005, options outstanding at the end of the year:

Particulars	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	Number of options	Weighted average exercise price (₹)	Number of options	Weighted average exercise price (₹)	Number of options	Weighted average exercise price (₹)
Jubilant Infrastructure Limited	450	314.35	800	314.35	800	314.35
Jubilant Generics Limited**	100	314.35	3,100	244.76	12,600	254.80
Jubilant Cadista Pharmaceuticals Inc.	-	-	-	-	1,877	201.33
Jubilant HollisterStier LLC	-	-	1,100	273.55	1,100	273.55
Jubilant Agri and Consumer Products Limited*	-	-	1,150	221.60	16,648	222.03

*In respect of employees transferred to Jubilant Industries Limited in accordance with the demerger scheme approved by the Hon'ble Allahabad High Court and subsequently transferred to Jubilant Agri and Consumer Products Limited, a subsidiary company of Jubilant Industries Limited.

Under Plan 2011, options outstanding at the end of the year:

Particulars	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	Number of options	Weighted average exercise price (₹)	Number of options	Weighted average exercise price (₹)	Number of options	Weighted average exercise price (₹)
Jubilant Infrastructure Limited	-	-	849	220.90	19,437	212.61
Jubilant Generics Limited**	17,600	215.14	56,620	216.05	163,574	210.10
Drug Discovery and Development Solutions Limited	1,319	200.05	3,957	200.05	51,831	193.31

Notes to the financial statements for the year ended 31 March 2017 (Continued)

Particulars	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	Number of options	Weighted average exercise price (₹)	Number of options	Weighted average exercise price (₹)	Number of options	Weighted average exercise price (₹)
Jubilant HollisterStier LLC	-	-	2,985	217.19	2,985	217.19
Jubilant Life Sciences (Shanghai) Limited	-	-	-	-	7,562	212.65

** Represents options outstanding out of options granted to employees of the Company which were transferred to Jubilant Generics Limited on account of sale of businesses as explained in note 37.

Pursuant to stock option granted to certain employees of the subsidiary under plan 2005, as amended, and under plan 2011, share based payment transaction with employees of subsidiary amounting to ₹ Nil (31 March 2016: ₹ 1.50 million) is recognised in investment in subsidiaries with corresponding credit to share based payment reserve.

Fair value of option granted

The weighted average fair value of options granted as at the year ended 31 March 2017 for Plan 2005 and Plan 2011 were ₹ 94.18 per option and ₹ 84.90 per option respectively. The fair value at grant date is determined using the Black Scholes Merton which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option. The following tables list the inputs to models used for fair valuation of two plans:

Particulars	Plan 2005	Plan 2011
Expected volatility	29.73% - 41.76%	38.36% - 45.95%
Risk free interest rate	7.52% - 9.44%	7.74% - 8.81%
Exercise price (₹)	198.55 - 359.25	170.20 - 220.90
Expected dividend yield	0.51% - 0.90%	0.63% - 1.10%
Life of options (years)	4.25	3.65

Expense arising from share-based payment transaction

The expenses arising from share-based payment transaction recognised in profit or loss as part of employee benefit expense for the year ended 31 March 2017 and 31 March 2016, were ₹ 0.01 million and ₹ 3.81 million respectively.

Share options outstanding at the end of the year:

Options	Options outstanding as at 31 March 2017	Options outstanding as at 31 March 2016	Remaining contractual life (in years) as at 31 March 2017	Remaining contractual life (in years) as at 31 March 2016	Exercise Price as at 31 March 2017 (₹)	Exercise Price as at 31 March 2016 (₹)
Option Plan 2005	2,867	8,467	-	-	295.87	264.72
Option Plan 2011	71,185	431,256	-	-	216.83	216.18
Total	**74,052**	**439,723**	**-**	**-**	**-**	**-**

52. During the year ended 31 March 2016, the Hon'ble Allahabad High Court vide its order dated 17 August 2015 ("Order") sanctioned the Scheme of Amalgamation, Compromise and Arrangements ("the Scheme") between two subsidiaries of the Company viz. Jubilant First Trust Healthcare Limited ("JFTHL") and First Trust Medicare Private Limited ("FTMPL"). The Scheme became effective on 4 September 2015 on filing of the certified true copy of the Order with the Registrar of Companies. As per the provisions of the Scheme, FTMPL merged into JFTHL and the shareholders of FTMPL received 6.5 fully paid up equity shares of the JFTHL against each fully paid up share of FTMPL with effect from the appointed date, i.e. 1 April 2014. Subsequently, as per the provisions of the Scheme, equity share capital of JFTHL amounting to ₹ 135.63 million (i.e. 13,563,171 equity shares of face value ₹ 10 each) held by the Company along with the securities premium amounting to ₹ 540.49 million was cancelled with effect from the appointed date, i.e. 1 March 2015. The consequent impact on value of investment has been recorded in the books of account of the Company during the year ended 31 March 2016.

53. During the year, the Company acquired 186,620,000 12% Optionally Convertible Non-Cumulative Redeemable Preference Shares of ₹ 10 each of Jubilant Biosys Limited ("JBL") at par in lieu of loan of equivalent amount which was granted to the JBL and derecognized through written off in year prior to transition date of Ind-AS. Accordingly, applying Ind AS 101 assumption for such earlier derecognized financial instrument, the initial recognized value of these shares is considered as ₹ Nil.

54. During the year, the capital reduction scheme in respect Jubilant Clinsys Limited (subsidiary) was admitted by National Company Law Tribunal (NCLT).

Notes to the financial statements for the year ended 31 March 2017 (Continued)

55. First-time adoption of Ind AS

Transition to Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS.

The significant accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended 31 March 2017, the comparative information presented in these financial statements for the year ended 31 March 2016 and in the preparation of an opening Ind AS balance sheet at 1 April 2015 (the Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

(A). Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

Ind AS optional exemptions

1. Business combinations

Ind AS 101 provides the option to apply Ind AS 103 "Business Combinations" prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date.

The Company elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. Business combinations occurring prior to the transition date have not been restated.

2. Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets.

Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

3. De-recognition of financial assets and liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 "Financial Instruments" prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS Refer Note - 53.

Ind AS mandatory exceptions

1. Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

- Investment in equity instruments carried at FVOCI.
- Impairment of financial assets based on expected credit loss model.
- Determination of the discounted value for financial instruments carried at amortised cost.

2. Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of the facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

Notes to the financial statements for the year ended 31 March 2017 (Continued)

55(B). Reconciliation of equity as reported under Previous GAAP to Ind AS

(₹ in million)

	Notes	As at 1 April 2015			As at 31 March 2016		
		Previous GAAP*	Effects of transition to Ind AS	Ind AS	Previous GAAP*	Effects of transition to Ind AS	Ind AS
ASSETS							
Non-current assets							
Property, plant and equipment	1	14,387.76	23.19	14,410.95	14,081.83	29.89	14,111.72
Capital work-in-progress	1	200.17	-	200.17	338.46	9.82	348.28
Other intangible assets		71.50	-	71.50	40.66	-	40.66
Intangible assets under development		-	-	-	8.52	-	8.52
Financial assets							
i. Investments	2, 6	17,662.64	22.38	17,685.02	16,994.78	24.26	17,019.04
ii. Loans		460.51	-	460.51	250.73	-	250.73
iii. Other financial assets		4.49	-	4.49	-	-	-
Deferred tax assets (net)	3	521.70	(323.83)	197.87	564.45	(329.71)	234.74
Income tax assets (net)		306.11	-	306.11	298.68	-	298.68
Other non-current assets	9	435.37	(116.77)	318.60	389.26	(85.31)	303.95
Total non-current assets		**34,050.25**	**(395.03)**	**33,655.22**	**32,967.37**	**(351.05)**	**32,616.32**
Current assets							
Inventories		5,158.60	(30.98)	5,127.62	4,783.61	(30.98)	4,752.63
Financial assets							
i. Investments		-	-	-	73.50	-	73.50
ii. Trade receivables		3,634.66	-	3,634.66	3,412.95	-	3,412.95
iii. Cash and cash equivalents		1,367.35	-	1,367.35	382.94	-	382.94
iv. Other bank balances		-	-	-	27.54	-	27.54
v. Loans		899.78	-	899.78	46.41	-	46.41
vi. Other financial assets	7	4,858.15	80.51	4,938.66	1,005.25	-	1,005.25
Other current assets	9	834.03	(35.85)	798.18	1,003.99	(29.24)	974.75
Total current assets		**16,752.57**	**13.68**	**16,766.25**	**10,736.19**	**(60.22)**	**10,675.97**
Total assets		**50,802.82**	**(381.35)**	**50,421.47**	**43,703.56**	**(411.27)**	**43,292.29**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirement for the purposes of this note.

Notes to the financial statements for the year ended 31 March 2017 (Continued)

55(B). Reconciliation of equity as reported under Previous GAAP to Ind AS

(₹ in million)

	Notes	As at 1 April 2015			As at 31 March 2016		
		Previous GAAP*	Effects of transition to Ind AS	Ind AS	Previous GAAP*	Effects of transition to Ind AS	Ind AS
EQUITY AND LIABILITIES							
Equity							
Equity share capital		159.30	-	159.30	159.30	-	159.30
Other equity		19,290.35	375.89	19,666.24	19,665.71	312.31	19,978.02
Total equity	55(D)	**19,449.65**	**375.89**	**19,825.54**	**19,825.01**	**312.31**	**20,137.32**
LIABILITIES							
Non-current liabilities							
Financial Liabilities							
i. Borrowings	9	17,390.68	(116.77)	17,273.91	11,233.62	(85.31)	11,148.31
Provisions		438.50	-	438.50	454.39	-	454.39
Total non-current liabilities		**17,829.18**	**(116.77)**	**17,712.41**	**11,688.01**	**(85.31)**	**11,602.70**
Current liabilities							
Financial liabilities							
i. Borrowings	9	3,851.33	-	3,851.33	4,539.42	-	4,539.42
ii. Trade payables		5,075.70	-	5,075.70	3,644.87	-	3,644.87
iii. Other financial liabilities	9	2,496.75	(65.35)	2,431.40	3,001.94	(63.15)	2,938.79
Other current liabilities		1,383.47	-	1,383.47	228.48	-	228.48
Provisions	4	683.56	(575.12)	108.44	720.35	(575.12)	145.23
Current tax liabilities (net)		33.18	-	33.18	55.48	-	55.48
Total current liabilities		**13,523.99**	**(640.47)**	**12,883.52**	**12,190.54**	**(638.27)**	**11,552.27**
Total liabilities		**31,353.17**	**(757.24)**	**30,595.93**	**23,878.55**	**(723.58)**	**23,154.97**
Total equity and liabilities		**50,802.82**	**(381.35)**	**50,421.47**	**43,703.56**	**(411.27)**	**43,292.29**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirement for the purposes of this note.

Notes to the financial statements for the year ended 31 March 2017 (Continued)

55(C). Reconciliation Statement of Profit and Loss as previously reported under Previous GAAP to Ind AS

(₹ in million)

	Notes	For the year ended 31 March 2016		
		Previous GAAP*	Effects of transition to Ind AS	Ind AS
Revenue from operations	10	26,561.71	1,347.81	27,909.52
Other income		617.41	-	617.41
Total income		**27,179.12**	**1,347.81**	**28,526.93**
Expenses				
Cost of materials consumed		13,483.15	-	13,483.15
Purchases of stock-in-trade		1,171.91	-	1,171.91
Changes in inventories of finished goods, stock-in-trade and work-in-progress		(113.92)	-	(113.92)
Excise duty	10	-	1,348.03	1,348.03
Employee benefits expense	6, 5	2,171.22	(9.39)	2,161.83
Finance costs	1	2,024.26	(17.71)	2,006.55
Depreciation and amortisation expense	1	868.61	1.20	869.81
Other expenses	7	6,440.45	295.21	6,735.66
Total expenses		**26,045.68**	**1,617.34**	**27,663.02**
Profit before exceptional items and tax		**1,133.44**	**(269.53)**	**863.91**
Exceptional items	11	219.32	(219.32)	-
Profit/(loss) before tax		**914.12**	**(50.21)**	**863.91**
Tax expense				
- Current tax		184.54	-	184.54
- MAT credit entitlement		(80.15)	-	(80.15)
- Deferred tax	3	19.05	10.44	29.49
Total tax expense		**123.44**	**10.44**	**133.88**
Profit for the year		**790.68**	**(60.65)**	**730.03**
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Changes in fair value of investments which are classified at fair value through OCI	2, 8	-	0.38	0.38
Remeasurement of defined benefit obligations	5, 8	-	(13.20)	(13.20)
Income tax relating to items that will not be reclassified to profit or loss	3	-	4.57	4.57
		-	**(8.25)**	**(8.25)**
Other comprehensive income for the year, net of tax		**-**	**(8.25)**	**(8.25)**
Total comprehensive income for the year		**790.68**	**(68.90)**	**721.78**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirement for the purposes of this note.

Notes to the financial statements for the year ended 31 March 2017 (Continued)

55(D). Equity reconciliation

(₹ in million)

Particulars	Notes	As at 31 March 2016	As at 1 April 2015
Reported earlier under Previous GAAP		**19,825.01**	**19,449.65**
Incremental capitalisation of finance cost	1	17.71	-
Others*		49.19	124.60
Tax adjustments, net	3	(329.71)	(323.83)
Accounting for proposed dividend and dividend distribution tax on payment basis	4	575.12	575.12
Now reported under Ind AS		**20,137.32**	**19,825.54**

* Others include adjustments resulting from differences in accounting for employee stock option plans, classification of actuarial gain/loss to other comprehensive income, reversal of lease equalization reserve, depreciation/amortization on incremental borrowing cost and insurance spares capitalised, etc.

55(E). Statement of Cash Flows

Other than effect of certain reclassifications due to difference in presentation, there was no other material effect of cash flow from operating, financing, investing activities for all periods presented.

Note 1: Incremental capitalization of finance cost

Under the previous GAAP, capitalization of finance cost by applying avoidable interest cost method on certain specific borrowings was not permitted. Under Ind AS, the same is eligible for capitalization. The resulting capitalization of interest in property, plant and equipment, capital work-in-progess and intangible assets under development have been recognized in the Statement of Profit and Loss for the year ended 31 March 2016. This increased the retained earnings by ₹ 17.71 million as at 31 March 2016.

Note 2: Fair valuation of investments

Under the previous GAAP, investments in equity instruments and other instruments were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes with respect to investments in equity instruments designated as at FVOCI have been recognised in FVOCI – Equity instruments through OCI as at the date of transition and subsequently in the other comprehensive income for the year ended 31 March 2016. This increased total equity by ₹ 2.20 million as at 31 March 2016 (1 April 2015: ₹ 1.82 million) and other comprehensive income for the year ended 31 March 2016 by ₹ 0.38 million.

Note 3: Deferred taxes

Previous GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

Also deferred tax have been recognised on the adjustment made on transition to Ind AS. On the date of transition, the net impact on deferred tax liabilities is of ₹ 329.71 million (1 April 2015: ₹ 323.83 million).

Note 4: Proposed dividend

Under the previous GAAP, dividends proposed by the board of directors after the Balance Sheet date but before the approval of the financial statements were considered as adjusting events. Accordingly, provision for proposed dividend was recognised as a liability. Under Ind AS, such dividends are recognised when the same is approved by the shareholders in the general meeting. Accordingly, the liability for proposed dividend of ₹ 575.12 million as at 31 March 2016 (1 April 2015: ₹ 575.12 million) included under provisions has been reversed with corresponding adjustment to retained earnings. Consequently, the total equity increased by an equivalent amount.

Note 5: Re-measurements of post-employment benefit obligations

Under Ind AS, re-measurements i.e. actuarial gains and losses and the return on plan assets on the net defined benefit obligation are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these re-measurements were forming part of the profit or loss for the year. As a result of this change, the profit before tax for the year ended March 31, 2016 increased by ₹ 13.20 million. There is no impact on the total equity as at 1 April 2015 and 31 March 2016.

Note 6: Employee share based payment expense

Under the previous GAAP, the cost of equity-settled employee share based plan were recognised using the intrinsic value method. Under Ind AS, the cost of equity settled share based plan is recognised based on the fair value of the options as at the grant date. Consequently, the profit for the year ended 31 March 2016 decreased by ₹ 3.81 million in relation to equity settled share based payment transaction with the employees of the Company, and investment in subsidiaries increased by ₹ 22.06 million as at 31 March 2016 (01 April 2015: ₹ 20.56 million) in relation to equity settled share based payment transaction with the

Notes to the financial statements for the year ended 31 March 2017 (Continued)

employees of subsidiaries, with the corresponding increase in share based payment reserve by ₹ 25.34 million as at 31 March 2016 (01 April 2015: ₹ 91.71 million).

Note 7: Mark-to-market gain recognition on Derivative contracts

Recognition of unrealized mark-to-market gain of ₹ 80.51 million as at 1 April 2015 on forward contracts which was not permitted under previous GAAP. The amount was realised during the year ended 31 March 2016.

Note 8: Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes change in fair value of investments which are classified at fair value through OCI and re-measurements of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP.

Note 9: Borrowings

Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the profit or loss over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method. Accordingly borrowings as at 31 March 2016 have been reduced by ₹ 114.55 million (1 April 2015: ₹ 152.61 million with corresponding credit to other assets)

Note 10: Excise duty

Under the previous GAAP, revenue from sale of products was presented exclusive of excise duty. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty. The excise duty paid is presented on the face of the statement of profit and loss as part of expenses. This change has resulted in an increase in total revenue and total expenses for the year ended 31 March 2016 by ₹ 1,348.03 million. There is no impact on the total equity and profit.

Note 11: Exceptional items

Exceptional items have been reclassified to the respective heads to conform to Ind AS classifications.

Note 12: Lease equalisation reserve

Under previous GAAP, lease rentals on operating lease, were required to be recognised as expense on straight line basis over the lease term by recognising corresponding lease equalisation reserve. However, under Ind AS, there is no such requirement unless under specific circumstances specified in the Ind AS. Accordingly, other financial liability as at 31 March 2016 have been reduced by ₹ 33.91 million (1 April 2015: ₹ 29.51 million) with corresponding adjustment to retained earnings. The other expenses for the year ended 31 March 2016 is decreased by ₹ 4.41 million.

56. Earnings per share

		For the year ended 31 March 2017	For the year ended 31 March 2016
Profit for basic and diluted earnings per share of ₹ 1 each	**₹ in million**	**791.94**	**730.03**
Weighted average number of equity shares used in computing earnings per share			
For basic earnings per share	**Nos**	**159,281,139**	**159,281,139**
For diluted earnings per share:			
No. of shares for basic earnings per share	Nos.	159,281,139	159,281,139
Add: weighted average outstanding options related to employee stock options.	Nos.	-	-
No. of shares for diluted earnings per share	**Nos.**	**159,281,139**	**159,281,139**
Earnings per share (face value of ₹ 1 each)			
Basic	₹	4.97	4.58
Diluted	₹	4.97	4.58

The accompanying notes 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/W-100022

Pravin Tulsyan
Partner
Membership No.: 108044

Shyam S. Bhartia
Chairman
DIN:00010484

Place : Noida
Date : 23 May 2017

Rajiv Shah
Company Secretary

R. Sankaraiah
Executive Director-Finance

Hari S. Bhartia
Co-Chairman and Managing Director
DIN:00010499

Independent Auditor's **Report**

To the Members of Jubilant Life Sciences Limited

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Jubilant Life Sciences Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31 March 2017, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows, the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Act, read with the relevant rules issued thereunder.

The respective Board of Directors of the entities included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS 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 including the Ind AS, of the consolidated financial position of the Group as at 31 March 2017, and its consolidated financial performance including other comprehensive income, its consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report, to the extent applicable, that:

Independent Auditor's Report (Continued)

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purposes of preparation of the consolidated financial statements.

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act, read with relevant rules issued thereunder.

(e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2017 taken on record by the Board of Directors of the Holding Company and on the basis of the relevant assertion contained in the audit reports on standalone financial statements of the Holding Company and each of its subsidiary companies incorporated in India, none of the directors of any such company are disqualified as on 31 March 2017 from being appointed as a director of that company in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate report in "Annexure A".

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

(i) the consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 38(B) and 38(C) to the consolidated Ind AS financial statements;

(ii) provision has been made in the consolidated Ind AS financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 43 to the consolidated Ind AS financial statements;

(iii) there has been no delay in transferring amounts, required to be transferred, to the investor education and protection fund by the Holding Company and its subsidiary companies incorporated in India; and

(iv) the requisite disclosures in the consolidated Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016 have been provided with respect to the Holding Company and its subsidiary companies incorporated in India. Based on the audit procedures performed by us and relying on the management representation, we report that the disclosures are in accordance with the books of account maintained by the Holding Company and its subsidiary companies incorporated in India and as produced to us by the management of the Holding Company – Refer Note 44 to the consolidated Ind AS financial statements.

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 101248W/W-100022

Pravin Tulsyan
Partner
Membership No.: 108044

Place: Noida
Date: 23 May 2017

Annexure A to the Independent Auditor's Report of even date on the consolidated Ind AS financial statements of Jubilant Life Sciences Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

In conjunction with our audit of consolidated Ind AS financial statements of Jubilant Life Sciences Limited ("the Holding Company") as of and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting of the Holding Company and its subsidiary companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's and its subsidiary companies incorporated in India, internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Annexure A to the Independent Auditor's Report of even date on the consolidated Ind AS financial statements of Jubilant Life Sciences Limited

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Holding Company and its subsidiary companies incorporated in India have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal controls over financial reporting criteria established by the Holding Company and its subsidiary companies incorporated in India, considering the essential components of internal controls stated in the Guidance Note issued by the ICAI.

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 101248W/W-100022

Pravin Tulsyan
Partner
Membership No.: 108044

Place: Noida
Date: 23 May 2017

Consolidated Balance Sheet as at 31 March 2017

(₹ in million)

	Notes	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
ASSETS				
Non-current assets				
Property, plant and equipment	3	31,040.39	31,147.02	29,967.54
Capital work-in-progress	3	2,106.50	1,469.16	1,981.77
Goodwill	4	17,622.27	18,311.04	17,324.68
Other intangible assets	4	2,404.59	1,586.14	1,913.57
Intangible assets under development	4	4,731.33	4,644.01	3,984.22
Financial assets				
i. Investments	5	1,027.14	854.31	1,142.72
ii. Loans	6	119.27	141.96	129.89
iii. Other financial assets	7	9.86	0.55	6.07
Deferred tax assets (net)	8	1,418.98	844.73	920.68
Income tax assets (net)		257.28	460.88	589.83
Other non-current assets	9	187.65	28.65	179.25
Total non-current assets		**60,925.26**	**59,488.45**	**58,140.22**
Current assets				
Inventories	10	12,203.99	12,031.04	12,249.72
Financial assets				
i. Trade receivables	11	10,053.05	9,505.01	8,639.76
ii. Cash and cash equivalents	12(a)	4,564.44	3,392.67	3,916.37
iii. Other bank balances	12(b)	31.87	53.16	27.10
iv. Loans	6	72.40	49.62	74.01
v. Other financial assets	7	308.15	532.97	596.80
Income tax assets (net)		43.51	1,088.21	144.46
Other current assets	13	2,203.80	2,100.56	1,575.45
Total current assets		**29,481.21**	**28,753.24**	**27,223.67**
Total assets		**90,406.47**	**88,241.69**	**85,363.89**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	14	155.75	155.40	154.47
Other equity		34,204.68	29,507.16	25,101.82
Equity attributable to owners of the Company		**34,360.43**	**29,662.56**	**25,256.29**
Non-controlling interest	36	(392.88)	(381.33)	(329.92)
Total equity		**33,967.55**	**29,281.23**	**24,926.37**
Liabilities				
Non-current liabilities				
Financial Liabilities				
i. Borrowings	16(a)	35,050.33	30,132.08	36,615.43
ii. Other financial liabilities	19	1,861.19	1,364.75	831.25
Provisions	17	806.91	703.07	668.90
Deferred tax liabilities (net)	8	1,863.95	1,990.26	1,181.32
Other non-current liabilities	20	97.17	125.89	89.92
Total non-current liabilities		**39,679.55**	**34,316.05**	**39,386.82**
Current liabilities				
Financial liabilities				
i. Borrowings	16(b)	2,556.00	7,489.67	5,618.73
ii. Trade payables	18	7,494.90	6,121.15	7,293.84
iii. Other financial liabilities	19	4,843.50	8,726.36	7,047.28
Other current liabilities	20	883.53	787.93	691.07
Provisions	17	357.89	316.28	294.80
Current tax liabilities (net)		623.55	1,203.02	104.98
Total current liabilities		**16,759.37**	**24,644.41**	**21,050.70**
Total liabilities		**56,438.92**	**58,960.46**	**60,437.52**
Total equity and liabilities		**90,406.47**	**88,241.69**	**85,363.89**
Significant accounting policies	2			
Notes to the consolidated financial statements	3-52			

The accompanying notes 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/W-100022

Pravin Tulsyan
Partner
Membership No.: 108044

Shyam S. Bhartia
Chairman
DIN:00010484

Place: Noida
Date: 23 May 2017

Rajiv Shah
Company Secretary

R. Sankaraiah
Executive Director-Finance

Hari S. Bhartia
Co-Chairman and Managing Director
DIN:00010499

Consolidated Statement of Profit and Loss for the year ended 31 March 2017

(₹ in million)

	Notes	For the year ended 31 March 2017	For the year ended 31 March 2016
Revenue from operations	21	60,063.24	58,933.13
Other income	22	248.58	133.72
Total income		**60,311.82**	**59,066.85**
Expenses			
Cost of materials consumed	23	19,293.60	19,950.96
Purchases of stock-in-trade		1,853.61	1,627.74
Changes in inventories of finished goods, stock-in-trade and work-in-progress	24	(1,152.24)	(403.93)
Excise duty on sales		1,448.91	1,441.80
Employee benefits expense	25	12,309.30	11,250.94
Finance costs	26	3,411.08	3,713.52
Depreciation and amortisation expense	27	2,913.99	3,467.44
Other expenses	28	12,857.15	12,596.15
Total expenses		**52,935.40**	**53,644.62**
Profit before tax		**7,376.42**	**5,422.23**
Tax expense	29		
- Current tax		2,251.24	1,680.27
- MAT credit entitlement		(639.53)	(131.02)
- Deferred tax charge		18.45	4.75
Total tax expense		**1,630.16**	**1,554.00**
Profit for the year		**5,746.26**	**3,868.23**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Changes in fair value of investments which are classified at fair value through OCI		83.97	109.08
Remeasurement of defined benefit obligations		(42.42)	(21.66)
Income tax relating to items that will not be reclassified to profit or loss	29	14.12	(58.75)
		55.67	**28.67**
Items that will be reclassified to profit or loss			
Exchange differences on translation of foreign operations		(632.73)	702.44
Income tax relating to items that will be reclassified to profit or loss	29	-	-
		(632.73)	**702.44**
Other comprehensive income for the year, net of tax		**(577.06)**	**731.11**
Total comprehensive income for the year		**5,169.20**	**4,599.34**
Profit is attributable to:			
Owners of the Company		5,756.53	3,918.31
Non-controlling interests	36	(10.27)	(50.08)
		5,746.26	**3,868.23**
Other comprehensive income is attributable to:			
Owners of the Company		(575.70)	732.45
Non-controlling interests	36	(1.36)	(1.34)
		(577.06)	**731.11**
Total comprehensive income is attributable to:			
Owners of the Company		5,180.83	4,650.76
Non-controlling interests	36	(11.63)	(51.42)
		5,169.20	**4,599.34**
Earnings per equity share of ₹ 1 each	52		
Basic (₹)		36.93	25.10
Diluted (₹)		36.91	25.08
Significant accounting policies	2		
Notes to the consolidated financial statements	3-52		

The accompanying notes 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/W-100022

Pravin Tulsyan
Partner
Membership No.: 108044

Shyam S. Bhartia
Chairman
DIN:00010484

Place: Noida
Date: 23 May 2017

Rajiv Shah
Company Secretary

R. Sankaraiah
Executive Director-Finance

Hari S. Bhartia
Co-Chairman and Managing Director
DIN:00010499

Consolidated Statement of Changes in Equity for the year ended 31 March 2017

(₹ in million)

A. Equity share capital

Balance as at 1 April 2015	**154.47**
Shares transferred by ESOP trust to employees on exercise of stock options	0.93
Balance as at 31 March 2016	**155.40**
Shares transferred by ESOP trust to employees on exercise of stock options	0.35
Balance as at 31 March 2017	**155.75**

B. Other equity

(₹ in million)

