Annual Report 2013-14

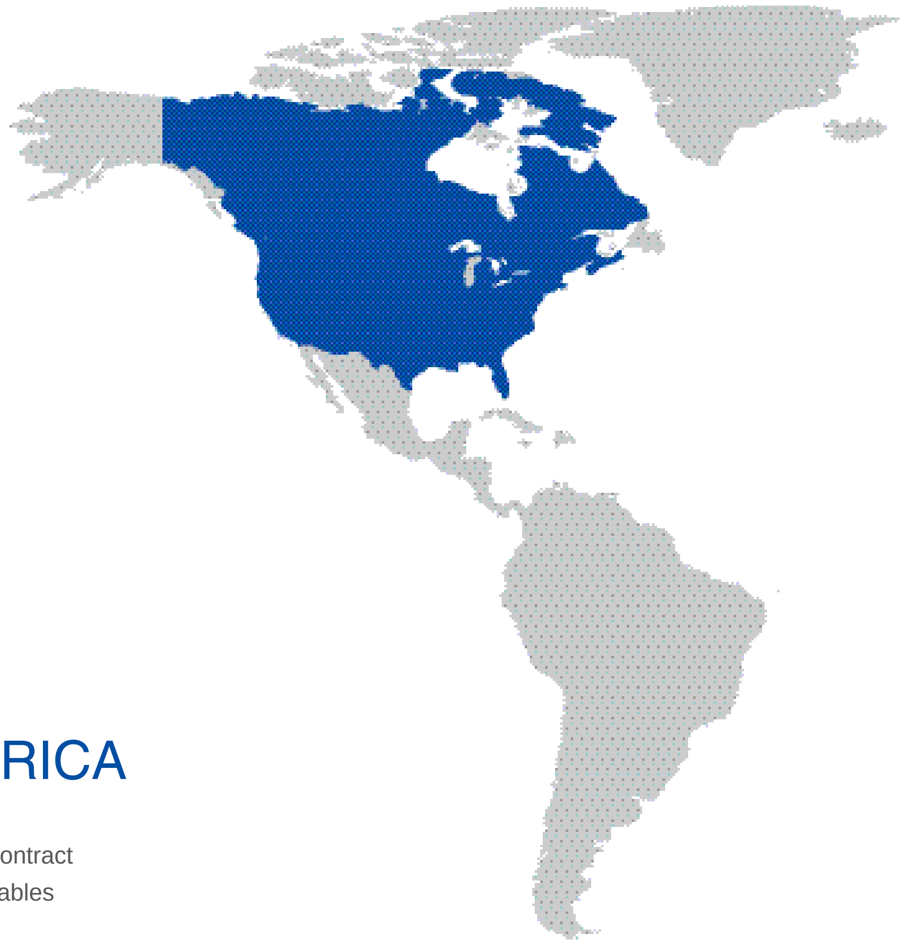
JUBILANT LIFESCIENCES

Partnering for a better life

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

Contents

Global Presence



NORTH AMERICA

Kirkland, Quebec, Canada
USFDA approved facility for Contract Manufacturing of Sterile Injectables and Radiopharmaceuticals
DDDS Office

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

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

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

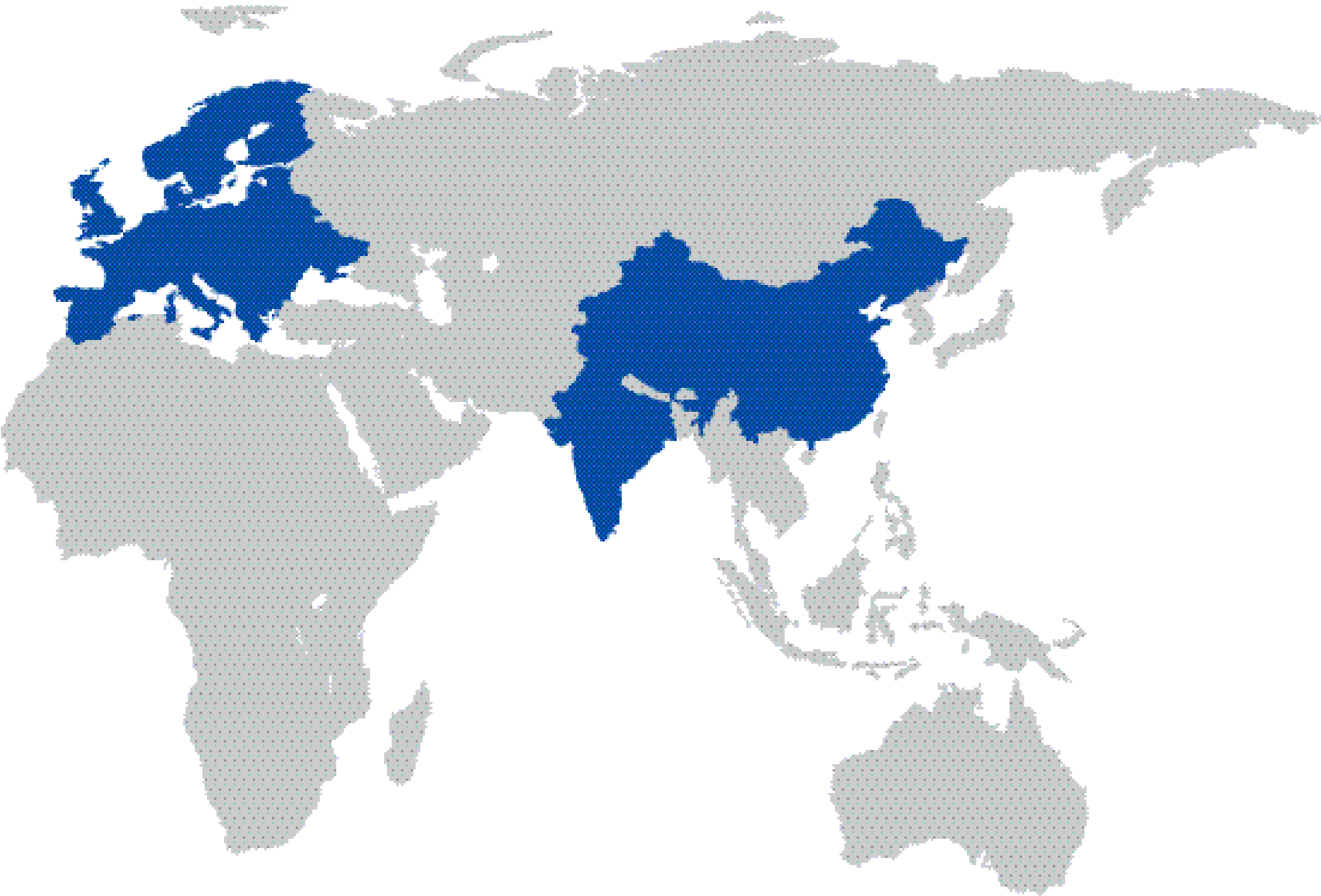
Salisbury, Maryland, USA
USFDA approved facility for Generics (Tablets & Capsules)

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

EUROPE

Merelbeke, Belgium
Regulatory & Generic Marketing

Dusseldorf, Germany
Jubilant Clinsys, Europe Office



INDIA

Noida, Uttar Pradesh
Corporate Office & R&D Centres

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

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

Samlaya, Gujarat
Nutrition Products

Bharuch, Gujarat
SEZ for Vitamins and Life Science derivatives

Ambernath, Maharashtra
Fine Ingredients - Pyridine derivatives

Nira, Maharashtra
Life Sciences Chemicals

Bengaluru, Karnataka
State-of-art Discovery Centre

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

CHINA

Shanghai
Marketing Office

OUR VISION

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

OUR VALUES

OUR PROMISE

Caring, Sharing, Growing

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

Awards & Recognition

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

Board of Directors

Shyam S Bhartia
Chairman & Managing Director

Hari S Bhartia
Co-Chairman & Managing Director

Shyamsundar Bang
Executive Director

Abhay Havaldar
Director

Shardul S Shroff
Director

Inder Mohan Verma
Director

Suresh Kumar
Director

S Sridhar
Director

Sudha Pillai
Director

Senior Leadership Team

Shyam S Bhartia
Chairman & Managing Director

Hari S Bhartia
Co-Chairman & Managing Director

R Sankaraiah
Executive Director
Finance

Shyamsundar Bang
Executive Director
Manufacturing & Supply Chain

Chairmen's Message

Shyam S Bhartia
Chairman &
Managing Director

Hari S Bhartia
Co-Chairman &
Managing Director

Dear Shareholders,

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

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

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

BUSINESS OBJECTIVES

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

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

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

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

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

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

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

PERFORMANCE REVIEW

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

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

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

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

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

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

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

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

DIVIDEND

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

OUTLOOK

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

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

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

May the coming year be successful for all of us!

Shyam S. Bhartia

Shyam S Bhartia

(Chairman & Managing Director)

June 15, 2014

Hari S. Bhartia

Hari S Bhartia

(Co-Chairman & Managing Director)

Management Discussion & Analysis

KEY ECONOMIC AND INDUSTRY TRENDS

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

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

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

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

OUR BUSINESS STRATEGY

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

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

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

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

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

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

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

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

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

b. Increasing proportion of inter-divisional sales

3. Optimise margins while maintaining prudent financial policies

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

b. Continue prudent execution of capital expenditure

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

Financials

Consolidated Income Statement

(₹ / million)

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

Revenue

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

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

Total Expenditure

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

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

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

Profit Before Tax

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

Tax Expenses

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

Profit After Tax

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

Indebtedness

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

Capital Expenditure

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

Operations Review - Strengths, Opportunities and Challenges

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

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

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

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

Life Science Ingredients segment includes products from our following businesses

(i) Advance Intermediates and Specialty Ingredients

(ii) Nutritional Products

(iii) Life Sciences Chemicals

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

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

Pharmaceuticals

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

GENERICS

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

Active Pharmaceuticals Ingredients (APIs)

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

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

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

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

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

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

Solid Dosage Formulations

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

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

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

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

Specialty Pharmaceuticals (Sterile Products)

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

CMO of Sterile Injectables

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

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

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

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

Radiopharmaceuticals

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

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

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

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

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

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

Allergy Therapy Products

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

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

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

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

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

Drug Discovery and Development Solutions (DDDS)

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

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

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

Others

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

Life Science Ingredients

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

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Advance Intermediates and Specialty Ingredients

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

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

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

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

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

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

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

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

Nutritional Products

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

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

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

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

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

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

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

Life Science Chemicals

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

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

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

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

Business Enablers

Research & Development and Intellectual Property

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

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

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

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

Manufacturing

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

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

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

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

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

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

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

Supply Chain

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

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

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

Business Excellence

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

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

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

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

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

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

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

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

Human Resource Management

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

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

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

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

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

Internal Control Systems and Risk Management

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

Jubilant's Vision on Risk Management

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

Risk Management Strategy

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

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

Risk Management Structure

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

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

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

Risk Mitigation Methodology

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

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

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

Management's Assessment of Risk

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

Competition

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

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

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

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

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Cost Competitiveness

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

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

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

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

Foreign Currency and Interest Rate Exposures

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

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

Capacity Planning and Optimisation

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

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

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

R&D Effectiveness

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

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

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

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

Human Resources – Acquire and Retain Talent

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

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

Portfolio and Mix: Customer and Product Concentration

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

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

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

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

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

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

Compliance and Regulatory

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

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

Environment Health and Safety (EHS)

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

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

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

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

Protecting Intellectual Property Rights (IPRs)

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

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

Annual Accounts

Directors' Report

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

Overview

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

Financial Results (Standalone)

(₹ /million)

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

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

Financial Highlights

(i) Standalone Financials

Income from Operations

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

International Revenues

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

EBITDA

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

Reported Net Profit/(Loss) After Tax and EPS

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

(ii) Consolidated Financials

Income from Operations

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

International Revenues

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

Pharmaceuticals Segment

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

Life Science Ingredients Segment

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

EBITDA

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

Reported and Normalised Profit After Tax and EPS

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

Dividend

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

Capital Structure

(a) Employees Stock Options (ESOPs)

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

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

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

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

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

(b) Share Capital

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

Subsidiaries

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

Jubilant HollisterStier LLC

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

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

Jubilant DraxImage Inc.

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

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

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

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

Jubilant Biosys Limited

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

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

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

Jubilant Discovery Services Inc.

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

Jubilant Chemsys Limited

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

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

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

Jubilant Clinsys Limited

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

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

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

Jubilant Clinsys Inc.

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

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

Jubilant Infrastructure Limited

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

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

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

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

Jubilant First Trust Healthcare Limited and Asia Healthcare Development Ltd.

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

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

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

Cadista Holdings Inc. and Jubilant Cadista Pharmaceuticals Inc.

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

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

Jubilant Life Sciences (USA) Inc.

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

Jubilant Life Sciences (Shanghai) Limited

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

Jubilant Pharmaceuticals NV

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

PSI Supply NV

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

Jubilant Life Sciences NV

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

Jubilant DraxImage Limited

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

Other subsidiaries as at the year end are as follows:

First Trust Medicare Private Limited

Jubilant Innovation (India) Limited

Vanthys Pharmaceutical Development Private Limited

Jubilant Generics Limited@

Jubilant Innovation Pte. Limited

Jubilant Biosys (Singapore) Pte. Limited

Jubilant Drug Development Pte. Limited

Drug Discovery and Development Solutions Limited^

Jubilant Pharma Limited

Jubilant Life Sciences International Pte. Limited

Jubilant Innovation (BVI) Limited

Jubilant Life Sciences (BVI) Limited

Jubilant Biosys (BVI) Limited

Jubilant Innovation (USA) Inc.

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

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

HSL Holdings Inc.

Draximage LLC.

Jubilant DraxImage (USA) Inc.

Deprenyl Inc., USA

Draxis Pharma LLC

Jubilant HollisterStier Inc.

Draximage Limited, Cyprus

Draximage Limited, Ireland

Jubilant Pharma NV

6963196 Canada Inc.

6981364 Canada Inc.

Jubilant Drug Discovery & Development Services Inc.

DAHI Animal Health (UK) Limited

Draximage (UK) Limited

Jubilant Life Sciences (Switzerland) AG

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

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

Partnerships

Jubilant HollisterStier General Partnership

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

Draximage General Partnership

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

Consolidated Financial Statements

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

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

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

Fixed Deposits

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

Cost Audit

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

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

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

Secretarial Audit

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

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

Directors

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

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

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

Directors' Responsibility Statement

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

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

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

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

Employees

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

Corporate Governance

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

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

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

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

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

Management Discussion & Analysis Report

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

Risk Management

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

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

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

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

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

Certifications

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

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

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

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

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

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

Human Resources

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

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

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

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

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

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

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

Investor Services

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

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

Awards and Accolades

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

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

Green Initiatives

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

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

Corporate Social Responsibility

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

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

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

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

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

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

Business Restructuring

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

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

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

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

Acknowledgments

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

For and on behalf of the Board

Place: Noida

Shyam S. Bhartia

Date: May 26, 2014

Chairman & Managing Director

Annexure - A

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

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

<table>
<tr><th>S. No.</th><th colspan="2">Particulars</th><th>Plan 2005</th><th>Plan 2011</th></tr>
<tr><td>l)</td><td></td><td>Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of Option calculated in accordance with Accounting Standard (AS) - 20 'Earning Per Share'</td><td colspan="2">Shares held by Jubilant Employee Welfare Trust are in excess of employees' Options granted and outstanding. Therefore, the effect of outstanding employees' Options is NIL on computation of diluted EPS.</td></tr>
<tr><td rowspan="14">m)</td><td rowspan="14"></td><td rowspan="14">Where the Company has calculated the employee compensation cost using the intrinsic value of the Options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options, the impact of this difference on profits and on EPS of the Company.</td><td colspan="2">Pro Forma Adjusted Net Income and Earnings Per Share:</td></tr>
<tr><td>Particulars</td><td>₹ /million</td></tr>
<tr><td>Net Income - As Reported</td><td>8.24</td></tr>
<tr><td>Add: Intrinsic Value Compensation Cost</td><td>Nil</td></tr>
<tr><td>Less: Fair Value Compensation Cost</td><td>22.36</td></tr>
<tr><td>Adjusted Pro Forma Net Income</td><td>(14.12)</td></tr>
<tr><td>Earnings Per Share of ₹ 1 each:</td><td></td></tr>
<tr><td>Basic (In ₹):</td><td></td></tr>
<tr><td>As Reported</td><td>0.05</td></tr>
<tr><td>Adjusted Proforma</td><td>(0.09)</td></tr>
<tr><td>Earnings Per Share of ₹ 1 each</td><td></td></tr>
<tr><td>Diluted (In ₹):</td><td></td></tr>
<tr><td>As Reported</td><td>0.05</td></tr>
<tr><td>Adjusted Proforma</td><td>(0.09)</td></tr>
<tr><td rowspan="3">n)</td><td rowspan="3"></td><td rowspan="3">Weighted-average exercise prices and weighted-average fair values of Options.</td><td>(i) Where exercise price equals the market price of the Options:
- Weighted average of exercise prices of Options: ₹ 223.90
- Weighted average of fair values of Options: ₹ 94.18</td><td>(i) Where exercise price equals the market price of the Options:
- Weighted average of exercise prices of Options: ₹ 210.49
- Weighted average of fair values of Options: ₹ 84.90</td></tr>
<tr><td>(ii) Where exercise price exceeds the market price of the Options: Not Applicable</td><td>(ii) Where exercise price exceeds the market price of the Options: Not Applicable</td></tr>
<tr><td>(iii) Where exercise price is less than the market price of the Options: Not Applicable</td><td>(iii) Where exercise price is less than the market price of the Options: Not Applicable</td></tr>
<tr><td rowspan="7">o)</td><td></td><td>Description of the method and significant assumptions used during the year to estimate the fair values of Options, including the following weighted-average information:</td><td>Not applicable as no Options were granted during the year</td><td>The fair value has been calculated using the Black Scholes Option Pricing Model</td></tr>
<tr><td>i)</td><td>date of grant</td><td></td><td>May 7, 2013</td></tr>
<tr><td>ii)</td><td>risk-free interest rate</td><td></td><td>7.74%</td></tr>
<tr><td>iii)</td><td>expected life</td><td></td><td>3.65 years</td></tr>
<tr><td>iv)</td><td>expected volatility</td><td></td><td>38.36%</td></tr>
<tr><td>v)</td><td>expected dividends</td><td></td><td>1.10%</td></tr>
<tr><td>vi)</td><td>price of the underlying share in market at the time of Option grant</td><td></td><td>₹ 176</td></tr>
</table>

Annexure - B

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

A. Conservation of Energy

(a) Energy Conservation Measures Taken

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

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

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

Expected investment in above initiatives is ₹ 32.7 million approx.

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

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

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

FORM A

A. Power & Fuel Consumption

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

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

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

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

B. **Consumption per Unit of Production**

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

B. Technology Absorption

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

FORM B

Research and Development (R&D):

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

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

(i) Active Pharmaceutical Ingredients and Dosage Forms

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

(ii) Biotechnology

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

(iii) Fine Chemicals and Proprietary Products

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

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

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

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

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

3. **Future Action Plan**

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

4. **Expenditure on R&D**

(₹ / million)

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

Technology Absorption, Adaptation and Innovation:

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

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

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

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

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

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

   Not Applicable.

C. Foreign Exchange Earnings and Outgo

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

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

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

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

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

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

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

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

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

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

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

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

(g) Total Foreign Exchange used and earned

(₹ / million)

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

Annexure - C

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

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

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

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

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

Notes:

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

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

Report on Corporate Governance

Annexure - D

a) Company's Philosophy

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

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

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

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

Highlights of Jubilant's Corporate Governance Regime are:

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

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

b) Board of Directors:

(i) Composition

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

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

(ii) Policy on positive attributes of Independent Directors

An Independent Director on the Board is expected to:

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

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

(iii) Meetings of the Board

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

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

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

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

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

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

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

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

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

@ Nominee of GA Global Investments Limited - Private Equity Investor

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

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

(iv) Other Directorships

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

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

Excluding non-profit companies

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

(v) Code of Conduct

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

(vi) Information Given to the Board

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

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

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

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

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

c) Committees of the Board

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

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

Major Committees are/were:

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

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

Audit Committee

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

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

(i) Terms of Reference

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

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

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

(ii) Composition

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

Invitees:

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

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

Secretary

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

(iii) Meetings, Quorum and Attendance

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

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

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

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

* Appointed as member w.e.f. June 15, 2013

\# Appointed as member w.e.f. May 2, 2013

^ Appointed as member w.e.f. May 2, 2013 and ceased w.e.f. June 28, 2013

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

Nomination, Remuneration and Compensation Committee

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

(i) Terms of Reference

The role of the Committee will be:

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

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

(ii) Composition

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

Invitee

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

Secretary

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

Stakeholders Relationship Committee *(earlier Investors Grievance Committee)*

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

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

(i) Terms of Reference

The role of Committee currently is:

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

(ii) Composition

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

Invitee

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

Secretary

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

(iii) Meetings, Quorum and Attendance

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

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

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

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

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

(iv) Investors Complaints

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

(v) Transfers and Transmissions approved

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

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

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

Sustainability & CSR Committee (earlier Sustainability Committee)

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

(i) Terms of Reference

The role of Committee currently is:

i. Sustainability:

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

ii. CSR:

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

(ii) Composition

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

Invitee

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

Secretary

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

(iii) Meetings, Quorum and Attendance

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

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

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

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

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

Corporate Governance Committee

(i) Terms of Reference

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

(ii) Composition

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

*Not a Director

Secretary

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

(iii) Meetings, Quorum and Attendance

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

No meeting of the Committee was held during the year.

Finance Committee

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

(i) Terms of Reference

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

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

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

(ii) Composition

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

Invitee

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

Secretary

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

(iii) Meetings, Quorum and Attendance

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

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

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

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

Fund Raising Committee

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

(i) Terms of Reference

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

(ii) Composition

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

Invitee

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

Secretary

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

(iii) Meetings, Quorum and Attendance

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

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

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

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

Compensation Committee

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

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

(i) Terms of Reference

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

(ii) Composition

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

Invitees

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

Secretary

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

(iii) Meetings, Quorum and Attendance

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

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

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

Remuneration Committee

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

(i) Terms of Reference

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

(ii) Composition

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

Invitee

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

Secretary

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

(iii) Meetings, Quorum and Attendance

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

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

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

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

d) Remuneration of Directors

(i) Remuneration to Managing/Whole-Time Directors

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

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

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

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

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

(ii) Remuneration to Non-Executive Directors

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

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

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

$ Opted not to take any remuneration

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

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

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

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

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

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

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

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

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

f) General Body Meetings

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

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

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

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

(ii) Special Resolutions passed through Postal Ballot last year

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

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

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

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

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

(iv) Procedure for Postal Ballot

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

g) Disclosures

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

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

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

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

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

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

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

h) Means of Communication

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

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

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

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

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

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

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

i) General Shareholders' Information

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

As per notice of 36th Annual General Meeting.

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

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

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

(iii) Book Closure & Dividend Payment Dates

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

(iv) Listing

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

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

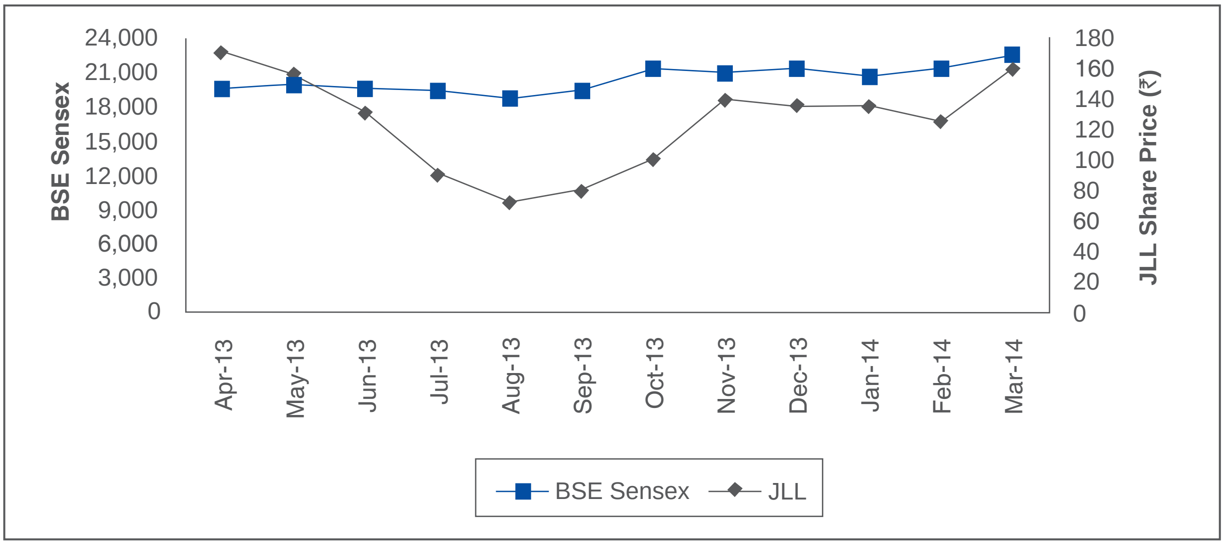
(v) Market Information

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

(Amount in ₹)

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

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



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

(vii) **Growth in Equity Capital**

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

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

(viii) Appreciation in Share Price

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

Date	Action	No. of Resultant Shares of JLL	Face Value of JLL Shares (₹)	No. of Resultant Shares of JIL	Face Value of JIL Shares (₹)
April 02, 2001	Purchased shares @ ₹ 62.90 per share (BSE 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 2013-14 @ ₹ 158.90 per share is ₹ 4,041,971.08 and Market Value of 1271.86 Equity Shares of JIL as at the end of Financial Year 2013-14 @ ₹ 50.15 per share is ₹ 63,783.78 resulting in an aggregate of ₹ 4,105,754.86. Thus, the investor has multiplied his wealth over 41 times in 13 years, implying a Compounded Annual Growth Rate of 33% approximately. In addition, he has got handsome dividends.