	Attributable to owners of the Company														Attributable to Non-controlling interest	Total
	Reserves and surplus (2)										Items of Other Comprehensive Income (2)			Total attributable to owners of the Company		
	Capital reserve	Securities premium reserve	Capital redemption reserve	Amalgamation reserve	General reserve	Legal reserve	Debenture redemption reserve	Share based payment reserve (Refer note 49)	Foreign currency monetary item translation difference account (FCMITDA)	Retained earnings	Equity instruments through OCI	Foreign currency translation reserve	Remeasurement of defined benefit obligations			
As at 1 April 2015	**203.30**	**5,300.82**	**398.36**	**13.21**	**5,976.20**	**31.73**	**-**	**91.71**	**(150.32)**	**12,605.90**	**630.91**	**-**	**-**	**25,101.82**	**(329.92)**	**24,771.90**
Profit/(loss) for the year	-	-	-	-	-		-			3,918.31			-	3,918.31	(50.08)	3,868.23
Other comprehensive income	-	-	-	-	-		-	-	-	-	45.99	703.27	(16.81)	732.45	(1.33) (4)	731.12
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**3,918.31**	**45.99**	**703.27**	**(16.81)**	**4,650.76**	**(51.41)**	**4,599.35**
Transfer to general reserves	-	-	-	-	71.69		-	(71.69)	-	-	-	-	-	-	-	-
Transfer to retained earnings on sale of equity instruments	-	-	-	-	-	-	-	-	-	203.12	(203.12)	-	-	-	-	-
Dividend	-	-	-	-	-	-	-	-	-	(477.84)	-	-	-	(477.84)	-	(477.84)
Tax on dividend	-	-	-	-	-	-	-	-	-	(97.28)	-	-	-	(97.28)	-	(97.28)
Employee stock option expense (3)	-	-	-	-	-		-	5.32	-	-	-	-	-	5.32	-	5.32
Transfer from legal reserve	-	-	-	-	-	(0.70)	-	-	-	0.70	-	-	-	-	-	-
Exchange loss during year on long term foreign currency term loan	-	-	-	-	-		-	-	(131.49)	-	-	-	-	(131.49)	-	(131.49)
Amortised during the year	-	-	-	-	-		-	-	247.32	-	-	-	-	247.32	-	247.32
Utilised during the year	-	-	-	-	-	(0.92)	-	-		-	-	-	-	(0.92)	-	(0.92)
Adjustment on account of consolidation of ESOP Trust	94.61	101.02	-	-	-	-	-	-		13.84	-	-	-	209.47	-	209.47
As at 31 March 2016	**297.91**	**5,401.84**	**398.36**	**13.21**	**6,047.89**	**30.11**	**-**	**25.34**	**(34.49)**	**16,166.75**	**473.78**	**703.27**	**(16.81)**	**29,507.16**	**(381.33)**	**29,125.83**
As at 1 April 2016	**297.91**	**5,401.84**	**398.36**	**13.21**	**6,047.89**	**30.11**	**-**	**25.34**	**(34.49)**	**16,166.75**	**473.78**	**703.27**	**(16.81)**	**29,507.16**	**(381.33)**	**29,125.83**
Profit/(loss) for the year	-	-	-	-	-	-	-	-	-	5,756.53	-	-	-	5,756.53	(10.27)	5,746.26
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	83.97	(631.91)	(27.76)	(575.70)	(1.28) (4)	(576.98)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**5,756.53**	**83.97**	**(631.91)**	**(27.76)**	**5,180.83**	**(11.55)**	**5,169.28**
Transfer to general reserves	-	-	-	-	20.49	-	-	(20.49)	-	-	-	-	-	-	-	-
Dividend	-	-	-	-	-	-	-	-	-	(477.84)	-	-	-	(477.84)	-	(477.84)
Tax on dividend	-	-	-	-	-	-	-	-	-	(97.28)	-	-	-	(97.28)	-	(97.28)
Employee stock option expense (3)	-	-	-	-	-	-	-	0.01	-	-	-	-	-	0.01	-	0.01
Transfer to debenture redemption reserve	-	-	-	-	-	-	374.60	-	-	(374.60)	-	-	-	-	-	-
Transfer to legal reserve	-	-	-	-	-	1.20	-	-	-	(1.20)	-	-	-	-	-	-
Exchange loss during year on long term foreign currency term loan	-	-	-	-	-	-	-	-	(52.33)	-	-	-	-	(52.33)	-	(52.33)
Amortised during the year	-	-	-	-	-	-	-	-	67.15	-	-	-	-	67.15	-	67.15
Adjustment on account of consolidation of ESOP Trust	31.10	34.45	-	-	-	-	-	-	-	11.43	-	-	-	76.98	-	76.98
As at 31 March 2017	**329.01**	**5,436.29**	**398.36**	**13.21**	**6,068.38**	**31.31**	**374.60**	**4.86**	**(19.67)**	**20,983.79**	**557.75**	**71.36**	**(44.57)**	**34,204.68**	**(392.88)**	**33,811.80**

Consolidated Statement of Changes in Equity for the year ended 31 March 2017 (Continued)

Notes:

(1) During the year ended 31 March 2017 and 31 March 2016, the Company has paid dividend to its shareholders. This has resulted in payment of Dividend Distribution Tax (DDT) to the taxation authorities. The Company believes that DDT represents additional payment to taxation authority on behalf of the shareholders. Hence DDT paid is charged to equity.

(2) Refer note 15 for nature and purpose of other equity.

(3) Refer note 49.

(4) Including impact of conversion of opening balance of non-controlling interest at closing foreign exchange rate.

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

As per our report of even date attached

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

Pravin Tulsyan
Partner
Membership No.: 108044

Place: Noida
Date: 23 May 2017

For and on behalf of the Board of Directors of **Jubilant Life Sciences Limited**

Shyam S. Bhartia
Chairman
DIN:00010484

Rajiv Shah
Company Secretary

R. Sankaraiah
Executive Director-Finance

Hari S. Bhartia
Co-Chairman and Managing Director
DIN:00010499

Consolidated Statement of Cash Flows for the year ended 31 March 2017

(₹ in million)

		For the year ended 31 March 2017	For the year ended 31 March 2016
A.	**Cash flow from operating activities**		
	Net profit before tax	7,376.42	5,422.23
	Adjustments:		
	Depreciation and amortisation expense	2,913.99	3,467.44
	Loss on sale/ disposal/ discard/ impairment of property, plant and equipment (net)	63.44	89.66
	Finance costs	3,411.08	3,713.52
	Employee share-based payment expense	0.01	5.32
	Amortisation of Foreign Currency Monetary Item Translation Difference	67.15	247.32
	Unrealised foreign exchange loss (including mark-to-market on forward contracts)	12.60	13.26
	Interest income	(87.79)	(27.39)
	Fixed assets received against termination of customer contract	-	(130.18)
	Dividend on investments	(1.47)	-
		6,379.01	7,378.95
	Operating cash flow before working capital changes	**13,755.43**	**12,801.18**
	Increase in trade receivables, loans, other financial assets and other assets	(835.94)	(1,027.61)
	(Increase)/decrease in inventories	(328.82)	535.48
	Increase/(decrease) in trade payables, other financial liabilities, other liabilities and provisions	1,533.55	(839.49)
	Cash generated from operations	**14,124.22**	**11,469.56**
	Income tax paid (net of refund)	(1,439.35)	(480.67)
	Net cash generated from operating activities	**12,684.87**	**10,988.89**
B.	**Cash flow from investing activities**		
	Purchase of property, plant and equipment, other intangible assets (including capital work-in-progress and intangible assets under development)	(4,641.94)	(3,419.13)
	Sale of property, plant and equipment	19.01	26.77
	Purchase of investments	(112.33)	(45.05)
	Sale of investments	185.89	302.25
	Movement in other bank balances*	11.98	(19.75)
	Interest received	31.97	29.63
	Dividend received	1.47	-
	Net cash used in investing activities	**(4,503.95)**	**(3,125.28)**
C.	**Cash flow arising from financing activities**		
	Proceeds from issue of shares by Trust on exercise of stock options	77.37	196.55
	Proceeds from long term borrowings**	21,302.03	3,826.10
	Repayment of long term borrowings**	(20,453.52)	(10,240.00)
	Proceeds from short term borrowings (net of repayments)	(4,936.93)	1,846.12
	Payment to Minority	-	(0.27)
	Receipt of capital subsidy	2.20	10.00
	Dividend paid (including dividend distribution tax)	(558.65)	(555.42)
	Finance costs paid	(2,291.17)	(3,510.54)
	Net cash used in financing activities	**(6,858.67)**	**(8,427.46)**

Consolidated Statement of Cash Flows for the year ended 31 March 2017 (Contd.)

(₹ in million)

		For the year ended 31 March 2017	For the year ended 31 March 2016
D.	**Effect of exchange rate changes**	**(150.48)**	**40.15**
	Net increase/(decrease) in cash and cash equivalents (A+B+C+D)	**1,171.77**	**(523.70)**
	Add: cash and cash equivalents at the beginning of year	3,392.67	3,916.37
	Cash and cash equivalents at the end of the year	**4,564.44**	**3,392.67**
	Components of cash and cash equivalents		
	Balances with banks:*		
	- on current accounts	3,805.41	3,311.86
	- on dividend accounts	45.57	40.53
	- on deposits accounts with original maturity up to three months	619.23	7.50
	Cash on hand	1.73	2.48
	Cheques/ drafts on hand	2.98	5.58
	Others		
	- Funds in transit	88.43	23.25
	- Imprest	1.09	1.47
		4,564.44	**3,392.67**

* ₹ 87.26 million (31 March 2016: ₹ 84.42 million) has restricted use.

** Revolver facility of Jubilant HollisterStier LLC is presented on net basis.

Note:

(1) Consolidated Statement of Cash Flows has been prepared under the indirect method as set out in the Ind AS 7 "Statement of Cash Flows".

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/W-100022

Pravin Tulsyan
Partner
Membership No.: 108044

Shyam S. Bhartia
Chairman
DIN:00010484

Place: Noida
Date: 23 May 2017

Rajiv Shah
Company Secretary

R. Sankaraiah
Executive Director-Finance

Hari S. Bhartia
Co-Chairman and Managing Director
DIN:00010499

Notes to the consolidated financial statements for the year ended 31 March 2017

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 BSE Limited and National Stock Exchange of India Limited. The consolidated financial statements of the Company as at and for the year ended on 31 March 2017 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 (sterile products) (including radiopharmaceuticals, allergy therapy products and contract manufacturing operations (CMO) of sterile injectable), and Life Science Ingredients (specialty intermediates, nutritional products and life science chemicals). It also provides Drug Discovery Solutions. 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

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

(i) Statement of compliance

The consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013 ("the Act") and other relevant provisions of the Act.

The consolidated financial statements up to and for the year ended 31 March 2016 were prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (previous GAAP), notified under Section 133 of the Act and other relevant provisions of the Act.

As these are the Group's first consolidated financial statements prepared in accordance with Ind AS, Ind AS 101, First-time Adoption of Indian Accounting Standards has been applied. An explanation of how the transition to Ind AS has affected the previously reported consolidated financial position, consolidated financial performance and consolidated cash flows of the Group is provided in Note 51.

(ii) Historical cost convention

The consolidated financial statements have been prepared on a historical cost convention on accrual basis, unless otherwise stated.

(b) Principles of consolidation

The consolidated financial statements comprises the financial statement of the Company, and the entities controlled by the Company including its subsidiaries as at 31 March 2017. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

(i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)

(ii) Exposure, or rights, to variable returns from its involvement with the investee, and

(iii) The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(i) The contractual arrangement with the other vote holders of the investee.

(ii) Rights arising from other contractual arrangements

(iii) The Group's voting rights and potential voting rights

(iv) The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Notes to the consolidated financial statements for the year ended 31 March 2017 (Continued)

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

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 (1)	Singapore	Jubilant Life Sciences Limited	100%
2.	Draximage Limited, Cyprus (1)	Cyprus	Jubilant Pharma Limited	100%
3.	Draximage Limited, Ireland (1)	Ireland	Jubilant Pharma Limited (w.e.f 30 January 2017) Draximage Limited, Cyprus (upto 29 January 2017)	100%
4.	Draximage LLC (1)	USA	Jubilant Pharma Limited (w.e.f 30 January 2017) Draximage Limited, Cyprus (upto 29 January 2017)	100%
5.	Jubilant DraxImage (USA) Inc. (1)	USA	Jubilant Pharma Limited (w.e.f 30 January 2017) Draximage Limited, Cyprus (upto 29 January 2017)	100%
6.	Deprenyl Inc., USA (1)	USA	Jubilant Pharma Limited (w.e.f 30 January 2017) Draximage Limited, Cyprus (upto 29 January 2017)	100%
7.	Jubilant DraxImage Inc. (1)	Canada	Jubilant Pharma Limited	100%
8.	6963196 Canada Inc. (1)	Canada	Jubilant DraxImage Inc.	100%
9.	6981364 Canada Inc. (1)	Canada	Jubilant DraxImage Inc.	100%
10.	DAHI Animal Health (UK) Limited (1)	UK	Jubilant DraxImage Inc.	100%
11.	Draximage (UK) Limited (1)	UK	Jubilant DraxImage Inc.	100%
12.	Jubilant Pharma Holdings Inc. (1)	USA	Jubilant Pharma Limited Jubilant Generics Limited	84.48% 15.52%
13.	Jubilant Clinsys Inc. (1)	USA	Jubilant Pharma Holdings Inc.	100%
14.	Cadista Holdings Inc. (1)	USA	Jubilant Pharma Holdings Inc.	100%
15.	Jubilant Cadista Pharmaceuticals Inc. (1)	USA	Cadista Holdings Inc.	100%
16.	Jubilant Life Sciences International Pte. Limited (2)	Singapore	Jubilant Life Sciences Limited	100%
17.	HSL Holdings Inc. (1)	USA	Jubilant Pharma Holdings Inc.	100%
18.	Jubilant HollisterStier LLC (1)	USA	HSL Holdings Inc.	100%
19.	Jubilant Life Sciences (Shanghai) Limited (2)*	China	Jubilant Life Sciences International Pte. Limited (w.e.f 23 September 2016) Jubilant Pharma Limited (upto 22 September 2016)	100%

Notes to the consolidated financial statements for the year ended 31 March 2017 (Continued)

Sr. No.	Name	Country of Incorporation	Name of Parent	Percentage of ownership
20.	Jubilant Pharma NV (1)	Belgium	Jubilant Generics Limited Jubilant Pharma Limited	77.65% 22.35%
21.	Jubilant Pharmaceuticals NV (1)	Belgium	Jubilant Pharma NV Jubilant Pharma Limited	99.81% 0.19%
22.	PSI Supply NV (1)	Belgium	Jubilant Pharma NV Jubilant Pharma Limited	99.5% 0.5%
23.	Jubilant Life Sciences (USA) Inc. (2)	USA	Jubilant Life Sciences Limited	100%
24.	Jubilant Life Sciences (BVI) Limited (3)	BVI	Drug Discovery and Development Solutions Limited	100%
25.	Jubilant Biosys (BVI) Limited (3)	BVI	Jubilant Life Sciences (BVI) Limited	100%
26.	Jubilant Biosys (Singapore) Pte. Limited (3)	Singapore	Jubilant Biosys (BVI) Limited	100%
27.	Jubilant Biosys Limited (3)	India	Jubilant Biosys (Singapore) Pte. Limited	66.98%
28.	Jubilant Discovery Services, Inc. (3)	USA	Jubilant Biosys Limited	100%
29.	Jubilant Drug Development Pte. Limited (3)	Singapore	Jubilant Life Sciences (BVI) Limited	100%
30.	Jubilant Chemsys Limited (3)	India	Jubilant Drug Development Pte. Limited	100%
31.	Jubilant Clinsys Limited (3)	India	Jubilant Drug Development Pte. Limited	100%
32.	Jubilant Infrastructure Limited (2)	India	Jubilant Life Sciences Limited	100%
33.	Jubilant First Trust Healthcare Limited (1)	India	Jubilant Life Sciences Limited	100%
34.	Jubilant Pharma Trading Inc. (1)	USA	Jubilant Pharma Holdings Inc.	100%
35.	Jubilant Innovation (BVI) Limited (3)	BVI	Drug Discovery and Development Solutions Limited	100%
36.	Jubilant Innovation Pte. Limited (3)	Singapore	Jubilant Innovation (BVI) Limited	100%
37.	Jubilant DraxImage Limited (1)	India	Jubilant Pharma Limited (w.e.f 6 February 2017) Draximage Limited, Cyprus (upto 5 February 2017)	100%
38.	Jubilant Innovation (India) Limited (3)	India	Jubilant Innovation (BVI) Limited	100%
39.	Jubilant Innovation (USA) Inc. (3)	USA	Jubilant Innovation (BVI) Limited	100%
40.	Jubilant HollisterStier Inc. (1)	USA	HSL Holdings Inc.	100%
41.	Draxis Pharma LLC (1)	USA	Jubilant HollisterStier Inc.	100%
42.	Jubilant Life Sciences (Switzerland) AG (2)*	Switzerland	Jubilant Life Sciences International Pte. Limited (w.e.f 23 September 2016) Jubilant Pharma Limited (upto 22 September 2016)	100%

Notes to the consolidated financial statements for the year ended 31 March 2017 (Continued)

Sr. No.	Name	Country of Incorporation	Name of Parent	Percentage of ownership
43.	First Trust Medicare Private Limited (merged with Jubilant First Trust Healthcare Limited w.e.f. 4 September 2015) (1)	India	Jubilant Life Sciences Limited	100%
44.	Drug Discovery and Development Solutions Limited (3)	Singapore	Jubilant Life Sciences Limited	100%
45.	Jubilant Drug Discovery & Development Services Inc. (3)	Canada	Jubilant Innovation Pte. Limited	100%
46.	Jubilant HollisterStier General Partnership # (1)	Canada	Jubilant HollisterStier Inc. Draxis Pharma LLC	99.99% 0.01%
47.	Draximage General Partnership # (1)	Canada	Jubilant DraxImage Inc 6981364 Canada Inc.	90% 10%
48.	Vanthys Pharmaceutical Development Private Limited (3)	India	Jubilant Innovation Pte. Limited	100%
49.	Jubilant Generics Limited (1)	India	Jubilant Pharma Limited	100%
50	Jubilant Life Sciences NV (2)	Belgium	Jubilant Life Sciences Limited (One share, representing 0.001% holding is held by Jubilant Infrastructure Limited)	100%
51	Jubilant Pharma Australia Pty Limited (1) (Incorporated w.e.f. 11 August 2016)	Australia	Jubilant Pharma Limited	100%
52	Jubilant Draximage Radiopharmacies Inc. (1) (Incorporated w.e.f. 8 March 2017)	USA	Jubilant Pharma Holdings Inc.	100%
53.	Jubilant Employee Welfare Trust	India	Jubilant Life Sciences Limited	-

*During the year ended March 31, 2017, Jubilant Life Sciences (Switzerland) AG and Jubilant Life Sciences (Shanghai) Limited were transferred between two subsidiaries of the Company as transactions between entities under common control.

Partnership firms, in which two subsidiaries of the Parent Company are partners.

(1) Represents entities engaged in Pharmaceuticals business.

(2) Represents entities engaged in Life Sciences Ingredients business.

(3) Represents entities engaged in Drug Discovery Solution business.

(c) Consolidation procedure

a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries.

b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

c) Eliminate in full, intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 "Income Taxes" applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. Non-controlling interest in the results and the equity of subsidiaries are shown separately in the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and Consolidated Balance Sheet.

Notes to the consolidated financial statements for the year ended 31 March 2017 (Continued)

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

(d) Business combinations

In accordance with Ind AS 101 provisions related to first time adoption, the Group has elected to apply Ind AS accounting for business combinations prospectively from 1 April 2015. As such previous GAAP balances relating to business combinations consummated into before that date, including goodwill, have been carried forward (refer note 51).

Business combinations (other than common control business combinations) are accounted for using the purchase (acquisition) method. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at fair value at the date of acquisition. Transaction costs incurred in connection with a business combination are expensed as incurred.

The excess of the consideration transferred over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase.

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established; for this purpose comparatives are revised. The assets and liabilities acquired are recognized at their carrying amounts. The identity of the reserves is preserved and they appear in the consolidated financial statements of the Group in the same form in which they appeared in the financial statement of the acquired entity. The differences, if any, between the consideration and the amount of share capital of the acquired entity is transferred to capital reserve.

(e) Current versus non-current classification

The Group presents assets and liabilities in the Balance Sheet based on current/ non-current classification. An asset is treated as current when:

- It is expected to be realised or intended to be sold or consumed in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is expected to be realised within twelve months after the reporting period; or
- It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Group classifies all other assets as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities, respectively.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. Each entity of the Group has identified twelve months as its operating cycle for the purpose of current-non-current classification of assets and liabilities.

(f) Property, plant and equipment (PPE) and intangible assets

(i) Property, plant and equipment

Freehold land is carried at cost. All other items of property, plant and equipment are stated at cost, which includes capitalized finance costs, less accumulated depreciation and any accumulated impairment loss. Cost includes expenditure that is directly attributable to the acquisition of the items. The cost of an item of

Notes to the consolidated financial statements for the year ended 31 March 2017 (Continued)

a PPE comprises its purchase price including import duty, and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition of its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Expenditure incurred on startup 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 costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Advances paid towards acquisition of property, plant and equipment outstanding at each Consolidated Balance Sheet date, are shown under other non-current assets and cost of assets not ready for intended use before the year end, are shown as capital work-in-progress.

(ii) Intangible assets

- *Goodwill*

  Goodwill arising on business combinations is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

  Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes.

- 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 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 finance 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.

- Intangible assets that are acquired (including implementation of software system) and in process research and development are measured initially at cost.

- After initial recognition, an intangible asset is carried at its cost less 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.

(iii) Depreciation and amortization methods, estimated useful lives and residual value

For Indian entities, depreciation is provided on straight line basis on the original cost/ acquisition cost of assets or other amounts substituted for cost of fixed assets as per the useful life specified in Part 'C' of Schedule II of

Notes to the consolidated financial statements for the year ended 31 March 2017 (Continued)

the Act, read with notification dated 29 August 2014 of the Ministry of Corporate Affairs, except for the following classes of fixed assets which are depreciated based on the internal technical assessment of the management as under:

Category of assets	Management estimate of useful life	Useful life as per Schedule II
Motor vehicles	5 years	8 years
Motor vehicles under finance lease	Tenure of lease or 5 years whichever is shorter	8 years
Computer servers and networks	5 years	6 years
Dies and punches for manufacture of dosage formulations	1-2 years	15 years
Employee perquisite related assets (except end user computers)	5 years, being the period of perquisite scheme	10 years

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 equipment: 3 to 15 years
- Computer and information technology related assets: 3 to 5 years
- Vehicles: 3 to 5 years

Leasehold land which qualify as finance lease is amortised over the lease period on straight line basis.

Leasehold improvements (included in furniture and fixtures) are depreciated over their estimated useful life, or the remaining period of lease from the date of capitalisation, whichever is shorter.

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.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

The estimated useful lives of Intangibles are follows:

Internally generated product registration	5 to 10 years
Acquired patents	5 to 10 years
Rights	5 years
Software	5 years

Depreciation and amortization methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

(iv) Derecognition

A property, plant and equipment and intangible assets is derecognised on disposal or when no future economic benefits are expected from its use and disposal. Losses arising from retirement and gains or losses arising from disposal of a tangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Consolidated Statement of Profit and Loss.

(v) Transition to Ind AS

On transition to Ind AS, the Group has elected to measure all its property, plant and equipment and intangible assets at the previous GAAP carrying amount as its deemed cost on the date of transition of Ind AS i.e, 1 April 2015.

On transition to Ind AS, the Group has elected to exercise the option under Ind AS 21 for accounting of Exchange differences pertaining to long term foreign currency monetary items that are related to acquisition of depreciable/ amortisable assets to adjust in the carrying amount of the related property, plant and equipment and intangible assets in the Consolidated financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP. Accordingly, amortization and depreciation on exchange fluctuation capitalized is charged over the remaining useful life of the respective assets.

(g) Non-current assets held for sale

Non-current assets, are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, are generally measured at the lower of their carrying amount and fair value less cost to sell. Losses on initial classification as held for sale and

Notes to the consolidated financial statements for the year ended 31 March 2017 (Continued)

subsequent gains and losses on re-measurement are recognised in the Consolidated Statement of Profit and Loss.

Once classified as held-for sale, property, plant and equipment and intangible assets are no longer depreciated or amortised.

(h) Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. The Group's non-financial assets other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment loss recognized in respect of a CGU is allocated first to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

An impairment loss in respect of assets for which impairment loss has been recognized in prior periods, the Group reviews at reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(i) Financial instrument

A Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVPL)
- Equity instruments measured at fair value through other comprehensive income (FVOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the Consolidated Statement of Profit and Loss. The losses arising from impairment are recognised in the Consolidated Statement of Profit and Loss. This category generally applies to trade and other receivables.

Debt instrument at FVOCI

A 'debt instrument' is classified as at the FVOCI if both of the following criteria are met:

a) The objective of the business model is

Notes to the consolidated financial statements for the year ended 31 March 2017 (Continued)

achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified to the Consolidated Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVPL

FVPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVOCI, is classified as at FVPL.

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortised cost or FVOCI criteria, as at FVPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVPL category are measured at fair value with all changes recognised in the Consolidated Statement of Profit and Loss.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the Consolidated Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVPL category are measured at fair value with all changes recognised in the Consolidated Statement of Profit and Loss.

Impairment of Financial assets

The Group recognizes loss allowance using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all financial assets with contractual cash flows other than trade receivable, ECLs are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of ECLs (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised as an impairment gain or loss in the Consolidated Statement of Profit and Loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Company's Balance Sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent

Notes to the consolidated financial statements for the year ended 31 March 2017 (Continued)

of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVPL. A financial liability is classified as at FVPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVPL are measured at fair value and net gains and losses, including any interest expense, are recognised in Consolidated Statement of Profit and Loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in Consolidated Statement of Profit and Loss. Any gain or loss on derecognition is also recognised in Consolidated Statement of Profit and Loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Consolidated Statement of Profit and Loss.

Transition to Ind AS

Under previous GAAP, the Group has derecognized any assets or liabilities for accounting purposes as and when the asset was written off or liability written back. On transition to Ind AS, the Group has elected to apply the de-recognition provision of Ind AS 109 prospectively from the date of transition to Ind AS.

Derivative financial instruments

The Group uses various types of derivative financial instruments to hedge its currency and interest risk etc. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the Consolidated Balance Sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(j) 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-progress 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)	Weighted average method
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. Excise duty liability is included in the valuation of closing inventory of finished goods.

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.

Notes to the consolidated financial statements for the year ended 31 March 2017 (Continued)

The comparison of cost and net realisable value is made on an item-by-item basis.

(k) Cash and cash equivalents

Cash and cash equivalent comprise cash at banks and on hand (including imprest) and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

(l) Provisions

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(m) Revenue recognition

Revenue from sale of products is recognised when the property in the goods, or all significant risks and rewards of ownership of the products have been transferred to the buyer, and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of products as well as regarding its collection. Revenues include excise duty and are shown net of sales tax, value added tax and applicable discounts and allowances, 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 proportionate completion method.

The revenue related to contract manufacturing arrangements is recognised as follows:

- Any fees including upfront fees received in relation to contract manufacturing arrangements is recognized on straight line basis over the period of completion of related production services. Revenue resulting from the achievement of milestone events stipulated in agreements is recognized when the milestone is achieved. Milestones are based upon the occurrence of a substantive element specified in the contract or as a measure of substantive progress towards completion under the contract.
- Subsequently, revenue towards commercial production services is recognized when services are complete and the product has met rigorous quality assurance testing, delivery is made, title transfers to the customer, and collection is reasonably assured. In certain instances, the Group's customers request that the Group retain materials produced upon completion of the commercial batch production due to the fact that the customer does not have a qualified facility to store those materials or for other reasons. In these instances, the revenue recognition process is considered complete when project documents have been delivered to the customer and amounts due have been collected/ collectable.

Revenue includes amounts derived from product out-licensing agreements. These arrangements typically consist of an initial up-front payment on inception of the license and subsequent payments dependent on achieving certain milestones in accordance with the terms prescribed in the agreement.

Upfront non-refundable receipts are recorded as deferred revenue. Revenue under out-licensing arrangements 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 Clinical Research

Notes to the consolidated financial statements for the year ended 31 March 2017 (Continued)

Organization (CRO's), revenue is recognised on the basis of actual cost incurred plus mark up as agreed with the customer under each agreement.

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 incentive entitlements are recognised as income when the right to receive credit as per the terms of the scheme is established in respect of the exports made, and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

(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 benefits plans and defined contribution plans as under:

a) Gratuity

The Group has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount based on the respective employee's salary and the tenure of employment. The liability in respect of Gratuity (applicable for Indian entities of the Group), is recognised in the books of accounts based on actuarial valuation by an independent actuary. The gratuity liability for certain employees of the Group 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.

For other employees in India, provident fund is deposited with Regional Provident Fund Commissioner. This is treated as defined contribution plan.

(ii) 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 Statement of Profit and Loss on accrual basis in the year in which liability to pay arise.

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

Compensated absences

As per the Group's policy, eligible leaves can be accumulated by the employees and carried forward to future periods to either be utilised during the service, or encashed. Encashment can be made during service, on early retirement, on withdrawal of scheme, at resignation and upon death of the employee. Accumulated compensated absences are treated as other long-term employee benefits .The Group's liability in respect of other long-term employee benefits is recognised in the books of account based on actuarial valuation using projected unit credit method as at Balance Sheet date by

Notes to the consolidated financial statements for the year ended 31 March 2017 (Continued)

an independent actuary. 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.

Actuarial valuation

The liability in respect of all defined benefit plans is accrued in the consolidated books of account on the basis of actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method, which recognizes each year of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the Balance Sheet date, having maturity periods approximating to the terms of related obligations.

Remeasurement gains and losses in respect of all defined benefit plans arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the Consolidated Statement of Changes in Equity and in the Balance Sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs. Any differential between the plan assets (for a funded defined benefit plan) and the defined benefit obligation as per actuarial valuation is recognised as a liability if it is a deficit or as an asset if it is a surplus (to the extent of the lower of present value of any economic benefits available in the form of refunds from the plan or reduction in future contribution to the plan).

Past service cost is recognised as an expense in the Consolidated Statement of Profit and Loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits are already vested immediately following the introduction of, or changes to, a defined benefit plan, the past service cost is recognised immediately in the Consolidated Statement of Profit and Loss. Past service cost may be either positive (where benefits are introduced or improved) or negative (where existing benefits are reduced).

(o) Share based payments

The grant date fair value of options granted (net of estimated forfeiture) to employees of the Group is recognized as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the options. The expense is recorded for each separately vesting portion of the award as if the award was, in substance, multiple awards. The increase in equity recognized in connection with share based payment transaction is presented as a separate component in equity under "share based payment reserve". The amount recognized as an expense is adjusted to reflect the actual number of stock options that vest. For the option awards, grant date fair value is determined under the option-pricing model (Black-Scholes-Merton). Forfeitures are estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures materially differ from those estimates.

(p) Finance costs

Finance costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Finance cost also includes exchange differences to the extent regarded as an adjustment to the finance costs. Finance costs that are directly attributable to the construction or production or development of a qualifying asset are capitalized as part of the cost of that asset. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. All other finance costs are expensed in the period in which they occur.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the finance costs eligible for capitalization. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Consolidated Statement of Profit and Loss over the period of the borrowings using the effective interest method. Ancillary costs incurred in connection with the arrangement of borrowings are amortised over the period of such borrowings.

Notes to the consolidated financial statements for the year ended 31 March 2017 (Continued)

(q) Income tax

Income tax expense comprises current and deferred tax. It is recognised in Statement of Profit and Loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

- ***Current tax:***

  Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received after considering uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

  Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

- **Deferred tax:**

  Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

  – temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;

  – temporary differences related to freehold land and investment in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

  – taxable temporary differences arising on the initial recognition of goodwill.

  Deferred tax assets (DTA) include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability.

  Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used. Deferred tax is measured at the tax rates that are expected to be apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

  Deferred tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

  Deferred income tax are not provided on the undistributed earnings of the subsidiaries where it is expected that the earnings of the subsidiary will not be distributed in the foreseeable future.

  For operations carried out in SEZs, deferred tax assets or liabilities, if any, have been established for the tax consequences of those temporary differences between the carrying values of assets and liabilities and their respective tax bases that reverse after the tax holiday ends.

(r) Leases

At the inception of each lease, the lease arrangement is classified as either a finance lease or an operating lease, based on the substance of the lease arrangement.

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. A finance lease is recognized as an asset and a liability at the commencement of the lease, at the lower of the fair value of the asset and the present value of the minimum lease payments. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease

Notes to the consolidated financial statements for the year ended 31 March 2017 (Continued)

term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Operating leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the Consolidated Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

(s) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Chairman and Co-Chairman and Managing Director (CCMD) of the Group is responsible for allocating resources and assessing performance of the operating segments and accordingly identified as the chief operating decision maker. 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 "unallocated revenues/ expenses/ assets/ liabilities", as the case may be.

(t) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Indian rupee (INR), which is also the Parent Company's functional currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at Balance Sheet date exchange rates are generally recognised in Consolidated Statement of Profit and Loss.

On transition to Ind AS, the Group has elected to exercise the option for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP.

The Group had adopted following policy for long-term foreign currency monetary items accounted in previous GAAP:

(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.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets such as equity investments classified as FVOCI are recognised in other comprehensive income (OCI).

(iii) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency 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.
- All resulting exchange differences are recognised in Other Comprehensive Income.

Notes to the consolidated financial statements for the year ended 31 March 2017 (Continued)

When a foreign operation is sold, the associated cumulative exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

The items of Consolidated Cash Flow Statement are translated at the respective average rates or the exchange rate that approximates the actual exchange rate on date of specific transaction. The impact of changes in exchange rate on cash and cash equivalent held in foreign currency is included in effect of exchange rate changes.

(v) *Transition to Ind AS*

On transition to Ind AS, as per Ind AS1, the Group has deemed the cumulative translation differences for all foreign operation to be zero as at the date of transition to Ind AS that is 1 April 2015, by transferring cumulative differences to retained earnings.

(u) Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the Consolidated Statement of Profit and Loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to Consolidated Statement of Profit and Loss on a straight-line basis over the expected lives of the related assets and presented within other income.

(v) Earnings per share

(i) *Basic earnings per share*

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Group
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares

(ii) *Diluted earnings per share*

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares

(w) Measurement of fair values

A number of the accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Group has an established control framework with respect to the measurement of fair values. This includes a finance team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values.

The finance team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, is used to measure fair values, then the finance team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values used in preparing these financial statements is included in the respective notes.

Notes to the consolidated financial statements for the year ended 31 March 2017 (Continued)

x) Critical estimates and judgements

The preparation of consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the Consolidated Financial Statements is included in the following notes.

- Recognition and estimation of tax expense including deferred tax – Note 29
- Estimated impairment of financial assets and non-financial assets – Note 4(a)
- Assessment of useful life of property, plant and equipment and intangible asset – Note 2(f)
- Estimation of assets and obligations relating to employee benefits – Note 31
- Share-based payments – Note 49
- Valuation of Inventories – Note 2(j)
- Recognition of revenue and related accruals– Note 2(m)
- Recognition and measurement of contingency : Key assumption about the likelihood and magnitude of an outflow of resources – Note 38
- Lease classification – Note 39(b)
- Fair value measurements

(y) Recent accounting pronouncements

Applicable standards issued but not yet effective

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Group is evaluating the requirements of the amendment and the effect on the consolidated financial statements is being evaluated.

Notes to the consolidated financial statements for the year ended 31 March 2017 (Continued)

(₹ in million)

Description	Land-Freehold	Land-Leasehold (3)	Building-Factory	Building-Other	Plant and equipment	Furniture and Fixtures (6)	Vehicles-Owned	Vehicles-Leased	Office equipment	Railway sidings	Total
3. Property, plant and equipment											
Gross carrying amount											
Deemed cost as at 1 April 2015	**627.55**	**602.82**	**5,025.43**	**1,932.70**	**20,914.69**	**320.60**	**26.15**	**24.24**	**384.93**	**108.43**	**29,967.54**
Additions/adjustments	-	2.93	800.40	69.03	1,981.10	52.09	4.91	20.82	161.13	-	**3,092.41**
Deductions/adjustments	-	-	(14.85)	-	(184.65)	(7.67)	(0.12)	(6.86)	(3.05)	-	**(217.20)**
Foreign currency translation adjustment	12.83	-	170.66	-	273.69	4.89	(0.02)	-	3.73	-	**465.78**
Gross carrying amount as at 31 March 2016	**640.38**	**605.75**	**5,981.64**	**2,001.73**	**22,984.83**	**369.91**	**30.92**	**38.20**	**546.74**	**108.43**	**33,308.53**
Accumulated depreciation as at 1 April 2015	-	-	-	-	-	-	-	-	-	-	**-**
Depreciation charge for the year	-	7.35	228.52	62.90	1,640.02	79.60	8.36	13.29	135.77	11.08	**2,186.89**
Deductions/adjustments	-	-	(0.50)	-	(30.00)	(1.24)	-	(3.18)	(0.67)	-	**(35.59)**
Foreign currency translation adjustment	-	-	2.66	-	7.03	0.51	(0.02)	-	0.03	-	**10.21**
Accumulated depreciation as at 31 March 2016	**-**	**7.35**	**230.68**	**62.90**	**1,617.05**	**78.87**	**8.34**	**10.11**	**135.13**	**11.08**	**2,161.51**
Net carrying amount as at 31 March 2016	**640.38**	**598.40**	**5,750.96**	**1,938.83**	**21,367.78**	**291.04**	**22.58**	**28.09**	**411.61**	**97.35**	**31,147.02**
Capital work-in-progress (CWIP)											
As at 31 March 2016											**1,469.16**
As at 1 April 2015											**1,981.77**

(₹ in million)

Description	Land-Freehold	Land-Leasehold (3)	Building-Factory	Building-Other	Plant and equipment	Furniture and Fixtures (6)	Vehicles-Owned	Vehicles-Leased	Office equipment	Railway sidings	Total
Gross carrying amount as at 1 April 2016	**640.38**	**605.75**	**5,981.64**	**2,001.73**	**22,984.83**	**369.91**	**30.92**	**38.20**	**546.74**	**108.43**	**33,308.53**
Additions/adjustments	-	4.85	169.23	63.80	2,031.09	38.98	6.35	34.79	111.74	-	**2,460.83**
Deductions/adjustments	-	-	-	-	(75.66)	(5.14)	(0.23)	(6.59)	(7.04)	-	**(94.66)**
Foreign currency translation adjustment	(9.84)	-	(109.95)	-	(200.21)	(4.50)	0.09	-	(6.35)	-	**(330.76)**
Gross carrying amount as at 31 March 2017	**630.54**	**610.60**	**6,040.92**	**2,065.53**	**24,740.05**	**399.25**	**37.13**	**66.40**	**645.09**	**108.43**	**35,343.94**
Accumulated depreciation as at 1 April 2016	-	7.35	230.68	62.90	1,617.05	78.87	8.34	10.11	135.13	11.08	**2,161.51**
Depreciation charge for the year	-	7.60	250.04	69.01	1,663.99	55.51	7.40	14.25	124.72	11.08	**2,203.60**
Deductions/adjustments	-	-	-	-	(8.24)	(2.21)	-	(5.57)	(1.24)	-	**(17.26)**
Foreign currency translation adjustment	-	-	(11.55)	-	(29.36)	(0.96)	0.09	-	(2.52)	-	**(44.30)**
Accumulated depreciation as at 31 March 2017	**-**	**14.95**	**469.17**	**131.91**	**3,243.44**	**131.21**	**15.83**	**18.79**	**256.09**	**22.16**	**4,303.55**
Net carrying amount as at 31 March 2017	**630.54**	**595.65**	**5,571.75**	**1,933.62**	**21,496.61**	**268.04**	**21.30**	**47.61**	**389.00**	**86.27**	**31,040.39**
Net carrying amount as at 31 March 2016	**640.38**	**598.40**	**5,750.96**	**1,938.83**	**21,367.78**	**291.04**	**22.58**	**28.09**	**411.61**	**97.35**	**31,147.02**
Capital work-in-progress (CWIP)											
As at 31 March 2017											**2,106.50**
As at 31 March 2016											**1,469.16**

Notes:

(1) Refer note 16.3 for information on property, plant and equipment are provided as security by the Group.

(2) Refer note 39(a) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(3) Represent land on long-term lease basis.

(4) Refer note 41(b) for finance costs capitalised.

(5) Addition to fixed assets (including movement in CWIP) includes exchange gain of ₹ 3.80 million (31 March 2016: exchange loss of ₹ 136.03 million) (Refer note 48).

(6) Includes leasehold improvements.

Notes to the consolidated financial statements for the year ended 31 March 2017 (Continued)

(₹ in million)

Description	Goodwill	Internally generated product registration/ market authorisation	Acquired patents	Rights	Softwares	Total
4. Goodwill and other intangible assets						
Gross carrying amount						
Deemed cost as at 1 April 2015	17,324.68	1,241.11	222.77	99.49	350.20	19,238.25
Additions/adjustments	1.32	287.76	-	-	41.95	331.03
Foreign currency translation adjustment	985.04	19.43	10.13	0.02	15.81	1,030.43
Gross carrying amount as at 31 March 2016	**18,311.04**	**1,548.30**	**232.90**	**99.51**	**407.96**	**20,599.71**
Accumulated amortisation as at 1 April 2015	-	-	-	-	-	-
Amortisation for the year	-	428.45	106.37	13.01	148.60	696.43
Foreign currency translation adjustment	-	1.29	2.77	0.00	2.04	6.10
Accumulated amortisation as at 31 March 2016	**-**	**429.74**	**109.14**	**13.01**	**150.64**	**702.53**
Net carrying amount as at 31 March 2016	**18,311.04**	**1,118.56**	**123.76**	**86.50**	**257.32**	**19,897.18**
Intangible assets under development						
As at 31 March 2016						4,644.01
As at 1 April 2015						3,984.22

(₹ in million)

Description	Goodwill	Internally generated product registration/ market authorisation	Acquired patents	Rights	Softwares	Total
Gross carrying amount as at 1 April 2016	18,311.04	1,548.30	232.90	99.51	407.96	20,599.71
Additions/adjustments	-	1,300.20	-	-	251.78	1,551.98
Foreign currency translation adjustment	(688.77)	(61.18)	(12.08)	-	(9.79)	(771.82)
Gross carrying amount as at 31 March 2017	**17,622.27**	**2,787.32**	**220.82**	**99.51**	**649.95**	**21,379.87**
Accumulated amortisation as at 1 April 2016	-	429.74	109.14	13.01	150.64	702.53
Amortisation for the year	-	459.63	61.98	11.26	140.62	673.49
Foreign currency translation adjustment	-	(7.17)	(8.66)	-	(7.18)	(23.01)
Accumulated amortisation as at 31 March 2017	**-**	**882.20**	**162.46**	**24.27**	**284.08**	**1,353.01**
Net carrying amount as at 31 March 2017	**17,622.27**	**1,905.12**	**58.36**	**75.24**	**365.87**	**20,026.86**
Net carrying amount as at 31 March 2016	**18,311.04**	**1,118.56**	**123.76**	**86.50**	**257.32**	**19,897.18**
Intangible assets under development						
As at 31 March 2017						4,731.33
As at 31 March 2016						4,644.01

Notes:

(1) Refer note 41(b) for finance costs capitalised.

Notes to the consolidated financial statements for the year ended 31 March 2017 (Continued)

4(a). Impairment testing of goodwill

For the purposes of impairment testing, goodwill is allocated to the Cash Generating Units (CGU) which represents the lowest level at which the goodwill is monitored for internal management purposes, which is not higher than the Group's operating segments.

The aggregate carrying amounts of goodwill allocated to CGU are as follows:

(₹ in million)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Allergy Therapy	1,318.42	1,346.88	1,270.64
Radiopharmaceutical	7,420.03	7,826.51	7,487.77
Generics	2,062.72	2,167.87	1,990.40
Contract Manufacturing Operation	6,821.10	6,969.78	6,575.87
Total	**17,622.27**	**18,311.04**	**17,324.68**

The recoverable amount of the above cash generating units was based on its value in use. The value in use of these units was determined to be higher than the carrying amount and an analysis of the calculation's sensitivity towards change in key assumptions did not identify any probable scenarios where the CGU recoverable amount would fall below their carry amount.

Value in use was determined by discounting the future cash flows generated from the continuing use of the CGU. The calculation was based on the following key assumptions:

i. The anticipated annual revenue growth and margin included in the cash flow projections are based on past experience, actual operating results and the 5-year business plan in all periods presented.

ii. The terminal growth rate ranges from 2% to 3% (2% for the year ending March 31, 2016 and March 31, 2015) representing management view on the future long-term growth rate.

iii. Discount rate ranging from 7% to 13% for all periods presented was applied in determining the recoverable amount of the CGUs. The discount rate was estimated based on past experience and companies average weighted average cost of capital.

The values assigned to the key assumptions represent the management's assessment of future trends in the industry and based on both internal and external sources.

(₹ in million)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
5. Non-current investments			
I. Investment in equity instruments (at fair value through other comprehensive income)			
Quoted (fully paid up)			
220,878 (31 March 2016: 221,802; 1 April 2015: 242,086) equity shares of ₹ 10 each			
Jubilant Industries Limited	69.06	33.71	19.95
Unquoted (fully paid up)			
7,487,251 (31 March 2016: 7,487,251; 1 April 2015: 5,308,334) equity shares of ₹ 10 each			
Forum I Aviation Limited	82.21	77.87	55.17
540,463 (31 March 2016: 510,771; 1 April 2015: 510,771) common stock of USD 0.01 each			
Safe Foods Corporation USA	666.98	465.12	438.79
Investment in 10% of total capital of the fund			
Healthcare Ventures IX L.P.	208.89	277.61	475.26
II. Investment in debt instruments (at fair value through profit or loss)			
Convertible note and warrants			
Muroplex Therapeutics, Inc	-	-	-
	1,027.14	**854.31**	**989.17**

Notes to the consolidated financial statements for the year ended 31 March 2017 (Continued)

(₹ in million)

		As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
III.	**Investment in preference shares (at fair value through profit or loss)**			
	Nil (31 March 2016: Nil; 1 April 2015: 239,044) convertible preferred stock of USD 0.001 each			
	Putney Inc. (USA)	-	-	153.55
		-	**-**	**153.55**
	Total non-current investments	**1,027.14**	**854.31**	**1,142.72**
	Aggregate amount of quoted investments and market value thereof	69.06	33.71	19.95
	Aggregate amount of unquoted investments	958.08	820.60	1,122.77
	Aggregate amount of impairment in the value of investments	-	-	-

(₹ in million)

		As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
		Current	Non-current	Current	Non-current	Current	Non-current
6.	**Loans** **Unsecured, considered good**						
	Security deposits	63.78	108.37	42.60	130.99	66.49	115.32
	Loan to employees	8.62	10.90	7.02	10.97	7.52	14.57
	Total loans	**72.40**	**119.27**	**49.62**	**141.96**	**74.01**	**129.89**

(₹ in million)

		As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
		Current	Non-current	Current	Non-current	Current	Non-current
7.	**Other financial assets**						
	Other bank balances:						
	Deposits with maturity after 12 months from the reporting date (1)	-	9.86	-	0.55		6.07
	Foreign-exchange forward contracts	-	-		-	90.66	-
	Recoverable from related parties (2) (Refer note 37)	28.36	-	36.48	-	16.14	-
	Insurance claims receivable	26.69	-	35.40	-	30.63	-
	Notes receivable	93.07	-	198.19	-	408.51	-
	Receivable against sale of investment	-	-	198.35	-	-	-
	Unbilled revenue	3.73	-	2.57	-	11.26	-
	Interest receivable	43.29	-	3.13	-	5.97	-
	Others	113.01	-	58.85	-	33.63	-
	Total other financial assets	**308.15**	**9.86**	**532.97**	**0.55**	**596.80**	**6.07**

Note:

(1) These deposits have restricted use.

(2) Including due by directors and private companies having common director aggregating to ₹ 3.37 million (31 March 2016: ₹ 4.12 million; 1 April 2015 ₹ 0.25 million).

Notes to the consolidated financial statements for the year ended 31 March 2017 (Continued)

8. Deferred tax

Deferred income tax reflect the net tax effects of temporary difference between the carrying amount of asset and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant component of the Group's net deferred income tax are as follows:

Deferred tax assets:

(₹ in million)

	Provision for compensated absences and gratuity	Expenditure allowed on actual payment basis	Tax losses carried forward	MAT credit entitlement	Accrued expenses and other temporary differences	Total
As at 1 April 2015	**194.37**	**47.21**	**1,028.62**	**2,197.31**	**1,745.65**	**5,213.16**
Charged/(credited)						
- to Consolidated Statement of Profit and Loss	75.90	(37.34)	94.53	112.66*	475.29	721.04
- to other comprehensive income	(58.75)	-	-	-	-	(58.75)
Reclassification to advance tax**	-	-	(862.82)	-	-	(862.82)
Foreign currency translation adjustment	-	-	49.93	-	58.90	108.83
As at 31 March 2016	**211.52**	**9.87**	**310.26**	**2,309.97**	**2,279.84**	**5,121.46**
Charged/(credited)						
- to Consolidated Statement of Profit and Loss	73.64	32.02	1,623.35	639.53	(397.82)	1,970.72
- to other comprehensive income	14.12	-	-	-	-	14.12
Foreign currency translation adjustment	-	-	(13.57)	-	(25.46)	(39.03)
As at 31 March 2017	**299.28**	**41.89**	**1,920.04**	**2,949.50**	**1,856.56**	**7,067.27**

* net of MAT credit utilization forming part of current tax ₹ 18.36 million.

**represents DTA pertaining to certain subsidiaries in USA on account of net operating loss carryback as per the provisions of USA Internal Revenue Code.

Deferred tax liabilities:

(₹ in million)

	Depreciation and amortization	Others	Total
As at 1 April 2015	**5,194.34**	**279.46**	**5,473.80**
Charged/(credited)			
- to Consolidated Statement of Profit and Loss	489.75	123.38	613.13
- to other comprehensive income	-	-	-
Foreign currency translation adjustment	171.72	8.34	180.06
As at 31 March 2016	**5,855.81**	**411.18**	**6,266.99**
Charged/(credited)			
- to Consolidated Statement of Profit and Loss	1,638.62	(288.98)	1,349.64
- to other comprehensive income	-	-	-
Foreign currency translation adjustment	(101.24)	(3.15)	(104.39)
As at 31 March 2017	**7,393.19**	**119.05**	**7,512.24**

Notes to the consolidated financial statements for the year ended 31 March 2017 (Continued)

Net deferred tax liabilities:

(₹ in million)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Deferred tax assets	7,067.27	5,121.46	5,213.16
Deferred tax liabilities	7,512.24	6,266.99	5,473.80
Deferred tax liabilities (net)	**444.97**	**1,145.53**	**260.64**

Reflected in the Balance Sheet as follows:

(₹ in million)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Deferred tax assets	1,418.98	844.73	920.68
Deferred tax liabilities	1,863.95	1,990.26	1,181.32
Deferred tax liabilities (net)	**444.97**	**1,145.53**	**260.64**

Reconciliation of deferred tax liabilities (net):

(₹ in million)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Balance as at the commencement of the year	1,145.53	260.64
Credit during the year recognised in profit or loss (including MAT)*	(621.08)	(107.91)
(Credit) / expense during the year recognised in OCI	(14.12)	58.75
Foreign currency translation adjustment	(65.36)	71.23
Reclassification of deferred tax asset to advance tax	-	862.82
Balance as at the end of the year	**444.97**	**1,145.53**

*Including MAT credit entitlement of ₹ 18.36 million forming part of current tax for the year ended 31 March 2016.

Deferred tax assets not recognised in respect of certain subsidiaries is as below:

(₹ in million)

Particulars	As at 31 March 2017	
	Amount of temporary differences	Amount of deferred tax on temporary differences
Deductible temporary differences	1,822.38	604.07
Taxable temporary differences	20.24	6.88
Net unrecognized temporary differences	**1,802.14**	**597.19**

(₹ in million)

Particulars	As at 31 March 2016	
	Amount of temporary differences	Amount of deferred tax on temporary differences
Deductible temporary differences	6,247.47	2,126.48
Taxable temporary differences	2,297.86	795.13
Net unrecognized temporary differences	**3,949.61**	**1,331.35**

Notes to the consolidated financial statements for the year ended 31 March 2017 (Continued)

(₹ in million)

Particulars	As at 1 April 2015	
	Amount of temporary differences	Amount of deferred tax on temporary differences
Deductible temporary differences	4,760.73	1,630.69
Taxable temporary differences	1,164.81	402.99
Net unrecognized temporary differences	**3,595.92**	**1,227.70**

The Group has determined that below undistributed profits of certain subsidiaries will not be distributed in the foreseeable future:

(₹ in million)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Undistributed earnings of subsidiaries	16,553.24	9,829.63	6,323.49
Unrecognised deferred tax liabilities relating to the above temporary differences as per the respective country's applicable dividend distribution tax rate	3,031.15	1,823.22	1,279.65

DTA has not been recognized on temporary differences in relation to indexation benefit of investment in subsidiaries and freehold land amounting to ₹ 4,805.45 million (31 March 2016: ₹ 4,487.30; 1 April 2015: ₹ 4,135.84 million) and ₹ 103.53 million (31 March 2016: ₹ 91.74 million; 1 April 2015: ₹ 76.46 million) respectively, as the Company is able to control the timing of the reversal of the temporary difference and it is probable that the temporary differences will not reverse in foreseeable future.

Expiry period of unused tax losses:

i. Indian entities have unused tax losses and unabsorbed depreciation amounting to ₹ 553.52 million (31 March 2016: ₹ 1,900.52 million, 1 April 2015: ₹ 1,897.32 million) and ₹ 646.84 million (31 March 2016: ₹ 3,201.22 million; 1 April 2015: ₹ 2,072.93 million), respectively as at year end, available to reduce future income taxes. If not used, the unused tax losses will expire in the tax year 2017-2025 (31 March 2016: 2016-2024; 1 April 2015: 2015-2023) and unabsorbed depreciation can be carried forward for an indefinite period.

ii. China entity has unused tax losses amounting to ₹ 7.29 million (31 March 2016: ₹ 164.59 million, 1 April 2015: ₹ 31.14 million) as at year end, available to reduce future income taxes. If not used, the unused tax losses will expire between tax years 2020-21 (31 March 2016; 2020-21, 1 April 2015, 2020).

iii. US entities have unused tax losses amounting to ₹ 179.40 million (31 March 2016: ₹ 237.18 million, 1 April 2015: ₹ 243.72 million) as at year end, available to reduce future income taxes. If not used, the unused tax losses will expire between tax years 2028-2037 (31 March 2016; 2028-2036, 1 April 2015; 2028-2035).

iv. Canadian entities have unused tax losses amounting to ₹ 0.77 million (31 March 2016: ₹ 0.72 million, 1 April 2015: ₹ 0.68 million) as at year end, available to reduce future income taxes. If not used, the unused tax losses will expire between tax years 2032-2037 (31 March 2016; 2032-2036, 1 April 2015; 2032-2035).

v. Cyprus entities have unused tax losses amounting to Nil (31 March 2016: ₹ 42.85 million, 1 April 2015: ₹ 35.81 million) at year end, available to reduce future income taxes. If not used, the unused tax losses will expire by tax year 2020.

vi. Switzerland entity has unused tax losses amounting to ₹ 7.82 million (31 March 2016: ₹ 6.12 million, 1 April 2015: ₹ 5.61 million) as at year end, available to reduce future income taxes. If not used, the unused tax losses will expire between tax years 2020-2024 (31 March 2016; 2020-2023, 1 April 2015; 2020-2022).

vii. Belgium entities have unused tax losses amounting to ₹ 229.41 million (31 March 2016: ₹ 272.58 million, 1 April 2015: ₹ 198.79 million) as at year end, available to reduce future income taxes. The same can be carried forward for an indefinite period.

Notes to the consolidated financial statements for the year ended 31 March 2017 (Continued)

(₹ in million)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
9. Other non-current assets			
Capital advances	186.69	23.86	178.77
Prepaid expenses	0.96	4.79	0.48
Total other non-current assets	**187.65**	**28.65**	**179.25**

(₹ in million)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
10. Inventories			
Raw materials [including goods-in-transit ₹ 313.30 million (31 March 2016: ₹ 336.81 million; 1 April 2015: ₹ 1,270.34 million)]	4,187.33	4,799.25	5,602.44
Work-in-progress	2,916.45	2,219.49	1,900.63
Finished goods [including goods-in-transit ₹ Nil (31 March 2016: ₹ 60.37 million; 1 April 2015: ₹ 6.37 million)]	3,632.69	2,958.10	2,707.58
Stock-in-trade [including goods-in-transit ₹ Nil(31 March 2016: ₹ 3.61 million; 1 April 2015: ₹ 1.37 million)]	156.45	517.94	647.84
Stores and spares [including goods-in-transit ₹ 17.99 million (31 March 2016: ₹ 9.59 million; 1 April 2015: ₹ 49.91 million)]	870.98	777.33	849.61
Others- process chemicals and fuels [including goods-in-transit ₹ 50.21 million (31 March 2016: ₹ 60.63 million; 1 April 2015: ₹ 31.54 million)]	440.09	758.93	541.62
Total inventories	**12,203.99**	**12,031.04**	**12,249.72**

Note:

Write down of inventories amounted to ₹ 159.69 million (31 March 2016: ₹ 161.33 million).

(₹ in million)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
11. Trade receivables			
Unsecured and current			
Trade receivables	10,146.84	9,635.26	8,843.95
Receivables from related parties (Refer note 37)	64.94	32.14	8.46
Less: Expected credit loss allowance	(158.73)	(162.39)	(212.65)
Total receivables (1)	**10,053.05**	**9,505.01**	**8,639.76**

Note:

(1) Refer note 33 for expected credit loss for trade receivables

Notes to the consolidated financial statements for the year ended 31 March 2017 (Continued)

(₹ in million)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
12(a). Cash and cash equivalents			
Balances with banks			
- on current accounts	3,805.41	3,311.86	3,667.20
- on dividend accounts	45.57	40.53	34.68
- on deposit accounts with original maturity up to three months	619.23	7.50	120.90
Cash on hand	1.73	2.48	1.99
Cheques/drafts on hand	2.98	5.58	74.24
Others			
- Funds in transit	88.43	23.25	15.85
- Imprest	1.09	1.47	1.51
Total cash and cash equivalents (1)	**4,564.44**	**3,392.67**	**3,916.37**

(1) ₹ 45.63 million (31 March 2016: ₹ 48.03 million; 1 April 2015 ₹ 56.67 million) has restricted use.