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

(ix) Compliance Officer

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

(x) Registrar and Transfer Agent

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

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

(xi) Share Transfer System

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

(xii) Shareholder Satisfaction Survey

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

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

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

- Excellent
- Very Good
- Good
- Poor

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

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

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

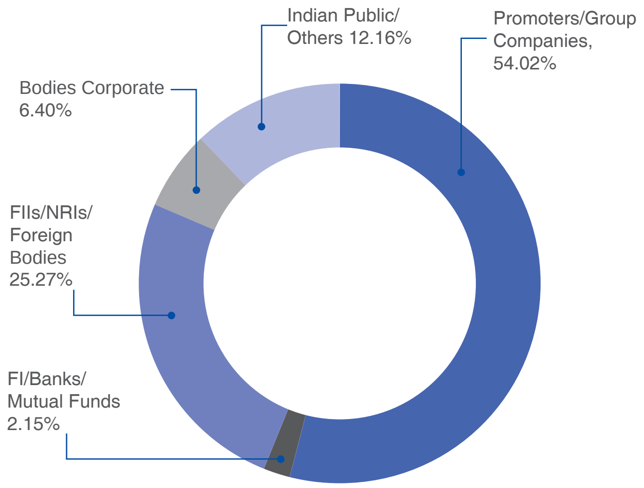
(a) Value wise

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

(b) Category wise

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

Graphic depiction of above is given below:



(xiv) Code of Conduct for Prevention of Insider Trading

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

The Company Secretary is the Compliance Officer in this regard.

(xv) Unclaimed Dividends

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

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

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

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

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

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

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

(xvii) Compliance Certificate of Practicing Company Secretary

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

(xviii)(a) Dematerialisation of Shares

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

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

(b) Liquidity

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

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

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

(b) Employees Stock Options

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

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

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

(c) Paid-up Capital

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

(xx) Location of the Manufacturing Facilities

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

(xxi) R&D Centres

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

(xxii) Address for Correspondence

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

(xxiii) Corporate Identity Number (CIN)

L24116UP1978PLC004624

(xxiv) Equity Shares in Suspense Account

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

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

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

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

(a) Mandatory Requirements

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

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

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

1. The Board

- **Non Executive Chairman's Office**

  Not applicable as Chairman is executive.

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

  Adopted.

2. Remuneration Committee

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

3. Shareholders' Rights

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

4. Audit Qualifications

Financial statements of the Company contain no audit qualifications.

5. Training of Board Members

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

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

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

6. Mechanism for Evaluating Non-Executive Board Members

Not Adopted.

7. Whistle Blower Policy

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

Corporate Governance Voluntary Guidelines 2009

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

Compliance with Code of Conduct

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

CEO/CFO Certification

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

Secretarial Audit Report

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

Annexure - E

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

To,
The Members of
JUBILANT LIFE SCIENCES LIMITED

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

For **Tanuj Vohra & Associates**
Company Secretaries

Place : Delhi
Date : 26.05.2014

Tanuj Vohra
C.P. No. 5253

Annexure - F

TO WHOM IT MAY CONCERN

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

For **Jubilant Life Sciences Limited**

Place : Noida
Date : May 26, 2014

Shyam S. Bhartia
Chairman & Managing Director

Annexure - G

CERTIFICATE OF CEO/CFO

This is to certify that:

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

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

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

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

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

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

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

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

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

For **Jubilant Life Sciences Limited**

Shyam S. Bhartia
Chairman & Managing Director

R. Sankaraiah
Executive Director – Finance

Place : Noida
Date : May 26, 2014

Annexure - H

SECRETARIAL AUDIT REPORT

The Board of Directors
Jubilant Life Sciences Limited
Noida

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

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

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

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

   II. closure of the Register of Members;

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

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

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

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

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

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

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

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

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

XII. appointment and remuneration of Auditors and Cost Auditors;

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

XIV. declaration and payment of dividend;

XV. borrowings and registration of charges;

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

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

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

2. We further report that:

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

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

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

3. We further report that :

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

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

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

For **SANJAY GROVER & ASSOCIATES**
COMPANY SECRETARIES

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

Date : May 23, 2014
Place : New Delhi

Independent Auditor's Report

To the Members of Jubilant Life Sciences Limited

Report on Financial Statements

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

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956, read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 (together referred to as the "Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

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

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

(c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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

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

Akhil Bansal
Partner
Membership No.: 090906

Place: Noida
Date: 26 May 2014

Annexure to the Auditor's Report

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

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

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

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

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

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

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

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

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

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

(d) In respect of the aforesaid loans, there is no overdue amount more than ₹ One Lakh.

(e) The Company has taken unsecured loan from a subsidiary company covered in the register maintained under Section 301 of the Act. The maximum amount involved during the year and the year-end balance of that loan aggregated to ₹ 357.50 million and ₹ 357.50 million respectively.

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

(g) In respect of the aforesaid loans, the Company is regular in repaying the principal amounts, as stipulated, and is also regular in payment of interest, as applicable.

(iv) In our opinion, and according to the information and explanations given to us, and having regard to the explanation that purchase of certain items of inventories and fixed assets are for the Company's specialised requirements and similarly certain goods sold are for the specialised requirements of the buyers and suitable alternative sources are not available to obtain comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventories and fixed assets and for the sale of goods and services. In our opinion, and according to the information and explanations given to us, we have not been informed or observed any major weakness in the internal control system during the course of the audit.

(v) (a) In our opinion, and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.

(b) In our opinion, and according to the information and explanations given to us, the transactions made in pursuance of contracts and arrangements referred to in paragraph 4(v)(a) above and exceeding the value of ₹ 5 lakh with any party during the year, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time except for the purchases of certain items of inventories which are for Company's specialised requirements and similarly for sale of certain goods for the specialised requirements of the buyers and for which suitable alternative sources are not available to obtain comparable quotations. However, on the basis of information and explanations provided, the same appear reasonable.

(vi) According to the information and explanations given to us, the Company has not accepted any deposits from the public.

(vii) According to the information and explanations given to us, we are of the opinion that the Company has an internal audit system commensurate with the size of the Company and nature of its business.

(viii) We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under section 209(1)(d) of the Act, in respect of its products and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and any other statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and any other statutory dues were in arrears as at 31 March 2014 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of Wealth Tax which have not been deposited with the appropriate authorities on account of any dispute. According to the information and explanations given to us, the following dues of Income Tax, Sales Tax, Excise Duty, Service Tax and Custom Duty have not been deposited by the Company on account of disputes:

Name of the Statute	Nature of the Dues	Amount involved* (₹ in million)	Amount paid under protest (₹ in million)	Financial year to which the amount relates	Forum where dispute is pending
Income-tax Act, 1961	Income Tax	265.17	-	1988-89, 1997-98, 2001-08	Income Tax Appellate Tribunal
		94.39	-	1987-88, 1990-91, 1992-94, 1995-97	High Court, Allahabad
Central Excise Act, 1944	Excise Duty	10.38	-	1996-97, 2003-12	Custom Excise and Service Tax Appellate Tribunal
		2.48**	-		
		236.90	-	2006-12	Commissioner
		140.43**	-		
		42.12	-	2011-13	Additional Commissioner/ Commissioner

Name of the Statute	Nature of the Dues	Amount involved* (₹ in million)	Amount paid under protest (₹ in million)	Financial year to which the amount relates	Forum where dispute is pending
Service Tax, Finance Act, 1994	Service Tax	1.59	-	2002-03	High Court, Allahabad
		99.20**	-	2006-12	Custom Excise and Service Tax Appellate Tribunal
		0.15	-	2007-09	Commissioner (Appeals)
		5.95	-	2007-11	Additional Commissioner
Customs Act, 1962	Custom Duty	19.99	-	2000-02, 2012-14	Assistant Commissioner
		0.08	-	2000-02	Deputy Commissioner
		11.23	-	2001-11	Additional Commissioner
UP VAT Act, 2008	UP Vat Tax	2.87	-	2000-08	Sales Tax Appellate Tribunal
		45.88	-	2010-14	Supreme Court
Central Sales Tax Act, 1956	Sales Tax	2.84	-	2008-13	Sales tax appellate Tribunal

* amount as per demand orders including interest and penalty, wherever indicated in the order.

** a stay order has been received against the amount disputed and not deposited.

The above table excludes the disputed cases pertaining to the businesses demerged into Jubilant Industries Limited pursuant to the Scheme of Amalgamation and Demerger as sanctioned by Hon'ble Allahabad High Court in the earlier year, though some of the same are still being pursued in the Company's name.

(x) The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the current financial year and in the immediately preceding financial year.

(xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to its bankers or to any financial institutions. The Company has not issued debentures during the year.

(xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) According to the information and explanations given to us, the Company is not a chit fund or a nidhi/mutual benefit fund/ society.

(xiv) According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.

(xv) In our opinion, and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by a subsidiary company from banks during the year are not prejudicial to the interest of the Company.

(xvi) Based on our examination of books of account and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.

(xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that the no funds raised on short-term basis have been used for long-term investment.

(xviii) The Company has not made any preferential allotment of shares during the year.

(xix) The Company did not have any outstanding debentures during the year.

(xx) The Company has not raised any money by public issues.

(xxi) Based on our examination of the books of account and in accordance with the information and explanations given to us by the management, no fraud on or by the Company has been noticed or reported during the course of our audit.

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

Akhil Bansal
Partner
Membership No.: 090906

Place: Noida
Date: 26 May 2014

Balance Sheet as at 31 March 2014

(₹ in million)

	Note	As at 31 March 2014		As at 31 March 2013	
EQUITY AND LIABILITIES					
Shareholders' Funds					
Share capital	3	154.46		159.30	
Reserves and surplus	4	17,173.08		18,276.58	
			17,327.54		18,435.88
Non-current liabilities					
Long-term borrowings	5	11,410.50		20,512.53	
Deferred tax liabilities (net)	6	1,734.20		2,601.60	
Other long term liabilities	7	104.06		50.47	
Long-term provisions	8	2,104.13		2,273.50	
			15,352.89		25,438.10
Current liabilities					
Short-term borrowings	9	10,971.26		10,426.99	
Trade payables	10	5,992.45		5,152.22	
Other current liabilities	11	14,682.49		4,652.98	
Short-term provisions	12	2,146.01		810.82	
			33,792.21		21,043.01
Total			**66,472.64**		**64,916.99**
ASSETS					
Non-current assets					
Fixed assets					
Tangible fixed assets	13	20,458.89		20,901.22	
Intangible fixed assets	14	1,052.47		953.62	
Capital work-in-progress	13	211.62		257.60	
Intangible assets under development	14	2,207.80		1,875.97	
Non-current investments	15	20,056.92		19,785.06	
Long-term loans and advances	16	2,989.76		3,438.37	
Other non-current assets	17	4.99		2.18	
			46,982.45		47,214.02
Current assets					
Current investments	18	3.75		-	
Inventories	19	7,335.18		6,124.80	
Trade receivables	20	5,295.97		3,932.51	
Cash and bank balances	21	1,787.10		2,558.85	
Short-term loans and advances	22	5,050.78		4,493.76	
Other current assets	23	17.41		593.05	
			19,490.19		17,702.97
Total			**66,472.64**		**64,916.99**
Significant accounting policies	2				
Notes to the financial statements	1-57				

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

As per our report of even date attached

For and on behalf of the Board of Directors of **Jubilant Life Sciences Limited**

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

Akhil Bansal
Partner
Membership No.: 090906

Shyam S. Bhartia
Chairman and Managing Director

Place: Noida
Date : 26 May 2014

Lalit Jain
Company Secretary

R. Sankaraiah
Executive Director-Finance

Hari S. Bhartia
Co-Chairman and Managing Director

Statement of Profit and Loss for the year ended 31 March 2014

(₹ in million)

	Note	For the year ended 31 March 2014		For the year ended 31 March 2013	
REVENUE					
Revenue from operations (gross)	24	38,095.13		32,663.57	
Less: excise duty		(1,367.21)		(1,200.54)	
Revenue from operations (net)			36,727.92		31,463.03
Other income	25		298.81		349.72
Total revenue			**37,026.73**		**31,812.75**
EXPENSES					
Cost of materials consumed	26		18,330.49		15,285.77
Purchases of stock-in-trade	27		1,740.18		1,917.38
Changes in inventories of finished goods, work-in-progress and stock-in-trade	28		(212.07)		(241.75)
Employee benefits	29		2,982.32		2,490.17
Finance costs	30		2,775.91		2,559.79
Depreciation and amortisation	13-14		1,752.87		1,521.67
Other expenses	31		8,069.98		7,170.49
Total expenses			**35,439.68**		**30,703.52**
Profit before exceptional items and tax			**1,587.05**		**1,109.23**
Exceptional items	32		2,268.63		1,237.32
Loss before tax			**(681.58)**		**(128.09)**
Tax expenses:	47				
- Deferred tax (credit)/charge			(689.82)		305.14
			(689.82)		**305.14**
Profit/(Loss) for the year			**8.24**		**(433.23)**
Basic earnings per share of ₹ 1 each (In Rupees)	55		0.05		(2.72)
Diluted earnings per share of ₹ 1 each (In Rupees)	55		0.05		(2.72)
Significant accounting policies	2				
Notes to the financial statements	1-57				

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

As per our report of even date attached

For and on behalf of the Board of Directors of **Jubilant Life Sciences Limited**

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

Akhil Bansal
Partner
Membership No.: 090906

Shyam S. Bhartia
Chairman and Managing Director

Place: Noida
Date : 26 May 2014

Lalit Jain
Company Secretary

R. Sankaraiah
Executive Director-Finance

Hari S. Bhartia
Co-Chairman and Managing Director

Cash Flow Statement for the year ended 31 March 2014

(₹ in million)

	For the year ended 31 March 2014	For the year ended 31 March 2013
A. Cash flows from operating activities		
Net loss before tax	(681.58)	(128.09)
Adjustments :		
Depreciation and amortisation	1,752.87	1,521.67
Loss on sale/disposal/discard/impairment of fixed assets(net)	36.89	66.75
Finance costs	2,775.91	2,559.79
Amortisation of FCMITDA	1,000.21	631.61
Provision for doubtful debts	18.78	13.55
Bad debts/irrecoverable advances written off (net off provisions written-back)	(21.86)	(10.98)
Unrealised foreign exchange differences (including mark-to-market on currency and interest rate swaps)	1,009.72	809.08
Interest income	(208.50)	(260.56)
	6,364.02	5,330.91
Operating cash flow before working capital changes	**5,682.44**	**5,202.82**
Increase in trade receivables, loans and advances and other assets	(1,005.56)	(43.59)
Increase in inventories	(1,206.39)	(167.80)
Increase in trade payables, provisions and other liabilities	2,330.01	3,449.14
Cash generated from operations	**5,800.50**	**8,440.57**
Income tax and wealth tax paid (net of refund)	(10.40)	(168.36)
Net cash generated from operating activities	**5,790.10**	**8,272.21**
B. Cash flow from investing activities		
Acquisition/purchase of fixed assets/CWIP (including capital advances)	(1,517.31)	(3,024.80)
Proceeds from sale of fixed assets	6.05	12.74
Investment in subsidiaries	(275.61)	(187.82)
Loans to subsidiaries	(836.43)	(409.98)
Payment for business acquisitions	(87.00)	-
Movement in other bank balances*	710.00	(708.63)
Interest received	62.47	323.98
Net cash used in investing activities	**(1,937.83)**	**(3,994.51)**
C. Cash flow from financing activities		
Repayment of long term borrowings	(1,696.25)	(3,489.86)
Proceeds from short term borrowings (net of repayments)	606.74	1,596.17
Receipt of capital subsidy	3.00	-
Loans from subsidiaries	563.70	457.20
Dividend paid (including dividend distribution tax)	(552.36)	(548.30)
Finance costs paid	(2,836.10)	(2,472.48)
Net cash used in financing activities	**(3,911.27)**	**(4,457.27)**
Net decrease in cash and cash equivalents (A+B+C)	(59.00)	(179.57)
Add: cash and cash equivalents at the beginning of year	1,843.81	2,023.38
Adjustment: cash and cash equivalents on consolidation of ESOP trust	0.06	-
Cash and cash equivalents at the end of the year	**1,784.87**	**1,843.81**
Components of cash and cash equivalents		
Balances with banks:*		
- On current accounts	1,597.38	391.74
- On dividend accounts	28.18	21.49
- On deposits accounts with original maturity upto three months	104.74	1,315.86
Cash on hand	1.75	0.66
Others		
- Funds in transit	51.43	112.90
- Imprest and gift/meal vouchers	1.39	1.16
	1,784.87	**1,843.81**

* ₹ Nil (Previous year ₹ 1,600 million) as security against loan and ₹ 140.14 million (Previous year ₹ 454.57 million) has restricted use.

Note:

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

As per our report of even date attached

For and on behalf of the Board of Directors of **Jubilant Life Sciences Limited**

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

Akhil Bansal
Partner
Membership No.: 090906

Shyam S. Bhartia
Chairman and Managing Director

Place: Noida
Date : 26 May 2014

Lalit Jain
Company Secretary

R. Sankaraiah
Executive Director-Finance

Hari S. Bhartia
Co-Chairman and Managing Director

Notes to the financial statements for the year ended 31 March 2014

1. Corporate information

Jubilant Life Sciences Limited (the Company) is a public limited company domiciled in India and incorporated under the provisions of Companies Act, 1956. Its shares are listed on Bombay Stock Exchange and National Stock Exchange of India. The Company is a global Pharmaceutical and Life Sciences player engaged in manufacture and supply of Generics (including Active Pharmaceutical Ingredients (APIs) and Solid Dosage Formulations) and Life Science Ingredients (including Advance Intermediates and Specialty Ingredients, Nutritional Products and Life Science Chemicals). The Company's strength lies in its unique offerings of Pharmaceuticals and Life Sciences products and services across the value chain. It is well recognised as a 'Partner of Choice' by leading pharmaceuticals and life sciences companies globally.

2. Significant accounting policies

The accounting policies set out below have been applied consistently to the periods presented in these financial statements.

A. Basis of preparation and presentation of financial statements

The accounts of the Company are prepared under the historical cost convention on the accrual basis of accounting in accordance with the accounting principles generally accepted in India ("GAAP") and comply with the Accounting Standards prescribed in the Companies (Accounting Standards) Rules, 2006 issued by the Central Government, which as per a clarification issued by the Ministry of Corporate Affairs continue to apply under section 133 of the Companies Act, 2013 (which has superseded section 211(3C) of the Companies Act, 1956 w.e.f. 12 September 2013), the other relevant provisions of the Companies Act, 1956 (including the new notified sections under Companies Act, 2013, to the extent applicable), pronouncements of the Institute of Chartered Accountants of India, guidelines issued by the Securities and Exchange Board of India ("SEBI"), to the extent applicable. The financial statements are presented in Indian rupees rounded off to the nearest million.

The financial statements are presented as per revised Schedule VI to the Companies Act, 1956. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the revised Schedule VI to the Companies Act, 1956.

Previous year's figures have been regrouped/rearranged wherever considered necessary to conform to current year's classification.

B. Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, the disclosure of contingent liabilities at the date of financial statements and the results of operations during the reporting periods. Examples of such estimate include future obligations under employee benefit plans, income taxes, useful lives of tangible assets and intangible assets, impairment of assets, valuation of derivatives, provision for doubtful debts etc. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results could vary from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Appropriate changes in estimates are made as the management becomes aware of the changes in circumstances surrounding the estimates. Any revision to accounting estimates is recognised prospectively in current and future periods. Effect of material changes is disclosed in the notes to the financial statements.

C. Current–non-current classification

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

a. it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;

b. it is held primarily for the purpose of being traded;

c. it is expected to be realised within 12 months after the reporting date; or

d. it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

Liabilities

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

a. it is expected to be settled in the company's normal operating cycle;

b. it is held primarily for the purpose of being traded;

c. it is due to be settled within 12 months after the reporting date; or

d. the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could,

Notes to the financial statements for the year ended 31 March 2014 (Continued)

at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

Operating cycle

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

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

D. Tangible and Intangible fixed assets

Tangible fixed assets

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

Exchange differences (favorable as well as unfavorable) arising in respect of translation/settlement of long term foreign currency borrowings attributable to the acquisition of a depreciable asset are also included in the cost of the asset.

In case of fixed assets acquired at the time of amalgamation of certain entities with Company, the same are recognised at book value in case of amalgamation in the nature of merger and at book value/fair value in case of amalgamation in the nature of purchase in line with Accounting Standard (AS) 14 -“Accounting for Amalgamations”.

Expenditure incurred on start up and commissioning of the project and/or substantial expansion, including the expenditure incurred on trial runs (net of trial run receipts, if any) up to the date of commencement of commercial production are capitalised. Subsequent expenditures related to an item of fixed asset are capitalised to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance. Losses arising from the retirement of, and gains or losses arising from disposal of fixed assets are recognised in the Statement of Profit and Loss.

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

Insurance spares/standby equipments are capitalised as part of the mother asset and are depreciated at applicable rates, over the remaining useful life of the mother assets.

Intangible fixed assets

Acquired intangible assets

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

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

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

Internally generated intangible assets

Internally generated goodwill is not recognised as an asset. With regard to other internally generated intangible assets:

- Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in the Statement of Profit and Loss as incurred.

- Development activities involve a plan or design for the production of new or substantially improved products or processes. Development expenditure including regulatory cost and legal expenses leading to product registration/market authorisation relating to the new and/or improved product and/or process development capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use the asset. The expenditure capitalised includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use, and directly attributable borrowing costs (in the same manner as in the case of tangible fixed assets). Other development expenditure is recognised in the Statement of Profit and Loss as incurred.

E. Depreciation and amortisation

Depreciation is provided on straight line method at rates mentioned and in the manner specified in Schedule XIV to the Companies Act, 1956 (as amended), and read with statement as mentioned hereunder, on the original cost/ acquisition cost of assets or other amounts substituted for cost.

Depreciation, in respect of assets added/installed up to December 15, 1993, is provided at the rates applicable at the time of additions/installations of the assets, as per

Notes to the financial statements for the year ended 31 March 2014 (Continued)

the Companies Act, 1956 and depreciation, in respect of assets added/installed during the subsequent period, is provided at the rates, mentioned in Schedule XIV to the Companies Act, 1956 read with Notification dated 16th December, 1993 issued by Department of Company Affairs, Government of India except for the following classes of fixed assets which are depreciated as under;

a. Research and development related equipments and machineries: ten years.

b. Dies and punches for manufacture of dosage formulations: one to two years.

c. Motor vehicles: five years.

d. Motor vehicles under finance lease: tenure of lease or five years whichever is shorter.

e. Computer and information technology related assets: three to five years.

f. Certain employee perquisite related assets: five years, being the period of the perquisite scheme.

Depreciation rates so arrived at are currently reflective of the estimated useful life of the fixed assets and are not lower than the rates prescribed in Schedule XIV to the Companies Act, 1956.

Depreciation on assets added/disposed off during the year has been provided on pro-rata basis with reference to the date of addition/disposal.

Depreciation on exchange fluctuation capitalised, in view of the option exercised by the Company for accounting the exchange differences arising on reporting of long term foreign currency monetary items in line with Para 46 and 46A of Accounting Standard (AS) 11 on "The Effects of Changes in Foreign Exchange Rates", is charged over the remaining useful life of assets.

Leased assets including leasehold land are amortised over the lease period on straight line basis subject to minimum rates defined under Schedule XIV to the Companies Act 1956.

Intangible assets in the nature of Product registrations/ Market authorisations (Products) are amortised on a straight-line basis over a period of five years in case of internally developed products (intangibles) and 10 years in case of bought out product (intangibles), from the date of regulatory approval or the date of product going off-patent whichever is later. Software systems are being amortised over a period of five years being their useful life. Rights are amortised over the useful life.

Assets costing individually ₹ 5,000 (in absolute amount) or less are fully depreciated in the year of purchase.