(₹ in million)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
12(b). Other bank balances			
Deposits accounts with maturity up to twelve months from the reporting date	31.87	53.16	27.10
Total other bank balances (2)	**31.87**	**53.16**	**27.10**

(2) ₹ 31.77million (31 March 2016: ₹ 35.84 million, 1 April 2015 ₹ 20.34 million) has restricted use.

(₹ in million)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
13. Other current assets			
Prepaid expenses	377.70	325.81	289.52
Recoverable from/ balance with government authorities (1)	1,516.08	1,489.42	1,011.92
Advance to employees	23.34	26.54	21.79
Advance for supply of goods and services	231.34	166.25	168.84
Assets held for sale (2)	52.51	63.26	63.15
Others	2.83	29.28	20.23
Total other current assets	**2,203.80**	**2,100.56**	**1,575.45**

Note:

(1) Refer note 41(a)

(2) Represents property, plant and equipments which are not considered for active use and are expected to be sold in due course.

Notes to the consolidated financial statements for the year ended 31 March 2017 (Continued)

(₹ in million)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
14. Equity share capital			
Authorised			
655,000,000 (31 March 2016: 655,000,000; 1 April 2015: 655,000,000) equity shares of ₹ 1 each	655.00	655.00	655.00
	655.00	**655.00**	**655.00**
Issued and subscribed			
159,313,139 (31 March 2016: 159,313,139; 1 April 2015: 159,313,139) equity shares of ₹ 1 each	159.31	159.31	159.31
	159.31	**159.31**	**159.31**
Paid up capital			
159,281,139 (31 March 2016: 159,281,139; 1 April 2015: 159,281,139) equity shares of ₹ 1 each	159.28	159.28	159.28
Add: Equity shares forfeited (paid up)	0.02	0.02	0.02
	159.30	**159.30**	**159.30**
Less: Shares held in trust for employees under ESOP scheme	(3.55)	(3.90)	(4.83)
	155.75	**155.40**	**154.47**

Movements in equity share capital:

	As at 31 March 2017		As at 31 March 2016	
	Number	₹ in million	Number	₹ in million
At the commencement and at the end of the year	159,281,139	159.28	159,281,139	159.28

Terms and rights attached to equity shares:

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. The distribution will be in proportion to the number of equity shares held by the shareholders.

Details of shareholders holding more than 5% shares in the Company:

Equity shares of ₹ 1 each fully paid-up held by	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	Number	% of total shares	Number	% of total shares	Number	% of total shares
Jubilant Stock Holding Private Limited	21,871,992	13.73 %	29,676,992	18.63 %	29,676,992	18.63 %
SSB Consultants & Management Services Private Limited	21,007,665	13.19 %	21,007,665	13.19 %	21,007,665	13.19 %
HSB Corporate Consultants Private Limited	18,698,979	11.74 %	18,698,979	11.74 %	18,698,979	11.74 %
GA Global Investments Limited	-	-	-	-	10,380,339	6.52 %

Aggregate number of shares issued for consideration other than cash:

Paid up capital includes 501,364 (31 March 2016: 501,364; 1 April 2015: 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.

Others:

a) 114,835 (31 March 2016: 114,835; 1 April 2015: 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". (Refer note 49)

Notes to the consolidated financial statements for the year ended 31 March 2017 (Continued)

b) Under the Jubilant Employees Stock Option 2005 Plan as at 31 March 2017- 2,867 (31 March 2016: 8,467; 1 April 2015: 105,495) outstanding options are convertible into 14,335 (31 March 2016: 42,335; 1 April 2015: 527,475) shares. (Refer note 49).

c) Under the Jubilant Employees Stock Option 2011 Plan as at 31 March 2017- 71,185 (31 March 2016: 431,256; 1 April 2015: 1,112,306) outstanding options are convertible into 71,185 (31 March 2016: 431,256; 1 April 2015: 1,112,306) shares. (Refer note 49).

15. Nature and purpose of other equity

- *Capital reserve*

  Accumulated capital surplus not available for distribution of dividend and expected to remain invested permanently.

- *Securities premium reserve*

  The unutilized accumulated excess of issue price over face value on issue of shares. This reserve is utilised in accordance with the provisions of the Act.

- *Capital redemption reserve*

  Capital redemption reserve represents the unutilized accumulated amount set aside at the time of redemption of shares. This reserve is utilised in accordance with the provisions of the Act.

- *Amalgamation reserve*

  Amalgamation reserve represents the unutilized accumulated surplus created at the time of amalgamation of another company with the Company. This reserve is not available for distribution of dividend and is expected to remain invested permanently.

- *General reserve*

  This represents appropriation of profit by the Company and is available for distribution of dividend.

- *Legal reserve*

  This represents the statutory reserves created based on the requirements of local regulations. This reserve is not available for distribution.

- *Debenture redemption reserve*

  The Group is required to create a debenture redemption reserve out of the profits prior to the redemption of debentures. This reserve is available for distribution of dividend post redemption of debentures.

- *Share based payment reserve*

  The fair value of the equity settled share based payment transactions with employees is recognised in Consolidated Statement of Profit and Loss with corresponding credit to share based payment reserve. Corresponding balance of a share based payment reserve is transferred to general reserve upon expiry of grants or upon exercise of stock options by an employee, as the Company is operating the Employee Stock Option schemes through Jubilant Employees Welfare Trust, which has purchased share from the secondary market.

- *Foreign Currency Monetary Item Translation Difference Account (FCMITDA)*

  This represent accumulated Monetary Item Translation Difference of long-term foreign currency monetary items to be amortised over the period in which long-term foreign currency monetary items is payable.

- *Equity instrument through OCI*

  The Group has elected to recognize changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the equity instrument through OCI within equity. The Group transfers amount therefrom to retained earnings when the relevant equity securities are derecognized.

- *Foreign currency translation reserve*

  Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the Group dispose or partially dispose off its interest in a foreign operation through sale, liquidation, repayment of share capital or abandonment of all, or part of, that entity.

- *Remeasurement of defined benefit obligation*

  Remeasurements of defined benefit obligation comprises actuarial gains and losses and return on plan assets.

Notes to the consolidated financial statements for the year ended 31 March 2017 (Continued)

(₹ in million)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
16(a). Non-current borrowings			
Secured Debentures			
Secured Rated Listed Non-Convertible Debentures	4,930.32	-	-
Bonds			
4.875% Senior Notes (unsecured)	19,230.70	-	-
Term Loans			
From Banks			
Indian rupee loans (secured)	3,669.20	9,145.99	10,361.02
Other foreign currency loans (secured)	1,581.39	7,267.34	9,918.07
From other parties			
Indian rupee loans (secured)	1,859.35	4,609.34	5,983.93
Other foreign currency loans (secured)	-	5,161.53	6,644.13
Other foreign currency loans (unsecured)	3,740.56	3,927.93	3,693.77
Long term maturity of finance lease obligations (secured)	38.81	19.95	14.51
Total non-current borrowings	**35,050.33**	**30,132.08**	**36,615.43**
Add: Current maturities of non-current borrowings (Refer note 19)	2,834.23	7,300.29	5,719.56
Add: Current maturities of financial lease obligations (Refer note 19)	12.29	10.51	12.71
Total non-current borrowings (including current maturities)	**37,896.85**	**37,442.88**	**42,347.70**

(₹ in million)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
16(b). Current borrowings			
Loans repayable on demand			
From Banks			
Secured	459.73	5,420.56	2,326.69
Unsecured	2,096.27	2,069.11	2,136.85
From others			
Secured	-	-	750.00
Other working capital loans			
From Banks			
Secured	-	-	405.19
Total current borrowings	**2,556.00**	**7,489.67**	**5,618.73**

16.1 Nature of security of non-current borrowings and other terms of repayment

Parent Company

16.1.1 Indian rupee term loans amounting to ₹ 3,849.00 million (31 March 2016: ₹ 7,903.92 million; 1 April 2015: ₹ 10,181.53 million), Non Convertible Debentures amounting to ₹ 4,950.00 million (31 March 2016: Nil; 1 April 2015: Nil), External commercial borrowings amounting to ₹ 1,199.72 million (31 March 2016: ₹ 2,318.75 million; 1 April 2015: ₹ 2,968.75 million) and foreign currency loans amounting to Nil (31 March 2016: ₹ 1,325.00 million; 1 April 2015: ₹ 2,187.50 million) are secured by a first pari-passu charge created/to be created amongst the lenders by way of:

Notes to the consolidated financial statements for the year ended 31 March 2017 (Continued)

1) Mortgage on the immovable fixed assets, both present and future, situate at:

(a) Bhartiagram, Tehsil Dhanora, District Amroha, Uttar Pradesh, India, save and except the following immovable fixed assets from mortgage with effect from current year:

(i) Land measuring 90,124.24 square meters together with all the buildings and structures thereon situated in the revenue estate of Village Naipura Khadar and Tigaria Bhoor, Tehsil Dhanora, District Amroha, Uttar Pradesh, India, being under common title deeds with other group companies;

(ii) Land measuring 5.56 Acres OR 2.253 Hectares together with all the buildings and structures thereon situated in the revenue estate of Village Fazalpur Gosai, Tehsil Dhanora, District Amroha, Uttar Pradesh, India; and

(iii) Leasehold Land, being plot no. A-4/2 measuring 157509 square meters, together with all the buildings and structures thereon situated in UPSIDC Industrial Area II, Gajraula, Tehsil Dhanora, District Amroha, Uttar Pradesh, India, being under common lease deed with other group companies;

(b) Village Samlaya, Taluka Savli, District Vadodra, Gujarat, India; and

2) Hypothecation on the entire movable fixed assets, both present and future of the Company (1 April 2015: Indian rupee loan from a bank was further secured by exclusive first charge created by way of hypothecation on receivable of USD 52.50 million (Rupee equivalent converted at closing rate ₹ 3,281.25 million) from Jubilant Generics Limited arising on account of Business Transfer Agreement).

16.1.2 Indian rupee term loan amounting to ₹ 1,875.00 million (31 March 2016: ₹ 1,875.00 million; 1 April 2015: ₹ 3,000.00 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, Ambernath and also at Bharuch owned by one of the subsidiaries of the Parent Company.

16.1.3 Indian rupee term loan amounting to ₹ 2,575.00 million (31 March 2016: ₹ 3,575.00 million repayable in ten half yearly instalments from September 2017; 1 April 2015: ₹ 3,500.00 million repayable in fourteen half yearly instalments commencing from September 2015) from Axis Bank Limited is repayable in five half yearly instalments from March 2020.

16.1.4 Indian rupee term loan amounting to ₹ 1,274.00 million (31 March 2016: Nil; 1 April 2015: Nil) from RBL Bank Limited is repayable in nineteen quarterly instalments from June 2017.

16.1.5 Indian rupee term loan amounting to ₹ 1,200.00 million as at 31 March 2016 (31 March 2016: ₹ 1,200.00 million repayable in eight equal quarterly instalments from June 2018; 1 April 2015: ₹ 1,800.00 million repayable in twelve equal quarterly instalments commencing from June 2017) from Yes Bank Limited has been fully repaid during the current year.

16.1.6 Indian rupee term loan amounting to ₹ 1,128.92 million as at 31 March 2016 (31 March 2016: ₹ 1,128.92 million repayable in eight quarterly instalments from June 2018; 1 April 2015: ₹ 1,881.53 million repayable in twenty quarterly instalments commencing from June 2015) from IndusInd Bank Limited has been fully repaid during the current year.

16.1.7 Non convertible debentures amounting to ₹ 4,950.00 million (31 March 2016: Nil; 1 April 2015: Nil) is repayable in four yearly instalments from January 2019.

16.1.8 External commercial borrowing amounting to USD 18.50 million (₹ 1,199.72 million) (31 March 2016: USD 35 million (₹ 2,318.75 million) repayable in two yearly instalments from December 2016; 1 April 2015: USD 47.5 million (₹ 2,968.75 million) repayable in three yearly instalments from December 2015) from DBS Bank Limited, Singapore is repayable in December 2017.

16.1.9 Term loan of USD 20 million (₹ 1,344.40 million) as at 31 March 2016 (31 March 2016: USD 20 million (₹ 1,325 million) repayable in one yearly instalments from May 2016; 1 April 2015: USD 35 million (₹ 2,187.50 million repayable in two yearly instalments from May 2015) from Export Import Bank of India has been fully repaid during the current year.

16.1.10 Indian rupee term loan amounting to ₹ 1,875.00 million (31 March 2016: ₹ 1,875.00 million repayable in five equal half yearly instalments from September 2018; 1 April 2015: ₹ 3,000.00 million repayable in eight equal half yearly instalments commencing from March 2017) from Housing Development Finance Corporation Limited is repayable in five equal half yearly instalments from September 2018.

Notes to the consolidated financial statements for the year ended 31 March 2017 (Continued)

16.1.11 Indian rupee term loan amounting to ₹ 2,000.00 million from IFCI Limited as at 31 March 2016 (31 March 2016: ₹ 2,000.00 million repayable in eight equal quarterly instalments from May 2018; 1 April 2015: ₹ 3,000.00 million repayable in twelve equal quarterly instalments commencing from May 2017) has been fully repaid during the current year.

Jubilant Generics Limited

16.1.12 Indian rupee term loans amounting to ₹ 4,141.66 million as at 31 March 2016 (1 April, 2015: ₹ 4,300.00 million) from Yes Bank, Indian Bank, RBL Bank Limited, IndusInd Bank and HDFC Limited (1st April 2015 from Yes Bank, Indian Bank and RBL Bank Limited) were secured by a first pari-passu charge amongst the lenders on all immovable and movable fixed assets (both present and future) of the Company.

16.1.13 Indian rupee term loan amounting to ₹ 843.75 million from Yes Bank Limited as at 31 March 2016 (31 March 2016: ₹ 843.75 million repayable in nine quarterly equal instalments from June 2017; 1 April 2015: ₹1,500.00 million repayable in sixteen quarterly equal instalments commencing from September 2015) has been fully repaid during the current year.

16.1.14 Indian rupee term loan amounting to ₹ 843.75 million from Indian Bank Limited as at 31 March 2016 (31 March 2016: ₹ 843.75 million repayable in nine quarterly equal instalments from June 2017; 1 April 2015: ₹ 1,500.00 million repayable in sixteen quarterly equal instalments commencing from September 2015) has been fully repaid during the current year.

16.1.15 Indian rupee term loan amounting to ₹ 731.25 million from RBL Bank Limited as at 31 March 2016 (31 March 2016: ₹ 731.25 million repayable in nine quarterly equal instalments from July 2017; 1 April 2015: ₹ 1,300.00 million repayable in sixteen quarterly equal instalments commencing from October 2015) has been fully repaid during the current year.

16.1.16 Indian rupee term loan amounting to ₹ 972.90 million from IndusInd Bank Limited as at 31 March 2016 (31 March 2016: ₹ 972.90 million repayable in twenty quarterly instalments commencing from May 2016; 1 April 2015: Nil) has been fully repaid during the current year.

16.1.17 Indian rupee term loan amounting to ₹ 750.00 million from Housing Development Finance Corporation Limited as at 31 March 2016 (31 March 2016: ₹ 750.00 million repayable in seven half yearly instalments commencing from December 2017; 1 April 2015: Nil) has been fully repaid during the current year.

Other entities

16.1.18 Term loan of USD 87.50 million (₹ 5,796.87 million) under Facility A to Jubilant Pharma Limited from International Finance Corporation as at 31 March 2016 (31 March 2016: USD 87.50 million (₹ 5,796.87 million repayable in ten equal half yearly instalments commencing from December 2016; 1 April 2015: USD 87.50 million (₹ 5,468.75 million) repayable in ten equal half yearly instalments commencing from December 2016) has been fully repaid during the current year. Term loan was secured by way of:

(i) Pledge over 51% of shares of Class B Common Stock of Jubilant Pharma Holdings Inc.

(ii) Charge over Interest Reserve Account maintained by the Jubilant Pharma Limited with the Account Bank.

(iii) Guarantee from Jubilant Pharma Holding Inc. and Jubilant Draximage Inc. guaranteeing all outstanding obligations of the borrower under the Facility A. Total guaranteed amount is USD 87.50 million (₹ 5,796.87 million) as at 31 March 2016 (1 April 2015: USD 87.50 million(₹ 5,468.75 million)).

16.1.19 Jubilant Pharma limited issued unsecured 4.875% Senior Notes amounting to USD 300.00 million (₹ 19,455.00 million) during current year. The Senior Notes are repayable in single installment in October 2021.

16.1.20 Unsecured term loan of USD 58.20 million (₹ 3,774.27 million) under Facility C to Jubilant Pharma Limited from International Finance Corporation (31 March 2016: USD 60.00 million (₹ 3,975.00 million); 1 April 2015: USD 60.00 million (₹ 3,750.00 million) is due for repayment on 15 June 2020 (50%) and 15 June 2021 (50%) along with the repayment premium in accordance with the terms of the contract, if on or prior to such repayment date there has been (a) neither a Private Equity (PE) investment nor a Qualifying IPO, or (b) there has been a PE Investment but IFC has not converted the entire loan into shares. The return to IFC is variable upon the events described above and the time period elapsed in accordance with the terms of the arrangement.

16.1.21 Term loans of USD 35 million (₹ 2,187.56 million) as at 1 April 2015 (1 April 2015: USD 35 million (₹ 2,187.56 million) repayable in nine quarterly equal instalments from June 2017) to Jubilant Generics Inc. (merged with

Notes to the consolidated financial statements for the year ended 31 March 2017 (Continued)

Cadista Holdings Inc.) from ICICI Bank Limited, New York Branch has been fully repaid during the year ended 31 March 2016. Term loan was secured by way of:

(i) Guarantee from Jubilant Cadista Pharmaceuticals Inc.

(ii) Exclusive first ranking charge over all presently owned and after acquired real and personal property including all deposit accounts of Jubilant Cadista Pharmaceuticals Inc.

16.1.22 Term loan of USD 15.00 million (₹ 993.75 million) as at 31 March 2016 (31 March 2016: USD 15.00 million (₹ 993.75 million) repayable in twenty two quarterly instalments commencing from July 2016; 1 April 2015: Nil) from ICICI Bank Limited, New York Branch and term loan of USD 20.00 million (₹ 1,325.00 million) as at 31 March 2016 (31 March 2016: USD 20.00 million (₹ 1,325.00 million) repayable in twenty two quarterly instalments commencing from July 2016; 1 April 2015: Nil) from ICICI Bank Limited, Canada to Jubilant Cadista Pharmaceutical Inc. has been fully repaid during the year. Term loan was secured by way of:

(i) First pari-passu charge over all of its current and fixed assets.

(ii) First pari-passu charge over all of its intangibles assets (excluding goodwill).

(iii) Irrevocable and unconditional corporate guarantee from Jubilant Draximage Inc. Total guaranteed amount for term loan as on 31 March 2016 is ₹ 2,318.75 million (1 April 2015: Nil).

16.1.23 Revolving Facility of USD 20.27 million (₹ 1,314.21 million) as at 31 March 2017 repayable in single installment in September 2017 (31 March 2016: USD 38.35 million (₹ 2,540.80 million) repayable in single installment in September 2016; 1 April 2015: USD 75.73 million (₹ 4,733.20 million) repayable in single installment in September 2016) 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.

(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.

16.1.24 Term loan of CAD 26.60 million (₹ 1,292.49 million) as at 31 March 2017 repayable in nineteen equal quarterly instalments from April 2017 (31 March 2016: CAD 32.20 million (₹ 1,649.61 million) repayable in twenty three equal quarterly instalments from April 2016; 1 April 2015: Nil) from ICICI Bank, Canada and Term loan of USD 8.93 million (₹ 579.19 million) as at 31 March 2017 repayable in nine quarterly instalments from October, 2019 (31 March 2016: USD 47.92 million (₹ 3,174.48 million) repayable in twenty three equal quarterly instalments from April 2016; 1 April 2015: Nil) from ICICI Bank Limited, New York Branch to Jubilant Draximage Inc. are secured by way of:

(i) Charge over all of its property, movable and immovable, personal and real, corporeal and incorporeal, tangible and intangible, present and future of whatever nature and wherever situated.

(ii) Charge over all of the property, movable and immovable, personal and real, corporeal and incorporeal, tangible and intangible, present and future of whatever nature and wherever situated of Jubilant Hollisterstier General Partnership.

(iii) Irrevocable and unconditional corporate guarantee from Jubilant Cadista Pharmaceuticals Inc. Total guaranteed amount as at 31 March 2017 is ₹ 1,871.68 million (31 March 2016: ₹ 4,824.09 million; 1 April 2015: Nil).

16.1.25 Term loan of CAD 31.68 million (₹ 1,552.94 million) as at 1 April 2015 (1 April 2015: CAD 31.68 million (₹ 1,552.94 million) repayable in four yearly installments from November 2015) under Facility B to Jubilant Draximage Inc. from ICICI Bank, Canada as the arranger and the agent has been fully repaid during the year ended 31 March 2016. Term loan was 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

Notes to the consolidated financial statements for the year ended 31 March 2017 (Continued)

(b) Draximage Limited, Cyprus

(c) First and exclusive charge over the fixed assets and current assets of Jubilant DraxImage Inc. and its subsidiaries

(d) Irrevocable and unconditional corporate guarantee from Jubilant Generics Inc (merged with Cadista Holdings Inc.) guaranteeing all outstanding obligations of the borrower under the facility. Total guaranteed amount as at 1 April 2015 was ₹ 1,552.94 million.

16.1.26 Term loan of USD 12.60 million (₹ 834.75 million) as at 31 March 2016 (31 March 2016: USD 12.60 million (₹ 834.75 million) repayable in five monthly instalments from June 2016; 1 April 2015: Nil) to Jubilant Life Sciences International Pte. Limited from ICICI Bank Limited, Singapore has been fully repaid during the current year. Term loan was 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.

16.1.27 Term loan of SGD 8.50 million (₹ 386.36 million) as at 1 April 2015 (1 April 2015: SGD 8.50 million (₹ 386.36 million) repayable in two monthly installments from April 2015) to Jubilant Life Sciences International Pte. Limited from ICICI Bank Limited, Singapore has been fully repaid during the year ended 31 March 2016. Term loan was 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.

16.1.28 Term loan of Euro 30 million (₹ 2,015.70 million) as at 1 April 2015 (1 April 2015: Euro 30 million (₹ 2,015.70 million) repayable in eleven monthly installments from April 2015) to Jubilant Life Sciences NV from Deutsche Bank, Singapore has been fully repaid during the year ended 31 March 2016. Term loan was secured by way of first charge on its current assets.

16.1.29 Finance lease obligations are secured by hypothecation of specific assets taken under such lease. The same are repayable within five years.

16.1.30 The Indian rupee term loans carry interest rate ranging from 7.95 % to 12.75% (31 March 2016: 10.50% to 13.25%; 1 April 2015: 9.50% to 13.25%) per annum and term loans denominated in currency other than Indian rupee carry interest rate of benchmark interest rate (Libor, CAD dealer offered rate, Euro libor and swap offer rates) plus spread ranging from 150 to 450 (31 March 2016: 150 to 550; 1 April 2015: 250 to 550) basis points. The benchmark rates are reset at periodic intervals as per the terms of the loan.

The composition of property, plant and equipment and current assets as mentioned above are defined in detail in the respective financing/credit arrangements.

16.2 Nature of security of current borrowings and other terms of repayment

Parent Company

16.2.1 Working capital facilities (including cash credit) sanctioned by consortium of banks and notified financial institutions 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. Other working capital loans are repayable as per terms of agreement within one year.

Jubilant Generics Limited

16.2.2 Working capital facilities (including cash credit) sanctioned by consortium of banks and notified financial institutions to Jubilant Generics Limited 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. Other working capital loans are repayable as per terms of agreement within one year.

Other entities

16.2.3 Working capital facilities granted to Jubilant Chemsys Limited as at 1 April 2015 by ING Vysya Bank secured by way of First Charge by way of hypothecation of entire current assets of Jubilant Chemsys Limited was closed during the year ended 31 March 2016.

16.2.4 Working capital facilities granted to Jubilant Clinsys Limited as at 1 April 2015 by ING Vysya Bank secured by way of First Charge by way of hypothecation of entire current assets of Jubilant Clinsys Limited was closed during the year ended 31 March 2016.

Notes to the consolidated financial statements for the year ended 31 March 2017 (Continued)

16.2.5 Working Capital Facility of USD Nil as at 31 March 2017 (31 March 2016: USD 8.00 million (₹ 530.00 million); 1 April 2015: Nil) to Jubilant Cadista Pharmaceuticals Inc. from ICICI Bank, New York Branch, is secured way of:

(i) First pari-passu charge over all of its current and fixed assets.

(ii) First pari-passu charge over all of its intangibles assets (excluding goodwill).

(iii) Irrevocable and unconditional corporate guarantee from Jubilant Draximage Inc. Total guaranteed amount for working capital facility as at 31 March 2017 is USD Nil (31 March 2016: USD 8.00 million (₹ 530.00 million); 1 April 2015: Nil).

16.2.6 Revolving Credit Facility of CAD 8.27 million (₹ 405.19 million) as at 1 April 2015 under Facility D1 to Jubilant HollisterStier Inc. from ICICI Bank, Canada as the arranger and the agent was closed during the year ended 31 March 2016. The facility 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.

16.2.7 Revolving Credit Facility of CAD Nil as at 1 April 2015 under Facility D2 to Jubilant DraxImage Inc. from ICICI Bank, Canada as the arranger and the agent was closed during the year ended 31 March 2016. The facility was 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).

16.2.8 Indian rupee loans carry interest rate ranging from 6.09 % to 13.00% (31 March 2016: 8.75% to 14.00%; 1 April 2015: 9.50% to 14.00%) per annum and other currencies loans carry interest rate of benchmark interest rate (Libor and CAD Prime) plus spread ranging from 220 to 350 (31 March 2016: 50 to 550; 1 April 2015: 25 to 450) 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.

16.3 Property, plant and equipment, inventory and other financial assets with a carrying amount of ₹ 24,982.95 million (31 March 2016: ₹ 32,801.60 million; 1 April 2015: ₹ 31,426.41 million), ₹ 8,187.23 million (31 March 2016: ₹ 7,708.19 million; 1 April 2015: ₹ 7,979.11 million), ₹ 14,259.78 million (31 March 2016: ₹ 19,082.75 million; 1 April 2015: ₹ 23,541.93 million) respectively are provided as security against borrowing at year end.

(₹ in million)

	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	Current	Non-current	Current	Non-current	Current	Non-current
17. Provisions						
Unsecured, considered good						
Provision for employee benefits (Refer note 31)	344.09	806.91	302.19	703.07	255.89	668.90
Other provisions	13.80	-	14.09	-	38.91	-
Total provisions	**357.89**	**806.91**	**316.28**	**703.07**	**294.80**	**668.90**

Notes to the consolidated financial statements for the year ended 31 March 2017 (Continued)

(₹ in million)

		As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
18.	**Trade payables**			
	Current			
	Trade payables (Refer note 30)	7,459.73	6,098.60	7,282.73
	Trade payables to related parties (Refer note 37)	35.17	22.55	11.11
	Total trade payables	**7,494.90**	**6,121.15**	**7,293.84**

(₹ in million)

		As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
19.	**Other financial liabilities**			
	Non-current			
	Accrued cost for stock settled debt instrument	1,861.19	1,364.75	831.25
	Total other non-current financial liabilities	**1,861.19**	**1,364.75**	**831.25**
	Current			
	Current maturities of non-current borrowings (Refer note 16(a))	2,834.23	7,300.29	5,719.56
	Current maturities of finance lease obligations (Refer note 16(a))	12.29	10.51	12.71
	Interest accrued but not due on borrowings	557.56	179.65	171.62
	Unpaid dividend	45.57	40.53	34.68
	Security deposit	27.23	26.34	35.69
	Capital creditors	414.31	207.04	456.68
	Employee benefits payable	902.85	962.00	556.57
	Other payables	49.46	-	59.77
	Total other current financial liabilities	**4,843.50**	**8,726.36**	**7,047.28**

(₹ in million)

		As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
20.	**Other liabilities**			
	Non-current			
	Income received in advance	96.94	123.57	86.65
	Others	0.23	2.32	3.27
	Total other non-current liabilities	**97.17**	**125.89**	**89.92**
	Current			
	Advances from customers	313.66	294.12	167.87
	Income received in advance/unearned revenue	150.78	175.58	250.70
	Statutory dues payables	419.09	318.23	272.50
	Total other current liabilities	**883.53**	**787.93**	**691.07**

(₹ in million)

		For the year ended 31 March 2017	For the year ended 31 March 2016
21.	**Revenue from operations**		
	Sale of products (including excise duty)		
	- Finished goods	49,045.01	49,142.84
	- Traded goods	2,218.33	2,011.33
	Sale of services	7,838.32	6,756.70
	Other operating revenue(1)	961.58	1,022.26
	Total revenue from operations	**60,063.24**	**58,933.13**

(1) Refer note 41(a)

Notes to the consolidated financial statements for the year ended 31 March 2017 (Continued)

(₹ in million)

	For the year ended 31 March 2017	For the year ended 31 March 2016
22. Other income		
Interest income	87.79	27.39
Dividend on investments	1.47	-
Other non-operating income	159.32	106.33
Total other income	**248.58**	**133.72**

(₹ in million)

	For the year ended 31 March 2017	For the year ended 31 March 2016
23. Cost of materials consumed		
Raw materials consumed	19,293.60	19,950.96
Total cost of materials consumed	**19,293.60**	**19,950.96**

(₹ in million)

	For the year ended 31 March 2017	For the year ended 31 March 2016
24. Changes in inventories of finished goods, stock-in-trade and work-in-progress		
Opening balance		
Work-in progress	2,219.49	1,900.63
Finished goods	2,958.10	2,707.58
Stock-in-trade	517.94	647.84
Total opening balance	**5,695.53**	**5,256.05**
Closing balance		
Work-in progress	2,916.45	2,219.49
Finished goods	3,632.69	2,958.10
Stock-in-trade	156.45	517.94
Total closing balance	**6,705.59**	**5,695.53**
Increase in inventories of finished goods, stock-in-trade and work-in-progress	(1,010.06)	(439.48)
Adjustment on account of insurance claim/capitalisation	59.67	(7.68)
Foreign currency translation adjustment	(201.85)	43.23
Total changes in inventories of finished goods, stock-in-trade and work-in-progress	**(1,152.24)**	**(403.93)**

(₹ in million)

	For the year ended 31 March 2017	For the year ended 31 March 2016
25. Employee benefits expense		
Salaries, wages, bonus, gratuity and allowances	10,473.61	9,569.12
Contribution to provident fund, superannuation and other funds	829.08	766.90
Employee share-based payment expense	0.01	5.32
Staff welfare expenses	1,006.60	909.60
Total employee benefits expense	**12,309.30**	**11,250.94**

Notes to the consolidated financial statements for the year ended 31 March 2017 (Continued)

(₹ in million)

		For the year ended 31 March 2017	For the year ended 31 March 2016
26.	**Finance costs**		
	Interest expense	3,008.37	3,351.75
	Other finance costs	395.99	225.80
	Exchange differences to the extent considered as an adjustment to finance costs	6.72	135.97
	Total finance costs	**3,411.08**	**3,713.52**

(1) Refer note 41(b) for finance costs capitalised.

(₹ in million)

		For the year ended 31 March 2017	For the year ended 31 March 2016
27.	**Depreciation and amortisation expense**		
	Depreciation of property, plant and equipment	2,203.60	2,186.89
	Amortisation of intangible assets	673.49	696.43
	Total depreciation and amortisation expense (1)	**2,877.09**	**2,883.32**

(1) Refer note 45.

(₹ in million)

		For the year ended 31 March 2017	For the year ended 31 March 2016
28.	**Other expenses**		
	Power and fuel	3,336.63	3,667.06
	Consumption of stores and spares and packing materials	2,494.30	2,546.85
	Processing charges	196.23	228.70
	Excise duty related to increase / (decrease) in inventory of finished goods	32.42	(12.82)
	Rental charges	179.01	182.71
	Rates and taxes	447.87	325.47
	Insurance	158.67	168.77
	Advertisement, publicity and sales promotion	293.26	232.46
	Travel and conveyance	524.28	481.13
	Repairs and maintenance:		
	i. Plant and machinery	1,043.57	1,057.62
	ii. Buildings	265.73	288.00
	iii. Others	239.42	200.47
	Office expenses	294.00	294.14
	Vehicle running and maintenance	49.15	42.99
	Printing and stationery	58.56	53.85
	Telephone and communication charges	119.41	122.11
	Staff recruitment and training	175.69	164.31
	Donation [including corporate social responsibility expenditure (Refer note 40)]	136.57	74.81
	Payments to auditors (refer note 28(a) below)	12.05	13.97
	Legal and professional fees	733.13	666.53

Notes to the consolidated financial statements for the year ended 31 March 2017 (Continued)

(₹ in million)

	For the year ended 31 March 2017	For the year ended 31 March 2016
Freight and forwarding (including ocean freight)	913.25	804.09
Subscription	107.10	89.29
Claims and other selling expenses	526.30	152.50
Commission on sales	125.12	166.32
Loss on disposal/discard of fixed assets (net)	63.44	89.66
Provision/ write off of bad debts/irrecoverable advances (net)	37.40	8.33
Amortisation of Foreign Currency Monetary Item Translation Difference	67.15	247.32
Net foreign exchange/mark to market loss	63.28	80.87
Miscellaneous expenses	164.16	158.64
Total other expenses	**12,857.15**	**12,596.15**

(₹ in million)

	For the year ended 31 March 2017	For the year ended 31 March 2016
28(a). Details of payments to auditors (excluding service tax and including out of pocket expenses)		
Payment to auditors		
Audit fee	8.73	5.80
Tax audit fee	-	1.38
Certification and other service fees	3.32	6.79
Total payments to auditors	**12.05**	**13.97**

29. Income tax

The major components of income tax expense for the years ended 31 March 2017 and 31 March 2016 are:

Profit or loss section

(₹ in million)

	For the year ended 31 March 2017	For the year ended 31 March 2016
Current income tax:		
Current income tax charge for the year	2,277.17	1,695.56
Adjustments in respect of current income tax of previous years	(25.93)	(15.29)
	2,251.24	**1,680.27**
Deferred tax:		
Deferred tax on profits for the year	390.74	(16.97)
Adjustments in respect of deferred tax of previous years	(372.29)	21.72
	18.45	**4.75**
MAT credit:		
MAT credit on profits for the year	(561.40)	(27.47)
Adjustments in respect of MAT credit of previous years	(78.13)	(103.55)
	(639.53)	**(131.02)**
Income tax expense reported in the Consolidated Statement of Profit and Loss	**1,630.16**	**1,554.00**

Notes to the consolidated financial statements for the year ended 31 March 2017 (Continued)

OCI section

(₹ in million)

	For the year ended 31 March 2017	For the year ended 31 March 2016
Tax related to items that will not be reclassified to profit or loss	14.12	(58.75)
Income tax charged to OCI	**14.12**	**(58.75)**

Reconciliation between average effective tax rate and applicable tax rate for the year ended 31 March 2017 and 31 March 2016:

(₹ in million)

	For the year ended 31 March 2017	For the year ended 31 March 2016
Profit before tax	7,376.42	5,422.23
At India's statutory income tax rate 34.608% (31 March 2016: 34.608%)	2,552.82	1,876.51
- Effect of non-deductible expenses and exempt income	224.44	314.14
- Incremental allowance for research and development and other capital expenditure	(449.62)	(555.85)
- Effect of prior year re-assessments	(476.35)	(97.12)
- Unrecognised deferred tax (including MAT credit)	(33.08)	110.65
- Differences in other countries tax rates	(292.42)	(260.55)
- Others	104.37	166.22
Income tax expense reported in the Consolidated Statement of Profit and Loss	**1,630.16**	**1,554.00**

30. Micro, small and medium enterprises

There are no Micro, Small and Medium Enterprises, to whom the Indian entities owes dues, which are outstanding for more than 45 days as at the end of year. The information as required to be disclosed in relation to Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Indian entities.

(₹ in million)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
The principal amount remaining unpaid to any supplier as at the end of the year	42.76	53.39	27.97
The interest due on principal amount remaining unpaid to any supplier as at the end of the year	-	-	-
The amount of interest paid by the Company in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-	-
The 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 Act	-	-	-
The amount of interest accrued and remaining unpaid at the end of the year	-	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under the MSMED Act	-	-	-

Notes to the consolidated financial statements for the year ended 31 March 2017 (Continued)

31. Employee benefits in respect of the Group have been calculated as under:

(A) Defined Contribution Plans

The Group entities located in India have certain defined contribution plan such as provident fund (1), employee state insurance, employee pension scheme, employee superannuation fund wherein specified percentage is contributed to them. During the year, the Group has contributed following amounts to:

(₹ in million)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Employer's contribution to provident fund	27.54	25.14
Employer's contribution to employee's pension scheme 1995	63.49	58.38
Employer's contribution to superannuation fund	7.21	7.96
Employer's contribution to employee state insurance	4.42	2.38

(1) For certain employees where provident fund is deposited with government authority e.g. Regional Provident Fund Commissioner.

Foreign Subsidiaries

a. 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 0.5% increments (1% up to December 2015) 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 ₹ 80.80 million (31 March 2016: ₹ 73.36 million) to 401(k) for the year.

b. The entities of the Group located in Canada contribute to a Registered Retirement Savings Plan (RRSP), a trust registered with Canada Revenue Agency (CRA) and to Quebec pension plan (QPP). Under RRSP plan, the Group contributes equivalent to the contribution made by the employee, up to a maximum of 5% of the employees' base salary. Under QPP plan, the Group contributes equivalent to the contribution made by the employees at the rate of 5.25% and 5.25% of the employees' base salary for the year ended 31 March 2017 and 2016 respectively.

During the year the Group has contributed following amounts:

(₹ in million)

Plan under which contributions made	For the year ended 31 March 2017	For the year ended 31 March 2016
Registered retirement savings plan (RRSP)	60.90	57.76
Quebec pension plan (QPP)	76.43	60.37

c. 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 ₹ 7.40 million (31 March 2016: ₹ 9.22 million) to RSZ for the year.

(B) Defined Benefit Plans

Parent Company including Indian Subsidiaries

i. Gratuity

In accordance with Ind AS 19 "Employee Benefits", an actuarial valuation has been carried out in respect of gratuity. The discount rate assumed is 7.50% p.a. (31 March 2016: 7.90% p.a.; 1 April 2015: 7.74% 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 (31 March 2016: 58 years; 1 April 2015: 58 years) and mortality table is as per IALM (2006-08) (31 March 2016: IALM (2006-08); 1 April 2015: IALM (2006-08)).

Notes to the consolidated financial statements for the year ended 31 March 2017 (Continued)

The estimates of future salary increases, considered in actuarial valuation is 10% p.a. for first three years and 6% p.a. thereafter (31 March 2016: 10% p.a. for first three years and 6% p.a. thereafter; 1 April 2015: 10% p.a. for first three years and 6% p.a. thereafter), taking into account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The plan assets are maintained with Life Insurance Corporation of India in respect of gratuity scheme for certain employees of two units of the Group. The details of investments maintained by Life Insurance Corporation are not available with the Group, hence not disclosed. The expected rate of return on plan assets is 7.50% p.a. (31 March 2016: 9.00% p.a.; 1 April 2015: 9.00% p.a.).

Reconciliation of opening and closing balances of the present value of the defined benefit obligation:

(₹ in million)

Particulars	31 March 2017	31 March 2016
Present value of obligation at the beginning of the year	574.67	522.87
Current service cost	74.05	63.93
Interest cost	44.66	40.47
Actuarial loss	41.68	21.65
Benefits paid	(84.83)	(74.25)
Present value of obligation at the end of the year	650.23	574.67

Reconciliation of the present value of defined benefit obligation and the fair value of the plan assets:

(₹ in million)

Particulars	31 March 2017	31 March 2016	1 April 2015
Present value of obligation at the end of the year	650.23	574.67	522.87
Fair value of plan assets at the end of the year	(27.05)	(22.90)	(23.19)
Net liabilities recognised in the Balance Sheet	623.18	551.77	499.68

Fair Value of Plan Assets:**

(₹ in million)

Particulars	31 March 2017	31 March 2016
Plan assets at the beginning of the year	22.90	23.19
Expected return on plan assets	1.81	1.83
Contribution by employer	5.77	4.42
Actual benefits paid	(2.69)	(6.53)
Actuarial loss	(0.74)	(0.01)
Plan assets at the end of the year	27.05	22.90

** In respect of two location, the plan assets were invested in insurer managed funds.

Group's best estimate of contribution during next year is ₹ 127.33 million (31 March 2016: ₹ 114.01 million).

Expense recognised in the Consolidated Statement of Profit and Loss under employee benefits expense:

(₹ in million)

Particulars	31 March 2017	31 March 2016
Current service cost	74.05	63.89
Interest cost	42.85	38.64
Expense recognised in the Statement of Profit and Loss	116.90	102.53

Notes to the consolidated financial statements for the year ended 31 March 2017 (Continued)

Amount recognised in other comprehensive income:

(₹ in million)

Particulars	31 March 2017	31 March 2016
Actuarial loss/(gain) due to demographic assumption change	0.93	(0.18)
Actuarial loss/(gain) due to financial assumption change	10.32	(5.40)
Actuarial loss due to experience adjustment	30.43	27.23
Actuarial loss on plan assets	0.74	0.01
Amount recognised in the Other Comprehensive Income	42.42	21.66

Sensitivity analysis:

(₹ in million)

Particulars	31 March 2017		31 March 2017	
Assumptions	Discount rate		Future salary increase	
Sensitivity level	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Impact on defined benefit obligation	(16.07)	16.92	17.00	(16.29)

The sensitivity analysis above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the year and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant.

ii. **Provident Fund:**

The Group makes monthly contributions to provident fund managed by trust for qualifying employees. Under the scheme, the Group is required to contribute a specified percentage of the payroll costs to fund the benefits. As per Ind AS 19 on "Employee Benefits", employer established provident fund trusts are treated as defined benefit plans, since the Group is obliged to meet interest shortfall, if any, with respect to covered employees. The total liability of ₹ Nil (31 March 2016: ₹ Nil; 1 April 2015: ₹ Nil) as worked out by the actuary has been allocated to each entity based on the corpus value of each entity as at 31 March 2017. Accordingly, liability of ₹ Nil (31 March 2016: ₹ Nil; 1 April 2015: ₹ Nil) has been allocated to Group and ₹ Nil (31 March 2016: ₹ Nil; 1 April 2015: ₹ Nil) has been charged to Consolidated Statement of Profit and Loss during the year.

Actuarial assumptions made to determine interest rate guarantee on exempt provident fund liabilities are as follows:

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Discount rate	7.50%	7.90%	7.74%
Guaranteed rate of return	8.65%	8.80%	8.75%

The Group has contributed ₹ 118.78 million to provident fund (31 March 2016: ₹ 104.41 million) for the year.

(C) Other long term benefits (compensated absences):

(₹ in million)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Present value of obligation at the end of the year	527.82	453.49	425.11

Notes to the consolidated financial statements for the year ended 31 March 2017 (Continued)

32. Fair value measurements

(₹ in million)

	Note	Level of hierarchy	31 March 2017			31 March 2016			1 April 2015		
			FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial assets											
Investments in quoted equity instruments		1	-	69.06	-	-	33.71	-	-	19.95	-
Investments in unquoted equity instruments	(d)	3	-	958.08	-	-	820.60	-	-	969.22	-
Investments in Preference shares	(d)	3	-	-	-	-	-	-	153.55	-	-
Trade receivables	(a)		-	-	10,053.05	-	-	9,505.01	-	-	8,639.76
Loans	(a, b)		-		191.67	-	-	191.58	-	-	203.90
Cash and cash equivalents	(a)		-	-	4,564.44	-	-	3,392.67	-	-	3,916.37
Other bank balances	(a)		-	-	31.87	-	-	53.16	-	-	27.10
Derivative financial assets	(e)	2	-	-	-	-	-	-	90.66	-	-
Other financial assets	(a, b)		-	-	318.01	-	-	533.52	-	-	512.21
Total financial assets			**-**	**1,027.14**	**15,159.04**	**-**	**854.31**	**13,675.94**	**244.21**	**989.17**	**13,299.34**
Financial liabilities											
Non-current borrowings (including other current maturities)	(c)		-	-	37,896.85	-	-	37,442.88	-	-	42,347.70
Current borrowings	(a)				2,556.00			7,489.67			5,618.73
Trade payables	(a)				7,494.90	-	-	6,121.15	-	-	7,293.84
Other financial liabilities	(a, b)		-	-	3,858.17	-	-	2,780.31	-	-	2,146.26
Total financial liabilities			**-**	**-**	**51,805.92**	**-**	**-**	**53,834.01**	**-**	**-**	**57,406.53**

Note:

(a) Fair valuation of financial assets and liabilities with short term maturities is considered as approximate to respective carrying amount due to the short term maturities of these instruments.

(b) Fair value of non-current financial assets and financial liabilities has not been disclosed as there is no significant differences between carrying value and fair value.

Notes to the consolidated financial statements for the year ended 31 March 2017 (Continued)

(c) Fair value of borrowings as below:

(₹ in million)

	Level	Fair Value		
		31 March 2017	31 March 2016	01 April 2015
Secured Rated Listed Non-Convertible Debentures	1	4,847.68	-	-
4.875% Senior Notes (unsecured)	1	19,406.36	-	-
Other borrowings (including other current maturities)*	3	13,965.92	38,380.32	43,627.35
		38,219.96	**38,380.32**	**43,627.35**

*The fair value of other borrowings is based upon a discounted cash flow analysis that used the aggregate cash flows from principal and finance costs over the life of the debt and current market interest rates.

(d) The fair value is determined by using the valuation model/technique with observable/non-observable inputs and assumptions.

(e) Derivatives are carried at fair value at each reporting date. The fair values of the derivative financial instruments has been determined using valuation techniques with market observable inputs. The models incorporate various inputs including the credit quality of counter-parties and foreign exchange forward rates.

There are no transfers between Level 1, Level 2 and Level 3 during the years ended 31 March 2017 and 31 March 2016.

Reconciliation of Level 3 fair value measurement:

(₹ in million)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Opening balance	820.60	969.22
Additional investment	108.62	45.41
Gain/ (loss) recognized in other comprehensive income	48.14	(156.73)
Sale of investments	-	(69.22)
Foreign currency translation adjustment	(19.28)	31.92
Closing balance	**958.08**	**820.60**

Notes to the consolidated financial statements for the year ended 31 March 2017 (Continued)

33. Financial risk management

A. Financial risk management

Risk management framework

The Parent Company's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group, through three layers of defense namely policies and procedures, review mechanism and assurance aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations. The Audit committee of the Board with top management oversee the formulation and implementation of the risk management policies. The risk are identified at business unit level and mitigation plan are identified, deliberated and reviewed at appropriate forums.

The Group has exposure to the following risks arising from financial instruments:

- credit risk (see (i));
- liquidity risk (see (ii)); and
- market risk (see (iii)).

i. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers, loans and investments.

The carrying amount of financial assets represents the maximum credit exposure.

Trade receivables and other financial assets

The Group has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, if they are available, financial statements, credit agency information, industry information and business intelligence. Sale limits are established for each customer and reviewed annually. Any sales exceeding those limits require approval from the appropriate authority as per policy.

In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or a legal entity, whether they are institutional, dealers or end-user customer, their geographic location, industry, trade history with the Group and existence of previous financial difficulties.

As at 31 March 2017; 31 March 2016; 1 April 2015, one customer is having 12%, 14% and 10% share in total trade receivables of the Group respectively.

Expected credit loss for trade receivables:

Based on internal assessment which is driven by the historical experience/ current facts available in relation to default and delays in collection thereof, the credit risk for trade receivables is considered low. The Group estimates its allowance for trade receivable using lifetime expected credit loss. The balance past due for more than 6 month (net of expected credit loss allowance) is ₹ 10.78 million (31 March 2016: ₹ 52.84 million; 1 April 2015: ₹ 69.94 million).

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

(₹ in million)

	31 March 2017	31 March 2016
Balance at the beginning of the year	162.39	212.65
Add: Provided during the year (net of reversal)	2.27	(23.96)
Less: Amount written off / translation adjustment	(5.93)	(26.30)
Balance at the end of the year	158.73	162.39

Expected credit loss on financial assets other than trade receivables:

With regards to all financial assets with contractual cash flows, other than trade receivables, management believes these to be high quality assets with negligible credit risk. The management believes that the parties from which these financial assets are recoverable, have strong capacity to meet the obligations and where the risk of default is negligible and accordingly no provision for excepted credit loss has been provided on these financial assets. Break up of financial assets other than trade receivables have been disclosed on Consolidated Balance Sheet.

Notes to the consolidated financial statements for the year ended 31 March 2017 (Continued)

ii. ***Liquidity risk***

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group's treasury department is responsible for managing the short-term and long-term liquidity requirements. Short term liquidity situation is reviewed daily by the treasury department. Longer term liquidity position is reviewed on a regular basis by the Parent Company's Board of Directors and appropriate decisions are taken according to the situation.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements.

(₹ in million)

As at 31 March 2017	Contractual cash flows			
	Carrying Amount	Total	Within 1 year	More than 1 year
Non-derivative financial liabilities				
Borrowings (1)	40,452.85	40,896.00	5,510.34	35,385.66
Trade payables	7,494.90	7,494.90	7,494.90	-
Other financial liabilities	3,858.15	3,858.15	1,996.96	1,861.19

(₹ in million)

As at 31 March 2016	Contractual cash flows			
	Carrying Amount	Total	Within 1 year	More than 1 year
Non-derivative financial liabilities				
Borrowings (1)	44,932.55	45,374.70	14,935.06	30,439.64
Trade payables	6,121.15	6,121.15	6,121.15	-
Other financial liabilities	2,780.31	2,780.31	1,415.56	1,364.75

(₹ in million)

As at 1 April 2015	Contractual cash flows			
	Carrying Amount	Total	Within 1 year	More than 1 year
Non-derivative financial liabilities				
Borrowings (1)	47,966.43	48,378.59	11,465.41	36,913.18
Trade payables	7,293.84	7,293.84	7,293.84	-
Other financial liabilities	2,146.26	2,146.26	1,315.01	831.25

(1) Carrying amount presented as net of unamortised transaction cost

iii. *Market risk*

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Notes to the consolidated financial statements for the year ended 31 March 2017 (Continued)

Currency risk

The Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the respective functional currencies of the Group companies. The functional currencies of the Group companies are primarily the INR, USD, CAD and EUR. The currencies in which these transactions are primarily denominated are EUR, USD, CAD and INR.

The Parent Company follows a natural hedge driven currency risk mitigation policy, to the extent possible. Any residual risk is evaluated and appropriate risk mitigating steps are taken, including but not limited to, entering into forward contracts and interest rate swaps.

Exposure to currency risk

The summary quantitative data about the Group's exposure to currency risk as reported to the management of the Group is as follows.

(₹ in million)

	31 March 2017				31 March 2016				1 April 2015			
	USD	EUR	CAD	Others	USD	EUR	CAD	Others	USD	EUR	CAD	Others
Cash and cash equivalents	2,323.01	-	-	3.39	1,125.33	-	-	13.43	491.71	-	-	2.62
Trade receivables	4,104.34	920.64	16.62	73.41	3,874.55	1,132.10	35.21	27.30	4,518.85	317.44	11.26	138.78
Loans	-	-	-	-	-	-	-	-	831.25	-	-	-
Other financial assets	331.93	6.93	309.04	-	291.86	7.54	214.60	-	136.21	6.68	100.51	0.85
Trade payables	(3,917.52)	(71.26)	(18.01)	(22.23)	(2,316.52)	(117.09)	(35.07)	(44.85)	(3,642.42)	(144.37)	(35.47)	(16.99)
Borrowings	(1,778.91)	-	-	-	(7,226.12)	-	-	-	(7,180.45)	-	(405.27)	(386.36)
Other financial liabilities	(0.02)	-	-	-	(12.65)	-	-	-	(6.68)	-	-	-
Net exposure	**1,062.83**	**856.31**	**307.65**	**54.57**	**(4,263.55)**	**1,022.55**	**214.74**	**(4.12)**	**(4,851.53)**	**179.75**	**(328.98)**	**(261.10)**

Notes to the consolidated financial statements for the year ended 31 March 2017 (Contd.)

Sensitivity analysis

A reasonably possible strengthening/ weakening of the EUR, USD, CAD or INR against all other currencies at year end would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

(₹ in million)

	Profit or loss (before tax)	
	Strengthening	**Weakening**
31 March 2017		
USD (1% movement)	10.48	(10.48)
EUR (1% movement)	8.56	(8.56)
CAD (1% movement)	3.08	(3.08)
Other (1% movement)	0.54	(0.54)
31 March 2016		
USD (1% movement)	(43.79)	43.79
EUR (1% movement)	10.22	(10.22)
CAD (1% movement)	2.14	(2.14)
Other (1% movement)	(0.04)	0.04

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings of the Group are principally denominated in INR and USD with a mix of fixed and floating rates of interest. The Group has exposure to interest rate risk, arising principally on changes in base lending rate and LIBOR rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings.

Exposure to interest rate risk

The interest rate profile of the Group's interest bearing financial instruments as reported to the management of the Group is as follows:

The following table provides a break-up of the Group's fixed, floating and zero rate borrowings:

(₹ in million)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Fixed-rate borrowings	27,279.00	-	-
Floating rate borrowings	9,791.63	41,369.24	44,601.37
Zero rate borrowings (stock settled debt instrument)	3,774.27	3,975.00	3,750.00
Total borrowings (gross of transaction costs)	**40,844.90**	**45,344.24**	**48,351.37**

The sensitivity analyses below have been determined based on the exposure to interest rates for floating rate liabilities assuming the amount of the liability outstanding at the year-end was outstanding for the whole year.

If interest rates had been 25 basis points higher / lower and all other variables were held constant, the Group's profit for the year ended 31 March 2017 would decrease / increase by ₹ 22.28 million (31 March 2016: ₹ 95.15 million). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

34. Capital management

(a) Risk management

The Group's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

Notes to the consolidated financial statements for the year ended 31 March 2017 (Continued)

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the following gearing ratio:

'Net debt' (total borrowings net of cash and cash equivalents and other bank balances) divided by 'Total equity' (as shown in the Consolidated Balance Sheet, including non-controlling interest).

The gearing ratios were as follows:

(₹ in million)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Net debt	35,856.54	41,486.72	44,022.96
Total equity	33,967.55	29,281.23	24,926.37
Net debt to equity ratio	**1.06**	**1.42**	**1.77**

b) Dividends

(₹ in million)

Particulars		31 March 2017	31 March 2016
(i)	***Equity shares***		
	Final dividend for the year ended 31 March 2016 of ₹ 3 (31 March 2015: ₹ 3) per fully paid up equity share	575.12	575.12
(ii)	***Dividend not recognised at the end of the reporting period***	575.12	575.12
	In addition to the above dividends, since year end the Parent Company's board of directors have recommended the payment of a final dividend of ₹ 3 per fully paid equity share (31 March 2016: ₹ 3). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.		

35. Segment information

Business Segments

The Chairman and Co-Chairman and Managing Director of the Parent Company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108 "Operating Segments". Operating Segments have been defined and presented based on the regular review by the CODM to assess the performance of each segment and to make decision about allocation of resources. Accordingly, the Group has determined reportable segments by the nature of its products and services, which are as follows:

a. **Pharmaceuticals:** i) Generics comprising Active Pharmaceuticals Ingredients (APIs) and Solid Dosage Formulations ii) Specialty Pharmaceuticals (sterile products) comprising Radiopharmaceuticals, Allergy Therapy products, Contract manufacturing operations (CMO) of Sterile Injectables iii) Indian Branded Pharmaceuticals;

b. **Life Sciences Ingredients:** i) Specialty Intermediates ii) Life Sciences Chemicals iii) Nutritional Products; and

c. **Drug Discovery Solutions:** Proprietary in-house innovation and collaborative research and partnership for out-licensing.

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the consolidated financial statements of the Group as a whole.

No operating segments have been aggregated to form the above reportable operating segments.

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Revenue, expenses, assets and liabilities which relate to the Group as a whole and not allocable to segments on reasonable basis have been included under 'unallocated revenue / expenses / assets / liabilities'.

Finance costs and fair value gains and losses on financial assets are not allocated to individual segments as the underlying instruments are managed on a Group basis.

Notes to the consolidated financial statements for the year ended 31 March 2017 (Continued)

Borrowings, current taxes, deferred taxes and certain financial assets and liabilities are not allocated to those segments as they are also managed on a Group basis.