F. Impairment of fixed assets

Fixed assets are reviewed at each reporting date to determine if there is any indication of impairment. For assets in respect of which any such indication exists and for intangible assets mandatorily tested annually for impairment, the asset's recoverable amount is estimated. For assets that are not yet available for use, the recoverable amount is estimated at each reporting date. An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets (Cash Generating Unit or CGU) that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of an asset or CGU is the greater of its value in use and its net selling price. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. Impairment losses are recognised in the Statement of Profit and Loss.

If at the Balance Sheet date there is an indication that a previously assessed impairment loss no longer exists or has decreased, the assets or CGU's recoverable amount is estimated. The impairment loss is reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Such a reversal is recognised in the Statement of Profit and Loss.

G. Leases

Finance leases

Assets leased by the Company in its capacity as lessee where substantially all the risks and rewards of ownership vest in the Company are classified as finance leases. Such leases are capitalised at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments and a liability is created for an equivalent amount. Lease payment is allocated between the liability and finance charges so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Operating leases

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

Notes to the financial statements for the year ended 31 March 2014 (Continued)

H. Valuation of Inventories

Inventories are valued at lower of cost or net realisable value except scrap, which is valued at net estimated realisable value.

The methods of determining cost of various categories of inventories are as follows:

Raw materials	Weighted average method
Stores and spares	Weighted average method
Work-in-process and finished goods (manufactured)	Variable cost at weighted average including an appropriate share of variable and fixed production overheads. Fixed production overheads are included based on normal capacity of production facilities
Fuel, consumables, packing material etc.	Weighted average method
Finished goods (traded)	Cost of purchase
Goods in transit	Cost of purchase

Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition inclusive of excise duty wherever applicable.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products. Raw materials and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

The comparison of cost and net realisable value is made on an item-by-item basis.

I. Investments

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

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

Investments in foreign subsidiary companies are expressed in Indian currency at the rates prevailing on the date when the remittance for the purpose was made/ foreign currency balance lying abroad was used, as the case may be.

J. Income taxes

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

Current tax

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

Deferred tax

Deferred tax charge or credit reflects the tax effects of timing differences between accounting income and taxable income for the current year and reversal of timing differences for earlier years. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carry forward of losses, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed at each Balance Sheet date and are written-down or written-up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realised. Deferred tax consequences of timing differences that originate in the tax holiday period and reverse after the tax holiday period are recognised in the period in which the timing differences originate. Timing differences that originate and reverse within the tax holiday period are not considered for deferred tax purposes.

Minimum Alternate Tax (MAT)

MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. In the year in which MAT credit becomes eligible to be recognised as an asset in accordance with the recommendation contained in the Guidance Note on “Accounting for Credit Available in respect of Minimum Alternative Tax under The Income Tax Act, 1961” issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit

Notes to the financial statements for the year ended 31 March 2014 (Continued)

Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period.

K. Foreign Currency transactions, derivatives and hedging

Foreign currency transactions are recorded into Indian rupees by applying to the foreign currency amount the exchange rate between Indian rupees and the foreign currency on/or closely approximating to the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies as at the Balance Sheet date are translated into Indian rupees at the closing exchange rates on that date. The resultant exchange differences are recognised in the Statement of Profit and Loss except that:

(a) Exchange differences pertaining to long term foreign currency monetary items that are related to acquisition of depreciable assets are adjusted in the carrying amount of the related fixed assets; and

(b) Exchange differences arising on other long-term foreign currency monetary items are accumulated in 'Foreign Currency Monetary Item Translation Difference Account' (FCMITDA), and are amortised over the balance period of the relevant foreign currency item.

A monetary asset or liability is termed as a long-term foreign currency monetary item, if the asset or liability is expressed in a foreign currency and has a term of 12 months or more at the date of origination of the asset or liability.

Foreign Exchange Forward Contracts: The premium or discount arising at the inception of forward exchange contracts entered into to hedge an existing monetary item, is amortised as expense or income over the life of the contract. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognised as income or as an expense for the period.

The forward exchange contracts taken to hedge existing assets or liabilities are translated at the closing exchange rates and resultant exchange differences are recognised in the same manner as those on the underlying foreign currency asset or liability.

In conformity with ICAI announcement on early application of Accounting Standard 30 (AS 30) on "Financial Instruments :Recognition and Measurement", the Company has adopted AS 30 issued by ICAI so far as the adoption does not conflict with existing mandatory accounting standards and other authoritative pronouncements, Company Law and other regulatory requirements.

Apart from forward exchange contracts taken to hedge existing assets or liabilities, the Company also enters into derivative contracts in the nature of foreign currency swaps, forward contracts, interest rate swaps etc. with an intention to hedge its existing assets and liabilities, firm commitments and highly probable forecasted transactions.

All other derivative contracts (except those derivative contracts which are designated as a hedging instrument for highly probable forecasted transactions) are marked-to-market and the resultant gain/loss from these contracts are recognised in the Statement of Profit and Loss.

The Company has a comprehensive risk management system, based on which hedging instruments and hedged items are identified and designated in accordance with requirements of AS 30. Hedges are classified as cash flow hedge when they meet the conditions specified in AS 30. The hedged item and the hedging instrument are assessed for its effectiveness as per the criteria specified in AS 30.

In respect of cash flow hedge, that is determined to be an effective hedge, the effective portion of the gain or loss on the hedging instrument is recognised directly in hedging reserve account and the ineffective portion of the gain or loss on the hedging instrument is recognised in the Statement of Profit and Loss. If the hedging instrument no longer meets the hedging criteria for hedge accounting, expires or sold, terminated or exercised, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognised in hedging reserve remains there until the forecasted transaction occurs. If the forecast transaction is no longer expected to occur, then the balance in hedging reserve is recognised immediately in Statement of Profit and Loss. In other cases, the amount recognised in the hedging reserve is transferred to Statement of Profit and Loss in the same period during which the hedged item affects the Statement of Profit and Loss.

L. Provisions, contingent liabilities and contingent assets

The Company recognises a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. Contingent liabilities are disclosed in respect of possible obligations that may arise from past events but their existence is confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

M. Employee benefits

(i) *Short-term employee benefits*: All employee benefits

Notes to the financial statements for the year ended 31 March 2014 (Continued)

falling due within twelve months of the end of the period in which the employees render the related services are classified as short-term employee benefits, which include benefits like salaries, wages, short term compensated absences, performance incentives, etc. and are recognised as expenses in the period in which the employee renders the related service and measured accordingly.

(ii) *Post-employment benefits*: Post employment benefit plans are classified into defined contribution plans and defined benefit plans in line with the requirements of AS 15 on "Employee Benefits".

a. Gratuity

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

b. Superannuation

Certain employees of the Company are also participants in the superannuation plan ('the Plan'), a defined contribution plan. Contribution made by the Company to the plan during the year is charged to Statement of Profit and Loss.

c. Provident fund

i) The Company makes contribution to the recognised provident fund - "VAM EMPLOYEES PROVIDENT FUND TRUST" (a multiemployer trust) for most of its employees in India, which is a defined benefit plan to the extent that the Company has an obligation to make good the shortfall, if any, between the return from the investments of the trust and the notified interest rate. The Company's obligation in this regard is determined by an independent actuary and provided for if the circumstances indicate that the Trust may not be able to generate adequate returns to cover the interest rates notified by the Government. The Company's contribution towards provident fund is charged to Statement of Profit and Loss.

ii) For other employees, provident fund is deposited with Regional Provident Fund Commissioner. This is treated as defined contribution plan. Company's contribution to the provident fund is charged to Statement of Profit and Loss.

(iii) Other long-term employee benefits

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

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

(iv) Termination benefits

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

N. Borrowing costs

Borrowing costs are interest and other costs (including exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred by the Company in connection with the borrowing of funds.

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

O. Revenue recognition

Revenue from sale of products is recognised when the significant risks and rewards of ownership of the products have been transferred to the buyer, recovery of the consideration is probable and the amount of revenue can be measured reliably. Revenues include excise duty and are shown net of sales tax and value added tax, if any.

Revenue includes only those sales for which the Company has acted as a principal in the transaction, takes title to the products, and has the risks and rewards of ownership, including the risk of loss for collection, delivery and returns. Any sales for which the Company has acted as an agent or broker without assuming the risks and rewards of ownership have been reported on a net basis.

Notes to the financial statements for the year ended 31 March 2014 (Continued)

Goods sold on consignment are recorded as inventory until goods are sold by the consignee to the end customer.

Revenue from time and material contracts is recognised as hours are incurred, multiplied by contractual billing rates. Revenue from unit-based contracts is recognised as units are completed.

Revenue from fixed-price contracts are recorded on a proportional completion method.

Revenue related to contract manufacturing arrangements, development contracts and licensing and regulatory services is recognised when performance obligations are fulfilled.

Sale of utility is recognised on delivery of the same to the consumers and no significant uncertainty exists as to its realisation.

Royalty revenue is recognised on an accrual basis in accordance with contractual agreements when all significant contractual obligations have been fulfilled, the amounts are determinable and collection is reasonably assured.

Export incentives/benefits are accounted for on accrual basis in the year in which exports are made and where recovery is probable.

Upfront non-refundable payments are recorded as deferred revenue. These amounts are recognised as revenues as obligations are fulfilled under contractual arrangement and/or as milestones are achieved as the case may be.

Dividend income is recognised when the unconditional right to receive the income is established. Income from interest on deposits, loans and interest bearing securities is recognised on time proportionate method.

P. Segment reporting

The accounting policies adopted for segment reporting are in line with accounting policies of the Company. Revenues, expenses, assets and liabilities have been identified to segments on the basis of their relationship to operating activities of the segments (taking into account the nature of products and services and, risks and rewards associated with them) and internal management information systems and the same is reviewed from time to time to realign the same to conform to the business units of the Company. Revenues, expenses, assets and liabilities, which are common to the enterprise as a whole and are not allocable to segments on a reasonable basis, have been treated as "Common Revenues/Expenses/ Assets/ Liabilities", as the case may be.

Q. Earnings per share

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

R. Employee stock option schemes

The Company follows Securities and Exchange Board of India (SEBI) guidelines for accounting of employee stock options. The cost is calculated based on the intrinsic value method i.e. the excess of market price of underlying equity shares as of the date of the grant of options over the exercise price of such options is regarded as employee compensation and in respect of the number of options that are expected to ultimately vest, such cost is recognised on a straight line basis over the period over which the employees would become unconditionally entitled to apply for the shares. The cost recognised at any date at least equals the intrinsic value of the vested portion of the option at that date. Adjustment, if any, for difference in initial estimate for number of options that are expected to ultimately vest and related actual experience is recognised in the Statement of Profit and Loss of that period. In respect of vested options expire unexercised, the cost is reversed in the Statement of Profit and Loss of that period.

During the current period, the Company has changed its policy with respect to treatment of shares issued to Jubilant Employee Welfare trust ('Trust'). As per a recent opinion of the Expert Advisory Committee ('EAC') of The Institute of Chartered Accountants of India, as on the reporting date, the shares issued to a trust but yet to be allotted to employees be shown as a deduction, from the Share Capital to the extent of face value of the shares and Securities Premium to the extent of amount exceeding face value of shares, with a corresponding adjustment to the, loan receivable from Trust, Capital Reserve (for the amount of profit on sale of shares) and Surplus (to the extent of dividend received net of operating expenses). (Refer to note 43)

Notes to the financial statements for the year ended 31 March 2014 (Continued)

(₹ in million)

	As at 31 March 2014	As at 31 March 2013
3. SHARE CAPITAL		
Authorised		
655,000,000 equity shares of ₹ 1 each	655.00	655.00
(Previous Year 655,000,000 equity shares of ₹ 1 each)		
	655.00	**655.00**
Issued and Subscribed		
159,313,139 equity shares of ₹ 1 each	159.31	159.31
(Previous Year 159,313,139 equity shares of ₹ 1 each)		
	159.31	**159.31**
Paid up		
159,281,139 equity shares of ₹ 1 each	159.28	159.28
(Previous Year 159,281,139 equity shares of ₹ 1 each)		
Add: Equity shares forfeited (paid up)	0.02	0.02
	159.30	**159.30**
Less: Shares held in trust for employees under ESOP Scheme (Refer note 43)	(4.84)	-
	154.46	**159.30**

Notes:

3.1 Paid up capital includes, 501,364, equity shares of ₹ 1 each allotted and issued pursuant to the Scheme of Amalgamation and Demerger, to the shareholders of erstwhile Pace Marketing Specialities Limited for consideration other than cash during the year ended 31 March 2011.

3.2 The Company has only one class of shares referred to as equity shares having par value of ₹ 1 each. Holder of each equity share is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

3.3 The details of shareholders holding more than 5% shares is set out below:

Equity shares of ₹ 1 each fully paid-up held by	As at 31 March 2014		As at 31 March 2013	
	Number	% of total shares	Number	% of total shares
Jubilant Stock Holding Private Limited	29,676,992	18.63%	21,740,992	13.65%
SSB Consultants & Management Services Private Limited	21,007,665	13.19%	21,007,665	13.19%
HSB Corporate Consultants Private Limited	18,698,979	11.74%	15,824,979	9.94%
GA Global Investments Limited	11,707,200	7.35%	11,707,200	7.35%

3.4 The reconciliation of the shares outstanding at the beginning and at the end of the year:

Particulars	As at 31 March 2014		As at 31 March 2013	
	Number	₹ in million	Number	₹ in million
At the beginning and end of the year	159,281,139	159.28	159,281,139	159.28

3.5. a) 114,835 (Previous year 114,835), equity shares of ₹ 1 each allotted on exercise of the vested stock options in accordance with the terms of exercise under the “Jubilant Employees Stock Option Plan, 2005”.

b) Under the Jubilant Employees Stock Option 2005 Plan, as at 31 March 2014 - 132,684 (Previous year 145,443) options are outstanding convertible into 663,420 (Previous year 727,215) shares. (Refer note 42).

c) Under the Jubilant Employees Stock Option 2011 Plan, as at 31 March 2014 - 1,428,939 (Previous year 1,585,055) options are outstanding convertible into 1,428,939 (Previous year 1,585,055) shares. (Refer note 42).

3.6 The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

Notes to the financial statements for the year ended 31 March 2014 (Continued)

(₹ in million)

	As at 31 March 2014	As at 31 March 2013
4. RESERVES AND SURPLUS		
Capital Reserve		
At the commencement of the year	80.10	80.10
Add: Capital subsidy received	3.00	-
Add: Adjustments on account of consolidation of ESOP Trust (Refer note 43)	104.77	-
At the end of the year	**187.87**	**80.10**
Capital Redemption Reserve		
At the commencement and at the end of the year	**9.86**	**9.86**
Securities Premium Account		
At the commencement of the year	5,878.41	5,878.41
Less: Adjustments on account of share held in ESOP Trust (Refer note 43)	(577.59)	-
At the end of the year	**5,300.82**	**5,878.41**
Amalgamation Reserve		
At the commencement and at the end of the year	**13.21**	**13.21**
General Reserve		
At the commencement and at the end of the year	**5,745.31**	**5,745.31**
Hedging Reserve (net of related tax effect- (Refer note 50(iv)))		
At the commencement of the year	354.14	148.93
(Deduction)/addition during the year	(344.91)	205.21
At the end of the year	**9.23**	**354.14**
Foreign Currency Monetary Item Translation Difference Account (FCMITDA) (Refer note 49)		
At the commencement of the year	(675.45)	(727.42)
Exchange loss during the year on foreign currency term loan	(805.49)	(579.64)
Amount amortised during the year in the Statement of Profit and Loss	1,000.21	631.61
At the end of the year	**(480.73)**	**(675.45)**
Surplus		
At the commencement of the year	6,871.00	7,863.28
Add: Net profit/(loss) after tax transferred from Statement of Profit and Loss	8.24	(433.23)
Add: Adjustments on account of consolidation of ESOP Trust (Refer note 43)	52.82	-
Amount available for appropriation	**6,932.06**	**7,430.05**
Less: Appropriations		
Proposed dividend on equity shares*#	463.34	477.84
Distribution tax on proposed equity dividend*	81.21	81.21
At the end of the year	**6,387.51**	**6,871.00**
	17,173.08	**18,276.58**

* For the year ended 31 March 2014, dividend of 300 % (Previous year 300%) i.e. ₹ 3 (Previous year ₹ 3) per fully paid up equity share has been recognised as distributions to equity shareholders.

*# Amount for the year ended 31 March 2014 is net of dividend on equity shares held by ESOP trust (Refer note 43).

Notes to the financial statements for the year ended 31 March 2014 (Continued)

(₹ in million)

	As at 31 March 2014	As at 31 March 2013
5. LONG TERM BORROWINGS		
Term loans		
From Banks		
- Indian rupee loans (secured)	5,438.92	9,744.44
- Foreign currency loans (secured)	2,845.72	2,714.50
From other parties		
- Foreign currency loans (secured)	2,096.85	7,600.60
- Indian rupee loans from subsidiaries (unsecured) (Refer note 53(25))	1,015.90	428.70
Finance lease obligations (secured)	13.11	24.29
	(1) **11,410.50**	(1) **20,512.53**
The above amount includes		
Secured borrowings	10,394.60	20,083.83
Unsecured borrowings	1,015.90	428.70
	11,410.50	**20,512.53**

(1) Refer note 11 for current maturities of long term borrowings.

5. Nature of security of long term borrowings and other terms of repayment

5.1 Indian rupee loans amounting to ₹ 9,744.48 million (Previous year ₹ 9,100.00 million) from Corporation Bank, Axis Bank Limited, Central Bank of India and Indian Bank, External commercial borrowings amounting to ₹ 2,995.50 million (Previous year ₹ 3,165.09 million) from Citibank N.A., London and DBS Bank Limited, Singapore and foreign currency loans amounting to ₹ 2,695.95 million (Previous year ₹ 2,714.50 million) from Export Import Bank of India are secured by a first pari-passu charge amongst the lenders by way of: -

a. Mortgage of the immovable fixed assets both present and future situate at Bhartiagram, District Amroha, Uttar Pradesh and immovable fixed assets situate at Village Samlaya, Taluka Savli, District Vadodara, Gujarat, and

b. Hypothecation on the entire movable fixed assets, both present and future of the Company.

5.2 Foreign currency loans amounting to ₹ 5,691.45 million (Previous year ₹ 5,157.55 million) from Housing Development Finance Corporation Limited is secured by first mortgage by way of deposit of original title deeds of specified land and buildings situated at Noida, Greater Noida, Nanjangud, Nira, Roorkee, Ambernath and also at Bharuch owned by one of the subsidiaries of the Company. Land mortgaged at Chittorgarh demerged into a group company consequent upon the Scheme of demerger is under process of release.

5.3 Rupee Term Loan amounting to ₹ Nil (Previous year ₹ 1,600.00 million) is secured by Fixed Deposits.

5.4 Indian rupee loans amounting to ₹ 2,700.00 million (Previous year ₹ 2,700.00 million) and ₹ 1,000.00 million (Previous year ₹ 1,000.00 million) from Corporation Bank is repayable in two equal yearly installments commencing from February 2015 and March 2015 respectively.

5.5 Indian rupee loans amounting to ₹ 3,000.00 million (Previous year ₹ 3,000.00 million) from Axis Bank Limited is repayable in four equal half yearly installments commencing from September 2014.

5.6 Indian rupee loans amounting to ₹ 1,800.00 million (Previous year ₹ 2,400.00 million) from Central Bank of India. Balance is repayable in two yearly installments from March 2015.

5.7 Indian rupee loans amounting to ₹ 1,244.48 million (Previous year ₹ 1,600.00 million) from Indian Bank. Balance is repayable in three yearly installments from March 2015.

5.8 External commercial borrowing amounting to ₹ 2,995.50 million (Previous year ₹ 2,714.50 million) from DBS Bank Limited, Singapore is repayable in four yearly installments commencing from December 2014.

5.9 Foreign currency loans amounting to ₹ 2,695.95 million (Previous year ₹ 2,714.50 million) from Export Import Bank of India. Balance is repayable in three yearly installments from May 2014.

5.10 Foreign currency loans amounting to ₹ 5,691.45 million (Previous year ₹ 5,157.55 million) from Housing Development Finance Corporation Limited is repayable in single installment in July 2014.

5.11 Loans from subsidiaries are repayable at end of five years from the date of respective disbursement.

5.12 Finance Lease obligations are secured by hypothecation of specific assets taken under such lease. The same are repayable within two to five years.

5.13 The Indian rupee loans carry interest rate ranging from 9.5% to 12.75% and foreign currency loan carry interest rate of Libor plus spread ranging from 250 to 450 basis points. Libor are reset at periodic intervals as per the terms of the loan.

Notes to the financial statements for the year ended 31 March 2014 (Continued)

(₹ in million)

	As at 31 March 2014	As at 31 March 2013
6. DEFERRED TAX LIABILITIES(NET)		
Deferred tax liabilities on account of:		
- Depreciation and amortisation	2,902.71	2,800.92
- Research and development expenses	673.32	576.28
	3,576.03	**3,377.20**
Deferred tax assets on account of:		
- Provision for compensated absences and gratuity	198.67	160.54
- Expenditure covered by section 43B of Income-tax Act,1961	21.70	29.09
- The losses carried forward	1,607.12	557.19
- Others*	14.34	28.78
	1,841.83	**775.60**
Deferred tax liabilities (net)	**1,734.20**	**2,601.60**

* Net of ₹ 4.75 million (Previous year ₹ 182.33 million) representing deferred tax on hedging reserve balance.

(₹ in million)

	As at 31 March 2014	As at 31 March 2013
7. OTHER LONG TERM LIABILITIES		
Income received in advance/unearned revenue	104.06	50.47
	104.06	**50.47**

(₹ in million)

	As at 31 March 2014	As at 31 March 2013
8. LONG TERM PROVISIONS		
Provision for employee benefits (Refer note 51)	443.89	376.73
Mark-to market losses on derivative contracts (Refer note 50(iii))	1,660.24	1,896.77
	2,104.13	**2,273.50**

(₹ in million)

	As at 31 March 2014	As at 31 March 2013
9. SHORT TERM BORROWINGS		
Loan repayable on demand		
- **From Banks**		
- Secured	5,071.76	6,277.77
- Unsecured	4,930.85	3,784.27
- **From Others**		
- Secured	898.65	271.45
- **From related parties (unsecured)-(Refer note 53(25))**	70.00	93.50
	10,971.26	**10,426.99**
The above amount includes		
Secured borrowings	5,970.41	6,549.22
Unsecured borrowings	5,000.85	3,877.77
	10,971.26	**10,426.99**

9. Nature of security of short term borrowings and other terms of repayment

9.1 Working capital facilities (including cash credit) sanctioned by consortium of banks and notified financial institutions comprising of ICICI Bank Limited, Corporation Bank, Punjab National Bank, State Bank of India, The Hongkong and Shanghai Banking Corporation Limited, ING Vysya Bank Ltd., Central Bank of India, Yes Bank Limited, DBS Bank Limited and Export Import Bank of India, are secured by a first charge by way of hypothecation, ranking pari passu inter-se Banks, of the entire book debts and receivables and inventories both present and future, of the Company wherever the same may

Notes to the financial statements for the year ended 31 March 2014 (Continued)

be or be held. The working capital sanctioned limits also include commercial paper programme of ₹ 3,000 million (Previous year ₹ 3,000 million) as sublimit carved out from the funded limits, against which the balance outstanding as at year end is ₹ Nil (Previous year ₹ Nil). Maximum balance of commercial paper outstanding at any time during the year was ₹ Nil (Previous year ₹ 600.00 million). Other working capital loans are repayable as per terms of agreement within one year.

9.2 Short term loans are availed in Indian rupees and in foreign currency. Indian rupee loans carry interest rate ranging from 9.50% to 13.85% and foreign currency loan carry interest rate of Libor plus spread ranging from 75 to 250 basis points. Libor are reset periodic intervals as per the term of loan.

(₹ in million)

	As at 31 March 2014	As at 31 March 2013
10. TRADE PAYABLES		
Trade payables-due to micro, small and medium enterprises under MSMED Act, 2006 (Refer note 36)	12.01	8.92
Trade payables-others	5,980.44	5,143.30
	5,992.45	**5,152.22**

(₹ in million)

	As at 31 March 2014	As at 31 March 2013
11. OTHER CURRENT LIABILITIES		
Current maturities of long term debt (secured-Refer note 5.1 to 5.11)	10,745.89	1,677.60
Current maturities of finance lease obligations (secured - Refer note 5.12)	11.78	13.06
Trade deposits and advances	2,795.15	1,601.08
Interest accrued but not due on borrowings	150.02	232.69
Income received in advance/unearned revenue	4.59	2.89
Unpaid matured deposits and interest accrued thereon	-	0.31
Unpaid dividends	28.18	21.49
Creditors for capital supplies and services	224.45	355.78
Other payables (includes employee benefits and statutory dues etc.)	722.43	748.08
	14,682.49	**4,652.98**

(₹ in million)

	As at 31 March 2014	As at 31 March 2013
12. SHORT-TERM PROVISIONS		
Provision for employee benefits (Refer note 51)	162.08	115.42
Dividends on equity shares (Including dividend distribution tax)	544.55	559.05
Provision for wealth tax	0.74	2.00
Mark-to market losses on derivative contracts (Refer note 50(iii))	1,438.64	134.35
	2,146.01	**810.82**

Notes to the financial statements for the year ended 31 March 2014 (Continued)

13. TANGIBLE ASSETS

(₹ in million)

Description	GROSS BLOCK - COST / BOOK VALUE					DEPRECIATION / AMORTISATION / IMPAIRMENT				NET BLOCK	
	As at 31 March 2013	Additions consequent of Acquisition	Additions/ adjustments during the year	Deductions/ adjustments during the year	As at 31 March 2014	As at 31 March 2013	Provided during the year	Deductions/ adjustments during the year	As at 31 March 2014	As at 31 March 2014	As at 31 March 2013
Tangible assets:											
Land											
(a) Freehold	340.98	-	1.09	-	342.07	-	-	-	-	342.07	340.98
(b) Leasehold	529.35	-	1.00	-	530.35	81.11	6.09	-	87.20	443.15	448.24
Buildings											
(a) Factory	2,083.41	-	48.99	-	2,132.40	266.84	69.81	-	336.65	1,795.75	1,816.57
(b) Others	1,796.50	-	119.71	0.04	1,916.17	161.82	30.16	-	191.98	1,724.19	1,634.68
Plant and equipment	23,719.14	73.98	721.00	22.31	24,491.81	7,770.71	1,260.30	6.77	9,024.24	15,467.57	15,948.43
Furniture and fixtures	369.49	5.91	16.58	7.32	384.66	149.38	27.38	4.52	172.24	212.42	220.11
Vehicles											
(a) Owned	49.52	0.02	19.99	1.15	68.38	38.25	5.68	1.09	42.84	25.54	11.27
(b) Leased	54.55	-	8.20	14.39	48.36	20.90	13.16	7.13	26.93	21.43	33.65
Office equipments	526.21	1.72	45.88	8.87	564.94	206.90	56.83	6.05	257.68	307.26	319.31
Railway sidings	159.38	-	-	-	159.38	31.40	8.47	-	39.87	119.51	127.98
TOTAL	**29,628.53**	**81.63**	(1) **982.44**	**54.08**	**30,638.52**	**8,727.31**	**1,477.88**	**25.56**	**10,179.63**	**20,458.89**	**20,901.22**
Previous Year	25,132.44	-	4,587.90	91.81	29,628.53	7,469.34	1,315.92	57.95	8,727.31		
Capital work in progress (CWIP)										211.62	257.60
										20,670.51	**21,158.82**

Notes :

(1) Includes ₹ 63.19 million (Previous year ₹ 1,002.28 million) in respect of R&D Assets.

(2) Capital research and development expenditure aggregating to ₹ 70.58 million (Previous year ₹ 335.38 million) incurred during the year included in additions to fixed assets/capital work in progress.

(3) Addition to fixed assets (including movement in CWIP) includes ₹ 281.00 million (Previous year ₹ 170.75 million) on account of exchange loss/(gain) (Refer note 49).

Notes to the financial statements for the year ended 31 March 2014 (Continued)

14. INTANGIBLE ASSETS

(₹ in million)

Description	GROSS BLOCK - COST / BOOK VALUE					DEPRECIATION / AMORTISATION / IMPAIRMENT				NET BLOCK	
	As at 31 March 2013	Additions consequent of Acquisition	Additions/ adjustments during the year	Deductions/ adjustments during the year	As at 31 March 2014	As at 31 March 2013	Provided during the year	Deductions/ adjustments during the year	As at 31 March 2014	As at 31 March 2014	As at 31 March 2013
Intangible assets:											
Intangibles											
a) Internally generated											
- Product registration/ market authorisation	1,077.93	-	327.40	-	1,405.33	280.63	209.18	-	489.81	915.52	797.30
b) Others											
- Rights	81.66	-	25.93	-	107.59	53.14	14.24	-	67.38	40.21	28.52
- Software	261.46	1.04	19.47	-	281.97	133.66	51.57	-	185.23	96.74	127.80
TOTAL	**1,421.05**	**1.04**	**(1) 372.80**	**-**	**1,794.89**	**467.43**	**274.99**	**-**	**742.42**	**1,052.47**	**953.62**
Previous Year	1,000.67	-	426.62	6.24	1,421.05	263.09	205.75	1.41	467.43		
Intangible assets under development (including R&D expenditure in the nature of intangibles) [CWIP]										2,207.80	1,875.97
										3,260.27	**2,829.59**

Notes :

(1) Includes ₹ 353.32 million (Previous year ₹ 384.30 million) in respect of R&D assets.

(2) Capital research and development expenditure aggregating to ₹ 705.03 million (Previous year ₹ 655.14 million) incurred during the year included in additions to fixed assets/Intangible assets under development.

Notes to the financial statements for the year ended 31 March 2014 (Continued)

(₹ in million)

			As at 31 March 2014	As at 31 March 2013
15. NON-CURRENT INVESTMENTS (at cost)				
Number	**Face value per unit**	**All unquoted unless otherwise specified**		
		Trade Investments (Long Term)		
		Investment in equity instruments (fully paid up equity shares)		
		Investment in subsidiary companies		
375 (375)	No Par Value	- Jubilant Life Sciences (USA) Inc.	17.11	17.11
13,900,000 (13,900,000)	EURO 1	- Jubilant Pharma NV (Belgium) (1)	743.79	743.79
326,758,994 (322,558,994)	USD 1	- Jubilant Pharma Limited (Singapore) (2) (formerly known as Jubilant Pharma Pte. Ltd)	14,902.26	14,967.77
200 (200)	No Par Value	- Jubilant Pharma Holdings Inc. (USA) (formerly known as Jubilant Life Sciences Holdings Inc.)	1,660.44	1,660.44
34,484,000 (34,484,000)	₹ 10	- Jubilant Infrastructure Limited	1,297.40	1,297.40
14,963,171 (14,963,171)	₹ 10	- Jubilant First Trust Healthcare Limited	690.55	690.55
100,000 (100,000)	₹ 10	- First Trust Medicare Private Limited	30.00	30.00
437,503 (-)	USD 1	- Jubilant Life Sciences International Pte. Limited	2.91	-
9,999 (-)	No Par Value	- Jubilant Life Sciences NV	7.81	-
1 (-)	USD 1	- Drug Discovery and Development Solutions Limited (2)	330.40	-
		Investment in preference shares **Investment in subsidiary companies**		
		- Jubilant Chemsys Limited		
6,200,000 (6,200,000)	₹ 10	8% optionally convertible non-cumulative redeemable preference shares fully paid.	62.00	62.00
		- Jubilant Clinsys Limited		
20,475,000 (20,850,000)	₹ 10	6% optionally convertible non-cumulative redeemable preference shares fully paid.	204.75	208.50
6,200,000 (6,200,000)	₹ 10	8% optionally convertible non-cumulative redeemable preference shares fully paid.	62.00	62.00
		Other Investments (Long term) **Investment in equity instruments (fully paid up equity shares)**		
4,550,000 (4,550,000)	₹ 10	- Forum I Aviation Limited	45.50	45.50
192,086 (-)	₹ 10	Jubilant Industries Limited (Quoted) (Issued to Jubilant Employee Welfare Trust in accordance with the Scheme of Amalgamation & Demerger) (Also Refer note 42 and 43)	-	-
		Total non-current investments	**20,056.92**	**19,785.06**
		Aggregate amount of quoted investments:		
		- Cost	**-**	**-**
		- Market Value	**9.63**	**-**
		Aggregate amount of unquoted investments	**20,056.92**	**19,785.06**

Notes:

(1) Includes one share held through nominee.

(2) ₹ 330.40 million in pursuance of gift of shares held by Jubilant Pharma Limited, Singapore held in Jubilant Innovation (BVI) Limited and Jubilant Life Sciences (BVI) Limited, to Drug Discovery and Development Solutions Limited, Singapore, a 100% Subsidiary of the Company.

(3) Figures in ( ) are in respect of previous year.

Notes to the financial statements for the year ended 31 March 2014 (Continued)

(₹ in million)

	As at 31 March 2014	As at 31 March 2013
16. LONG TERM LOANS AND ADVANCES		
(Unsecured and considered good)		
Capital advances	14.58	16.01
Security deposits	68.11	70.82
Loans to related parties [Refer note 53(28)]	-	439.39
Advance recoverable in cash or kind		
- From related parties (Refer note 53(32))*	25.00	25.00
- Others	367.97	381.58
MAT credit entitlement	2,085.80	2,085.80
Advance payment of income tax/wealth tax (including TDS)	428.30	419.77
	2,989.76	**3,438.37**

* Due from an officer of the Company

(₹ in million)

	As at 31 March 2014	As at 31 March 2013
17. OTHER NON-CURRENT ASSETS		
(Unsecured and considered good)		
Other bank balances		
- Deposits with original maturity of more than 12 months	4.50	0.50
- Margin money deposit	0.49	1.68
	(1) 4.99	**(1) 2.18**

(1) ₹ 4.99 million (Previous year ₹ 2.18 million) has restricted use.

(₹ in million)

Number	Face value per unit		As at 31 March 2014	As at 31 March 2013
18. CURRENT INVESTMENTS (at cost)				
Number	**Face value per unit**	**All unquoted unless otherwise specified**		
		Current portion of non-current investments		
		Trade Investments		
		Investment in preference shares		
		Investment in subsidiary companies		
		- Jubilant Clinsys Ltd.		
375,000 (-)	₹ 10	6% optionally convertible non-cumulative redeemable preference shares fully paid.	3.75	-
		Total current investments	**3.75**	**-**
		Aggregate amount of unquoted investments	**3.75**	**-**

Notes:
(1) Figures in ( ) are in respect of previous year.

Notes to the financial statements for the year ended 31 March 2014 (Continued)

(₹ in million)

	As at 31 March 2014	As at 31 March 2013
19. INVENTORIES		
(Valued at the lower of cost and net realisable value)		
Raw materials (including goods-in-transit ₹ 404.32 million (Previous year ₹ 164.39 million))	3,672.56	2,792.75
Work-in-progress	1,522.26	1,153.02
Finished goods	1,327.21	1,434.81
Stock-in-trade	18.76	68.33
Stores and spares (including goods-in-transit ₹ 48.92 million (Previous year ₹ 6.88 million))	313.94	241.00
Others-process chemicals, fuels and packing material etc. (including goods-in-transit ₹ 42.78 million (Previous year ₹ 162.36 million))	480.45	434.89
	7,335.18	**6,124.80**

(₹ in million)

	As at 31 March 2014	As at 31 March 2013
20. TRADE RECEIVABLES		
Outstanding for a period exceeding six months from the date they become due for payment		
Unsecured and considered good	45.44	61.13
Doubtful	33.71	14.93
	79.15	**76.06**
Provision for doubtful receivables	33.71	14.93
(A)	**45.44**	**61.13**
Other receivables		
Unsecured and considered good	5,250.53	3,871.38
(B)	**5,250.53**	**3,871.38**
Total (A+B)	(1) **5,295.97**	(1) **3,932.51**

(1) [Refer note 34(C)(i)]

(₹ in million)

	As at 31 March 2014	As at 31 March 2013
21. CASH AND BANK BALANCES		
Cash and cash equivalents		
Balances with banks:		
- On current accounts	1,597.38	391.74
- On dividend accounts	28.18	21.49
- On deposits accounts with original maturity upto three months	104.74	1,315.86
Cash on hand	1.75	0.66
Others		
- Funds in transit	51.43	112.90
- Imprest and gift/meal vouchers	1.39	1.16
	1,784.87	**1,843.81**
Other bank balances:		
- Deposits with original maturity of more than three months	-	712.96
- As margin money	2.23	2.08
	(1) **1,787.10**	(1) **2,558.85**

(1) ₹ Nil (Previous year ₹ 1,600 million) as security against loan and ₹ 135.15 million (Previous year ₹ 452.39 million) has restricted use.

Notes to the financial statements for the year ended 31 March 2014 (Continued)

(₹ in million)

	As at 31 March 2014	As at 31 March 2013
22. SHORT TERM LOANS AND ADVANCES		
(Unsecured and considered good)		
Loans to related parties	2,951.64	2,083.84
(Refer note 35 and 53(28))		
Deposits	55.88	22.55
Deposits/Balances with excise/sales tax authorities	644.99	718.04
Advances recoverable in cash or kind		
- From related parties (Refer note 53(29) and 53(32))*	575.83	381.69
- Claims recoverable	430.63	736.78
- Others	391.81	550.86
	5,050.78	**4,493.76**

* Includes due by directors and private companies having common director aggregating to ₹ 106.09 million (Previous year ₹ Nil)

(₹ in million)

	As at 31 March 2014	As at 31 March 2013
23. OTHER CURRENT ASSETS		
Other current assets	17.41	593.05
[Including mark to market recoverable ₹ 4.62 million (Previous year ₹ 558.22 million)] [Refer note 50(iv)]		
	17.41	**593.05**

(₹ in million)

	For the year ended 31 March 2014	For the year ended 31 March 2013
24. REVENUE FROM OPERATIONS		
Sales of products	37,606.32	32,135.85
Sales of services	36.03	11.54
Other operating revenue (Refer note 39)	452.78	516.18
Revenue from operations (gross)	**38,095.13**	**32,663.57**
Less: excise duty	(1,367.21)	(1,200.54)
Revenue from operations (net)	**36,727.92**	**31,463.03**
24.1 BREAK-UP OF REVENUE FROM SALES OF PRODUCTS		
Organic chemicals including specialty chemicals and its intermediates	28,569.52	23,711.97
Active pharma ingredients (API)	5,249.67	4,963.67
Tablets, capsules and injectables	2,796.17	2,504.99
Dry and aqueous choline chloride	733.03	494.74
Feed premixes	171.00	378.18
Power and steam	86.93	82.30
	37,606.32	**32,135.85**
24.2 BREAK-UP OF REVENUE FROM SALES OF SERVICES		
Income from utility services rendered	36.03	11.54
	36.03	**11.54**

(₹ in million)

	For the year ended 31 March 2014	For the year ended 31 March 2013
25. OTHER INCOME		
Interest Income	208.50	260.56
Other non-operating income	90.31	89.16
	298.81	**349.72**

Notes to the financial statements for the year ended 31 March 2014 (Continued)

(₹ in million)

	For the year ended 31 March 2014	For the year ended 31 March 2013
26. COST OF MATERIALS CONSUMED		
Raw and process materials consumed	18,330.49	15,285.77
	18,330.49	**15,285.77**
26.1 BREAK-UP OF COST OF MATERIALS CONSUMED		
Molasses	1,166.18	1,079.39
Alcohol	4,455.32	3,255.99
Acetic Acid	5,359.81	4,226.94
Process chemicals	3,714.69	3,083.79
Chemicals for API/Dosage/Feed Additives	3,340.13	3,448.71
Others	294.36	190.95
	18,330.49	**15,285.77**

	%	₹ in million	%	₹ in million
26.2 BREAK-UP OF IMPORTED AND INDIGENOUS MATERIALS CONSUMED				
Imported	42.98	7,877.88	38.15	5,832.17
Indigenous	57.02	10,452.61	61.85	9,453.60
	100.00	**18,330.49**	**100.00**	**15,285.77**

(₹ in million)

	For the year ended 31 March 2014	For the year ended 31 March 2013
27. PURCHASE OF STOCK-IN-TRADE		
Purchase of stock-in-trade	1,740.18	1,917.38
	1,740.18	**1,917.38**
27.1 BREAK-UP OF PURCHASE OF STOCK-IN-TRADE		
Organic chemicals including specialty chemicals and its intermediates	1,514.50	1,525.08
Feed premixes	89.38	266.23
Active pharma ingredients (API)	122.72	120.58
Tablets, capsules and injectables	13.58	5.49
	1,740.18	**1,917.38**

(₹ in million)

	For the year ended 31 March 2014	For the year ended 31 March 2013
28. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
Stock at close - Work-in-progress	1,522.26	1,153.02
Stock at close - Finished goods	1,327.21	1,434.81
Stock at close - Stock-in-trade	18.76	68.33
	2,868.23	**2,656.16**
Stock at commencement - Work-in-progress	1,153.02	1,015.30
Stock at commencement - Finished goods	1,434.81	1,294.19
Stock at commencement - Stock-in-trade	68.33	23.02
	2,656.16	**2,332.51**
Increase in stocks	212.07	323.65
Less: Adjustment on account of capitalisation	-	(81.90)
	212.07	**241.75**

Notes to the financial statements for the year ended 31 March 2014 (Continued)

(₹ in million)

	For the year ended 31 March 2014	For the year ended 31 March 2013
28.1 BREAK-UP OF INVENTORIES		
Break-up of Work-in-progress		
Organic chemicals including specialty chemicals and its intermediates	903.11	643.88
Dry and aqueous choline chloride	16.52	4.55
Active pharma ingredients (API)	501.49	401.72
Tablets, capsules and injectables	101.14	102.87
	1,522.26	**1,153.02**
Break-up of Finished goods		
Organic chemicals including specialty chemicals and its intermediates	974.04	1,195.72
Feed premixes	9.25	19.57
Dry and aqueous choline chloride	32.80	15.27
Active pharma ingredients (API)	273.94	183.13
Tablets, capsules and injectables	37.18	21.12
	1,327.21	**1,434.81**
Break-up of Stock-in-trade		
Organic chemicals including specialty chemicals and its intermediates	4.31	61.23
Feed premixes	9.43	5.06
Active pharma ingredients (API)	5.02	2.04
	18.76	**68.33**

(₹ in million)

	For the year ended 31 March 2014	For the year ended 31 March 2013
29. EMPLOYEE BENEFITS		
Salaries, wages, bonus, gratuity and allowances (Refer note 51)	2,661.13	2,197.80
Contribution to provident and superannuation fund (Refer note 51)	141.18	136.96
Staff welfare expenses	180.01	155.41
	2,982.32	**2,490.17**

(₹ in million)

	For the year ended 31 March 2014	For the year ended 31 March 2013
30. FINANCE COSTS		
Interest expense	2,635.82	2,446.81
Other borrowings cost	20.86	33.68
Exchange difference to the extent considered as an adjustment to borrowing cost	119.23	79.30
(Refer note 45)	**2,775.91**	**2,559.79**

Notes to the financial statements for the year ended 31 March 2014 (Continued)

(₹ in million)

		For the year ended 31 March 2014	For the year ended 31 March 2013
31. OTHER EXPENSES			
Power and fuel		3,601.69	3,360.88
Stores, spares, chemicals and packing materials consumed		1,518.48	1,333.50
Processing charges		138.19	178.53
Excise duty related to increase/decrease in inventory of finished goods		(36.01)	19.97
Rent (Refer note 44)		117.41	117.31
Rates and taxes		139.15	85.34
Insurance		72.85	61.40
Advertisement, publicity and sales promotion		82.05	47.85
Travelling and other incidental expenses		220.64	253.14
Repairs			
- Building		50.14	43.03
- Machinery		756.35	510.12
- Others		208.86	164.45
Vehicle running and maintenance		23.69	19.32
Printing and stationery		25.77	26.29
Communication expenses		38.90	42.55
Staff recruitment and training		36.68	34.42
Donation (Refer note 41)		65.03	37.75
Auditors Remuneration	- As Auditors	2.40	2.02
	- For tax audit and taxation matters	0.60	1.65
	- For other services	(1) 5.03	3.70
	- Out of pocket expenses	(1) 0.27	0.44
Legal, professional and consultancy charges		248.84	182.25
Freight and forwarding (including ocean freight)		440.13	360.47
Directors' sitting fees		0.41	0.47
Directors' commission		-	40.69
Miscellaneous expenses		55.65	40.33
Bank charges		72.04	65.93
Discounts and claims to customers and other selling expenses		104.40	46.03
Commission on sales		69.01	76.90
Loss on sale/disposal/discard of fixed assets(net)		11.33	11.19
Provision/write off Bad debts/Irrecoverable advances (net)		-	2.57
		8,069.98	**7,170.49**

(1) Includes ₹ 3.53 million in respect of erstwhile auditors.

	%	₹ in million	%	₹ in million
31.1 PARTICULARS OF IMPORTED AND INDIGENOUS STORES, SPARES, CHEMICALS CONSUMED				
Imported	12.73	193.39	8.03	107.17
Indigenous	87.27	1,325.09	91.97	1,226.33
	100.00	**1,518.48**	**100.00**	**1,333.50**

(₹ in million)

	For the year ended 31 March 2014	For the year ended 31 March 2013
Research and development expenses (excluding finance cost, depreciation and amortisation) comprises as mentioned hereunder:-		
Cost of material consumed	185.19	141.89
Employee benefits	433.53	376.99
Utilities-power	33.39	29.31
Other expenses	511.42	453.54
	1,163.53	**1,001.73**
Less: Transferred to intangibles/assets under development	(624.66)	(554.75)
Balance charged to revenue	**538.87**	**446.98**

Notes to the financial statements for the year ended 31 March 2014 (Continued)

(₹ in million)

	For the year ended 31 March 2014	For the year ended 31 March 2013
32. EXCEPTIONAL ITEMS		
Amortisation of Foreign Currency Monetary Item Translation Difference Account (FCMITDA)	1,000.21	631.61
Mark to market in respect of currency and interest rate swap contracts and forward covers outstanding (Refer note 50(iii))	764.55	314.53
Foreign exchange loss	422.53	235.62
Impairment of intangibles (Refer note 46)	25.56	55.56
Other litigation expenses	55.78	-
	2,268.63	**1,237.32**

33. Commitments as at year end:

a) Capital Commitments:

Estimated amount of contracts remaining to be executed on capital account (Net of advances) ₹ 239.89 million (Previous year ₹ 173.25 million).

b) Other Commitments:

I) Exports obligation undertaken by the Company under EPCG scheme to be completed over a period of five/ eight years on account of import of capital goods at concessional import duty and remaining outstanding is ₹ Nil (Previous year ₹ 6.60 million). Similarly export obligation under Advance License Scheme/DFIA scheme on duty free import of specific raw materials, remaining outstanding is ₹ 6,125.53 million (Previous year ₹ 4,550.88 million).

II) Outstanding export obligation amounting to ₹ 2,663.57 million (Previous year ₹ 1,554.84 million), against equivalent supplier advance received from a step down wholly owned subsidiary.

III) For lease commitments refer note 44.

34. Contingent liabilities to the extent not provided for:

A. Guarantees:

i. The Company has given following corporate guarantee on behalf of its subsidiaries to secure financial facilities:

Name of Subsidiary	Bank	As at 31 March 2014	As at 31 March 2013
Jubilant HollisterStier Inc.	ICICI Bank Canada	USD 4.20 million	USD 20.93 million
Jubilant Life Sciences International Pte. Limited	ICICI Bank Limited Singapore	SGD Nil	SGD 22.00 million

Total effective guarantee as on 31 March 2014 is ₹ 251.78 million (Previous year ₹ 2,098.11 million)

ii. Outstanding guarantees furnished by banks on behalf of the Company is ₹ 518.27 million (Previous year ₹ 498.58 million).

B. Claims against Company, disputed by the Company, not acknowledged as debt:

(₹ in million)

	As at 31 March 2014	As at 31 March 2013
Central Excise	1,093.17	514.46
Customs	11.49	31.63
Sales Tax	51.59	7.08
Income Tax	563.52	563.52
Service Tax	222.68	175.74
Others	27.19	47.03

Excluding demands in respect of business transferred in earlier year to Jubilant Industries Limited in terms of the scheme of demerger though the demands may be continuing in the name of the Company.

Notes to the financial statements for the year ended 31 March 2014 (Continued)

Future cash outflows in respect of the above matters as well as for matters listed under 34(C) below are determinable only on receipt of judgments/decisions pending at various stages/forums.

C. Other contingent liabilities as at 31 March 2014:

i. Liability in respect of bills discounted with banks is ₹ 699.85 million (Previous year ₹ 1,149.38 million).

ii. The Company's writ petition against the levy of transport fee by the State of Maharashtra on consumption of rectified spirit and molasses within Nira factory has been allowed by the Hon'ble Bombay High Court with consequential refund. The Company has filed a refund claim for an amount of ₹ 2.51 million (Previous year ₹ 2.51 million) deposited during the period when the dispute was pending before the High Court. The total amount of disputed transport fee is ₹ 193.06 million (Previous year ₹ 171.66 million). The State of Maharashtra has filed a special leave petition in the Supreme Court and has sought a stay on the operation of the High Court order.

iii. The Company has challenged before the Hon'ble Allahabad High Court, the increase in denaturing fee by the State of Uttar Pradesh w.e.f 1 April 2004 on denaturing of rectified spirit in the Gajraula factory and the writ petition has been admitted by the court. The Company has deposited ₹ 24.45 million (Previous year ₹ 22.52 million) under protest which is shown as deposits.

iv. Zila Panchayat at J.P. Nagar (in respect of the Company's Gajraula plant) served a notice demanding a compensation of ₹ 277.40 million (Previous year ₹ 277.40 million) allegedly for, percolation of poisonous water stored in lagoons and flowing through the land of Zila Panchayat resulting in loss of crops and cattle of the farmers and for putting poisonous fly ash on national highway which caused loss to the health and damages to eyes and skin of people.