(₹ in million)

	For the year ended 31 March 2017			For the year ended 31 March 2016		
	Total segment revenue	Inter-segment revenue	Revenue from external customer	Total segment revenue	Inter-segment revenue	Revenue from external customer
REVENUE						
Pharmaceuticals	31,166.55	-	31,166.55	28,849.78	-	28,849.78
Life Science Ingredients	27,143.15	66.97	27,076.18	28,882.04	57.59	28,824.45
Drug Discovery Solutions	1,824.09	3.58	1,820.51	1,271.80	12.90	1,258.90
Total segment revenue	**60,133.79**	**70.55**	**60,063.24**	**59,003.62**	**70.49**	**58,933.13**

(₹ in million)

	For the year ended 31 March 2017	For the year ended 31 March 2016
RESULT		
Pharmaceuticals	7,853.56	6,545.16
Life Science Ingredients	3,517.04	3,464.73
Drug Discovery Solutions	126.26	(143.55)
Total Segment	**11,496.86**	**9,866.34**
Un-allocated corporate expenses (net of un-allocated income)	797.15	757.98
Interest income	87.79	27.39
Finance costs	3,411.08	3,713.52
Profit before tax	**7,376.42**	**5,422.23**
Tax expense	1,630.16	1,554.00
Profit for the year	**5,746.26**	**3,868.23**

(₹ in million)

	Segment Assets			Segment Liabilities		
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Pharmaceuticals	58,696.26	57,155.30	53,035.44	4,487.80	4,259.71	3,905.28
Life Science Ingredients	26,035.26	25,041.79	25,880.22	6,028.86	4,549.47	5,844.54
Drug Discovery Solutions	1,800.73	1,723.01	1,668.14	301.81	253.51	196.65
Segment total	**86,532.25**	**83,920.10**	**80,583.80**	**10,818.47**	**9,062.69**	**9,946.47**
Un-allocated corporate assets/ liabilities	2,455.24	3,476.86	3,859.41	3,303.65	2,974.96	1,343.30
Total	**88,987.49**	**87,396.96**	**84,443.21**	**14,122.12**	**12,037.65**	**11,289.77**
Deferred tax asset / liabilities	1,418.98	844.73	920.68	1,863.95	1,990.26	1,181.32
Borrowings (including other current maturities)	-	-	-	40,452.85	44,932.55	47,966.43
Total assets/liabilities	**90,406.47**	**88,241.69**	**85,363.89**	**56,438.92**	**58,960.46**	**60,437.52**

Notes to the consolidated financial statements for the year ended 31 March 2017 (Continued)

Other information

(₹ in million)

	Capital Expenditure		Depreciation/Amortisation	
	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2017	For the year ended 31 March 2016
Pharmaceuticals	3,597.07	2,949.96	1,897.81	2,374.79
Life Science Ingredients	1,458.34	766.16	820.59	867.26
Drug Discovery Solutions	167.99	57.60	132.20	159.29
Un-allocated	19.01	41.83	63.39	66.10
Total	**5,242.41**	**3,815.55**	**2,913.99**	**3,467.44**

Information about Geographical segments:

(₹ in million)

	For the year ended 31 March 2017	For the year ended 31 March 2016
Revenue by geographical location of customers		
Within India	17,595.35	16,873.20
Outside India	42,467.89	42,059.93
Total	**60,063.24**	**58,933.13**
Capital expenditure		
Within India	4,027.41	2,125.09
Outside India	1,215.00	1,690.46
Total	**5,242.41**	**3,815.55**
Revenue by geographical markets		
India	17,595.35	16,873.20
Americas and Europe	36,039.74	35,057.89
China	1,377.01	1,949.96
Rest of the world	5,051.14	5,052.08
Total	**60,063.24**	**58,933.13**

(₹ in million)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Non-current assets (by geographical location of assets)*			
Within India	27,376.00	28,939.88	26,033.67
Outside India	31,103.14	28,849.53	30,043.15
Total	**58,479.14**	**57,789.41**	**56,076.82**

*Non-current assets are excluding financial instruments and deferred tax assets.

For the year ended 31 March 2017 and 31 March 2016, there is no major customer with respect to consolidated revenue of the group.

Notes to the consolidated financial statements for the year ended 31 March 2017 (Continued)

36. Non-controlling interest (NCI)

The following table summarises the information relating to each of the Group's subsidiaries that has material NCI, after any intra-group eliminations:

(₹ in million)

31 March 2017	Jubilant Biosys Limited (Consolidated)
Non-current assets	342.49
Current assets	351.20
Non-current liabilities	1,160.90
Current liabilities	209.08
Net liabilities	**(676.29)**
Net liabilities attributable to NCI	**(392.88)**
Revenue	969.47
Loss for the year	(41.04)
OCI	(4.12)
Total Comprehensive income	**(45.16)**
Loss allocated to NCI	**(10.27)**
OCI allocated to NCI	**(1.36)**
Total Comprehensive income allocated to NCI	**(11.63)**
Cash flows from operating activities	79.43
Cash flows from investing activities	(76.15)
Cash flows from financing activities (dividend to NCI: Nil)	3.89
Net increase in cash and cash equivalents	**7.17**

(₹ in million)

31 March 2016	Jubilant Biosys Limited (Consolidated)
Non-current assets	323.27
Current assets	313.17
Non-current liabilities	30.74
Current liabilities	1,995.52
Net liabilities	**(1,389.82)**
Net liabilities attributable to NCI	**(381.33)**
Revenue	650.01
Loss for the year	(153.20)
OCI	(4.04)
Total Comprehensive income	**(157.24)**
Loss allocated to NCI	**(50.08)**
OCI allocated to NCI	**(1.34)**
Total Comprehensive income allocated to NCI	**(51.42)**
Cash flows from operating activities	(108.91)
Cash flows from investing activities	(21.86)
Cash flows from financing activities (dividend to NCI: Nil)	-
Net decrease in cash and cash equivalents	**(130.77)**

Notes to the consolidated financial statements for the year ended 31 March 2017 (Continued)

(₹ in million)

1 April 2015	Jubilant Biosys Limited (Consolidated)
Non-current assets	374.10
Current assets	384.12
Non-current liabilities	25.01
Current liabilities	1,967.33
Net liabilities	**(1,234.12)**
Net liabilities attributable to NCI	**(329.92)**

37. Related Party Disclosures

a) Key management personnel (KMP) and related entities:

Mr. Shyam S. Bhartia, Mr. Hari S. Bhartia, Mr. R. Sankaraiah, Mr. S Sridhar, Ms. Sudha Pillai, Dr. Ashok Misra, Mr. Shardul S. Shroff (upto 24 May 2016), Mr. Shyamsundar Bang (Executive Director upto 7 February 2017 and continued as Non-Executive Director upto 31 March 2017), Mr. Rajiv Shah.

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 MotorWorks Private Limited, Jubilant Fresh Private Limited, Priority Vendor Technologies Private Ltd (related to relatives of KMP), Jubilant Industries Inc.,USA., Shardul Amarchand Mangaldas & Co., Amarchand & Mangaldas & Suresh A Shroff & Co.

b) Others:

Vam Employees Provident Fund Trust, Jubilant Bhartia Foundation, Vam Officers Superannuation Fund.

31 March 2017 (₹ in million)

Sr. No.	Particulars	Enterprise in which certain key management personnel are interested	Key management personnel	Others	Total
Description of transactions:					
1.	**Sales of goods and services:**				
	Jubilant Agri and Consumer Products Limited	142.02			142.02
		142.02			**142.02**
2.	**Rental and other income:**				
	Jubilant Enpro Private Limited	13.36			13.36
	Jubilant Oil & Gas Private Limited	12.74			12.74
	Jubilant FoodWorks Limited	14.43			14.43
	Jubilant Industries Limited	0.18			0.18
	Jubilant Agri and Consumer Products Limited	49.02			49.02
	Jubilant MotorWorks Private Limited	1.59			1.59
	Jubilant Fresh Private Limited	0.71			0.71
	Jubilant Industries Inc., USA	1.61			1.61
		93.64			**93.64**
3.	**Purchase of goods and services:**				
	Priority Vendor Technologies Private Limited	1.30			1.30
	Jubilant Agri and Consumer Products Limited	115.95			115.95
		117.25			**117.25**

Notes to the consolidated financial statements for the year ended 31 March 2017 (Continued)

31 March 2017 (₹ in million)

Sr. No.	Particulars	Enterprise in which certain key management personnel are interested	Key management personnel	Others	Total
4.	**Recovery of expenses:**				
	Jubilant Agri and Consumer Products Limited	22.16			22.16
	Jubilant Oil & Gas Private Limited	1.02			1.02
		23.18			**23.18**
5.	**Reimbursement of expenses:**				
	Jubilant Industries Limited	1.84			1.84
	Jubilant Enpro Private Limited	0.86			0.86
		2.70			**2.70**
6.	**Remuneration (including perquisites):**				
	Mr. Shyam S. Bhartia		84.95		84.95
	Mr. Hari S. Bhartia		42.55		42.55
	Mr. Shyamsundar Bang		37.82		37.82
	Mr. R Sankaraiah		72.62		72.62
	Mr. Rajiv Shah		7.39		7.39
			245.33		**245.33**
7.	**Sitting fees:**				
	Dr. Ashok Mishra		0.47		0.47
	Mr. S Sridhar		0.55		0.55
	Ms. Sudha Pillai		0.53		0.53
			1.55		**1.55**
8.	**Commission:**				
	Dr. Ashok Mishra		1.00		1.00
	Mr. S Sridhar		1.00		1.00
	Ms. Sudha Pillai		1.00		1.00
			3.00		**3.00**
9.	**Company's contribution to provident fund trust :**				
	Vam Employee Provident Fund Trust			118.78	118.78
				118.78	**118.78**
10.	**Company's contribution to superannuation fund:**				
	Vam Officers Superannuation Fund			7.21	7.21
				7.21	**7.21**
11.	**Rent expenses:**				
	Jubilant Enpro Private Limited	9.06			9.06
		9.06			**9.06**
12.	**Donation:**				
	Jubilant Bhartia Foundation			25.09	25.09
				25.09	**25.09**

Notes to the consolidated financial statements for the year ended 31 March 2017 (Continued)

31 March 2017 (₹ in million)

Sr. No.	Particulars	Enterprise in which certain key management personnel are interested	Key management personnel	Others	Total
Amount outstanding					
13.	**Trade payables:**				
	Jubilant Industries Limited	3.48			3.48
	Jubilant Agri and Consumer Products Limited	30.43			30.43
	Jubilant Enpro Private Limited	1.26			1.26
		35.17			**35.17**
14.	**Other payables:**				
	Jubilant Oil & Gas Private Limited	1.44			1.44
	B&M Hot Breads Private Limited	0.32			0.32
	Vam Employees Provident Fund Trust			27.87	27.87
	Vam Officers Superannuation Fund			0.61	0.61
		1.76		**28.48**	**30.24**
15.	**Commission payable:**				
	Dr. Ashok Mishra		1.00		1.00
	Mr. S Sridhar		1.00		1.00
	Ms. Sudha Pillai		1.00		1.00
			3.00		**3.00**
16.	**Trade receivables:**				
	Jubilant Agri and Consumer Products Limited	64.94			64.94
		64.94			**64.94**
17.	**Deposits recoverable:**				
	Jubilant Enpro Private Limited	1.27			1.27
		1.27			**1.27**
18.	**Other recoverables:**				
	Jubilant Oil & Gas Private Limited	0.77			0.77
	Jubilant Agri and Consumer Products Limited	23.18			23.18
	B&M Hot Breads Private Limited	0.32			0.32
	Jubilant FoodWorks Limited	1.03			1.03
	Jubilant MotorWorks Private Limited	0.39			0.39
	Jubilant Fresh Private Limited	1.89			1.89
	Jubilant Industries Inc., USA	0.78			0.78
		28.36			**28.36**

Notes to the consolidated financial statements for the year ended 31 March 2017 (Continued)

31 March 2016 (₹ in million)

Sr. No.	Particulars	Enterprise in which certain key management personnel are interested	Key management personnel	Others	Total
Description of transactions:					
1.	**Sales of goods and services:**				
	Jubilant Agri and Consumer Products Limited	130.09			130.09
		130.09			**130.09**
2.	**Rental and other income:**				
	Jubilant Enpro Private Limited	12.09			12.09
	Jubilant Oil & Gas Private Limited	13.58			13.58
	Jubilant MotorWorks Private Limited	0.62			0.62
	Jubilant FoodWorks Limited	11.76			11.76
	Jubilant Industries Limited	0.18			0.18
	Jubilant Agri and Consumer Products Limited	47.87			47.87
	B&M Hot Breads Private Limited	1.37			1.37
	Jubilant Industries Inc., USA	1.57			1.57
		89.04			**89.04**
3.	**Purchase of goods and services:**				
	Jubilant Agri and Consumer Products Limited	136.95			136.95
	Priority Vendor Technologies Private Limited	0.84			0.84
		137.79			**137.79**
4.	**Recovery of expenses:**				
	Jubilant Industries Limited	0.08			0.08
	Jubilant Agri and Consumer Products Limited	24.18			24.18
		24.26			**24.26**
5.	**Reimbursement of expenses:**				
	Jubilant Enpro Private Limited	0.89			0.89
	Jubilant Industries Limited	1.26			1.26
		2.15			**2.15**
6.	**Remuneration (including perquisites):**				
	Mr. Shyam S Bhartia		63.08		63.08
	Mr. R Sankaraiah		60.47		60.47
	Mr. Rajiv Shah		5.61		5.61
			129.16		**129.16**
7.	**Professional fees for services:**				
	Mr. Hari S Bhartia		50.70		50.70
	Mr. Shyamsundar Bang		32.09		32.09
	Shardul Amarchand Mangaldas & Co.	4.02			4.02
		4.02	**82.79**		**86.81**
8.	**Sitting fees :**				
	Dr. Ashok Mishra		0.45		0.45
	Mr. S Sridhar		0.50		0.50
	Ms. Sudha Pillai		0.48		0.48
	Mr. Shardul S Shroff		0.13		0.13
			1.56		**1.56**

Notes to the consolidated financial statements for the year ended 31 March 2017 (Continued)

31 March 2016 (₹ in million)

Sr. No.	Particulars	Enterprise in which certain key management personnel are interested	Key management personnel	Others	Total
9.	**Company's contribution to provident fund trust :**				
	Vam Employee Provident Fund Trust			104.41	104.41
				104.41	**104.41**
10.	**Company's contribution to superannuation fund:**				
	Vam Officers Superannuation Fund			7.96	7.96
				7.96	**7.96**
11.	**Rent expenses:**				
	Jubilant Enpro Private Limited	8.22			8.22
		8.22			**8.22**
12.	**Donation:**				
	Jubilant Bhartia Foundation			25.90	25.90
				25.90	**25.90**
Amount Outstanding:					
13.	**Trade payables:**				
	Jubilant Industries Limited	1.82			1.82
	Jubilant Enpro Private Limited	0.12			0.12
	Jubilant MotorWorks Private Limited	0.01			0.01
	Jubilant Agri and Consumer Products Limited	20.60			20.60
		22.55			**22.55**
14.	**Other payables:**				
	Jubilant Oil & Gas Private Limited	1.44			1.44
	B&M Hot Breads Private Limited	0.32			0.32
	Vam Employee Provident Fund Trust			24.52	24.52
	Vam Officers Superannuation Fund			0.68	0.68
		1.76		**25.20**	**26.96**
15.	**Trade receivables:**				
	Jubilant Agri and Consumer Products Limited	32.14			32.14
		32.14			**32.14**
16.	**Deposits recoverable:**				
	Tower Promoters Private Limited	21.00			21.00
	Jubilant Enpro Private Limited	1.27			1.27
		22.27			**22.27**
17.	**Other recoverable:**				
	Jubilant Oil & Gas Private Limited	0.96			0.96
	Jubilant Agri and Consumer Products Limited	19.73			19.73
	B&M Hot Breads Private Limited	0.32			0.32
	Jubilant FoodWorks Limited	11.04			11.04
	Jubilant Enpro Private Limited	2.84			2.84
	Jubilant Industries Inc., USA	1.59			1.59
		36.48			**36.48**

Notes to the consolidated financial statements for the year ended 31 March 2017 (Continued)

01 April 2015 (₹ in million)

Sr. No	Particulars	Enterprise in which certain key management personnel are interested	Key management personnel	Others	Total
Amount outstanding:					
1.	**Trade payables:**				
	Jubilant Industries Limited	0.83			0.83
	Jubilant Agri and Consumer Products Limited	10.09			10.09
	Amarchand & Mangaldas & Suresh A Shroff & Co.	0.19			0.19
		11.11			**11.11**
2.	**Other payables:**				
	Jubilant Oil & Gas Private Limited	1.44			1.44
	B&M Hot Breads Private Limited	0.32			0.32
	Vam Employee Provident Fund Trust			22.98	22.98
	Vam Officers Superannuation Fund			0.81	0.81
		1.76		**23.79**	**25.55**
3.	**Trade receivables:**				
	Jubilant Agri and Consumer Products Limited	8.46			8.46
		8.46			**8.46**
4.	**Deposits recoverable:**				
	Tower Promoters Private Limited	21.00			21.00
	Jubilant Enpro Private Limited	1.27			1.27
		22.27			**22.27**
5.	**Other recoverable:**				
	Jubilant Agri and Consumer Products Limited	13.92			13.92
	B&M Hot Breads Private Limited	0.16			0.16
	Jubilant FoodWorks Limited	1.97			1.97
	Jubilant Enpro Private Limited	0.09			0.09
		16.14			**16.14**

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.

38. Contingent liabilities to the extent not provided for:

A. Guarantees:

Outstanding guarantees furnished by Banks on behalf of the Group is ₹ 721.80 million (31 March 2016: ₹ 413.51 million; 1 April 2015: ₹ 452.62 million).

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

(₹ in million)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Central Excise	1,270.99	1,270.23	1,143.30
Customs	12.13	12.71	19.44
Sales Tax	94.32	88.92	56.47
Income Tax	1,479.65	1,153.21	592.97
Service Tax	250.65	458.92	461.02
Others	73.32	363.27	348.69

Notes to the consolidated financial statements for the year ended 31 March 2017 (Continued)

Excluding claims in respect of business transferred to Jubilant Industries Limited in accordance with the demerger scheme approved by the Hon'ble Allahabad High Court, though the litigations 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 38(C) below are determinable only on receipt of judgments/decisions pending at various stages/forums.

C. Other contingent liabilities as at 31 March 2017:

i. 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 (31 March 2016: ₹ 2.51 million; 1 April 2015: ₹ 2.51 million) deposited during the period when the dispute was pending before the High Court. The total amount of disputed transport fee is ₹ 245.46 million (31 March 2016: ₹ 227.20 million; 1 April 2015: ₹ 209.13 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.

ii. 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 ₹ 27.45 million (31 March 2016: ₹ 26.45 million; 1 April 2015: ₹ 25.55 million) under protest which is shown as deposits.

iii. 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 (31 March 2016: ₹ 277.40 million; 1 April 2015: ₹ 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 (31 March 2016: ₹ 305.14 million; 1 April 2015: ₹ 305.14 million).

The Parent Company has challenged the demand before the Hon'ble Allahabad High Court, and the Court after considering Company's submissions, stayed the demand till further orders.

iv. 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 (31 March 2016: ₹ 90.00 million; 1 April 2015: ₹ 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. The Hon'ble Supreme court has ordered to list the appeal after the decision in Civil Appeal No 151 of 2007.

v. The Hon'ble Supreme Court has quashed the levy of license fee (FL-39) 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 Parent 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 was entitled to a refund of ₹ 84.06 million (31 March 2016: ₹ 84.06 million; 1 April 2015: ₹ 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 approached the State of Uttar Pradesh for the refund of the said amount. The amount paid has been shown as deposit.

Commissioner, State excise rejected the refund claim of ₹ 84.06 million and directed to recover the Bank Guarantee (B.G.) of ₹ 68.00 million. The Parent Company filed a stay application/revision application against the said order before the Principal Secretary, Government of U.P. The Revision Order passed has rejected our refund claim and held that the amounts secured by BG amount of ₹ 68.00 million has also been recovered from the customer. Writ petition No 808/2016 filed against the said revision order in High court of Allahabad. High court has granted stay Vide its order dated 6th January 2017, subject to furnishing of Bank Guarantee of ₹ 68.00 million, which has been submitted.

vi. A group of villagers from Nira in Pune District, State of Maharashtra had filled a Public Interest Litigation in the year 2009 against the Parent 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

Notes to the consolidated financial statements for the year ended 31 March 2017 (Continued)

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 (31 March 2016: ₹ 2.50 million; 1 April 2015: ₹ 2.50 million) with the Collector of Pune. The Parent Company deposited the above amount with the Collector of Pune. In its report, the Committee has found that no loss was shown to have been caused to fertility of the land or the agriculturists. The Parent Company's compliances are being regularly monitored by MPCB and status is being informed to NGT.

NEERI has submitted its recommendations and NGT has asked some clarifications on the report from NEERI. Meanwhile, The Parent Company has submitted its comments on the NEERI report and also made suggestions for quicker ground water aquifer remediation based on corroborative study by IIT, Delhi. In accordance with the direction of the NGT, the Parent Company has also filed a further affidavit in March, 2017. In response to the NGT directions both NEERI & CGCB have placed before the Court their final view & comments on the proposal submitted by the Parent Company (based on corroborative study by IIT, Delhi). The CGWB is in agreement with the improved measures stated in the Proposal and has suggested that MPCB monitors the implementation of improved measures every 6 months. The NGT has directed the Parent Company to file an action plan to facilitate passing of the final order in the present case. The matter is pending before NGT.

vii. Uttar Pradesh Pollution Control Board served notices on 31 January 2016 upon 3 units of the Parent Company at Gajraula to appear and present their submissions in the National Green Tribunal, New Delhi (NGT) in a pending matter (M.C. Mehta vs. Union of India & Ors.) regarding pollution of Ganga and its tributaries. NGT directed all the parties to give their compliance status on Zero Liquid Discharge (ZLD). All 3 units of Parent Company have duly filed submissions that they are compliant of the terms of consent/ ZLD.

Additionally, the Parent Company's Distillery Unit filed a Miscellaneous Application in the matter seeking review of some of the directions of Central Pollution Control Board based on their technical and practical limitations and also requested for considering alternate technologies that are environmentally sustainable options for ZLD. On 06 March 2017, NGT further asked certain information from various industries and in compliance thereof all 3 units of the Parent Company has filed their respective affidavits.

In this matter the NGT is assessing the causes of the pollution to the river Ganges, and the tributaries and drains flowing into the Ganges. One such drain is Bagad nadi (nalla) on the banks of which the Gajraula town is situated where about 13 industries are operating including the 3 units of the Parent Company. By order of 24 April 2017 the NGT constituted a Special Inspection Committee to inspect all these industries and submit a report of findings. At a hearing on 2 April 2017, this committee presented its oral finding from the inspection, and based on which the NGT ordered shut down of all the 13 industries at Gajraula, despite opposition from the industries stating that they weren’t provided with the report and so no opportunity to contest. The NGT however allowed them to file their objections as well as detailed status of compliance. To comply with the NGT directions, all 3 units of the Parent Company commenced shut down on 27 April 2017.

Based on the separate application filed by the 3 units of the Parent Company, the NGT allowed the restart of operation of, both the Chemical units of the Company (vide order of 08 May 2017). The Parent company is an environmentally conscious citizen, expects to resume the distillery operation soon. The matter is pending before NGT.

viii. In 2014, CPCB direct 17 categories of highly polluting industries, CETP’s and Common Hazardous Waste and Biomedical waste incinerator sites located across India to install online treated effluent monitoring and stack monitoring with direct connection to the servers of SPCB/CPCB. Nira unit of the Parent Company complied with these direction and installed the online effluent monitoring system at the Outlet of the ETP (Chemical Unit), Stack emission of the Boilers, Stack emission of Chemical plant furnace by 15 May 2015.

Due to server up gradation and configuration at the CPCB, the server connectivity details were not provided by CPCB till April 2016 to the Nira unit of the Parent Company. Further, such issues of connectivity, and resultant incomplete transmission of online monitoring data to SPCB/CPCB servers, continued until March, 2017. Further, CPCB did not issue the connectivity details in spite of repeated requests of the Nira unit of the Parent Company.

CPCB, without providing any final opportunity to any industry, uploaded, on their website on 21 April 2017, Closure Notice (letter dated 06 Apr 2017) stating the reason as “CPCB is not able to verify the data connectivity

Notes to the consolidated financial statements for the year ended 31 March 2017 (Continued)

of the online monitoring system from the unit and hence the claim of the unit regarding installation of online monitoring system cannot be acceded" to hundreds of industries including Nira Unit's Distillery.

Nira unit of Parent Company successfully pursued CPCB for revocation of the closure notice with suitable submissions and proof that connection to the server of CPCB, which was poor due to technical glitches, and immediately on receipt of server connection details the connectivity was finally established on 26 April 2017 and online data was transmitted to CPCB server immediately. CPCB issued its letter of revocation of closure of Nira Unit on 15 May 2017.

ix. A customer has filed a claim against Jubilant Pharmaceuticals NV (JPNV), a subsidiary of the Parent Company in Belgium alleging contravention of certain provisions of Licensing and Supply agreement between the parties and claiming damages [excluding interest] amounting to Euro 2.08 million (31 March 2016: Euro 2.08 million; 1 April 2015: Euro Nil) equivalent to ₹ 144.36 million (31 March 2016: ₹ 157.09 million; 1 April 2015: ₹ Nil). JPNV has also filed a counter claim against this customer for damages amounting to Euro 2.38 million (31 March 2016: Euro 2.38 million; 1 April 2015: Euro Nil), equivalent to ₹ 164.89 million (31 March 2016: ₹ 179.43 million; 1 April 2015: ₹ Nil) in the same dispute. The case is under arbitration.

Additionally, the Group is involved in other disputes, lawsuits, claims, governmental and/ or regulatory inspections, inquiries, investigations and proceedings, including commercial matters that arise from time to time in the ordinary course of business.

The Group believes that none of these matters, either individually or in aggregate, are expected to have any material adverse effect on its consolidated financial statements.

39. Commitments as at year end

a) Capital Commitments:

Estimated amount of contracts remaining to be executed on capital account (net of advances) is ₹ 1,700.21 million (31 March 2016: ₹ 741.49 million; 1 April 2015: ₹ 671.02 million).

b) Leases:

i) 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 ₹ 123.31 million (31 March 2016: ₹ 96.65 million) has been included under rent expense in note 28.

ii) The Group has operating lease arrangements in respect of vehicles which are cancellable, range between 2 years and 5 years. The aggregate lease rentals payable are charged as expenses. Rental expenses recognized under such leases amounting to ₹ 10.31 million (31 March 2016: ₹ 7.46 million) has been included under vehicle running and maintenance expense in note 28.

iii) The Group has significant operating lease arrangements which are non-cancellable for a period up to 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)

Particulars	Minimum lease payments		
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Not later than one year	35.63	68.47	27.24
Later than one year but not later than five years	90.13	186.50	4.40
Later than five years	-	-	-

Rental expenses recognised under such leases during the year are ₹ 55.70 million (31 March 2016: ₹ 86.06 million).

Notes to the consolidated financial statements for the year ended 31 March 2017 (Continued)

iv) Assets acquired under finance lease: (₹ in million)

Particulars	Minimum lease payments			Present value of minimum lease payments			Future interest		
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Not later than one year	20.83	13.92	15.56	12.29	10.51	12.71	6.28	3.41	2.85
Later than one year but not later than five years	44.35	23.82	16.92	38.81	19.95	14.51	7.80	3.87	2.41
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.

c) **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 ₹ 118.11 million (31 March 2016: ₹ 85.25 million; 1 April 2015: ₹ 77.34 million). Similarly, export obligation under Advance License Scheme/DFIA scheme on duty free import of specific raw materials, remaining outstanding is ₹ 5,779.41 million (31 March 2016: ₹ 6,628.55 million; 1 April 2015: ₹ 6,027.45 million).

ii) Uncalled liability on investments in Healthcare Ventures IX, L.P. amounting to ₹ Nil (31 March 2016: ₹ 110.97 million; 1 April 2015: ₹ 126.56 million).

40. Expenditure incurred under section 135 of the companies Act, 2013 on Corporate Social responsibility (CSR) activities is included under donation.

41(a) Government grant recoverable ₹ 364.65 million (31 March 2016: ₹ 448.68 million; 1 April 2015: ₹ 62.87 million) and Government grant recognized ₹ 657.87 million (31 March 2016: ₹ 573.23 million) in Consolidated Statement of Profit and Loss.

41(b). During the year, finance costs amounting to ₹ 449.33 million (31 March 2016: ₹ 360.59 million) has been capitalized.

42. Subsequent to the year end, a wholly owned subsidiary of the Company, Jubilant Pharma Limited ("JPL"), through one of its wholly owned subsidiaries, signed an Asset Purchase Agreement with Triad Isotopes Inc. and its parent Isotope Holdings, Inc. ("Triad"), to acquire substantially all of the assets which comprise the radiopharmacy business of Triad. The closing of the transaction is subject to customary closing conditions, including contract, regulatory and other approvals. The acquisition will be funded through JPL's internal accruals.

43. Hedging and derivatives instruments:

(i) The Group uses various derivative instruments such as foreign exchange forward contracts, currency and interest rate swaps to selectively hedge its exposures to movement in foreign exchange rates and interest rates. These derivatives instruments 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 2017:					
Forward Contracts	USD	INR	USD	Nil	-
As at 31 March 2016:					
Forward Contracts	USD	INR	USD	2.80	Buy
As at 1 April 2015:					
Forward Contracts	USD	INR	USD	51.00	Sell
Forward Contracts	EUR	USD	EUR	3.69	Sell
Forward Contracts	SGD	USD	USD	8.50	Buy
Interest rate swap	USD		USD	16.22	

Notes to the consolidated financial statements for the year ended 31 March 2017 (Continued)

(ii) Mark to market loss amounting to ₹ Nil (31 March 2016: ₹ 4.02 million) in respect of currency and interest rate swaps contracts have been credited/ charged to the Consolidated Statement of Profit and Loss. The accumulated mark to market losses on currency swaps (including currency and interest rate swaps) and forward contract outstanding as at 31 March 2017 is ₹ Nil (31 March 2016: ₹ 4.02 million).