District Magistrate issued a recovery certificate along with 10% collection charges inflating the demand to ₹ 305.14 million (Previous year ₹ 305.14 million). In the opinion of the Company, the Zila Panchayat has no jurisdiction in raising this demand. The demand was challenged in Hon'ble Allahabad High Court and the court stayed the demand till further orders.

v. The Company has challenged, before the Hon'ble Allahabad High Court, the levy of license fees of ₹ 2.87 million (Previous year ₹ 2.87 million) by State of Uttar Pradesh, for grant of PD-2 license for manufacture of ethyl alcohol for industrial use. The writ petition has been admitted and is being listed for final hearing. Though the amount has been deposited and shown as such, no provision against this has been made as the issue is covered by the earlier favorable judgment of the Hon'ble Supreme Court of India.

vi. The State of Uttar Pradesh (UP) has imposed levy on import of denatured spirit into the State of Uttar Pradesh (UP). The Company has imported denatured spirit into the State of Uttar Pradesh and has challenged levy amounting to ₹ 90.00 million (Previous year ₹ 90.00 million) before Hon'ble Allahabad High Court. The writ petition has been allowed by the High Court in favour of the Company. The State of Uttar Pradesh filed a special leave petition (SLP) with Hon'ble Supreme Court. The SLP has been admitted but the Hon'ble Supreme Court has declined the request of the State of Uttar Pradesh (UP) to stay the operation of High Court Order.

vii. The Hon'ble Supreme Court has quashed the levy of license fee by State of Uttar Pradesh on captive consumption of denatured spirit in the Gajraula factory, and has ordered the refund of the fee paid during the period of dispute subject to condition that the amount has not been collected from the Company's customers. Further the Court has directed the State to investigate whether the Company has collected the disputed fee from its customers to the extent bank guarantees were furnished.

The Company is entitled to a refund of ₹ 84.06 million (Previous year ₹ 84.06 million) as the amount paid during the period of dispute or secured by bank guarantees was not collected from its customers. Accordingly the Company has approached the State of Uttar Pradesh for the refund of the said amount. The amount paid has been shown as deposit.

viii. A group of villagers from Nira in Pune District of Maharashtra State, had filled a Public Interest Litigation against the Company on account of ground water contamination against which National Green Tribunal (NGT), Pune Bench passed an order on 16 May 2014. In this order, NGT has instructed the Company to comply with the recommendations of National Environmental Engineering Research Institute (NEERI), Maharashtra Pollution Control Board (MPCB) and Central Ground Water Board (CGWB), to ensure zero discharge and remediation to contaminated ground water. NGT in its order has also instructed the district authority to form a committee to conduct an enquiry around 2 Km radius of Nira unit to ascertain extent of loss and recommend the loss if any, caused to agriculturist due to effluent discharge to Nira river and asked Company to deposit adhoc amount of ₹ 2.50 million with the Collector of Pune.

Notes to the financial statements for the year ended 31 March 2014 (Continued)

35. Loans to Subsidiary Companies, including interest accrued thereon pursuant to information required to be disclosed under clause 32 of listing agreement (Refer note 53(28) and 53(29)).

(₹ in million)

Particulars	Outstanding amount (including interest accrued thereon)		Maximum balance outstanding during the year	
	As at 31 March 2014	As at 31 March 2013	2014	2013
Jubilant Biosys Limited	1,727.76	1,589.33	1,727.76	1,589.33
Jubilant Pharma Limited Singapore	920.02	570.04	959.01	570.04
Jubilant Pharma Holding Inc.USA	527.14	-	537.22	-

The above companies have not invested in the securities of the Company.

36. Micro, Small and Medium Business Entities

There are no Micro, Small & Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31 March 2014. The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) has been determined to the extent such parties have been identified on the basis of information available with the Company.

(₹ in million)

	As at 31 March 2014	As at 31 March 2013
Principal amount payable to suppliers at the year end	12.01	8.92
Interest due on the remaining unpaid amount to the suppliers as at the end of the year	-	-
Amount of interest paid by the Company in terms of section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year	-	-
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED.	-	-
Amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
Amount of further interest due and payable in the succeeding year	-	-

37. During the year, the Company has acquired BA/BE business from Jubilant Clinsys Limited(a step-down wholly owned subsidiary of Company) for a consideration of ₹ 87.00 million on fair value basis, in order to bring synergy with dosage formulation business of the Company. The purchase consideration has been allocated to various assets acquired, as per respective fair value on the date of acquisition.

38. The Company plans to consolidate its Pharmaceuticals business under its wholly owned subsidiary Jubilant Pharma Limited Singapore (JPL) and evaluate the option and opportunity to raise money to reduce the consolidated debt of the Company. Accordingly, the Board in its meeting held on 4 October 2013 approved transfer of Active Pharmaceutical Ingredients (API) and Dosage Forms business of the Company by way of a slump sale on going concern basis and shares held by it in Jubilant Pharma Holdings Inc USA and Jubilant Pharma NV Belgium, to a wholly owned Indian subsidiary of JPL for a net consideration of ₹ 11,451 million (net of debts). The shareholders of the Company on 21 March 2014 have approved the aforesaid sale subject to the concerned subsidiaries achieving financial closure to meet their obligation under the said purchase, and authorised the Board to decide whether to make this approval effective. JPL has received an approval from the Foreign Investment Promotion Board in this regard and subsequent to the year end, the board approved the share purchase agreement between the parties for above mentioned sale of shares held by the Company.

39. Other operating income is in the nature of export incentives, scrap sales, licensing income, etc.

40. During the previous year, the Company has changed useful life of dies and punches, used for manufacturing of dosages formulations from five years to “one to two years”. Accordingly the depreciation for the previous year was higher by ₹ 17.09 million.

41. Donation includes ₹ 38.80 million payments made to Satya Electoral Trust (Previous year ₹ 10.00 million to General Electoral Trust) during the year.

Notes to the financial statements for the year ended 31 March 2014 (Continued)

42. Employee Stock Option Scheme

The Company has two stock option plans in place namely:

- Jubilant Employees Stock Option Plan, 2005 ("Plan 2005")
- JLL Employees Stock Option Plan, 2011 ("Plan 2011")

The Board of Directors had constituted Compensation Committee ('Committee') comprising a majority of Independent Directors for administration and supervision of the Stock Option Plans.

Under Plan 2005, as amended, and under Plan 2011, upto 1,100,000 Stock Options and upto 5,352,000 Stock Options, respectively, can be issued to eligible directors (other than promoter directors) and other specified categories of employees of the Company/Subsidiaries. Options are to be granted at market price. As per the SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 ('Guidelines'), the market price is taken as the closing price on the day preceding the date of grant of options, on the stock exchange where the trading volume is the highest. Under Plan 2005, each option, upon vesting, shall entitle the holder to acquire five equity shares of ₹ 1 each. Options granted upto 28 August 2009 will vest entirely within two years from the grant date, with certain lock-in provisions. Options granted after 28 August 2009 will vest gradually over a period of 5 years from the grant date, without any lock-in provisions.

Under Plan 2011, each option, upon vesting, shall entitle the holder to acquire one equity share of ₹ 1 each. Options granted will vest gradually over a period of 3 years from the grant date. Vesting of Options is a function of achievement of performance criteria or any other criteria, as specified by the Committee and communicated in the grant letter.

Summary of vesting and lock-in provisions are given below

	PLAN 2005						PLAN 2011		
	Vesting schedule (With lock in) Applicable for grants made upto 28 August 2009			Vesting schedule (Without lock in) Applicable for grants made after 28 August 2009			Vesting schedule		
Sr. No.	% of options scheduled to vest	Vesting date	Lock-in period	% of options scheduled to vest	Vesting date	Lock-in period	% of options scheduled to vest	Vesting date	Lock-in period
1.	10	1 year from grant date	Nil	10	1 year from grant date	Nil	20	1 year from grant date	Nil
2.	15	2 years from grant date	Nil	15	2 years from grant date	Nil	30	2 years from grant date	Nil
3.	20	2 years from grant date	1 year from vesting date	20	3 years from grant date	Nil	50	3 years from grant date	Nil
4.	25	2 years from grant date	2 years from vesting date	25	4 years from grant date	Nil			
5.	30	2 years from grant date	3 years from vesting date	30	5 years from grant date	Nil			

In 2008-09, members approved constitution of Jubilant Employees Welfare Trust ('Trust') for the purpose of acquisition of equity shares of the Company from the secondary market or subscription of shares from the Company, to hold the shares and to allocate/transfer these shares to eligible employees of the Company/subsidiaries from time to time on the terms and conditions specified under respective Plans. The members authorised grant of loan(s) from time to time to the Trust in one or more tranches, upto ₹ 1,000 million either free of interest or at interest agreed between the Board and the Trust. The outstanding loan to the Trust as at 31 March 2014 is ₹ 424.89 million (Previous year ₹ 439.39 million- Also Refer note 43).

Notes to the financial statements for the year ended 31 March 2014 (Continued)

Upto 31 March 2014, the Trust has purchased 6,363,506 equity shares of the Company from the open market, out of interest free loan provided by the Company, of which 1,530,010 shares were transferred to the employees on exercise of Options. The Trust has also been issued 192,086 equity shares of Jubilant Industries Limited in accordance with the Scheme of Amalgamation & Demerger amongst the Company, Jubilant Industries Ltd. and others.

The movement in the stock options under both the Plans, during the year, is set out below:

Under Plan 2005

Particulars	31 March 2014		31 March 2013	
	Number of options	Weighted Average Exercise Price (₹)	Number of options	Weighted Average Exercise Price (₹)
Options outstanding at the beginning of the year	145,443	227.05	164,562	226.89
Options forfeited during the year	(12,759)	259.78	(19,119)	225.67
Options outstanding at the end of the year	132,684	223.89	145,443	227.05

Under Plan 2011

Particulars	31 March 2014		31 March 2013	
	Number of options	Weighted Average Exercise Price (₹)	Number of options	Weighted Average Exercise Price (₹)
Options outstanding at the beginning of the year	1,585,055	210.47	860,580	199.20
Granted during the year	12,187	176.00	918,351	219.01
Options forfeited during the year	(168,303)	207.81	(193,876)	200.96
Options outstanding at the end of the year	1,428,939	210.49	1,585,055	210.47

The Company has opted for intrinsic value method of accounting for Employee Stock Options. As market price of the options is equal to the exercise price on the date of grant, intrinsic value is ₹ Nil. Hence, there is no cost charged to the Statement of Profit and Loss on account of options granted to employees under the Employee Stock Option Plans of the Company.

43. During the current period, the Company has changed its policy with respect to treatment of shares issued to Jubilant Employee Welfare trust ('Trust'). The Trust primarily holds equity shares of the Company which are to be transferred to employees of the Company and it's subsidiaries upon exercise of their stock options under various Employee Stock Option Plans (ESOP) in force. As per a recent opinion of the Expert Advisory Committee ('EAC') of The Institute of Chartered Accountants of India, as on the reporting date, the shares issued to a trust but yet to be allotted to employees be shown as a deduction, from the Share Capital to the extent of face value of the shares and Securities Premium to the extent of amount exceeding face value of shares, with a corresponding adjustment to the, loan receivable from Trust, Capital Reserve (for the amount of profit on sale of shares) and Surplus (to the extent of dividend received net of operating expenses). Consequently, the face value of 4,833,496 equity shares held by trust as at 31 March 2014 amounting to ₹ 4.84 million is reduced from the share capital and the excess of net worth (after elimination of inter-company loans) of ₹ 420.00 million has been adjusted from securities premium ₹ 577.59 million, capital reserve (₹ 104.77 million) and surplus (₹ 52.82 million).

44. Leases:

a) The Company's significant operating lease arrangements are in respect of premises (residential, offices, godown etc.). These leasing arrangements, which are cancellable, range between 11 months and 3 years generally and are usually renewable by mutual agreeable terms. The aggregate lease rentals payable are charged as expenses. Rental payments under such leases are ₹ 80.59 million (Previous year ₹ 94.20 million).

b) Also, the Company has significant operating lease arrangements which are non-cancellable for a fixed period of 25 years. The lease rental is subject to escalation whereby the Lessor is entitled to increase the lease rental by 10% of the average lease rental of preceding three years blocked period.

Notes to the financial statements for the year ended 31 March 2014 (Continued)

The schedule of future minimum lease rental payments in respect of non-cancellable operating leases is set out below:

(₹ in million)

	Minimum lease payments	
	As at 31 March 2014	As at 31 March 2013
Not later than one year	15.10	14.84
Later than one year but not later than five years	65.79	63.69
Later than five years	360.82	378.03

Rental recognised under such leases during the year are ₹ 36.82 million (Previous year ₹ 36.82 million).

c) Assets acquired under finance lease:

The Company has taken vehicles under finance lease. Future minimum lease payments and their present values under finance leases are as follows:

(₹ in million)

	Minimum lease payments		Present value of minimum lease payments		Future interest	
	As at 31 March 2014	As at 31 March 2013	As at 31 March 2014	As at 31 March 2013	As at 31 March 2014	As at 31 March 2013
Not later than one year	14.28	17.13	11.78	13.06	2.50	4.07
Later than one year but not later than five years	14.66	28.16	13.11	24.29	1.55	3.87
Later than five years	-	-	-	-	-	-

There is no element of contingent rent or sub lease payments. The Company has option to purchase the assets at the end of the lease term. There are no restrictions imposed by these lease arrangements regarding dividend, additional debt and further leasing.

45. In line with the applicable Accounting Standards, during the year, interest amounting to ₹ 80.37 million (Previous year ₹ 223.65 million) and expenditure incurred on start up and commissioning of the project and/or substantial expansion and development, including the expenditure incurred on trial runs (Net of trial run receipts, if any) up to the date of capitalisation amounting to ₹ 16.10 million (Previous year ₹ 406.34 million) have been capitalised. The said expenditure (net of trial run receipts), so capitalised are accumulated as capital work in progress to be allocated to fixed assets on capitalisation.

46. The carrying value of internally generated intangible asset – product development and other intangibles under progress has been reviewed and based on financial and technical assessment, carrying value of certain internally generated intangible assets/other intangibles under development of ₹ 25.56 million (Previous year ₹ 55.56 million) have been charged to the Statement of Profit and Loss.

47. Consequent to re-evaluation of certain tax provisions pertaining to earlier years (including deferred taxes), tax benefit is amounting to ₹ 591.86 million has been recognised in the current year.

48. Disclosure required by Accounting Standard 29 (AS-29) "Provisions, contingent liabilities and contingent assets"

Movement in provisions:

(₹ in million)

Sr. No.	Particulars of disclosure	Provision for MTM Losses
1.	Balance as at 1 April 2013	2,031.12 (1,198.42)
2.	Additional provision during the year	1,202.11 (832.70)
3.	Provision used during the year	134.35 (-)
4.	Balance as at 31 March 2014	3,098.88 (2,031.12)

Figures in ( ) are in respect of previous year.

49. The Company has opted for accounting the exchange difference arising on reporting of long term foreign currency monetary items in line with Para 46A of Accounting Standard 11 (AS-11) – "The Effects of Changes in Foreign Exchange Rates" notified by the Ministry of Corporate Affairs on 29 December 2011. Accordingly during year ended 31 March 2014, the Company has capitalised exchange difference amounting to ₹ 281.00 million (Previous Year ₹ 170.75 million) to the cost of fixed assets and ₹ 805.49 million (Previous year ₹ 579.64 million) to foreign currency monetary item translation

Notes to the financial statements for the year ended 31 March 2014 (Continued)

difference account (FCMITDA). During the year ₹ 1,000.21 million (Previous Year ₹ 631.61 million) has been amortised to the Statement of Profit and Loss in terms of the said notification and balance of ₹ 480.73 million (Previous Year ₹ 675.45 million) is carried in Balance Sheet as on 31 March 2014.

50. Hedging and Derivatives:

i) The Company uses various derivative instruments such as foreign exchange forward contracts, interest rate swaps and currency swaps to selectively hedge its exposures to movement in foreign exchange rates and interest rates. These derivatives are not used for speculative or trading purposes.

The following are the outstanding derivative contracts entered into by the Company:

Category	Currency	Cross Currency	Amount (In million)	Buy/Sell
As at 31 March 2014:				
Forward Contracts	USD	INR	USD 70.00	Sell
Currency and Interest Swap	INR	USD	USD 188.57	
As at 31 March 2013:				
Forward Contracts	USD	INR	USD 320.00	Sell
Forward Contracts	USD	INR	USD 62.60	Buy
Currency Swap (Loan of JPY 842.42 million)	JPY	USD	USD 8.30	
Currency and Interest Swap	INR	USD	USD 201.90	

Refer note iv below

ii) Foreign currency exposure not hedged by derivative instrument:

	Amount (foreign currency in million)			
	As at 31 March 2014		As at 31 March 2013	
Amount receivable on account of sale of goods and services and loans and advances.	USD	79.99	USD	62.73
	EURO	10.57	EURO	12.36
	GBP	0.13	GBP	0.20
	CAD	1.94	CAD	1.59
	CHF	0.01	CHF	0.01
Amount payable on account of purchase of goods and services, loans etc.	USD	321.70	USD	264.91
	JPY	0.15	JPY	0.03
	EURO	2.25	EURO	1.92
	GBP	0.03	GBP	-
	CAD	0.34	CAD	0.10
Amount outstanding as deposits with banks	USD	25.15	USD	5.11

Foreign currency exposure in relation to forward contracts taken for hedging currency risk of highly probable forecasted transaction and currency swap (including currency and interest rate swap)-refer note (i) above.

iii) Mark to market losses in respect of currency and interest rate swaps contracts amounting to ₹ 764.55 million (Previous year ₹ 314.53 million) has been charged to the Statement of Profit and Loss. The accumulated mark to market losses on currency swaps (including currency and interest rate swaps) as at 31 March 2014 is ₹ 3,098.88 million (Previous year ₹ 2,031.12 million).

iv) The Company has opted for hedge accounting in respect of certain transactions including forward contracts under Accounting Standard 30 issued by the Institute of Chartered Accountants of India. Accordingly during the year:

a) An amount of ₹ 9.23 million (Previous Year ₹ 354.14 million), net of related tax effect, has been credited to Hedge Reserve Account on account of outstanding forward contracts of USD 70 million (Previous Year USD 258 million) for which highly probable forecast sale of USD 70 million (Previous Year USD 258 million) is expected to occur between April 2014 and Aug 2014.

Notes to the financial statements for the year ended 31 March 2014 (Continued)

b) An amount of ₹ 479.65 million (Previous Year ₹ 181.03 million) net of tax has been transferred from Hedge Reserve Account to Statement of Profit and Loss under sales on occurrence of highly probable forecast transactions.

51. Employee Benefits have been calculated as under:

(A) Defined Contribution Plans

a. Provident fund*

b. Superannuation fund

During the year the Company has contributed following amounts to:

(₹ in million)

	For the year ended 31 March 2014	For the year ended 31 March 2013
Employers contribution to provident fund	6.86	6.63
Employers contribution to employee's pension scheme 1995	23.49	22.67
Employers contribution to superannuation fund	11.99	14.09

*For certain employees where provident fund is deposited with Government authorities e.g. Regional Provident Fund Commissioner.

c. State plans

During the year the Company has contributed following amounts to:

(₹ in million)

	For the year ended 31 March 2014	For the year ended 31 March 2013
Employers contribution to employee state insurance	2.82	3.57

(B) Defined Benefit Plans

i. Gratuity

In accordance with Accounting Standard 15(AS 15)-"Employee Benefits (Revised 2005)", an actuarial valuation has been carried out in respect of gratuity. The discount rate assumed is 9.40% p.a. (Previous year 8.00% p.a.) which is determined by reference to market yield at the Balance Sheet date on Government bonds. The retirement age has been considered at 58 years and mortality table is as per IALM (2006-08) (Previous year IALM (1994-96)).

The estimates of future salary increases, considered in actuarial valuation is 10% p.a. for first three years and 6% p.a. thereafter (Previous year 5% p.a.), taking into account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The plans assets are maintained with Life Insurance Corporation of India in respect of gratuity scheme for certain employees of two units of the Company. The details of investments maintained by Life Insurance Corporation are not available with the Company, hence not disclosed. The expected rate of return assumed on plan assets is 9.00% p.a. (Previous year 9.00% p.a.).

Reconciliation of opening and closing balances of the present value of the defined benefit obligation:

(₹ in million)

	Gratuity	
	31 March 2014	31 March 2013
Present value of obligation at the beginning of the year	329.04	277.70
Current service cost	43.53	33.21
Interest cost	26.32	22.22
Actuarial loss	44.65	27.97
Benefits paid	(37.43)	(32.06)
Present value of obligation at the end of the year	406.11	329.04

Notes to the financial statements for the year ended 31 March 2014 (Continued)

Reconciliation of the present value of defined benefit obligation and the fair value of the plan assets:

(₹ in million)

	Gratuity	
	31 March 2014	31 March 2013
Present value of obligation at the end of the year	406.11	329.04
Fair value of plan assets at period end	(21.66)	(17.91)
Net liabilities recognised in the Balance Sheet	(384.45)	(311.13)

Cost recognised for the period (included under salaries, wages, allowances, bonus and gratuity):

(₹ in million)

	Gratuity	
	31 March 2014	31 March 2013
Current service cost	43.53	33.21
Interest cost	26.32	22.22
Actuarial loss	44.65	29.02
Expected return on plan assets	(1.61)	(1.21)
Net cost recognised during the year	112.89	83.24

Fair Value of Plan Assets:**

(₹ in million)

	Gratuity	
	31 March 2014	31 March 2013
Plan assets at the beginning of the year	17.91	13.44
Expected return on plan assets	1.61	1.21
Contribution by employer	5.85	5.46
Actual benefits paid	(3.65)	(1.15)
Actuarial losses	(0.06)	(1.05)
Plan assets at the end of the year	21.66	17.91

** In respect of certain employees of Nanjangud and Ambernath Unit.

Company's best estimate of contribution during next year is ₹ 101.84 million (Previous year ₹ 92.26 million).

Experience adjustment

(₹ in million)

	31 March 2014	31 March 2013	31 March 2012	31 March 2011	31 March 2010
Defined benefit obligation	406.11	329.04	277.70	241.63	241.89
Plan assets	21.66	17.91	12.64	9.96	8.15
Surplus/(deficit)	(384.45)	(311.13)	(265.06)	(231.67)	(233.74)
Experience adjustment of plan liabilities-(loss)/gain	(11.41)	(26.39)	(20.33)	34.81	(5.08)
Experience adjustment on plan assets-(loss)/gain	(0.08)	(0.85)	(0.90)	0.17	0.24

ii. Provident Fund

The Guidance on implementation of AS 15, Employee Benefits (Revised 2005) issued by Accounting Standard Board (ASB) states that benefits involving provident funds, which require interest shortfall to be compensated, are to be considered as defined benefit plans. The actuary has worked out a liability of ₹ Nil (Previous year ₹ 9.67 million) likely to arise towards interest guarantee. The trust is managing common corpus of some of the group companies. The total liability of ₹ Nil (Previous year ₹ 9.67 million) as worked out by the actuary has been allocated to each entity based on the corpus value of each entity as on 31 March 2014. Accordingly, liability of ₹ Nil (Previous year ₹ 8.40 million) has been allocated to Company and ₹ Nil (Previous year ₹ 1.26 million) has been charged to Statement of Profit and Loss during the year. The Company has contributed ₹ 115.16 million (Previous year ₹ 104.16 million) to Provident Fund for the year.