44. Disclosure on Specified Bank Notes

During the year, the Parent Company and its subsidiaries incorporated in India had Specified Bank Notes (SBNs) or other denomination notes as defined in the MCA notification, G.S.R.308(E), dated 31 March 2017. The details of SBNs held and transacted during the period from 8 November 2016 to 30 December 2016, the denomination-wise SBNs and other notes as per the notification are as follows:

(₹ in million)

Particulars	SBNs (1)	Other denomination Notes	Total
Closing cash in hand as on 08 November 2016	0.94	0.78	1.72
(+) Permitted receipts	-	4.05	4.05
(-) Permitted payments	-	(3.68)	(3.68)
(-) Amount deposited in Banks	(0.94)	(0.01)	(0.95)
Closing cash in hand as on 30 December 2016	-	1.14	1.14

(1) For the purpose of this clause, the term "Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated 8 November 2016.

45. The carrying value of internally generated product registration and other intangibles (including intangible assets under development) has been reviewed and based on technical and financial assessment, carrying value of certain internally generated intangible assets/other intangibles under development of ₹ 36.90 million (31 March 2016: ₹ 589.06 million) have been charged off and included under depreciation and amortisation expense in the Consolidated Statement of Profit and Loss.

46. During the year ended 31 March 2016, the Hon'ble Allahabad High Court vide its order dated 17 August 2015 ("Order") sanctioned the Scheme of Amalgamation, Compromise and Arrangements ("the Scheme") between two subsidiaries of the Group viz. Jubilant First Trust Healthcare Limited ("JFTHL") and First Trust Medicare Private Limited ("FTMPL"). The Scheme became effective on 4 September 2015 on filing of the certified true copy of the Order with the Registrar of Companies. As per the provisions of the Scheme, FTMPL merged into JFTHL and the shareholders of FTMPL received 6.5 fully paid up equity shares of the JFTHL against each fully paid up share of FTMPL with effect from the appointed date, i.e. 1 April 2014. Subsequently, as per the provisions of the Scheme, equity share capital of JFTHL amounting to ₹ 135.63 million (i.e. 13,563,171 equity shares of face value ₹ 10 each) held by the Parent Company along with the securities premium amounting to ₹ 540.49 million was cancelled with effect from the appointed date i.e. 1 March 2015.

47. During the year ended March 31, 2015, the Group had obtained a term loan amounting to USD 60.00 million from International Finance Corporation (IFC), due for repayment on June 15, 2020 (50%) and June 15, 2021 (50%) along with the repayment premium in accordance with the terms of the contract, if on or prior to such repayment date there has been (a) neither a Private Equity (PE) Investment nor a Qualifying IPO or (b) there has been a PE Investment but IFC has not converted the entire loan into shares pursuant to its put option. The term loan carries a differential return (in the form of discount in the event of conversion and premium in the event of redemption) to IFC under various scenarios based on the probabilities of occurrence of Private Equity (PE) Investment, Qualifying IPO and redemption. This instrument is considered as stock settled debt as the characteristic of this instrument do not expose the counterparty to risk and rewards similar to those of an owner and, therefore, do not create a shareholder relationship. Accordingly, this instrument has been classified as debt instrument only

On the basis of assessment of probable return to IFC as per the terms of the agreement, the Group has recognized an expense amounting to ₹ 543.41 million (31 March 2016: ₹ 480.18 million) towards expected charge on this loan based on probabilities of occurrence of PE investment and a Qualifying IPO. Potential shares which would be issued on conversion of this term loan are considered as anti-dilutive for the purposes of EPS computation for the year ended 31 March 2017 and 31 March 2016.

Notes to the consolidated financial statements for the year ended 31 March 2017 (Continued)

48. During year ended 31 March 2017, the Group has capitalised exchange gain amounting to ₹ 3.80 million (31 March 2016: exchange loss of ₹ 136.03 million) to the cost of fixed assets and accumulated exchange loss of ₹ 52.33 million (31 March 2016: ₹ 131.49 million) to foreign currency monetary item translation difference account (FCMITDA). During the year ₹ 67.15 million (31 March 2016: ₹ 247.32 million) has been amortised to the Consolidated Statement of Profit and Loss and balance of ₹ 19.67 million (31 March 2016: ₹ 34.49 million) is carried in Consolidated Balance Sheet as at 31 March 2017.

49. 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 Nomination, Remuneration and Compensation Committee ('Committee') of the Board of Directors which comprises a majority of Independent Directors is responsible for administration and supervision of the Stock Option Plans.

Under Plan 2005, as amended, and under Plan 2011, up to 1,100,000 Stock Options and up to 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 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 up to 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.

	PLAN 2005						PLAN 2011		
	Vesting schedule (With lock in) Applicable for grants made up to 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			

There were no options granted during the year ended 31 March 2017 and 31 March 2016, accordingly disclosures as required under Ind AS 102 w.r.t. weighted average fair value of stock options granted during the year is not applicable.

In 2008-09, members approved constitution of Jubilant Employees Welfare Trust ('Trust') for the purpose of acquisition of

Notes to the consolidated financial statements for the year ended 31 March 2017 (Continued)

equity shares of the Parent 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, up to ₹ 1,000 million either free of interest or at interest agreed between the Board and the Trust.

Up to 31 March 2017, 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 Group, of which 2,814,555 (31 March 2016: 2,458,980; 1 April 2015: 1,530,010) shares were transferred to the employees on exercise of Options. The Trust is also holding 170,878 (31 March 2016: 171,802; 1 April 2015: 192,086) equity shares of Jubilant Industries Limited issued to it in accordance with the Scheme of Amalgamation and Demerger amongst the Company, Jubilant Industries Limited and others.

The movement in the equity shares held by trust:

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
	Number of equity shares	Number of equity shares
At the commencement of the year	3,904,526	4,833,496
Transfer to employees on exercise of options	355,575	928,970
At the end of the year	3,548,951	3,904,526

The movement in the stock options under both the Plans, during the year, is set out below:

Under Plan 2005

Particulars	For the year ended 31 March 2017		For the year ended 31 March 2016	
	Number of options	Weighted average exercise price (₹)	Number of options	Weighted average exercise price (₹)
Outstanding at the beginning of the year	8,467	264.72	105,495	222.73
Forfeited during the year	(1,900)	251.68	(15,850)	231.61
Exercised during the year	(3,700)	247.27	(81,178)	216.61
Outstanding at the end of the year	2,867	295.87	8,467	264.72
Exercisable at the end of the year	2,867	295.87	8,467	264.72

** The Board has decided that no further grants will be made under Plan 2005.*

Under Plan 2011

Particulars	For the year ended 31 March 2017		For the year ended 31 March 2016	
	Number of options	Weighted average exercise price (₹)	Number of options	Weighted average exercise price (₹)
Outstanding at the beginning of the year	431,256	216.18	1,112,306	210.80
Forfeited during the year	(22,996)	217.61	(157,970)	206.61
Exercised during the year	(337,075)	215.95	(523,080)	207.63
Outstanding at the end of the year	71,185	216.83	431,256	216.18
Exercisable at the end of the year	71,185	216.83	182,393	209.74

Notes to the consolidated financial statements for the year ended 31 March 2017 (Continued)

Fair value of option granted

The weighted average fair value of options granted as at the year ended 31 March 2017 for Plan 2005 and Plan 2011 were ₹ 94.18 per option and ₹ 84.90 per option respectively. The fair value at grant date is determined using the Black-Scholes-Merton model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option. The following tables list the inputs to models used for fair valuation of two plans:

Particulars	Plan 2005	Plan 2011
Expected volatility	29.73% - 41.76%	38.36% - 45.95%
Risk free interest rate	7.52% - 9.44%	7.74% - 8.81%
Exercise price (₹)	198.55 - 359.25	170.20 - 220.90
Expected dividend yield	0.51% - 0.90%	0.63% - 1.10%
Life of options (years)	4.25	3.65

Expense arising from share-based payment transaction

The expenses arising from share-based payment transaction recognised in Consolidated Statement of Profit and Loss as part of employee benefit expense for the year ended 31 March 2017 and 31 March 2016 were ₹ 0.01 million and ₹ 5.32 million, respectively.

Share options outstanding at the end of the year:

Options	Options outstanding as at 31 March 2017	Options outstanding as at 31 March 2016	Remaining contractual life (in years) as at 31 March 2017	Remaining contractual life (in years) as at 31 March 2016	Exercise Price as at 31 March 2017 (₹)	Exercise Price as at 31 March 2016 (₹)
Option Plan 2005	2,867	8,467	-	-	295.87	264.72
Option Plan 2011	71,185	431,256	-	-	216.83	216.18
Total	**74,052**	**439,723**	**-**	**-**	**-**	**-**

Notes to the consolidated financial statements for the year ended 31 March 2017 (Continued)

50. Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary

	Name of the Enterprise	Net Assets (Total assets -Total liabilities)		Share in profit/ (loss)		Share in other comprehensive income		Share in total comprehensive income	
		As % of consolidated net assets	Amount (₹ in million)	As % of consolidated profit/ (loss)	Amount (₹ in million)	As % of Consolidated other comprehensive income	Amount (₹ in million)	As % of Consolidated total comprehensive income	Amount (₹ in million)
Parent									
	Jubilant Life Sciences Limited	60.14%	20,428.07	13.78%	791.94	1.56%	(9.01)	15.15%	782.93
Subsidiaries									
Indian									
1	Jubilant Clinsys Limited	0.91%	307.90	0.34%	19.35	0.00%	-	0.37%	19.35
2	Jubilant Chemsys Limited	1.89%	643.68	2.37%	135.92	0.17%	(0.98)	2.61%	134.94
3	Jubilant Biosys Limited	(1.59%)	(541.71)	(0.88%)	(50.79)	0.28%	(1.64)	(1.01%)	(52.43)
4	Jubilant Infrastructure Limited	4.34%	1,475.80	2.80%	161.01	(1.08%)	6.23	3.24%	167.24
5	Jubilant First Trust Healthcare Limited	0.13%	44.07	0.03%	1.62	0.00%	-	0.03%	1.62
6	Jubilant Generics Limited	65.62%	22,288.84	43.27%	2,486.69	1.82%	(10.53)	47.90%	2,476.16
7	Jubilant Innovation (India) Limited	0.01%	3.20	(0.01%)	(0.31)	0.00%	-	(0.01%)	(0.31)
8	Jubilant DraxImage Limited	(0.08%)	(25.68)	0.06%	3.67	0.07%	(0.43)	0.06%	3.24
9	Vanthys Pharmaceutical Development Pvt. Limited	0.10%	34.12	0.03%	1.89	0.00%	-	0.04%	1.89
Foreign									-
1	Jubilant Life Sciences (USA) Inc.	0.41%	138.82	0.76%	43.77	0.62%	(3.56)	0.78%	40.21
2	Jubilant Life Sciences (Shanghai) Limited	0.61%	208.00	0.53%	30.57	3.00%	(17.33)	0.26%	13.24
3	Jubilant Pharma NV	3.66%	1,244.31	(0.01%)	(0.53)	19.02%	(109.73)	(2.13%)	(110.26)
4	Jubilant Pharmaceuticals NV	(0.08%)	(28.62)	0.08%	4.35	(0.54%)	3.09	0.14%	7.44
5	PSI Supply NV	0.08%	26.92	0.13%	7.29	0.25%	(1.47)	0.11%	5.82
6	Jubilant Pharma Holdings Inc.	48.93%	16,619.43	(2.33%)	(133.88)	64.01%	(369.35)	(9.74%)	(503.23)
7	Jubilant Clinsys Inc.	1.23%	418.89	(0.58%)	(33.07)	1.94%	(11.22)	(0.86%)	(44.29)
8	HSL Holdings Inc.	32.02%	10,876.28	1.05%	60.34	40.82%	(235.56)	(3.39%)	(175.22)
9	Jubilant HollisterStier LLC	10.58%	3,594.48	9.20%	528.84	14.69%	(84.79)	8.59%	444.05
10	Jubilant Pharma Limited	53.92%	18,316.30	(13.78%)	(791.89)	65.99%	(380.79)	(22.69%)	(1,172.68)
11	Cadista Holdings Inc.	(0.49%)	(166.14)	(0.00%)	(0.02)	(0.62%)	3.59	0.07%	3.57
12	Jubilant Cadista Pharmaceuticals Inc.	24.54%	8,334.65	(4.72%)	(271.40)	30.51%	(176.07)	(8.66%)	(447.47)
13	Jubilant Biosys (BVI) Limited	0.26%	88.37	(0.00%)	(0.24)	0.33%	(1.90)	(0.04%)	(2.14)
14	Jubilant Biosys (Singapore) Pte. Limited	(0.01%)	(2.17)	(1.54%)	(88.45)	0.31%	(1.77)	(1.75%)	(90.22)
15	Jubilant Discovery Services Inc.	0.15%	50.02	0.17%	9.92	0.46%	(2.66)	0.14%	7.26
16	Jubilant Drug Development Pte. Limited	0.47%	158.71	(0.02%)	(0.88)	0.59%	(3.41)	(0.08%)	(4.29)
17	Jubilant Life Sciences (BVI) Limited	0.77%	260.28	(0.01%)	(0.47)	0.97%	(5.61)	(0.12%)	(6.08)
18	Jubilant Life Sciences International Pte. Limited	2.20%	748.46	0.20%	11.42	(33.77%)	194.85	3.99%	206.27
19	Jubilant Innovation (BVI) Limited	0.77%	261.18	(0.01%)	(0.34)	0.98%	(5.63)	(0.12%)	(5.97)

Notes to the consolidated financial statements for the year ended 31 March 2017 (Continued)

	Name of the Enterprise	Net Assets (Total assets -Total liabilities)		Share in profit/ (loss)		Share in other comprehensive income		Share in total comprehensive income	
		As % of consolidated net assets	Amount (₹ in million)	As % of consolidated profit/ (loss)	Amount (₹ in million)	As % of Consolidated other comprehensive income	Amount (₹ in million)	As % of Consolidated total comprehensive income	Amount (₹ in million)
20	Jubilant Innovation Pte. Limited	0.10%	33.21	(0.02%)	(1.28)	0.12%	(0.70)	(0.04%)	(1.98)
21	Draximage Limited, Cyprus	0.78%	264.30	1.68%	96.53	1.16%	(6.68)	1.74%	89.85
22	Draximage Limited, Ireland	0.07%	23.40	(0.02%)	(1.27)	0.08%	(0.49)	(0.03%)	(1.76)
23	Draximage LLC	0.00%	0.98	(0.00%)	(0.00)	0.00%	(0.02)	(0.00%)	(0.02)
24	Jubilant Draximage (USA) Inc.	0.24%	82.81	0.35%	20.07	0.35%	(2.02)	0.35%	18.05
25	Deprenyl Inc., USA	0.42%	142.31	(1.09%)	(62.53)	0.35%	(2.04)	(1.25%)	(64.57)
26	Jubilant DraxImage Inc.	30.02%	10,197.55	62.89%	3,613.98	93.26%	(538.16)	59.50%	3,075.82
27	6963196 Canada Inc.	(0.00%)	(0.82)	(0.00%)	(0.02)	(0.01%)	0.04	0.00%	0.02
28	6981364 Canada Inc.	(0.00%)	(0.27)	(0.00%)	(0.02)	0.00%	0.01	(0.00%)	(0.01)
29	DAHI Animal Health (UK) Limited	(0.00%)	(0.18)	-	-	(0.01%)	0.03	0.00%	0.03
30	Draximage (UK) Limited	0.00%	0.00	-	-	0.00%	-	-	-
31	Jubilant Innovation (USA) Inc.	0.80%	273.26	(0.61%)	(34.82)	31.31%	(180.67)	(4.17%)	(215.49)
32	Draxis Pharma LLC	0.05%	16.03	(0.00%)	(0.02)	0.06%	(0.35)	(0.01%)	(0.37)
33	Jubilant HollisterStier Inc.	1.39%	472.50	(3.38%)	(194.44)	2.04%	(11.79)	(3.99%)	(206.23)
34	Jubilant Life Sciences (Switzerland) AG, Schaffhausen	(0.00%)	(1.30)	(0.03%)	(1.71)	(0.01%)	0.05	(0.03%)	(1.66)
35	Jubilant Drug Discovery and Development Services Inc.	(0.01%)	(2.22)	(0.14%)	(8.20)	0.00%	0.03	(0.16%)	(8.17)
36	Drug Discovery and Development Solutions Limited	1.54%	522.15	(0.07%)	(3.86)	1.94%	(11.22)	(0.29%)	(15.08)
37	Jubilant Life Sciences NV	0.11%	35.76	0.42%	24.26	0.35%	(2.04)	0.43%	22.22
38	Jubilant Pharma Trading Inc.	0.28%	94.59	0.37%	21.31	0.40%	(2.30)	0.37%	19.01
39	Jubilant Pharma Australia Pty Limited	0.00%	0.99	-	-	0.00%	-	-	-
40	Jubilant Employee Welfare Trust	0.96%	326.88	0.84%	48.05	(4.73%)	27.31	1.46%	75.36
41	Jubilant Draximage Radiopharmacies Inc.	0.00%	0.01	-	-	0.00%	-	-	-
42	Partnership controlled through subsidiaries	8.32%	2,824.69	(3.31%)	(190.29)	26.15%	(150.88)	(6.60%)	(341.17)
	Minority Interests included in respective subsidiaries (Net assets: ₹ (676.29) million, share in profit / (loss) ₹ (10.27) million, share in other comprehensive income ₹ (1.36) million and share in total comprehensive income ₹ (11.63) million								
	Total eliminations	(256.56%)	(87,145.53)	(8.80%)	(505.80)	(265.23%)	1,530.51	19.82%	1,024.71
	Total	**100.00%**	**33,967.55**	**100.00%**	**5,746.26**	**100.00%**	**(577.06)**	**100.00%**	**5,169.20**

Notes to the consolidated financial statements for the year ended 31 March 2017 (Continued)

51. First-time adoption of Ind AS

Transition to Ind AS

These are the Group's first consolidated financial statements prepared in accordance with Ind AS.

The significant accounting policies set out in note 2 have been applied in preparing the consolidated financial statements for the year ended 31 March 2017, the comparative information presented in these consolidated financial statements for the year ended 31 March 2016 and in the preparation of an opening Ind AS Consolidated Balance Sheet at 1 April 2015 (the Group's date of transition). In preparing its opening Ind AS Consolidated Balance Sheet, the Group has adjusted the amounts reported previously in consolidated financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act "previous GAAP". An explanation of how the transition from previous GAAP to Ind AS has affected the Group's consolidated financial position, consolidated financial performance and consolidated cash flows is set out in the following tables and notes.

(A). Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

Ind AS optional exemptions

1. Business combinations

Ind AS 101 provides the option to apply Ind AS 103 "Business Combinations" prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date.

The Group elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. Business combinations occurring prior to the transition date have not been restated.

2. Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the consolidated financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.. This exemption can also be used for intangible assets covered by Ind AS 38 "Intangible Assets".

Accordingly, the Group has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

3. Currency translation adjustments

As per Ind AS 101, an entity may deem that the currency translation adjustments for all foreign operations to be zero at the date of transition by transferring any such cumulative difference to retained earnings

Accordingly, the Group has elected to avail of the above exemption.

4. De-recognition of financial assets and liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 "Financial Instruments" prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the entity's choice, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Group has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

Ind AS mandatory exceptions

1. Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Group made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

- Initial and subsequent measurement of financial instruments (including those with conversion features) to the extent of difference in related guidance; and
- Impairment of financial assets based on expected credit loss model;

2. Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of the facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly, the Group has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at amortised cost has been done retrospectively, except where the same is impracticable.

Notes to the consolidated financial statements for the year ended 31 March 2017 (Continued)

51(B). Reconciliation of equity as reported under previous GAAP to Ind AS

(₹ in million)

	Notes	As at 1 April 2015			As at 31 March 2016		
		Previous GAAP*	Effects of transition to Ind AS	Ind AS	Previous GAAP*	Effects of transition to Ind AS	Ind AS
ASSETS							
Non-current assets							
Property, plant and equipment	1, 14	29,875.09	92.45	29,967.54	31,016.86	130.16	31,147.02
Capital work-in-progress	1	1,981.77	-	1,981.77	1,450.61	18.55	1,469.16
Goodwill		17,324.68	-	17,324.68	18,311.04	-	18,311.04
Other intangible assets		1,913.57	-	1,913.57	1,586.14	-	1,586.14
Intangible assets under development	1	3,984.22	-	3,984.22	4,485.01	159.00	4,644.01
Financial assets			-			-	
i. Investments	2	394.96	747.76	1,142.72	361.13	493.18	854.31
ii. Loans	3	540.29	(410.40)	129.89	342.96	(201.00)	141.96
iii. Other financial assets		6.07	-	6.07	0.55	-	0.55
Deferred tax assets (net)		920.68	-	920.68	844.73	-	844.73
Income tax assets (net)		589.83	-	589.83	460.88	-	460.88
Other non-current assets	11	476.68	(297.43)	179.25	336.41	(307.76)	28.65
Total non-current assets		**58,007.84**	**132.38**	**58,140.22**	**59,196.32**	**292.13**	**59,488.45**
Current assets							
Inventories		12,353.25	(103.53)	12,249.72	12,160.62	(129.58)	12,031.04
Financial assets							
i. Trade receivables		8,639.76	-	8,639.76	9,505.01	-	9,505.01
ii. Cash and cash equivalents	3	3,916.33	0.04	3,916.37	3,391.67	1.00	3,392.67
iii Other bank balances		27.10	-	27.10	53.16	-	53.16
iv. Loans		74.01	-	74.01	49.62	-	49.62
v. Other financial assets	9	506.14	90.66	596.80	532.97	-	532.97
Income tax assets (net)		144.46	-	144.46	1,088.21	-	1,088.21
Other current assets	11	1,689.78	(114.33)	1,575.45	2,235.20	(134.64)	2,100.56
Total current assets		**27,350.83**	**(127.16)**	**27,223.67**	**29,016.46**	**(263.22)**	**28,753.24**
Total assets		**85,358.67**	**5.22**	**85,363.89**	**88,212.78**	**28.91**	**88,241.69**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

Notes to the consolidated financial statements for the year ended 31 March 2017 (Continued)

51(B). Reconciliation of equity as reported under previous GAAP to Ind AS

(₹ in million)

	Notes	As at 1 April 2015			As at 31 March 2016		
		Previous GAAP*	Effects of transition to Ind AS	Ind AS	Previous GAAP*	Effects of transition to Ind AS	Ind AS
EQUITY AND LIABILITIES							
Equity							
Equity share capital	3	159.30	(4.83)	154.47	159.30	(3.90)	155.40
Other equity		24,375.86	725.96	25,101.82	28,936.39	570.77	29,507.16
Equity attributable to owners of the Company		**24,535.16**	**721.13**	**25,256.29**	**29,095.69**	**566.87**	**29,662.56**
Non-controlling interest	4	-	(329.92)	(329.92)	-	(381.33)	(381.33)
Total equity	51(D)	**24,535.16**	**391.21**	**24,926.37**	**29,095.69**	**185.54**	**29,281.23**
LIABILITIES							
Non-current liabilities							
Financial liabilities							
i. Borrowings	11	36,912.86	(297.43)	36,615.43	30,439.84	(307.76)	30,132.08
ii. Other financial liabilities	12	312.64	518.61	831.25	703.80	660.95	1,364.75
Provisions		668.90	-	668.90	703.07	-	703.07
Deferred tax liabilities (net)	5	1,103.59	77.73	1,181.32	1,804.02	186.24	1,990.26
Other non-current liabilities	14	85.37	4.55	89.92	112.19	13.70	125.89
Total non-current liabilities		**39,083.36**	**303.46**	**39,386.82**	**33,762.92**	**553.13**	**34,316.05**
Current liabilities							
Financial liabilities							
i. Borrowings		5,618.73	-	5,618.73	7,489.67	-	7,489.67
ii. Trade payables		7,293.84	-	7,293.84	6,121.15	-	6,121.15
iii. Other financial liabilities	11	7,161.61	(114.33)	7,047.28	8,861.00	(134.64)	8,726.36
Other current liabilities		691.07	-	691.07	787.93	-	787.93
Provisions	6	869.92	(575.12)	294.80	891.40	(575.12)	316.28
Current tax liabilities		104.98	-	104.98	1,203.02	-	1,203.02
Total current liabilities		**21,740.15**	**(689.45)**	**21,050.70**	**25,354.17**	**(709.76)**	**24,644.41**
Total liabilities		**60,823.51**	**(385.99)**	**60,437.52**	**59,117.09**	**(156.63)**	**58,960.46**
Total equity and liabilities		**85,358.67**	**5.22**	**85,363.89**	**88,212.78**	**28.91**	**88,241.69**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

Notes to the consolidated financial statements for the year ended 31 March 2017 (Continued)

51(C). Reconciliation of Consolidated Statement of Profit and Loss as reported under previous GAAP to Ind AS

(₹ in million)

	Notes	For the year ended 31 March 2016		
		Previous GAAP*	Effects of transition to Ind AS	Ind AS
Revenue from operations	13,14	57,490.48	1,442.65	58,933.13
Other income		133.72	-	133.72
Total income		**57,624.20**	**1,442.65**	**59,066.85**
Expenses				
Cost of materials consumed		19,950.96	-	19,950.96
Purchases of stock-in-trade		1,627.74	-	1,627.74
Changes in inventories of finished goods, stock-in-trade and work-in-progress		(403.93)	-	(403.93)
Excise duty	13	-	1,441.80	1,441.80
Employee benefits expense	7,8	11,267.28	(16.34)	11,250.94
Finance costs	1, 12	3,785.66	(72.14)	3,713.52
Depreciation and amortisation expense	1	3,459.79	7.65	3,467.44
Other expenses	9	12,267.97	328.18	12,596.15
Total expenses		**51,955.47**	**1,689.15**	**53,644.62**
Profit before exceptional items and tax		**5,668.73**	**(246.50)**	**5,422.23**
Exceptional items	15	(174.65)	174.65	-
Profit before tax		**5,843.38**	**(421.15)**	**5,422.23**
Tax expense				
- Current tax		1,680.27	-	1,680.27
- MAT credit entitlement		(131.02)	-	(131.02)
- Deferred tax (credit)/charge	5	(20.72)	25.47	4.75
Total tax expense		**1,528.53**	**25.47**	**1,554.00**
Profit for the year		**4,314.85**	**(446.62)**	**3,868.23**
Items that will not be reclassified to profit or loss				
Changes in fair value of investments which are classified at fair value through OCI	2,10	-	109.08	109.08
Remeasurement of defined benefit obligations	7,10	-	(21.66)	(21.66)
Income tax relating to items that will not be reclassified to profit or loss	5	-	(58.75)	(58.75)
		-	**28.67**	**28.67**
Items that will be reclassified to profit or loss				
Exchange differences on translation of foreign operations	10	-	702.44	702.44
Income tax relating to items that will be reclassified to profit or loss		-	-	-
		-	**702.44**	**702.44**
Other comprehensive income for the year, net of tax		**-**	**731.11**	**731.11**
Total comprehensive income for the year		**4,314.85**	**284.49**	**4,599.34**
Profit is attributable to:				
Owners of the Company		4,314.85	(396.54)	3,918.31
Non-controlling interest	4	-	(50.08)	(50.08)
		4,314.85	**(446.62)**	**3,868.23**
Other comprehensive income is attributable to:				
Owners of the Company		-	732.45	732.45
Non-controlling interest	4	-	(1.34)	(1.34)
		-	**731.11**	**731.11**
Total comprehensive income is attributable to:				
Owners of the Company		4,314.85	335.91	4,650.76
Non-controlling interest	4	-	(51.42)	(51.42)
		4,314.85	**284.49**	**4,599.34**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

Notes to the consolidated financial statements for the year ended 31 March 2017 (Continued)

51(D). Equity reconciliation

(₹ in million)

Particulars	Notes	As at 31 March 2016	As at 1 April 2015
Reported earlier under previous GAAP		**29,095.69**	**24,535.16**
Impact of fair value of investments	2	442.92	746.03
Accounting for financial instruments (other than investments)	9	(630.47)	(426.70)
Incremental capitalisation of finance costs	1	185.28	-
Others*		(26.35)	(16.09)
Tax adjustments, net	5	(160.96)	(76.78)
Consolidation of Employee Welfare Trust	3	(200.00)	(410.37)
Accounting for proposed dividend and dividend distribution tax on payment basis	6	575.12	575.12
Now reported under Ind AS		**29,281.23**	**24,926.37**

* Others include adjustments resulting from differences in accounting for employee stock option plans, classification of actuarial gain/ loss to other comprehensive income, depreciation/ amortization on incremental capitalization of borrowing cost and insurance spares, changes in foreign currency translation reserve, etc.