(C) Other long term benefits

(₹ in million)

	31 March 2014	31 March 2013
Present value of obligation at the end of the year	220.88	172.61

Notes to the financial statements for the year ended 31 March 2014 (Continued)

52. Segment Reporting :

i) **Based on the guiding principles given in Accounting Standard 17 (AS-17) on " Segment Reporting", the Company's Primary Business Segments were organised around customers on industry and product lines as under:**

a. **Pharmaceuticals :**

Generics, comprising Active Pharmaceuticals Ingredients (APIs) and Solid Dosage Formulations

b. **Life Sciences Ingredients :**

i) Advance Intermediates and Specialty Ingredients ii) Life Sciences Chemicals iii) Nutritional Products

ii) **In respect of secondary segment information, the Company has identified its geographical segments as:**

(i) Within India

(ii) Outside India.

iii) **Inter segment transfer pricing**

Inter segment transfer prices are based on market prices.

iv) **The financial information about the primary business segments is presented in the table given below:**

(₹ in million)

	Particulars	Pharmaceuticals		Life Sciences Ingredients		Total	
		31 March 2014	31 March 2013	31 March 2014	31 March 2013	31 March 2014	31 March 2013
1)	**Segment revenue**	8,199.67	7,641.40	29,931.12	25,049.02	38,130.79	32,690.42
	Less: Inter segment revenue	-	-	35.66	26.85	35.66	26.85
	Less: Excise duty on sales	88.97	76.78	1,278.24	1,123.76	1,367.21	1,200.54
	Revenue from operations(net)	**8,110.70**	**7,564.62**	**28,617.22**	**23,898.41**	**36,727.92**	**31,463.03**
2)	**Segment results**	1,853.54	1,513.32	3,119.13	2,737.00	4,972.67	4,250.32
	Less : Interest (finance cost)					2,775.91	2,559.79
	Other un-allocable expenditure (net of un-allocable income)					2,878.34	1,818.62
	Total profit/(loss) before tax	**1,853.54**	**1,513.32**	**3,119.13**	**2,737.00**	**(681.58)**	**(128.09)**
3)	**Capital employed**						
	(Segment assets - segment liabilities)						
	Segment assets	12,467.03	11,546.11	24,714.50	23,658.42	37,181.53	35,204.53
	Add: Unallocated assets					29,291.11	29,712.46
	Total assets	**12,467.03**	**11,546.11**	**24,714.50**	**23,658.42**	**66,472.64**	**64,916.99**
	Segment liabilities	1,560.30	1,494.54	8,412.24	6,412.81	9,972.54	7,907.35
	Add: Unallocated liabilities					4,298.93	3,341.98
	Total liabilities	**1,560.30**	**1,494.54**	**8,412.24**	**6,412.81**	**14,271.47**	**11,249.33**
	Segment capital employed	10,906.73	10,051.57	16,302.26	17,245.61	27,208.99	27,297.18
	Add: Unallocated capital employed					24,992.18	26,370.48
	Total capital employed	**10,906.73**	**10,051.57**	**16,302.26**	**17,245.61**	**52,201.17**	**53,667.66**
4)	Segment capital expenditure	1,057.36	1,271.65	594.74	1,368.15	1,652.10	2,639.80
	Add: Unallocated capital expenditure					94.61	367.72
	Total capital expenditure	**1,057.36**	**1,271.65**	**594.74**	**1,368.15**	**1,746.71**	**3,007.52**
5)	Depreciation and amortisation(net)	668.38	604.43	1,033.84	887.04	1,702.22	1,491.47
	Add: Unallocated Depreciation					50.65	30.20
	Total depreciation and amortisation	**668.38**	**604.43**	**1,033.84**	**887.04**	**1,752.87**	**1,521.67**

Notes to the financial statements for the year ended 31 March 2014 (Continued)

v) **Secondary segments (Geographical segments):**

(₹ in million)

	Particulars	31 March 2014	31 March 2013
a)	**Revenue from operations by geographic location of customers (Net of excise duty)**		
	Within India	14,473.70	13,063.59
	Outside India	22,254.22	18,399.44
	Total	**36,727.92**	**31,463.03**
b)	**Carrying amount of segment assets**		
	Within India	42,998.06	43,137.85
	Outside India	23,474.58	21,779.14
	Total	**66,472.64**	**64,916.99**
c)	**Capital expenditure**		
	Within India	1,746.71	3,007.52
	Outside India	-	-
	Total	**1,746.71**	**3,007.52**
d)	**Revenue from operations by geographic markets**		
	India	14,473.70	13,063.59
	Americas and Europe	14,113.58	11,096.27
	China	3,798.46	3,499.11
	Others	4,342.18	3,804.06
	Total	**36,727.92**	**31,463.03**

Notes:

1) The Company has disclosed Business Segment as the Primary Segment.

2) Segments have been identified and reported taking into account the nature of products and services, the differing risk and returns, the organisation structure and the internal financial reporting systems.

3) The Segment revenue, results, assets and liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.

53. Related Party Disclosures

1. Related parties where control exists:

a) Subsidiaries including step-down subsidiaries:

Jubilant Pharma Limited (formerly known as Jubilant Pharma Pte. Ltd), Draximage Limited, Cyprus, Draximage Limited, Ireland, Draximage LLC, Jubilant DraxImage (USA) Inc., Deprenyl Inc., USA, Jubilant DraxImage Inc., 6963196 Canada Inc., 6981364 Canada Inc. DAHI Animal Health (UK) Limited, Draximage (UK) Limited, Jubilant Pharma Holdings Inc. (formerly known as Jubilant Life Sciences Holdings Inc.), Jubilant Clinsys Inc., Cadista Holdings Inc., Jubilant Cadista Pharmaceuticals Inc., Jubilant Life Sciences International Pte. Limited, HSL Holdings Inc., Jubilant HollisterStier LLC, Jubilant Life Sciences (Shanghai) Limited, Jubilant Pharma NV, Jubilant Pharmaceuticals NV, PSI Supply NV, Jubilant Life Sciences (USA) Inc., Jubilant Life Sciences (BVI) Limited, Jubilant Biosys (BVI) Limited, Jubilant Biosys (Singapore) Pte. Limited, Jubilant Biosys Limited, Jubilant Discovery Services, Inc., Jubilant Drug Development Pte. Limited, Jubilant Chemsys Limited, Jubilant Clinsys Limited, Jubilant Infrastructure Limited, Jubilant First Trust Healthcare Limited, Asia Healthcare Development Limited (ceased to be a subsidiary with effect from 3 March 2014), Jubilant Innovation (BVI) Limited, Jubilant Innovation Pte. Limited, Jubilant DraxImage Limited India, Jubilant Innovation (India) Limited, Jubilant Innovation (USA) Inc, Jubilant HollisterStier Inc., Draxis Pharma LLC, Jubilant Generics Inc. (formerly known as Generic Pharmaceuticals Holdings, Inc.), Jubilant Life Sciences (Switzerland) AG, First Trust Medicare Private Limited, Jubilant Drug Discovery & Development Services Inc., Vanthys Pharmaceutical Development Private Limited, Jubilant Life Sciences NV, Jubilant Generics Limited, Drug Discovery and Development Solutions Limited.

b) Other Entities:

Jubilant HollisterStier General Partnership Canada, Draximage General Partnership Canada (controlled through subsidiaries/step down subsidiaries).

Notes to the financial statements for the year ended 31 March 2014 (Continued)

2. Other Related parties with whom transactions have taken place during the year.

a) Enterprise over which certain key management personnel have significant influence:

Jubilant Enpro Private Limited, Jubilant Oil & Gas Private Limited, Jubilant FoodWorks Limited, Tower Promoters Private Limited, B&M Hot Breads Private Limited, Jubilant Industries Limited, Jubilant Agri and Consumer Products Limited, Jubilant Motors Private Limited, Jubilant Aeronautics Private Limited, Jubilant Fresh Private Limited, Sankur Chalets Private Limited.

b) Key management personnel:

For the year ended 31 March 2014: Mr. Shyam S. Bhartia, Mr. Hari S. Bhartia , Mr. R. Sankaraiah, Mr. Shyamsundar Bang, Mr. Lalit Jain.

For the year ended 31 March 2013: Mr. Shyam S. Bhartia, Mr. Hari S. Bhartia , Mr. R. Sankaraiah, Mr. Shyamsundar Bang, Mr. Pramod Yadav, Mr. Rajesh Srivastava, Mr. Neeraj Agrawal, Mr. Chandan Singh.

c) Others:

Vam Employees Provident Fund Trust, Jubilant Employee Welfare Trust*, Jubilant Bhartia Foundation, Vam Officers Superannuation Fund.

*Refer note 43

3. Transactions with related parties during the year

(₹ in million)

Sr. No.	Particulars	Subsidiaries	Enterprise over which certain key management personnel have significant influence	Key management personnel and relatives	Others
1.	Sales of goods and services	9,874.90 (7,687.05)	201.32 (426.39)		
2.	Interest on loans granted	163.86 (153.80)			
3.	Purchase of goods and services	826.87 (1,034.63)	120.16 (94.87)		
4.	Recovery of expenses and utilities charges	172.32 (184.67)	102.89 (88.77)		
5.	Reimbursement of expenses	174.20 (124.98)	- (0.28)		
6.	Remuneration and related expenses			42.27 (242.76)	
7.	Company's contribution to PF Trust				115.16 (104.16)
8.	Company's contribution to superannuation fund				11.99 (14.09)
9.	Rent expenses		57.49 (56.39)		
10.	Donation				17.20 (24.61)
11.	Sharing of licensing fees	42.89 (58.07)			
12.	R&D services rendered	- (13.35)			
13.	Lease rental expenses	14.84 (14.22)			
14.	Business transfer consideration	87.00 (-)			
15.	Purchase of tangible/intangible assets	- (13.90)	9.18 (6.15)		
16.	Purchase of investments	2.91 (-)			

Notes to the financial statements for the year ended 31 March 2014 (Continued)

(₹ in million)

Sr. No.	Particulars	Subsidiaries	Enterprise over which certain key management personnel have significant influence	Key management personnel and relatives	Others
17.	Investments in equity share capital	272.70 (307.82)			
18.	Interest paid on loans	55.12 (11.64)			
19.	Redemption of optionally convertible non-cumulative redeemable preference shares	- (120.00)			
20.	Loans given	854.86 (409.98)			
21.	Loans received back	18.44 (-)			- (14.50)
22.	Loans taken	633.90 (530.20)			
23.	Loans repaid	70.20 (73.00)			
24.	Advance from customer against goods/assets	4,484.41 (2,568.06)	60.57 (-)		
Balance as at 31 March 2014					
25.	Loans payable	1,085.90 (522.20)			
26.	Interest payable on loan	58.16 (10.27)			
27.	Trade and other payables	382.25 (331.49)	9.67 (21.29)		
28.	Loans recoverable	2,951.64 (2,083.84)			- (439.39)
29.	Interest recoverable on loan	223.28 (75.54)			
30.	Trade receivables	2,158.82 (1,740.47)	37.19 (47.05)		
31.	Deposits recoverable		21.00 (21.00)		
32.	Other recoverable	224.21 (219.63)	24.27 (86.52)	129.07 (25.00)	
33.	Advance from customer payable	2,663.57 (1,554.84)	60.57 (-)		
34.	Financial guarantees on behalf of subsidiaries/step down subsidiaries and outstanding at the end of the year.	251.78 (2,098.11)			
35.	Mortgage of land and building at Bharuch owned by one of subsidiaries as security against term loan.	Refer note 5.2			

Note:

(1) Figures in ( ) indicates in respect of previous year.

(2) Related party relationship is as identified by the Company and relied upon by the Auditors.

(3) No amount has been written off/provided for in respect of dues from or to any related party.

Notes to the financial statements for the year ended 31 March 2014 (Continued)

Disclosure in respect of material related party transactions during the year:

1. Sales of goods and services include to Jubilant Life Sciences (Shanghai) Limited ₹ 602.27 million (Previous year ₹ 1,801.44 million), Jubilant Life Sciences (USA) Inc. ₹ 1,791.20 million (Previous year ₹ 2,082.96 million), PSI Supply NV ₹ 218.43 million (Previous year. ₹ 126.02 million), Jubilant Cadista Pharmaceuticals Inc. ₹ 934.51 million (Previous year ₹ 828.80 million), Jubilant Pharmaceuticals NV ₹ 1,491.32 million (Previous year ₹ 1,769.94 million), Jubilant Chemsys Limited ₹ 15.88 million (Previous year ₹ 38.91 million), Jubilant Agri and Consumer Products Limited ₹ 201.32 million (Previous year ₹ 426.39 million), Jubilant Infrastructure Limited ₹ 2.86 million (Previous year ₹ 1.28 million), Jubilant Life Sciences International Pte. Limited ₹ 3,198.42 million (Previous year ₹ 1,037.70 million) and Jubilant Life Sciences NV ₹ 1,620.01 million (Previous year ₹ Nil)
2. Interest on loan charged to Jubilant Biosys Limited ₹ 153.80 million (Previous year ₹ 153.80 million), Jubilant Pharma Limited ₹ 4.01 million (Previous year ₹ Nil), Jubilant Pharma Holdings Inc. ₹ 6.05 million (Previous year ₹ Nil).
3. Purchases of goods and services include from Jubilant Clinsys Limited ₹ 50.24 million (Previous year ₹ 141.10 million), Jubilant Pharmaceuticals NV ₹ 33.23 million (Previous year ₹ 39.34 million), Jubilant Infrastructure Limited ₹ 742.95 million (Previous year ₹ 852.90 million), Jubilant Chemsys Limited ₹ Nil (Previous year ₹ 0.62 million), PSI Supply NV Belgium. ₹ Nil (Previous year ₹ 0.67 million), Jubilant Biosys Limited ₹ 0.45 million (Previous year ₹ Nil) and Jubilant Agri and Consumer Products Limited ₹ 120.16 million (Previous year ₹ 94.87 million).
4. Recovery of expenses and utilities charges includes from Jubilant Chemsys Limited ₹ 18.03 million (Previous year ₹ 19.06 million, Jubilant Cadista Pharmaceuticals Inc ₹ 10.36 million (Previous year ₹ 12.69 million), Jubilant HollisterStier LLC ₹ 25.73 million (Previous year ₹ 40.57 million), Jubilant DraxImage Inc. ₹ 5.77 million (Previous year ₹ 13.29 million), Jubilant DraxImage Limited ₹ Nil (Previous year ₹ 0.05 million), Jubilant HollisterStier General Partnership ₹ 13.68 million (Previous year ₹ 12.25 million), Jubilant Clinsys Inc ₹ 1.19 million (Previous year ₹ 1.51 million), Jubilant Infrastructure Limited ₹ 96.71 million (Previous year ₹ 80.10 million), Jubilant Enpro Private Limited ₹ 7.64 million (Previous year ₹ 8.21 million), Jubilant Oil & Gas Private Limited ₹ 5.45 million (Previous year ₹ 4.23 million), Jubilant FoodWorks Limited ₹ 13.51 million (Previous year ₹ 5.97 million), Jubilant Industries Limited ₹ 1.32 million (Previous year ₹ 0.18 million), Jubilant Agri and Consumer Products Limited ₹ 74.29 million (Previous year ₹ 69.43 million), B&M Hot Breads Private Limited ₹ 0.29 million(Previous year ₹ 0.59 million), Jubilant Aeronautics Private Limited ₹ 0.30 million (Previous year ₹ 0.16 million), Jubilant Biosys Limited ₹ Nil (Previous year ₹ 5.12 million), Jubilant Innovation Pte. Limited ₹ Nil (Previous year ₹ 0.03 million) and Jubilant Fresh Private Limited ₹ 0.09 million (Previous year ₹ Nil), PSI Supply NV Belgium. ₹ 0.04 million (Previous year ₹ Nil million), Jubilant Pharmaceuticals NV ₹ 0.04 million (Previous year ₹ Nil), Jubilant Clinsys Limited ₹ 0.77 million (Previous year ₹ Nil).
5. Reimbursement of expenses to Jubilant Pharmaceuticals NV ₹ 129.88 million (Previous year ₹ 109.20 million), Jubilant Biosys Limited ₹ 0.08 million (Previous year ₹ 0.44 million), Jubilant Infrastructure Limited ₹ 0.15 million (Previous year ₹ 0.16 million), PSI Supply NV Belgium. ₹ 9.62 million (Previous year ₹ 2.46 million), Jubilant DraxImage Inc ₹ 6.84 million (Previous year ₹ 2.69 million), Jubilant HollisterStier LLC ₹ 1.15 million (Previous year ₹ 2.13 million), Jubilant Cadista Pharmaceuticals Inc ₹ 15.36 million (Previous year ₹ 7.80 million), Jubilant Hollister Stier General Partnership ₹ 0.03 million (Previous year ₹ 0.10 million), Jubilant Clinsys Limited ₹ 10.67 million (Previous year ₹ Nil), Jubilant Life Sciences NV ₹ 0.42 million (Previous year ₹ Nil) and Jubilant Oil & Gas Private Limited ₹ Nil (Previous year ₹ 0.28 million).
6. Remuneration and related expenses to Mr. Shyam S Bhartia ₹ Nil (Previous year ₹ 57.50 million), Mr. Hari S Bhartia ₹ Nil (Previous year ₹ 57.50 million), Mr. Shyamsundar Bang ₹ Nil (Previous year ₹ 21.31 million), Mr. R Sankaraiah ₹ 36.05 million (Previous year ₹ 36.17 million), Mr. Pramod Yadav ₹ Nil (Previous year ₹ 18.57 million), Mr. Rajesh Srivastava ₹ Nil (Previous year ₹ 18.91 million), Mr. Chandan Singh ₹ Nil (Previous year ₹ 11.08 million), Mr. Neeraj Agrawal ₹ Nil (Previous year ₹ 21.72 million), Mr. Lalit Jain ₹ 6.22 million (Previous year ₹ Nil).
7. The Company's contribution to PF Trust to Vam Employees Provident Fund Trust ₹ 115.16 million (Previous year ₹ 104.16 million).
8. The Company's contribution to superannuation fund to Vam Officers Superannuation Fund ₹ 11.99 million (Previous year ₹ 14.09 million).
9. Rent expenses paid to Jubilant Enpro Private Limited ₹ 4.09 million (Previous year ₹ 2.59 million), Tower Promoters Private Limited ₹ 52.00 million (Previous year ₹ 52.00 million), Sankur Chalets Private Limited ₹ 1.40 million (Previous year ₹ 1.80 million).
10. Donation to Jubilant Bhartia Foundation ₹ 17.20 million (Previous year ₹ 24.61 million).
11. Sharing of licensing fees with Jubilant Pharmaceuticals NV ₹ 42.89 million (Previous year ₹ 58.07 million).

Notes to the financial statements for the year ended 31 March 2014 (Continued)

12. R&D services rendered to Jubilant Cadista Pharmaceuticals Inc. ₹ Nil (Previous year ₹ 13.35 million).
13. Lease rental paid to Jubilant Infrastructure Limited ₹ 14.84 million (Previous year ₹ 14.22 million).
14. Business transfer consideration paid to Jubilant Clinsys Limited ₹ 87.00 million (Previous year ₹ Nil).
15. Purchase of tangible/intangible assets from Jubilant Pharmaceuticals NV ₹ Nil (Previous year ₹ 13.90 million), Jubilant Motors Private Limited ₹ 5.32 million (Previous year ₹ 6.15 million) and Jubilant Oil & Gas Private Limited ₹ 3.86 million (Previous year ₹ Nil).
16. Purchase of investments being equity shares of Jubilant Life Sciences International Pte. Limited purchased from Jubilant Pharma Limited ₹ 2.91 million (Previous year ₹ Nil).
17. Investments in equity share capital include to Jubilant Pharma Limited ₹ 264.89 million (Previous year ₹ 307.82 million), Jubilant Life Sciences NV ₹ 7.81 million (Previous year ₹ Nil).
18. Interest on loan paid to Jubilant Infrastructure Limited ₹ 21.75 million (Previous year ₹ 0.78 million), Jubilant Clinsys Limited ₹ 3.92 million (Previous year ₹ 0.94 million), Jubilant First Trust Healthcare Limited ₹ 26.34 million (Previous year ₹ 8.75 million), Asia Healthcare Development Limited ₹ 0.74 million (Previous year ₹ 0.36 million) and Vanthys Pharmaceutical Development Private Limited ₹ 2.37 million (Previous year ₹ 0.81 million).
19. Redemption of optionally convertible non-cumulative redeemable preference shares by Jubilant Chemsys Limited ₹ Nil (Previous year ₹ 120.00 million).
20. Loans given to Jubilant Pharma Limited ₹ 312.85 million (Previous year ₹ 409.98 million) and Jubilant Pharma Holdings Inc. ₹ 542.01 million (Previous year ₹ Nil).
21. Loans received back from Jubilant Pharma Limited ₹ 18.44 million (Previous year. ₹ Nil) and Jubilant Employee Welfare Trust ₹ Nil (Previous year ₹ 14.50 million).
22. Loans taken from Jubilant Infrastructure Limited ₹ 130.00 million (Previous year ₹ 227.50 million), Jubilant Clinsys Limited ₹ 25.00 million (Previous year ₹ 60.00 million), Jubilant First Trust Healthcare Limited ₹ 478.90 million (Previous year ₹ 209.20 million), Asia Healthcare Development Limited ₹ Nil (Previous year ₹ 8.50 million) and Vanthys Pharmaceutical Development Private Limited ₹ Nil (Previous year ₹ 25.00 million).
23. Loans repaid to Jubilant Infrastructure Limited ₹ Nil (Previous year ₹ 65.00 million), Jubilant First Trust Healthcare Limited ₹ 21.70 million (Previous year ₹ 8.00 million) and Asia Healthcare Development Limited ₹ 8.50 million (Previous year ₹ Nil) and Jubilant Clinsys Limited ₹ 40.00 million (Previous year ₹ Nil).
24. Advance from customer against goods/assets Jubilant Life Sciences International Pte. Limited ₹ 2,388.85 million (Previous year ₹ 2,568.06 million), Jubilant Life Sciences NV ₹ 2,095.56 million (Previous year ₹ Nil) and Jubilant FoodWorks Limited ₹ 60.57 million (Previous year ₹ Nil).
25. Loan payable to Jubilant Infrastructure Limited ₹ 357.50 million (Previous year ₹ 227.50 million), Jubilant Clinsys Limited ₹ 45.00 million (Previous year ₹ 60.00 million), Jubilant First Trust Healthcare Limited ₹ 658.40 million (Previous year ₹ 201.20 million), Asia Healthcare Development Limited ₹ Nil (Previous year ₹ 8.50 million) and Vanthys Pharmaceutical Development Private Limited ₹ 25.00 million (Previous year ₹ 25.00 million).
26. Interest on loans payable to Jubilant Infrastructure Limited ₹ 20.08 million (Previous year ₹ 0.51 million), Jubilant Clinsys Limited ₹ 4.37 million (Previous year ₹ 0.84 million), Jubilant First Trust Healthcare Limited ₹ 31.58 million (Previous year ₹ 7.86 million), Asia Healthcare Development Limited ₹ Nil (Previous year ₹ 0.33 million) and Vanthys Pharmaceutical Development Private Limited ₹ 2.13 million (Previous year ₹ 0.73 million).
27. Trade and other payables include to Jubilant Clinsys Limited to ₹ 107.05 million (Previous year ₹ 14.19 million), Jubilant Pharmaceuticals NV ₹ 158.40 million (Previous year ₹ 154.92 million), Jubilant Life Sciences USA Inc ₹ 9.92 million (Previous year ₹ 9.67 million), Jubilant Cadista Pharmaceuticals Inc ₹ 2.38 million (Previous year ₹ Nil), Jubilant Infrastructure Limited ₹ 81.92 million (Previous year ₹ 147.64 million), Jubilant Industries Limited ₹ 0.97 million (Previous year ₹ Nil), Jubilant Agri and Consumer Products Limited ₹ 8.70 million (Previous year ₹ 21.29 million), PSI Supply NV ₹ 12.21 million (Previous year ₹ 2.34 million), Jubilant DraxImage Inc ₹ 9.14 million (Previous year ₹ 2.63 million), Jubilant HolisterStier General Partnership ₹ 0.12 million (Previous year ₹ 0.10 million), Jubilant Chemsys Limited ₹ 0.42 million (Previous year ₹ Nil), Jubilant Biosys Limited ₹ 0.27 million (Previous year ₹ Nil) and Jubilant Life Sciences NV ₹ 0.42 million (Previous year ₹ Nil).
28. Loans recoverable from Jubilant Pharma Limited ₹ 916.62 million (Previous year ₹ 570.04 million) and Jubilant Biosys Limited ₹ 1,513.80 million (Previous year ₹ 1,513.80 million), Jubilant Pharma Holdings Inc. ₹ 521.22 million (Previous year ₹ Nil) and Jubilant Employee Welfare Trust ₹ Nil (Previous year ₹ 439.39 million).
29. Interest on loan recoverable from Jubilant Pharma Limited ₹ 3.40 million (Previous year ₹ Nil) and Jubilant Biosys Limited ₹ 213.96 million (Previous year ₹ 75.54 million), Jubilant Pharma Holdings Inc. ₹ 5.92 million (Previous year ₹ Nil).

Notes to the financial statements for the year ended 31 March 2014 (Continued)

30. Trade receivables include from Jubilant Pharmaceuticals N.V ₹ 326.29 million (Previous year ₹ 649.42 million), PSI Supply NV ₹ 109.59 million(Previous year ₹ 49.08 million), Jubilant Life Sciences (USA) Inc ₹ 474.70 million (Previous year ₹ 563.49 million), Jubilant Life Sciences (Shanghai) Limited ₹ 239.59 million (Previous year ₹ 383.25 million), Jubilant Cadista Pharmaceuticals Inc ₹ 111.76 million (Previous year ₹ 93.69 million), Jubilant Agri and Consumer Products Limited ₹ 37.19 million (Previous year ₹ 47.05 million), Jubilant Chemsys Limited ₹ 0.01 million (Previous year ₹ 1.54 million), Jubilant Infrastructure Limited ₹ 0.15 million (Previous year ₹ Nil), Jubilant Life Sciences International Pte. Limited ₹ 664.96 million (Previous year ₹ Nil) and Jubilant Life Sciences NV ₹ 231.77 million (Previous year ₹ Nil).