51(E). Consolidated Statement of Cash Flows

Other than effect of certain reclassifications due to difference in presentation, there was no other material effect of cash flow from operating, financing, investing activities for all periods presented.

Note 1: Incremental capitalization of finance costs

Under the previous GAAP, capitalization of finance costs by applying avoidable interest cost method on certain specific borrowings was not allowed. Under Ind AS, the same is eligible for capitalization. The resulting capitalization of interest in property, plant and equipment, capital work-in-progess and intangible assets under development have been recognized in the Consolidated Statement of Profit and Loss for the year ended 31 March 2016. This increased the retained earnings by ₹ 185.28 million as at 31 March 2016 (1 April 2015: ₹ Nil).

Note 2: Fair valuation of investments

Under the previous GAAP, investments in equity instruments and other instruments were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes with respect to investments in equity instruments designated as FVOCI have been recognised in equity instruments through OCI reserve as at the date of transition and subsequently in the other comprehensive income for the year ended 31 March 2016. This increased total equity by ₹ 493.18 million as at 31 March 2016 (1 April 2015: ₹ 747.76 million) including foreign currency translation adjustment and other comprehensive income for the year ended 31 March 2016 by ₹ 109.08 million.

Note 3: Employee welfare trust consolidation

Under previous GAAP, employee welfare trusts was not required to be consolidated considering that this trust was constituted as irrecoverable trust. Under Ind AS the assets, liabilities and expenses pertaining to the employee welfare trust have been consolidated. All intra-group balance and translation have been eliminated.

Note 4: Non-controlling interest

Group has attributed the profit or loss and each component of other comprehensive income to the owners of the Company and to the non-controlling interest. This has been attributed even if this results in the non-controlling interest having a deficit balance. Consequently, the Group has recognized minority interest amounting to ₹ 329.92 million as at 1 April 2015 and ₹ 381.33 million as at 31 March 2016. There is no impact on total equity as at 1 April 2015 and 31 March 2016.

Note 5: Deferred taxes

Under previous GAAP, tax expense in the consolidated financial statements was computed by performing line by line addition of tax expense of the Parent Company and its subsidiaries. No adjustment to tax expense was made on consolidation. Under Ind AS Company has to recognize deferred tax on temporary differences that arise from the elimination of profit and losses resulting from intra-group transactions. Also, deferred tax have been recognised on the adjustments made on transition to Ind AS. On the

Notes to the consolidated financial statements for the year ended 31 March 2017 (Continued)

date of transition, the net impact on deferred tax liabilities is of ₹ 186.24 million (1 April 2015: ₹ 77.73 million), including foreign currency translation adjustment.

Note 6: Proposed dividend

Under the previous GAAP, dividends proposed by the board of directors after the Balance Sheet date but before the approval of the financial statements were considered as adjusting events. Accordingly, provision for proposed dividend was recognised as a liability. Under Ind AS, such dividends are recognised when the same is approved by the shareholders in the general meeting. Accordingly, the liability for proposed dividend of ₹ 575.12 million as at 31 March 2016 (1 April 2015: ₹ 575.12 million) included under provisions has been reversed with corresponding adjustment to retained earnings and recognised upon approval by shareholders in the general meeting. Consequently, the total equity as at 1 April 2015 and 31 march 2016 increased by an equivalent amount.

Note 7: Remeasurements of post-employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets on the net defined benefit obligation are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year. As a result of this change, the profit before tax for the year ended 31 March 2016 increased by ₹ 21.66 million. There is no impact on the total equity as at 1 April 2015 and 31 March 2016.

Note 8: Employee share based payment expense

Under the previous GAAP, the cost of equity settled employee share-based plans was recognised using the intrinsic value method. Under Ind AS, the cost of equity settled share-based plan is recognised based on the fair value of the options as at the grant date. Consequently, the amount recognised in share based payment reserve increased by ₹ 25.34 million as at 31 March 2016 (1 April 2015: ₹ 91.71 million). The profit before tax for the year ended 31 March 2016 decreased by ₹ 5.32 million. There is no impact on total equity as at 1 April 2015 and 31 March 2016.

Note 9: Mark-to-market gain recognition on forward contracts

Recognition of unrealised mark-to-market gain of ₹ 90.66 million as at 1 April 2015 on forward contracts which was not permitted under previous GAAP. The amount was realised during the year ended 31 march 2016.

Note 10: Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes change in fair value of investments which are classified at fair value through OCI. Remeasurements of defined benefit obligation and exchange differences on translation of foreign operations. The concept of other comprehensive income did not exist under previous GAAP.

Note 11: Borrowings

Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the profit or loss over the tenure of the borrowing as part of the finance costs by applying the effective interest rate method.

Accordingly, borrowings as at 31 March 2016 have been reduced by ₹ 442.40 million (1 April 2015: ₹ 411.76 million) with a corresponding adjustment to other assets.

Note 12: Accrued cost for stock settled debt instrument

As fully explained in note 47, the Group has a stock settled debt instrument with differential return to the lender. The existence of more explicit guidance under Ind AS triggered a reassessment of measurement under the previous GAAP. Consequential impact of this reassessment has resulted into increase of non-current financial liability by ₹ 660.95 million (1 April 2015: ₹ 518.61 million). The finance cost for the year ended 31 March 2016 increased ₹ 113.14 million.

Note 13: Excise duty

Under the previous GAAP, revenue from sale of products was presented exclusive of excise duty. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty. The excise duty paid is presented on the face of the Consolidated Statement of Profit and Loss as part of expenses. This change has resulted in an increase in total revenue and total expenses for the year ended 31 March 2016 by ₹ 1,441.80 million. There is no impact on the total equity and profit for the year.

Note 14: Government grants relating to acquisition of property, plant and equipment:

Grant received from the Government relating to the purchase of property, plant and equipment and deducted from the carrying amount of corresponding property, plant and equipment under previous GAAP and outstanding as on transition date has been

Notes to the consolidated financial statements for the year ended 31 March 2017 (Continued)

recognized as deferred income under Ind AS with the corresponding adjustment to the carrying amount of property, plant and equipment (net of cumulative depreciation impact) and opening retained earnings.

Note 15: Exceptional items

Exceptional items have been reclassified to the respective heads to conform to Ind AS classifications.

52. Earnings per share

		For the year ended 31 March 2017	For the year ended 31 March 2016
Profit for basic and diluted earnings per share of ₹ 1 each	**₹ in million**	**5,756.53**	**3,918.31**
Weighted average number of equity shares used in computing earnings per share*:			
For basic earnings per share	**Nos.**	**155,868,944**	**156,138,680**
For diluted earnings per share:			
No. of shares for basic earnings per share	Nos.	155,868,944	156,138,680
Add: Potential dilutive effect of stock options	Nos.	89,375	85,124
No. of shares for diluted earnings per share	**Nos.**	**155,958,319**	**156,223,804**
Earnings per share (face value of ₹ 1 each)			
Basic	₹	36.93	25.10
Diluted	₹	36.91	25.08

* The weighted average number of shares takes into account the weighted average effect of changes in treasury share transactions during the year. There have been no other transactions involving equity shares or potential equity shares between the reporting date and the date of authorisation of these consolidated financial statements.

The accompanying notes 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/W-100022

Pravin Tulsyan
Partner
Membership No.: 108044

Shyam S. Bhartia
Chairman
DIN:00010484

Place: Noida
Date: 23 May 2017

Rajiv Shah
Company Secretary

R. Sankaraiah
Executive Director-Finance

Hari S. Bhartia
Co-Chairman and Managing Director
DIN:00010499

FORM AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies **(Accounts) Rules, 2014)**

Statement containing salient features of financial statements of subsidiary/ associates/ joint ventures as per Companies Act, 2013

PART "A" : SUBSIDIARIES

(₹ in million)
Foreign Currencies in absolute terms

Sr. No.	Name of the subsidiary	Date since when subsidiary was acquired / incorporated	Reporting currency	Share capital	Reserves & surplus	Total assets	Total liabilities	Investments (4)	Turnover / Total income	Profit/ (loss) before taxation	Provision for taxation	Profit/ (loss) after taxation	Proposed dividend	% of shareholding
1	Jubilant Clinsys Limited	21 September 2004	INR	20.00	287.90	309.87	1.97	-	35.06	24.30	4.95	19.35	Nil	100.00%
2	Jubilant Chemsys Limited	21 September 2004	INR	20.00	623.68	785.09	141.41	-	988.78	156.32	20.40	135.92	Nil	100.00%
3	Jubilant Biosys Limited	3 February 2004	INR	4.41	(546.12)	815.53	1,357.23	-	887.26	(50.79)	-	(50.79)	Nil	66.98%
4	Jubilant Infrastructure Limited	17 April 2006	INR	344.84	1,130.96	1,887.14	411.34	25.71	715.99	171.13	10.12	161.01	Nil	100.00%
5	Jubilant First Trust Healthcare Limited	23 May 2007	INR	20.50	23.57	44.53	0.46	-	2.73	1.75	0.13	1.62	Nil	100.00%
6	Jubilant Generics Limited	25 November 2013	INR	25.80	22,263.04	26,319.07	4,030.23	-	10,726.90	2,200.20	(286.49)	2,486.69	Nil	100.00%
7	Jubilant Life Sciences (USA) Inc.	4 March 1999	USD	375,000	1,765,656	8,116,637	5,975,981	-	22,474,684	687,883	35,724	652,159	Nil	100.00%
			INR	17.11	121.71	526.36	387.54	-	1,508.07	46.17	2.40	43.77	Nil	
8	Jubilant Life Sciences (Shanghai) Limited	25 March 2004	RMB	1,652,837	20,451,955	44,415,972	22,311,180	-	104,005,062	3,092,691	-	3,092,691	Nil	100.00%
			INR	8.80	199.20	417.95	209.95	-	1,036.30	30.57		30.57	Nil	
9	Jubilant Pharma NV	27 May 2004	EUR	16,180,000	1,778,012	17,998,027	40,015	-	-	(7,060)	-	(7,060)	Nil	100.00%
			INR	894.14	350.17	1,247.08	2.77	-	-	(0.53)	-	(0.53)	Nil	
10	Jubilant Pharmaceuticals NV	28 May 2004	EUR	1,050,300	(1,463,356)	1,133,342	1,546,398	-	484,579	65,231	32	65,199	Nil	100.00%
			INR	63.95	(92.57)	78.53	107.15	-	35.12	4.36	0.01	4.35	Nil	
11	PSI Supply NV	28 May 2004	EUR	665,000	(276,406)	2,241,710	1,853,116	-	2,994,021	108,623	17	108,606	Nil	100.00%
			INR	43.37	(16.45)	155.33	128.41	-	219.50	7.29	-	7.29	Nil	
12	Jubilant Pharma Holdings Inc	12 September 2005	USD	246,586,975	9,687,965	310,334,912	54,059,972	-	633,460	(2,406,198)	(413,046)	(1,993,152)	Nil	100.00%
			INR	11,610.64	5,008.79	20,125.22	3,505.79	-	42.27	(161.67)	(27.79)	(133.88)	Nil	
13	Jubilant Clinsys Inc.	4 October 2005	USD	37,629,630	(31,170,287)	7,615,569	1,156,226	-	260,784	(490,447)	1,279	(491,726)	Nil	100.00%
			INR	1,986.29	(1,567.40)	493.87	74.98	-	17.40	(32.98)	0.09	(33.07)	Nil	
14	HSL Holdings Inc.	16 May 2007	USD	19	167,714,347	274,240,318	106,525,952	-	2,790,706	1,459,877	560,586	899,291	Nil	100.00%
			INR	0.00	10,876.28	17,784.49	6,908.21	-	187.23	97.95	37.61	60.34	Nil	
15	Jubilant HollisterStier LLC	31 May 2007	USD	21,521,278	33,906,282	140,530,648	85,103,088	-	106,298,145	12,585,051	4,711,145	7,873,906	Nil	100.00%
			INR	876.78	2,717.70	9,113.41	5,518.93	-	7,133.07	845.22	316.38	528.84	Nil	
16	Jubilant Pharma Limited	19 May 2005	USD	326,758,994	(44,317,904)	675,858,868	393,417,778	-	12,405,448	(10,118,386)	1,678,448	(11,796,834)	Nil	100.00%
			INR	15,232.66	3,083.64	43,829.45	25,513.15	-	833.18	(679.23)	112.66	(791.89)	Nil	
17	Cadista Holdings Inc.	1 July 2005	USD	117,797	(2,679,673)	77,333	2,639,209	-	30	(370)	-	(370)	Nil	100.00%
			INR	5.40	(171.54)	5.02	171.16	-	0.00	(0.02)	-	(0.02)	Nil	
18	Jubilant Cadista Pharmaceuticals Inc.	1 July 2005	USD	1	128,521,977	150,418,656	21,896,678	-	80,112,022	(6,500,845)	(2,467,780)	(4,033,065)	Nil	100.00%
			INR	-	8,334.65	9,754.65	1,420.00	-	5,374.65	(437.38)	(165.98)	(271.40)	Nil	
19	Jubilant Biosys (BVI) Limited	20 August 2008	USD	1,397,501	(34,823)	1,375,902	13,224	-	-	(3,529)	-	(3,529)	Nil	100.00%
			INR	69.85	18.52	89.23	0.86	-	-	(0.24)	-	(0.24)	Nil	
20	Jubilant Biosys (Singapore) Pte. Limited	20 August 2008	USD	1,371,501	(1,404,894)	6,314	39,707	-	-	(1,318,638)	-	(1,318,638)	Nil	100.00%
			INR	68.56	(70.73)	0.41	2.58	-	-	(88.45)	-	(88.45)	Nil	
21	Jubilant Discovery Services Inc.	17 June 2008	USD	3,485,000	(2,713,720)	1,407,001	635,721	-	2,623,973	148,621	477	148,144	Nil	100.00%
			INR	184.60	(134.58)	91.24	41.22	-	176.04	9.95	0.03	9.92	Nil	
22	Jubilant Drug Development Pte. Limited	19 August 2008	USD	2,547,001	(99,659)	2,486,652	39,310	-	-	(13,068)	-	(13,068)	Nil	100.00%
			INR	127.33	31.38	161.26	2.55	-	-	(0.88)	-	(0.88)	Nil	
23	Jubilant Life Sciences (BVI) Limited	19 August 2008	USD	4,057,501	(43,931)	4,033,246	19,676	-	-	(6,996)	-	(6,996)	Nil	100.00%
			INR	203.05	57.23	261.56	1.28	-	-	(0.47)	-	(0.47)	Nil	
24	Jubilant Life Sciences International Pte. Limited	1 April 2008	USD	437,503	11,103,962	17,022,970	5,481,505	10,285,011	28,888,416	249,714	79,492	170,222	Nil	100.00%
			INR	19.99	728.47	1,103.94	355.48	666.98	1,936.76	16.73	5.31	11.42	Nil	

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(₹ in million)
Foreign Currencies in absolute terms

Sr. No.	Name of the subsidiary	Date since when subsidiary was acquired / incorporated	Reporting currency	Share capital	Reserves & surplus	Total assets	Total liabilities	Investments (4)	Turnover / Total income	Profit/ (loss) before taxation	Provision for taxation	Profit/ (loss) after taxation	Proposed dividend	% of shareholding
25	Jubilant Innovation (BVI) Limited	20 March 2009	USD	17,175,000	(13,147,465)	4,034,420	6,885	-	-	(5,119)	-	(5,119)	Nil	100.00%
			INR	835.59	(574.41)	261.63	0.45	-	-	(0.34)	-	(0.34)	Nil	
26	Jubilant Innovation Pte. Limited	20 March 2009	USD	2,922,301	(2,410,228)	540,161	28,088	-	-	(19,005)	-	(19,005)	Nil	100.00%
			INR	138.09	(104.88)	35.03	1.82	-	-	(1.28)	-	(1.28)	Nil	
27	Draximage Limited, Cyprus	12 September 2008	USD	3,400	4,072,111	4,102,064	26,553	-	1,491,700	1,439,029	-	1,439,029	Nil	100.00%
			INR	0.16	264.14	266.02	1.72	-	100.06	96.53	-	96.53	Nil	
28	Draximage Limited, Ireland	20 October 2008	USD	725,004	(364,293)	366,633	5,922	-	-	(18,910)	-	(18,910)	Nil	100.00%
			INR	35.05	(11.65)	23.78	0.38	-	-	(1.27)	-	(1.27)	Nil	
29	Draximage LLC	28 May 2008	USD	65,000	(49,888)	16,340	1,228	-	-	(42)	-	(42)	Nil	100.00%
			INR	3.05	(2.07)	1.06	0.08	-	-	(0.00)	-	(0.00)	Nil	
30	Jubilant Draximage (USA) Inc.	4 November 2008	USD	9	1,276,996	1,807,252	530,247	-	2,803,444	365,668	66,300	299,368	Nil	100.00%
			INR	0.00	82.81	117.20	34.39	-	188.09	24.50	4.43	20.07	Nil	
31	Deprenyl Inc., USA	4 November 2008	USD	15	2,194,469	2,673,988	479,504	-	172,975	(1,377,250)	(448,984)	(928,266)	Nil	100.00%
			INR	0.00	142.31	173.41	31.10	-	11.60	(92.78)	(30.25)	(62.53)	Nil	
32	Jubilant DraxImage Inc.	28 May 2008	CAD	18,652,615	191,213,094	306,725,684	96,859,975	-	158,807,878	97,458,395	26,715,907	70,742,488	Nil	100.00%
			INR	754.95	9,442.60	14,903.98	4,706.43	-	8,112.66	4,979.01	1,365.04	3,613.97	Nil	
33	6963196 Canada Inc.	28 May 2008	CAD	2,500	(19,376)	5	16,881	-	-	(331)	-	(331)	Nil	100.00%
			INR	0.11	(0.93)	0.00	0.82	-	-	(0.02)	-	(0.02)	Nil	
34	6981364 Canada Inc.	28 May 2008	CAD	2,500	(8,058)	2,230	7,788	-	-	(382)	-	(382)	Nil	100.00%
			INR	0.11	(0.38)	0.11	0.38	-	-	(0.02)	-	(0.02)	Nil	
35	DAHI Animal Health (UK) Limited	24 September 1997	GBP	1	(2,207)	-	2,206	-	-	-	-	-	Nil	100.00%
			INR	0.00	(0.18)	-	0.18	-	-	-	-	-	Nil	
36	Draximage (UK) Limited	10 December 2002	GBP	1	-	1	-	-	-	-	-	-	Nil	100.00%
			INR	0.00	-	0.00	-	-	-	-	-	-	Nil	
37	Jubilant Innovation (USA) Inc.	14 July 2009	USD	2,975,000	1,238,655	5,228,720	1,015,065	3,221,098	79,894	(452,860)	66,609	(519,469)	Nil	100.00%
			INR	160.04	113.22	339.09	65.83	208.89	5.36	(30.34)	4.48	(34.82)	Nil	
38	Jubilant Innovation (India) Limited	31 December 2009	INR	0.50	2.70	3.26	0.06	-	0.15	(0.31)	-	(0.31)	Nil	100.00%
39	Jubilant DraxImage Limited	9 September 2009	INR	0.78	(26.46)	32.29	57.97	-	112.97	3.67	-	3.67	Nil	100.00%
40	Draxis Pharma LLC	1 October 2009	USD	250,100	(2,881)	247,819	600	-	-	(600)	-	(600)	Nil	100.00%
			INR	11.64	4.39	16.07	0.04	-	-	(0.04)	-	(0.04)	Nil	
41	Jubilant HollisterStier Inc.	1 October 2009	USD	42,325,600	(35,039,667)	100,264,258	92,978,325	-	-	(5,735,049)	-	(5,735,049)	Nil	100.00%
			INR	1,922.11	(1,449.61)	6,502.14	6,029.64	-	-	(384.70)	-	(384.70)	Nil	
42	Jubilant Life Sciences (Switzerland) AG, Schaffhausen	26 January 2011	CHF	100,000	(120,085)	3,099	23,184	-	-	(25,227)	-	(25,227)	Nil	100.00%
			INR	4.70	(6.00)	0.20	1.50	-	-	(1.71)	-	(1.71)	Nil	
43	Jubilant Drug Discovery and Development Services Inc.	18 October 2010	CAD	50,000	(95,629)	194,170	239,799	-	156,554	(161,850)	-	(161,850)	Nil	100.00%
			INR	2.45	(4.67)	9.44	11.66	-	7.92	(8.20)	-	(8.20)	Nil	
44	Vanthys Pharmaceutical Development Pvt. Limited	11 May 2009	INR	225.00	(190.88)	35.27	1.15	-	2.95	2.74	0.85	1.89	Nil	100.00%
45	Drug Discovery and Development Solutions Limited	6 August 2013	USD	1,050,001	7,001,668	8,068,062	16,393	-	-	(57,533)	-	(57,533)	Nil	100.00%
			INR	67.34	454.81	523.21	1.06	-	-	(3.86)	-	(3.86)	Nil	
46	Jubilant Life Sciences NV	12 July 2013	EUR	100,000	416,044	11,878,398	11,362,354	-	41,028,411	517,034	180,538	336,496	Nil	100.00%
			INR	7.81	27.95	823.06	787.30	-	3,018.02	37.36	13.10	24.26	Nil	
47	Jubilant Pharma Trading Inc.	24 April 2014	USD	100	1,458,513	4,335,650	2,877,037	-	18,375,882	519,239	201,434	317,805	Nil	100.00%
			INR	0.01	94.58	281.17	186.58	-	1,232.63	34.83	13.52	21.31	Nil	

FORM AOC-1 (Continued)

(₹ in million)
Foreign Currencies in absolute terms

Sr. No.	Name of the subsidiary	Date since when subsidiary was acquired / incorporated	Reporting currency	Share capital	Reserves & surplus	Total assets	Total liabilities	Investments (4)	Turnover / Total income	Profit/ (loss) before taxation	Provision for taxation	Profit/ (loss) after taxation	Proposed dividend	% of shareholding
48	Jubilant Pharma Austrailia Pty Limited	11 August 2016	AUD	20,000	-	20,000	-	-	-	-	-	-	Nil	100.00%
			INR	1.00	(0.01)	0.99	-	-	-	-	-	-	Nil	
49	Jubilant Employee Welfare Trust	22 November 2008	INR	0.01	326.87	440.56	113.68	-	48.08	48.05	-	48.05	Nil	100.00%
50	Jubilant Draximage Radiopharmacies Inc.	8 March 2017	USD	100	-	100	-	-	-	-	-	-	Nil	100.00%
			INR	0.01	(0.00)	0.01	-	-	-	-	-	-	Nil	

Notes:

1) Reporting period of all the Subsidiary Companies is 1 April 2016 to 31 March 2017.

2) Converted into Indian Rupees at the exchange rate as on 31 March 2017 : 1EUR = INR 69.29, 1USD = INR 64.85, 1GBP = INR 80.90, 1RMB = INR 9.41, 1CAD = INR 48.59, 1CHF = INR 64.82, 1 AUD = INR 49.55.

3) The above statement excludes inter company eliminations.

4) Excludes investment in subsidiaries.

Names of Subsidiaries which are yet to commence operations: -

1. Jubilant Pharma Australia Pty Limited
2. Jubilant Draximage Radiopharmacies Inc.

Names of Subsidiaries which have been liquidated or sold during the year: Nil

PART "B" : ASSOCIATES AND JOINT VENTURES

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Sr. No.	Name of Associates/Joint Ventures	Latest audited Balance Sheet date	Shares of Associate/Joint Ventures held by the company on the year end: Date on which Associate or Joint Venture was associated or acquired	No.	Amount of Investment in Associates/ Joint Venture (₹ in million)	Extend of Holding %	Description of how there is significant influence	Net worth attributable to shareholding as per latest audited Balance Sheet (₹ in million)	Reason why the associate/ joint venture is not consolidated	Profit/Loss for the year: Considered in consolidation (₹ in million)	Not considered in consolidation (₹ in million)

1. Names of associates or joint ventures which are yet to commence operations : Nil
2. Name of associates or joint ventures which have been liquidated or sold during the year : Nil

For and on behalf of the Board of Directors of **Jubilant Life Sciences Limited**

Shyam S. Bhartia
Chairman
DIN:00010484

Place: Noida
Date: 23 May 2017

Rajiv Shah
Company Secretary

R. Sankaraiah
Executive Director-Finance

Hari S. Bhartia
Co-Chairman and Managing Director
DIN:00010499

Corporate Information

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CIN: L24116UP1978PLC004624

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Chartered Accountants
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Haryana, India

Cost Auditors
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Cost Accountants
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Vishwas Nagar
Delhi- 100 032, India

Internal Auditors
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Haryana, India

Company Secretary
Rajiv Shah

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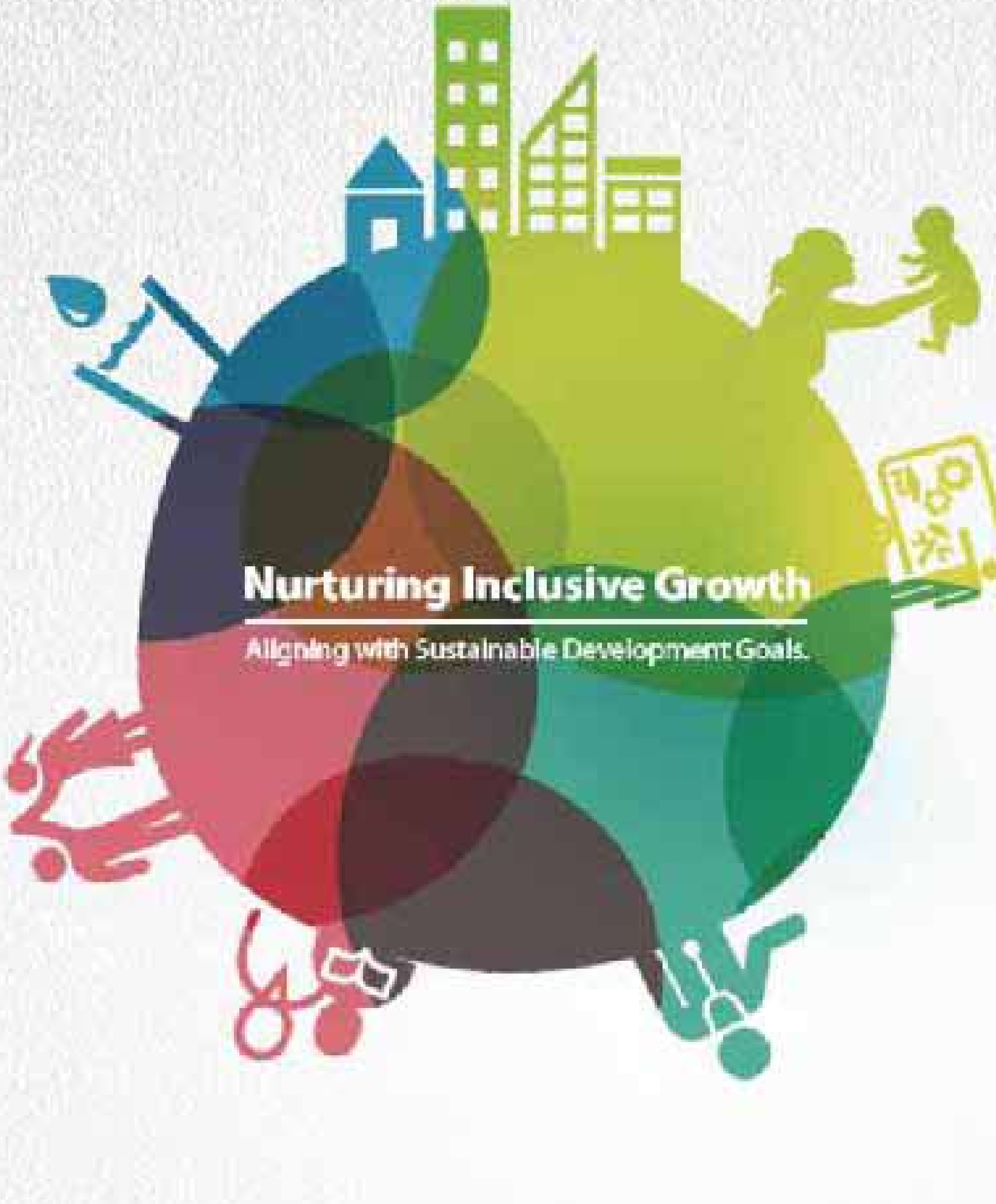
Tel.: +91-11-4254-1234/2354-1234

Bankers
Axis Bank Limited
Bank of Maharashtra
Corporation Bank
DBS Bank Limited
Export Import Bank of India
The Hong Kong & Shanghai Banking Corporation Limited
ICICI Bank Limited
Punjab National Bank
RBL Bank Limited
Yes Bank Limited

Sustainability Report 2016-17



Jubilant Life Sciences Ltd. publishes its Sustainability Report annually conforming to GRI G4 guidelines in accordance 'Comprehensive' option.

The Sustainability Report for FY 2016 -17 is available at: www.jubl.com/sustainability/sustainability-report

Jubilant Life Sciences Limited

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