31. Deposit recoverable from Tower Promoters Private Limited ₹ 21.00 million (Previous year ₹ 21.00 million).

32. Other recoverable include from Jubilant Pharmaceuticals NV ₹ 58.93 million (Previous year ₹ Nil), Jubilant Cadista Pharmaceuticals Inc ₹ 1.18 million (Previous year ₹ 6.85 million), Jubilant HollisterStier LLC ₹ 15.15 million (Previous year ₹ 94.51 million), Jubilant Clinsys Inc ₹ 12.34 million (Previous year ₹ 10.15 million), Jubilant HollisterStier General Partnership ₹ 68.13 million (Previous year ₹ 54.29 million), Jubilant DraxImage Inc ₹ 46.66 million(Previous year ₹ 39.83 million), Jubilant DraxImage Limited ₹ 6.44 million (Previous year ₹ 6.31 million), Jubilant Chemsys Limited ₹ 13.41 million(Previous year ₹ 2.26 million), Mr. R. Sankaraiah ₹ 25.00 million (Previous year ₹ 25.00 million), Jubilant Oil & Gas Private Limited ₹ 1.96 million (Previous year ₹ Nil), Jubilant Industries Limited ₹ Nil (Previous year ₹ 17.17 million), Jubilant Agri and Consumer Products Limited ₹ 13.32 million (Previous year ₹ 63.98 million), B&M Hot Breads Private Limited ₹ 0.06 million (Previous year ₹ Nil), Jubilant Biosys Limited ₹ Nil (Previous year ₹ 4.68 million), Jubilant Life Sciences (Switzerland) AG Schaffhausen ₹ 0.90 million (Previous year ₹ 0.75 million), Jubilant FoodWorks Limited ₹ 8.93 million (Previous year ₹ 5.37 million) and Jubilant Clinsys Limited ₹ 1.07 million (Previous year ₹ Nil) and remuneration recoverable from Mr. Shyam S Bhartia ₹ 40.06 million (Previous year ₹ Nil), Mr. Hari S Bhartia ₹ 40.05 million (Previous year ₹ Nil), Mr. Shyamsundar Bang ₹ 23.96 million (Previous year ₹ Nil).

33. Advance from customer payable to Jubilant Life Sciences International Pte. Limited ₹ 1,908.52 million (Previous year ₹ 1,554.84 million) and Jubilant Life Sciences NV ₹ 755.05 million (Previous year ₹ Nil) and Jubilant FoodWorks Limited ₹ 60.57 million (Previous year ₹ Nil).

34. Financial guarantees given on behalf of subsidiaries include for Jubilant HollisterStier Inc. ₹ 251.78 million (Previous year ₹ 1,136.45 million), Jubilant Life Sciences International Pte. Limited ₹ Nil (Previous year ₹ 961.66 million).

35. Mortgage of land and building at Bharuch owned by one of subsidiaries as security against term loan.

36. The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under sections 92-92F of the Income-tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company is in the process of updating the documentation for the specified domestic transactions entered into with the specified persons and the international transactions entered into with the associated enterprises during the financial year and expects such records to be in existence before the due date of filing of income tax return. The management is of the opinion that its specified domestic transactions and international transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

Notes to the financial statements for the year ended 31 March 2014 (Continued)

(₹ in million)

Particulars			For the year ended 31 March 2014	For the year ended 31 March 2013
54.	**(a)**	**Expenditure in foreign currency (on accrual basis)**		
		- Legal, professional and consultancy charges	146.09	66.58
		- Travel/entertainment expenses	28.77	42.48
		- Commission on export sales	54.85	60.37
		- Interest	601.02	695.52
		- Product development expenses	127.16	154.71
		- Trading goods	996.53	1,153.16
		- Rates and taxes	108.41	67.94
		- Others	118.82	123.28
	(b)	**Value of imports on C.I.F. basis**		
		- Raw materials	8,980.93	5,649.48
		- Store, spares, chemicals and catalyst	541.47	335.10
		- Capital goods	44.85	99.61
	(c)	**Remittance in foreign currency on account of final dividend**		
		a) Amount of dividend remitted	16.71	16.71
		b) Number of Non-resident shareholders	3.00	3.00
		c) Number of equity shares held by Non-resident shareholders*	5,570,445	5,570,445
		d) The year to which dividend related	2012-13	2011-12
		*excluding where dividend has been paid in Indian currency		
	(d)	**Earnings in foreign exchange**		
		- Export sales-net of returns (FOB value)	21,932.65	18,008.46
		- Towards services and other operating income	71.41	77.60
		- Towards Interest income	0.04	0.03

55. Earnings per share (EPS)

Particulars			For the year ended 31 March 2014	For the year ended 31 March 2013
I.	Profit/(loss) for basic and diluted earnings per share of ₹ 1 each	₹ in million	8.24	(433.23)
II.	Weighted average number of equity shares for earnings per share computation			
	A) For basic earnings per share	Nos.	159,281,139	159,281,139
	B) For diluted earnings per share:			
	No. of shares for basic earning per share as per II A	Nos.	159,281,139	159,281,139
	Add: weighted average outstanding options related to employee stock options.(Note1)	Nos.	Nil	Nil
	No. of shares for diluted earnings per share	Nos.	159,281,139	159,281,139
III.	Earnings per share (face value of ₹ 1 each)			
	Basic	Rupees	0.05	(2.72)
	Diluted	Rupees	0.05	(2.72)

Note :

1) The shares held by Jubilant Employee Welfare Trust are in excess of employee stock option granted and outstanding. Therefore, the effect of outstanding employee stock options is Nil on computation of diluted EPS (Refer note 43).

56. Prior period items for the year ₹ Nil (Previous year ₹ 37.33 million).

57. Previous year figures were audited by another firm of Chartered Accountants.

As per our report of even date attached

For and on behalf of the Board of Directors of **Jubilant Life Sciences Limited**

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

Akhil Bansal
Partner
Membership No.: 090906

Shyam S. Bhartia
Chairman and Managing Director

Place: Noida
Date : 26 May 2014

Lalit Jain
Company Secretary

R. Sankaraiah
Executive Director-Finance

Hari S. Bhartia
Co-Chairman and Managing Director

Independent Auditor's Report

To the Board of Directors of Jubilant Life Sciences Limited

Report on the Consolidated Financial Statements

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

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Group in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956, read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 (together referred to as the "Act"). This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

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

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

(c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

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

Akhil Bansal
Partner
Membership No.: 090906

Place: Noida
Date: 26 May 2014

Consolidated Balance Sheet as at 31 March 2014

(₹ in million)

	Note	As at 31 March 2014		As at 31 March 2013	
EQUITY AND LIABILITIES					
Shareholders' Funds					
Share capital	3	154.46		159.30	
Reserves and surplus	4	26,110.68		24,601.91	
			26,265.14		24,761.21
Minority interest			1,579.35		1,115.41
Non-current liabilities					
Long-term borrowings	5	17,168.83		24,688.05	
Deferred tax liabilities (net)	44	2,370.65		2,922.19	
Other long term liabilities	6	114.72		58.61	
Long-term provisions	7	2,195.30		2,379.64	
			21,849.50		30,048.49
Current liabilities					
Short-term borrowings	8	11,878.29		11,313.87	
Trade payables	9	7,181.37		6,471.25	
Other current liabilities	10	17,312.01		8,980.01	
Short-term provisions	11	2,539.90		1,018.38	
			38,911.57		27,783.51
Total			**88,605.56**		**83,708.62**
ASSETS					
Non-current assets					
Fixed assets					
Tangible fixed assets	12	31,207.30		31,288.51	
Intangible fixed assets	13	19,780.50		18,386.10	
Capital work-in-progress	12	1,108.44		1,394.79	
Intangible assets under development	13	3,615.50		2,974.11	
Non-current investments	14	339.89		256.12	
Long-term loans and advances	15	3,267.77		3,789.63	
Other non-current assets	16	5.86		8.77	
			59,325.26		58,098.03
Current assets					
Inventories	17	13,414.17		11,161.80	
Trade receivables	18	8,058.73		7,085.43	
Cash and bank balances	19	4,795.32		3,560.48	
Short-term loans and advances	20	2,144.56		2,564.82	
Other current assets	21	867.52		1,238.06	
			29,280.30		25,610.59
Total			**88,605.56**		**83,708.62**
Significant accounting policies	2				
Notes to the financial statements	1-53				

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

As per our report of even date attached

For and on behalf of the Board of Directors of **Jubilant Life Sciences Limited**

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

Akhil Bansal
Partner
Membership No.: 090906

Shyam S. Bhartia
Chairman and Managing Director

Place: Noida
Date : 26 May 2014

Lalit Jain
Company Secretary

R. Sankaraiah
Executive Director-Finance

Hari S. Bhartia
Co-Chairman and Managing Director

Consolidated Statement of Profit and Loss for the year ended 31 March 2014

(₹ in million)

	Note	For the year ended 31 March 2014		For the year ended 31 March 2013	
REVENUE					
Revenue from operations (gross)	22	59,400.84		52,860.04	
Less: excise duty		(1,367.21)		(1,200.54)	
Revenue from operations (net)			58,033.63		51,659.50
Other income	23		190.60		298.71
Total revenue			**58,224.23**		**51,958.21**
EXPENSES					
Cost of materials consumed	24		21,920.89		18,069.11
Purchases of stock-in-trade	25		3,489.19		3,006.39
Changes in inventories of finished goods, work-in-progress and stock-in-trade	26		(989.47)		(466.98)
Employee benefits	27		11,051.68		9,625.84
Finance costs	28		3,237.23		2,986.90
Depreciation and amortisation	12 and 13		2,811.68		2,537.95
Other expenses	29		12,485.26		10,866.10
Total expenses			**54,006.46**		**46,625.31**
Profit before exceptional items and tax			**4,217.77**		**5,332.90**
Exceptional items	30		2,144.94		1,921.52
Profit before tax			**2,072.83**		**3,411.38**
Tax expenses:	44				
- Current tax			1,143.60		976.34
- Minimum Alternate Tax (MAT) credit entitlement			(25.89)		(37.33)
- Deferred tax (credit)/charge			(421.27)		584.59
			696.44		**1,523.60**
Profit for the year (before adjustment for minority interest)			**1,376.39**		**1,887.78**
Minority interest			285.99		360.51
Profit for the year (after adjustment for minority interest)			**1,090.40**		**1,527.27**
Basic earnings per share of ₹ 1 each (In Rupees)	51		6.85		9.59
Diluted earnings per share of ₹ 1 each (In Rupees)	51		6.85		9.59
Significant accounting policies	2				
Notes to the financial statements	1-53				

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

As per our report of even date attached

For and on behalf of the Board of Directors of **Jubilant Life Sciences Limited**

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

Akhil Bansal
Partner
Membership No.: 090906

Shyam S. Bhartia
Chairman and Managing Director

Place: Noida
Date : 26 May 2014

Lalit Jain
Company Secretary

R. Sankaraiah
Executive Director-Finance

Hari S. Bhartia
Co-Chairman and Managing Director

Consolidated Cash Flow Statement for the year ended 31 March 2014

(₹ in million)

		For the year ended 31 March 2014	For the year ended 31 March 2013
A.	**Cash flow arising from operating activities**		
	Net profit before tax	2,072.83	3,411.38
	Adjustments :		
	Depreciation and amortisation	2,811.68	2,537.95
	Loss on sale/disposal/discard/impairment of fixed assets (net)	25.11	558.94
	Finance costs	3,237.23	2,986.90
	Provision for loss on impairment of goodwill	35.06	-
	Amortisation of FCMITDA	1,000.21	631.61
	Provision for doubtful debts	32.96	62.65
	Bad debts/irrecoverable advances written off (net off provisions written-back)	(44.83)	12.69
	Unrealised foreign exchange differences (including mark-to-market on currency and interest rate swaps)	966.69	845.92
	Interest income	(52.20)	(113.05)
	Profit on Sale of Business/Investment	(142.72)	-
		7,869.19	7,523.61
	Operating cash flow before working capital changes	**9,942.02**	**10,934.99**
	Decrease/(Increase) in trade receivables, loans and advances and other assets	507.37	(918.71)
	Increase in inventories	(1,750.04)	(655.65)
	Increase in trade payables, provisions and other liabilities	135.81	1,534.00
	Cash generated from operations	**8,835.16**	**10,894.63**
	Income tax and wealth tax paid (net of refund)	(809.11)	(1,195.63)
	Net cash generated from operating activities	**8,026.05**	**9,699.00**
B.	**Cash flow from investing activities**		
	Acquisition/purchase of fixed assets/CWIP (including capital advances)	(2,908.08)	(4,637.60)
	Proceeds from sale of fixed assets	63.50	259.98
	Purchase of investments (net)	(62.52)	(54.35)
	Proceeds from sale of business	407.11	-
	Movement in other bank balances*	702.83	(726.64)
	Interest received	52.93	161.38
	Net cash used in investing activities	**(1,744.23)**	**(4,997.23)**
C.	**Cash flow arising from financing activities :**		
	Proceeds from long term borrowings**	5,163.79	2,547.32
	Repayment of long term borrowings	(6,233.20)	(5,580.11)
	Proceeds from short term borrowings (net of repayments)	516.21	2,040.50
	Receipt of capital subsidy	3.00	-
	Dividend paid (including dividend distribution tax)	(552.36)	(548.30)
	Finance costs paid	(3,344.86)	(2,957.04)
	Net cash used in financing activities	**(4,447.42)**	**(4,497.63)**
D.	**Effect of exchange rate changes in cash and cash equivalents**	**114.26**	**(38.47)**
	Net Increase in cash and cash equivalents (A+B+C+D)	**1,948.66**	**165.67**
	Add: cash and cash equivalents at the beginning of year	2,796.47	2,630.80
	Adjustment: cash and cash equivalents on sale of business of Asia Healthcare Development Limited (Refer note 33)	(10.28)	-
	Adjustment: cash and cash equivalents on consolidation of ESOP trust (Refer note 40)	0.06	-
	Cash and cash equivalents at the close of the year	**4,734.91**	**2,796.47**
	Components of cash and cash equivalents		
	Balances with banks:*		
	- On current accounts	4,546.12	1,331.53
	- On dividend accounts	28.18	21.49
	- On deposits accounts with original maturity upto three months	104.95	1,321.50
	Cash on hand	2.29	1.86
	Cheques/Drafts in hand	0.23	5.38
	Others		
	- Funds in transit	51.43	113.46
	- Imprest and gift/meal vouchers	1.71	1.25
		4,734.91	2,796.47

* ₹ Nil (Previous year ₹ 1,600.00 million) as security against loan and ₹ 198.03 million (Previous year ₹ 511.07 million) has restricted use.

** Revolver facility of Jubilant HollisterStier LLC is presented on net basis (Refer note 5.10).

Note:

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

As per our report of even date attached

For and on behalf of the Board of Directors of **Jubilant Life Sciences Limited**

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

Akhil Bansal
Partner
Membership No.: 090906

Shyam S. Bhartia
Chairman and Managing Director

Place: Noida
Date : 26 May 2014

Lalit Jain
Company Secretary

R. Sankaraiah
Executive Director-Finance

Hari S. Bhartia
Co-Chairman and Managing Director

Notes to the consolidated financial statements for the year ended 31 March 2014

1. Corporate information

Jubilant Life Sciences Limited (the Company or the Parent Company) is a public limited company domiciled in India and incorporated under the provisions of Companies Act, 1956. Its shares are listed on Bombay Stock Exchange and National Stock Exchange of India. The consolidated financial statements of the Company as at and for the year ended on 31 March 2014 comprise the Company and its subsidiaries (together referred to as "the Group"). The Group is a global Pharmaceutical and life sciences player engaged in manufacture and supply of generics (including active pharmaceutical ingredients (APIs) and solid dosage formulations), specialty pharmaceuticals (including radiopharmaceuticals, allergy therapy products and CMO of sterile injectables), and Life Science Ingredients (Advance Intermediates and Specialty Ingredients, Nutritional Products and Life Science Chemicals). It also provides drug discovery and development solutions (DDDS). The Group's strength lies in its unique offerings of pharmaceuticals and life sciences products and services across the value chain. It is well recognised as a 'Partner of Choice' by leading pharmaceuticals and life sciences companies globally.

2. Significant accounting policies

The accounting policies set out below have been applied consistently to the periods presented in these consolidated financial statements.

A. Basis of preparation and presentation of consolidated financial statements

The consolidated financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting in accordance with the accounting principles generally accepted in India ("GAAP") and comply with the Accounting Standards prescribed in the Companies (Accounting Standards) Rules, 2006 issued by the Central Government, which as per a clarification issued by the Ministry of Corporate Affairs continue to apply under section 133 of the Companies Act, 2013 (which has superseded section 211(3C) of the Companies Act, 1956 w.e.f. 12 September 2013), the other relevant provisions of the Companies Act, 1956 (including the new notified sections under Companies Act, 2013, to the extent applicable), pronouncements of the Institute of Chartered Accountants of India, guidelines issued by the Securities and Exchange Board of India ("SEBI") , to the extent applicable. The consolidated financial statements are presented in Indian rupees rounded off to the nearest million.

The consolidated financial statements are presented as per revised Schedule VI to the Companies Act, 1956. All assets and liabilities have been classified as current or non-current as per the normal operating cycle of respective entities in the Group and other criteria set out in the revised Schedule VI to the Companies Act, 1956.

Previous year's figures have been regrouped/rearranged wherever considered necessary to conform to current year's classification.

B. Principles of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively known as "the Group") and have been combined on a line-by-line basis by adding the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances/transactions and unrealised profits in full. The amounts shown in respect of reserves comprise the amount of the relevant reserves as per the Balance Sheet of the Parent Company and its share in the post-acquisition increase/decrease in the reserves of the consolidated entities.

The excess/deficit of cost to the Parent Company of its investment over its portion of net worth in the consolidated entities at the respective dates on which investment in such entities was made is recognised in the consolidated financial statements as goodwill/capital reserve. The Parent Company's portion of net worth in such entities is determined on the basis of book values of assets and liabilities as per the financial statements of the entities as on the date of investment.

Entities acquired/sold during the year have been consolidated from/up to the respective date of their acquisition/disposal.

Minority Interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the Group in the subsidiary companies and further movements in their share in the equity, subsequent to the dates of investments as stated above. In case of losses applicable to minority exceeding the minority interest in equity of the subsidiary, the excess and any further losses applicable to the minority, are adjusted against the majority interest except to the extent that the minority has a binding obligation to, and is able to, make good the losses. If the subsidiary subsequently reports profits, all such profits are allocated to the majority interest until the minority's share of losses previously absorbed by the majority has been recovered.

Notes to the consolidated financial statements for the year ended 31 March 2014 (Continued)

The details of the consolidated entities are as follows:

Sr. No.	Name	Country of Incorporation	Name of Parent	Percentage of ownership
1.	Jubilant Pharma Limited (Formerly known as Jubilant Pharma Pte. Ltd)	Singapore	Jubilant Life Sciences Limited	100%
2.	Draximage Limited, Cyprus	Cyprus	Jubilant Pharma Limited	100%
3.	Draximage Limited, Ireland	Ireland	Draximage Limited, Cyprus	100%
4.	Draximage LLC	USA	Draximage Limited, Cyprus	100%
5.	Jubilant DraxImage (USA) Inc.	USA	Draximage Limited, Cyprus	100%
6.	Deprenyl Inc., USA	USA	Draximage Limited, Cyprus	100%
7.	Jubilant DraxImage Inc.	Canada	Jubilant Pharma Limited	100%
8.	6963196 Canada Inc.	Canada	Jubilant DraxImage Inc.	100%
9.	6981364 Canada Inc.	Canada	Jubilant DraxImage Inc.	100%
10.	DAHI Animal Health (UK) Limited	UK	Jubilant DraxImage Inc.	100%
11.	Draximage (UK) Limited	UK	Jubilant DraxImage Inc.	100%
12.	Jubilant Pharma Holdings Inc. (Formerly known as Jubilant Life Sciences Holdings Inc.)	USA	Jubilant Pharma Limited Jubilant Life Sciences Limited	82% 18%
13.	Jubilant Clinsys Inc.	USA	Jubilant Pharma Holdings Inc.	100%
14.	Cadista Holdings Inc.	USA	Jubilant Generics Inc.	82.38%
15.	Jubilant Cadista Pharmaceuticals Inc.	USA	Cadista Holdings Inc.	100%
16.	Jubilant Life Sciences International Pte. Limited	Singapore	Jubilant Life Sciences Limited	100%
17.	HSL Holdings Inc.	USA	Jubilant Pharma Holdings Inc.	100%
18.	Jubilant HollisterStier LLC	USA	HSL Holdings Inc.	100%
19.	Jubilant Life Sciences (Shanghai) Limited	China	Jubilant Pharma Limited	100%
20.	Jubilant Pharma NV	Belgium	Jubilant Life Sciences Limited Jubilant Pharma Limited	77.65% 22.35%
21.	Jubilant Pharmaceuticals NV	Belgium	Jubilant Pharma NV Jubilant Pharma Limited	99.81% 0.19%
22.	PSI Supply NV	Belgium	Jubilant Pharma NV Jubilant Pharma Limited	99.5% 0.5%
23.	Jubilant Life Sciences (USA) Inc.	USA	Jubilant Life Sciences Limited	100%
24.	Jubilant Life Sciences (BVI) Limited	BVI	Drug Discovery and Development Solutions Limited (subsidiary of Jubilant Pharma Ltd till 3 October 2013)	100%
25.	Jubilant Biosys (BVI) Limited	BVI	Jubilant Life Sciences (BVI) Limited	100%
26.	Jubilant Biosys (Singapore) Pte. Limited	Singapore	Jubilant Biosys (BVI) Limited	100%
27.	Jubilant Biosys Limited	India	Jubilant Biosys (Singapore) Pte. Limited	66.98%
28.	Jubilant Discovery Services, Inc.	USA	Jubilant Biosys Limited	100%
29.	Jubilant Drug Development Pte. Limited	Singapore	Jubilant Life Sciences (BVI) Limited	100%
30.	Jubilant Chemsys Limited	India	Jubilant Drug Development Pte. Limited	100%
31.	Jubilant Clinsys Limited	India	Jubilant Drug Development Pte. Limited	100%
32.	Jubilant Infrastructure Limited	India	Jubilant Life Sciences Limited	100%

Notes to the consolidated financial statements for the year ended 31 March 2014 (Continued)

Sr. No.	Name	Country of Incorporation	Name of Parent	Percentage of ownership
33.	Jubilant First Trust Healthcare Limited	India	Jubilant Life Sciences Limited First Trust Medicare Pvt. Limited	95.84% 4.16%
34.	Asia Healthcare Development Limited##	India	Jubilant First Trust Healthcare Limited (Ceased to be a subsidiary with effect from 3 March 2014)	100%
35.	Jubilant Innovation (BVI) Limited	BVI	Drug Discovery and Development Solutions Limited (Subsidiary of Jubilant Pharma Ltd till 3 October 2013)	100%
36.	Jubilant Innovation Pte. Limited	Singapore	Jubilant Innovation (BVI) Limited	100%
37.	Jubilant DraxImage Limited	India	Draximage Limited, Cyprus	100%
38.	Jubilant Innovation (India) Limited	India	Jubilant Innovation (BVI) Limited	100%
39.	Jubilant Innovation (USA) Inc.	USA	Jubilant Innovation (BVI) Limited	100%
40.	Jubilant HollisterStier Inc.	USA	HSL Holdings Inc.	100%
41.	Draxis Pharma LLC	USA	Jubilant HollisterStier Inc.	100%
42.	Jubilant Generics Inc (Formerly known as Generic Pharmaceuticals Holdings, Inc.)	USA	Jubilant Pharma Holdings Inc.	100%
43.	Jubilant Life Sciences (Switzerland) AG, Schaffhausen	Switzerland	Jubilant Pharma Limited	100%
44.	First Trust Medicare Pvt. Limited	India	Jubilant Life Sciences Limited	100%
45.	Drug Discovery and Development Solutions Limited	Singapore	Jubilant Life Sciences Limited (Subsidiary with effect from 6 August 2013)	100%
46.	Jubilant Drug Discovery and Development Services Inc.	Canada	Jubilant Innovation Pte. Limited	100%
47.	Jubilant HollisterStier General Partnership #	Canada	Jubilant HollisterStier Inc. Draxis Pharma LLC	99.99% 0.01%
48.	Draximage General Partnership #	Canada	Jubilant DraxImage Inc. 6981364 Canada Inc.	90% 10%
49.	Vanthys Pharmaceutical Development Pvt. Limited	India	Jubilant Innovation Pte. Limited	100%
50.	Jubilant Generics Limited	India	Jubilant Pharma Limited (Subsidiary with effect from 25 November 2013)	100%
51.	Jubilant Life Sciences NV	Belgium	Jubilant Life Sciences Limited (Subsidiary with effect from 12 July 2013)	100%

Partnership firms, in which two subsidiaries of the Parent Company are partners.

Refer note 33.

C. Use of estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, the disclosure of contingent liabilities at the date of consolidated financial statements and the results of operations during the reporting periods. Examples of such estimate include future obligations under employee benefit plans, income taxes, useful lives of tangible assets and intangible assets, impairment of assets/goodwill, valuation of derivatives, provision for doubtful debts, accounting for deductions from revenues (such as rebates, charge backs, price equalisations and sales returns) etc.

Management believes that the estimates used in the preparation of the consolidated financial statements are prudent and reasonable. Actual results could vary from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Appropriate changes in estimates are made as the management becomes aware of the changes in circumstances surrounding the estimates. Any revision to accounting estimates is recognised prospectively in current and future periods. Effect of material changes is disclosed in the notes to the consolidated financial statements.

Notes to the consolidated financial statements for the year ended 31 March 2014 (Continued)

D. Current–non-current classification

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

a. it is expected to be realised in, or is intended for sale or consumption in, the entity's normal operating cycle;

b. it is held primarily for the purpose of being traded;

c. it is expected to be realised within 12 months after the reporting date; or

d. it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

Liabilities

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

a. it is expected to be settled in the entity's normal operating cycle;

b. it is held primarily for the purpose of being traded;

c. it is due to be settled within 12 months after the reporting date; or

d. the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

Operating cycle

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

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

E. Tangible and intangible fixed assets

Tangible fixed assets

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

Exchange differences (favorable as well as unfavorable) arising in respect of translation/settlement of long term foreign currency borrowings attributable to the acquisition of a depreciable asset are also included in the cost of the asset.

In case of fixed assets acquired at the time of amalgamation of certain entities with Group, the same are recognised at book value in case of amalgamation in the nature of merger and at book value/fair value in case of amalgamation in the nature of purchase in line with Accounting Standard (AS) 14 -"Accounting for Amalgamations".

Expenditure incurred on start up and commissioning of the project and/or substantial expansion, including the expenditure incurred on trial runs (net of trial run receipts, if any) up to the date of commencement of commercial production are capitalised. Subsequent expenditures related to an item of fixed asset are capitalised to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance. Losses arising from the retirement of, and gains or losses arising from disposal of fixed assets are recognised in the Consolidated Statement of Profit and Loss.

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

Insurance spares/standby equipments are capitalised as part of the mother asset and are depreciated at applicable rates, over the remaining useful life of the mother assets.

Intangible fixed assets

Acquired intangible assets

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

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

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

Internally generated intangible assets

Internally generated goodwill is not recognised as an asset. With regard to other internally generated intangible assets:

- Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in the Consolidated Statement of Profit and Loss as incurred.
- Development activities involve a plan or design for the production of new or substantially improved products or processes. Development expenditure including regulatory cost and legal expenses leading to product registration/market authorisation relating to the new and/or improved product and/or process development capitalised only if development costs can be measured

Notes to the consolidated financial statements for the year ended 31 March 2014 (Continued)

reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use the asset. The expenditure capitalised includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use, and directly attributable borrowing costs (in the same manner as in the case of tangible fixed assets). Other development expenditure is recognised in the Consolidated Statement of Profit and Loss as incurred.

F. Depreciation and amortisation

For Indian entities, depreciation is provided on straight line method at rates mentioned and in the manner specified in Schedule XIV to the Companies Act, 1956 (as amended), and read with statement as mentioned hereunder, on the original cost/acquisition cost of assets or other amounts substituted for cost.

Depreciation, in respect of assets added/installed up to December 15, 1993, is provided at the rates applicable at the time of additions/installations of the assets, as per the Companies Act, 1956 and depreciation, in respect of assets added/installed during the subsequent period, is provided at the rates, mentioned in Schedule XIV to the Companies Act, 1956 read with Notification dated 16th December, 1993 issued by Department of Company Affairs, Government of India except for the following classes of fixed assets which are depreciated as under;

a. Research and development related equipments and machineries: ten years.
b. Dies and punches for manufacture of dosage formulations: one to two years.
c. Motor vehicles: five years.
d. Motor vehicles under finance lease: tenure of lease or five years whichever is shorter.
e. Computer and information technology related assets: three to five years.
f. Certain employee perquisite related assets: five years, being the period of the perquisite scheme.

Depreciation rates so arrived at are currently reflective of the estimated useful life of the fixed assets and are not lower than the rates prescribed in Schedule XIV to the Companies Act, 1956.

For overseas entities, depreciation is charged using the straight line method, over the estimated useful life considered as follows:-

- Building: 30 years
- Plant and machinery: 3 to 20 years
- Dies and punches: 1 to 2 years
- Furniture and office equipments: 3 to 15 years
- Computer and information technology related assets: 3 to 5 years
- Vehicles : 3 to 5 years

Leased assets including leasehold land and improvements are amortised over the lease period/remaining lease period on straight line basis.

Depreciation on assets added/disposed off during the year has been provided on pro-rata basis with reference to the date of addition/disposal. Depreciation on assets added/disposed off during the year, in case of some of overseas subsidiaries, is provided on pro rata basis with reference to the month of addition/disposal.

Depreciation on exchange fluctuation capitalised, in view of the option exercised by the Group for accounting the exchange differences arising on reporting of long term foreign currency monetary items in line with Para 46 and 46A of Accounting Standard (AS) 11 on “The Effects of Changes in Foreign Exchange Rates”, is charged over the remaining useful life of assets.

Intangible assets in the nature of Product registrations/ Market authorisations (Products) are amortised on a straight-line basis over a period of five years in case of internally developed products (intangibles) and 5-10 years in case of bought out product (intangibles), from the date of regulatory approval or the date of product going off-patent whichever is later. Software systems are being amortised over a period of five years being their useful life. Rights are amortised over the useful life.

Assets costing individually ₹ 5,000 (in absolute amount) or less are fully depreciated in the year of purchase.

G. Impairment of fixed assets

Fixed assets other than goodwill are reviewed at each reporting date to determine if there is any indication of impairment. Goodwill is tested for impairment at least once in year. For assets in respect of which any such indication exists and for intangible assets mandatorily tested annually for impairment, the asset’s recoverable amount is estimated. For assets that are not yet available for use, the recoverable amount is estimated at each reporting date. An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets (Cash Generating Unit or CGU) that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of an asset or CGU is the greater of its value in use and its net selling price. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. Impairment losses are recognised in the Consolidated Statement of Profit and Loss.

If at the Balance Sheet date there is an indication that a previously assessed impairment loss no longer exists or has decreased, the assets or CGU’s recoverable amount

Notes to the consolidated financial statements for the year ended 31 March 2014 (Continued)

is estimated. The impairment loss (other than impairment loss on goodwill) is reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. An impairment loss for goodwill is reversed only if the impairment loss was caused due to specific external events of an exceptional nature, that is not expected to reoccur and subsequent external events have occurred that reverse the effect of that event.

H. Leases

Finance leases

Assets leased by the Group in its capacity as lessee where substantially all the risks and rewards of ownership vest in the Group are classified as finance leases. Such leases are capitalised at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments and a liability is created for an equivalent amount. Lease payment is allocated between the liability and finance charges so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Operating leases

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

I. Valuation of Inventories

Inventories are valued at lower of cost or net realisable value except scrap, which is valued at net estimated realisable value.

The methods of determining cost of various categories of inventories are as follows:

Raw materials	Weighted average method
Stores and spares	Weighted average method
Work-in-process and finished goods (manufactured)	Variable cost at weighted average including an appropriate share of variable and fixed production overheads. Fixed production overheads are included based on normal capacity of production facilities
Fuel, consumables, packing material etc.	Weighted average method
Finished goods (traded)	Cost of purchase
Goods in transit	Cost of purchase

Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition inclusive of excise duty wherever applicable.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products. Raw materials and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

The comparison of cost and net realisable value is made on an item-by-item basis.

J. Investments

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

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

K. Income taxes

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

Current Tax

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

Deferred Tax

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

Notes to the consolidated financial statements for the year ended 31 March 2014 (Continued)

realised. Deferred tax consequences of timing differences that originate in the tax holiday period and reverse after the tax holiday period are recognised in the period in which the timing differences originate. Timing differences that originate and reverse within the tax holiday period are not considered for deferred tax purposes. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

Minimum Alternate Tax (MAT)

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

L. Foreign currency transactions, derivatives and hedging

The reporting currency of the Group is the Indian Rupee. However, the local currencies of non-integral overseas subsidiaries are different from the reporting currency of the Group.

Foreign currency transactions are recorded at the exchange rate prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rates on that date. The resultant exchange differences are recognised in the Consolidated Statement of Profit and Loss except that:

(a) Exchange differences pertaining to long term foreign currency monetary items that are related to acquisition of depreciable assets are adjusted in the carrying amount of the related fixed assets; and

(b) Exchange differences arising on other long-term foreign currency monetary items are accumulated in 'Foreign Currency Monetary Item Translation Difference Account' (FCMITDA), and are amortised over the balance period of the relevant foreign currency item.

A monetary asset or liability is termed as a long-term foreign currency monetary item, if the asset or liability is expressed in a foreign currency and has a term of 12 months or more at the date of origination of the asset or liability.

Foreign Exchange Forward Contracts: The premium or discount arising at the inception of forward exchange contracts entered into to hedge an existing monetary item, is amortised as expense or income over the life of the contract. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognised as income or as an expense for the period.

The forward exchange contracts taken to hedge existing assets or liabilities are translated at the closing exchange rates and resultant exchange differences are recognised in the same manner as those on the underlying foreign currency asset or liability.

In conformity with ICAI announcement on early application of Accounting Standard 30 (AS 30) on "Financial Instruments :Recognition and Measurement", the Group has adopted AS 30 issued by ICAI so far as it relates to hedge accounting as the adoption does not conflict with existing mandatory accounting standards and other authoritative pronouncements, Company Law and other regulatory requirements.

Apart from forward exchange contracts taken to hedge existing assets or liabilities, the Group also enters into derivative contracts in the nature of foreign currency swaps, forward contracts, interest rate swaps etc. with an intention to hedge its existing assets and liabilities, firm commitments and highly probable forecasted transactions.

All other derivative contracts (except those derivative contracts which are designated as a hedging instrument for highly probable forecasted transactions) are marked-to-market and the resultant gain/loss from these contracts are recognised in the Consolidated Statement of Profit and Loss.

The Group has a comprehensive risk management system, based on which hedging instruments and hedged items are identified and designated in accordance with requirements of AS 30. Hedges are classified as cash flow hedge when they meet the conditions specified in AS 30. The hedged item and the hedging instrument are assessed for its effectiveness as per the criteria specified in AS 30.

In respect of cash flow hedge, that is determined to be an effective hedge, the effective portion of the gain or loss on the hedging instrument is recognised directly in hedging reserve account and the ineffective portion of the gain or loss on the hedging instrument is recognised in the Consolidated Statement of Profit and Loss. If the hedging instrument no longer meets the hedging criteria for hedge accounting, expires or sold, terminated or exercised, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognised in hedging reserve remains there until the forecasted transaction occurs. If the forecast transaction is no longer expected to occur, then the balance in hedging reserve is recognised immediately in Consolidated Statement of Profit and Loss. In other cases, the amount recognised in the hedging reserve is transferred to Consolidated Statement of Profit

Notes to the consolidated financial statements for the year ended 31 March 2014 (Continued)

and Loss in the same period during which the hedged item affects the Consolidated Statement of Profit and Loss.

Non-integral operations

The financial statements of the foreign non integral subsidiaries (collectively referred to as the 'foreign non integral operations') are translated into Indian Rupees as follows:-

- Share capital and opening reserves and surplus are carried at historical cost.
- All assets and liabilities, both monetary and non-monetary, (excluding share capital, opening reserves and surplus) are translated using closing rates at Balance Sheet date.
- Profit and Loss items are translated at the respective quarterly average rates or the exchange rate that approximates the actual exchange rate on date of specific transaction.
- Contingent liabilities are translated at the closing rates at Balance sheet date.
- The resulting net exchange difference is credited or debited to the foreign currency translation reserve.

The items of Consolidated Cash Flow Statement are translated at the respective average rates (quarterly for profit and loss related items and annual for Balance Sheet related items) or the exchange rate that approximates the actual exchange rate on date of specific transaction. The effect of changes in exchange rates on cash and cash equivalents held in a foreign currency is reported separately as part of the reconciliation of the changes in cash and cash equivalents during the period.

M. Provisions, contingent liabilities and contingent assets

The Group recognises a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. Contingent liabilities are disclosed in respect of possible obligations that may arise from past events but their existence is confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Contingent assets are neither recognised nor disclosed in the consolidated financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

N. Employee benefits

i) *Short-term employee benefits:* All employee benefits falling due within twelve months of the end of the period in which the employees render the related services are classified as short-term employee benefits, which include benefits like salaries, wages, short term compensated absences, performance incentives, etc. and are recognised as expenses in the period in which the employee renders the related service and measured accordingly.

ii) *Post-employment benefits:* Post employment benefit plans are classified into defined contribution plans and defined benefit plans in line with the requirements of AS 15 on "Employee Benefits".

a. Gratuity

The liability in respect of Gratuity (applicable for Indian entities of the Group), a defined benefit plan, is recognised in the books of accounts based on actuarial valuation using projected unit credit method as at Balance Sheet date by an independent actuary. Actuarial gains and losses arising from the experience adjustment and change in actuarial assumption are immediately recognised in the Consolidated Statement of Profit and Loss as an income or expense. The gratuity liability for certain employees of two of the units of the Parent Company is funded with Life Insurance Corporation of India.

b. Superannuation

Certain employees of the Parent Company are also participants in the superannuation plan ('the Plan'), a defined contribution plan. Contribution made by the Parent Company to the plan during the year is charged to Consolidated Statement of Profit and Loss.

c. Provident fund

(i) The Group makes contribution to the recognised provident fund - "VAM EMPLOYEES PROVIDENT FUND TRUST" (a multiemployer trust) for most of its employees in India, which is a defined benefit plan to the extent that the Group has an obligation to make good the shortfall, if any, between the return from the investments of the trust and the notified interest rate. The Group's obligation in this regard is determined by an independent actuary and provided for if the circumstances indicate that the Trust may not be able to generate adequate returns to cover the interest rates notified by the Government. The Group's contribution towards provident fund is charged to Consolidated Statement of Profit and Loss.

(ii) For other employees in India, provident fund is deposited with Regional Provident Fund Commissioner. This is treated as defined contribution plan. Group's contribution to the provident fund is charged to Consolidated Statement of Profit and Loss.

d. Foreign subsidiaries make contribution to various social security plans and insurance schemes as per local requirements and generally accepted practices in their respective country of incorporation. Such contributions are charged to Consolidated

Notes to the consolidated financial statements for the year ended 31 March 2014 (Continued)

Statement of Profit and Loss on accrual basis in the year in which liability to pay arise.

iii) Other long-term employee benefits

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

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

iv) Termination benefits

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

O. Borrowing costs

Borrowing costs are interest and other costs (including exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred by the Group in connection with the borrowing of funds.

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

P. Revenue recognition

Revenue from sale of products is recognised when the significant risks and rewards of ownership of the products have been transferred to the buyer, recovery of the consideration is probable and the amount of revenue can be measured reliably. Revenues include excise duty and are shown net of sales tax, value added tax and chargeback, if any.

Revenue includes only those sales for which the Group has acted as a principal in the transaction, takes title to the products, and has the risks and rewards of ownership, including the risk of loss for collection, delivery and returns. Any sales for which the Group has acted as an agent or broker without assuming the risks and rewards of ownership have been reported on a net basis.

Goods sold on consignment are recorded as Inventory until goods are sold by the consignee to the end customer.

Revenue from time and material contracts is recognised as hours are incurred, multiplied by contractual billing rates. Revenue from unit-based contracts is recognised as units are completed.

Revenue from fixed-price contracts are recorded on a proportional completion method.

Revenue related to contract manufacturing arrangements, development contracts and licensing and regulatory services is recognised when performance obligations are fulfilled.

Sale of utility is recognised on delivery of the same to the consumers and when no significant uncertainty exists as to its realisation.

Royalty revenue is recognised on an accrual basis in accordance with contractual agreements when all significant contractual obligations have been fulfilled, the amounts are determinable and collection is reasonably assured.

Export incentives/benefits are accounted for on accrual basis in the year in which exports are made and where recovery is probable.

Upfront non-refundable payments are recorded as deferred revenue. These amounts are recognised as revenues as obligations are fulfilled under contractual arrangement and/or as milestones are achieved as the case may be.

Refundable fees are deferred and recognised as revenue in the period in which all contractual obligations are met and the contingency is resolved.

In respect of outsourcing contracts for drug development with third party CRO's, revenue is recognised on the basis of actual cost incurred plus mark up as agreed with the customer under each agreement.

Revenue from rendering of medical services is recognised upon completion/performance of such services. Revenue from ongoing medical services on cut off date is recognised on proportionate completion method.

Dividend income is recognised when the unconditional right to receive the income is established. Income from interest on deposits, loans and interest bearing securities is recognised on time proportionate method.

Q. Segment reporting

The accounting policies adopted for segment reporting are in line with accounting policies of the Group. Revenues, expenses, assets and liabilities have been identified to segments on the basis of their relationship to operating activities of the segments (taking into account the nature of products and services and, risks and rewards associated

Notes to the consolidated financial statements for the year ended 31 March 2014 (Continued)

with them) and internal management information systems and the same is reviewed from time to time to realign the same to conform to the business units of the Group. Revenues, expenses, assets and liabilities, which are common to the enterprise as a whole and are not allocable to segments on a reasonable basis, have been treated as "Common Revenues/Expenses/Assets/Liabilities", as the case may be.

R. Earnings per share

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

S. Employee stock option schemes

The Group follows Securities and Exchange Board of India (SEBI) guidelines for accounting of employee stock options. The cost is calculated based on the intrinsic value method i.e. the excess of market price of underlying equity shares as of the date of the grant of options over the exercise price of such options is regarded as employee compensation and in respect of the number of options that are expected to ultimately vest, such cost is recognised on a straight line basis over the period over which the employees would become unconditionally entitled to apply for the shares. The cost recognised at any date at least equals the intrinsic value of the vested portion of the option at that date. Adjustment, if any, for difference in initial estimate for number of options that are expected to ultimately vest and related actual experience is recognised in the Statement of Profit and Loss of that period. In respect of vested options expire unexercised, the cost is reversed in the Consolidated Statement of Profit and Loss of that period.

During the current period, the Group has changed its policy with respect to treatment of shares held by Jubilant Employee Welfare trust ('Trust'). As per a recent opinion of the Expert Advisory Committee ('EAC') of The Institute of Chartered Accountants of India, as on the reporting date, the shares held by the trust but yet to be allotted to employees are shown as a deduction, from the Share Capital to the extent of face value of the shares and Securities Premium to the extent of amount exceeding face value of shares, with a corresponding adjustment to the, loan receivable from Trust, Capital Reserve (for the amount of profit on sale of shares) and Surplus (to the extent of dividend received net of operating expenses) (Refer note 40).

Notes to the consolidated financial statements for the year ended 31 March 2014 (Continued)

(₹ in million)

	As at 31 March 2014	As at 31 March 2013
3. SHARE CAPITAL		
Authorised		
655,000,000 equity shares of ₹ 1 each	655.00	655.00
(Previous Year 655,000,000 equity shares of ₹ 1 each)		
	655.00	**655.00**
Issued and Subscribed		
159,313,139 equity shares of ₹ 1 each	159.31	159.31
(Previous Year 159,313,139 equity shares of ₹ 1 each)		
	159.31	**159.31**
Paid up		
159,281,139 equity shares of ₹ 1 each	159.28	159.28
(Previous Year 159,281,139 equity shares of ₹ 1 each)		
Add: Equity shares forfeited (paid up)	0.02	0.02
	159.30	**159.30**
Less: Shares held in trust for employees under ESOP Scheme (Refer note 40)	(4.84)	-
	154.46	**159.30**

Notes :

3.1 Paid up capital includes, 501,364, equity shares of ₹ 1 each allotted and issued pursuant to the Scheme of Amalgamation and Demerger, to the shareholders of erstwhile Pace Marketing Specialities Limited for consideration other than cash during the year ended 31 March 2011.

3.2 The Company has only one class of shares referred to as equity shares having par value of ₹ 1 each. Holder of each equity share is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

3.3 The details of shareholders holding more than 5% shares is set out below:

Equity shares of ₹ 1 each fully paid-up held by	As at 31 March 2014		As at 31 March 2013	
	Number	% of total shares	Number	% of total shares
Jubilant Stock Holding Private Limited	29,676,992	18.63%	21,740,992	13.65%
SSB Consultants & Management Services Private Limited	21,007,665	13.19%	21,007,665	13.19%
HSB Corporate Consultants Private Limited	18,698,979	11.74%	15,824,979	9.94%
GA Global Investments Limited	11,707,200	7.35%	11,707,200	7.35%

3.4 The reconciliation of the shares outstanding at the beginning and at the end of the year:

Particulars	As at 31 March 2014		As at 31 March 2013	
	Number	₹ in million	Number	₹ in million
At the beginning and end of the year	159,281,139	159.28	159,281,139	159.28

3.5. a) 114,835 (Previous year 114,835), equity shares of ₹ 1 each allotted on exercise of the vested stock options in accordance with the terms of exercise under the “Jubilant Employees Stock Option Plan, 2005”.

b) Under the Jubilant Employees Stock Option 2005 Plan, as at 31 March 2014 - 132,684 (Previous year 145,443) options are outstanding convertible into 663,420 (Previous year 727,215) shares. (Refer note 39).

c) Under the Jubilant Employees Stock Option 2011 Plan, as at 31 March 2014 - 1,428,939 (Previous year 1,585,055) options are outstanding convertible into 1,428,939 (Previous year 1,585,055) shares. (Refer note 39).

3.6 The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

Notes to the consolidated financial statements for the year ended 31 March 2014 (Continued)

(₹ in million)

	As at 31 March 2014	As at 31 March 2013
4. RESERVES AND SURPLUS		
Capital Reserve		
At the commencement of the year	95.53	95.53
Add: Capital Subsidy received	3.00	-
Add: Adjustments on account of consolidation of ESOP Trust (Refer note 40)	104.77	-
At the end of the year	**203.30**	**95.53**
Capital Redemption Reserve		
At the commencement of the year	398.36	278.36
Add: Transferred from surplus	-	120.00
At the end of the year	**398.36**	**398.36**
Securities Premium Account		
At the commencement of the year	5,878.41	5,878.41
Less: Adjustments on account of share held in ESOP Trust (Refer note 40)	(577.59)	-
At the end of the year	**5,300.82**	**5,878.41**
Amalgamation Reserve		
At the commencement and at the end of the year	**13.21**	**13.21**
General Reserve		
At the commencement of the year	5,583.34	5,602.86
Less: Loss attributable to minority	(70.75)	(19.52)
At the end of the year	**5,512.59**	**5,583.34**
Legal Reserve**		
At the commencement of the year	15.73	6.40
Add: Transferred from Surplus	9.08	10.10
Less: Utilised during the year	(1.43)	(0.77)
At the end of the year	**23.38**	**15.73**
Hedging Reserve (net of related tax effect- (Refer note 47(iii)))		
At the commencement of the year	365.56	151.50
(Deduction)/addition during the year	(375.17)	214.06
At the end of the year	**(9.61)**	**365.56**
Foreign Currency Monetary Item Translation Difference Account (FCMITDA) (Refer note 46)		
At the commencement of the year	(675.45)	(727.42)
Exchange loss during the year on foreign currency term loan	(805.49)	(579.64)
Amount amortised during the year in Consolidated Statement of Profit and Loss	1,000.21	631.61
At the end of the year	**(480.73)**	**(675.45)**
Foreign Currency Translation Reserve		
At the commencement of the year	3,282.92	2,305.98
Addition during the year	1,620.01	976.94
At the end of the year	**4,902.93**	**3,282.92**
Surplus		
At the commencement of the year	9,644.30	8,806.18
Add: Net Profit after tax transferred from Consolidated Statement of Profit and Loss	1,090.40	1,527.27
Add : Opening adjustment on account of Intangibles	12.54	-
Add: Adjustments on account of consolidation of ESOP Trust (Refer note 40)	52.82	-
Amount available for appropriation	**10,800.06**	**10,333.45**
Less Appropriation:		
Proposed dividend on equity shares*#	463.34	477.84
Distribution tax on proposed equity dividend*	81.21	81.21
Amount transferred to legal reserve	9.08	10.10
Amount transferred to capital redemption reserve	-	120.00
At the end of the year	**10,246.43**	**9,644.30**
	26,110.68	**24,601.91**

* For the year ended 31 March 2014, dividend of 300 % (Previous year 300%) i.e. ₹ 3 (Previous year ₹ 3) per fully paid up equity share has been recognised as distributions to equity shareholders.

*# Amount for the year ended 31 March 2014 is net of dividend on equity shares held by ESOP trust (Refer note 40).

** Includes ₹ 16.29 million (previous year ₹ 9.93 million) created in Jubilant Life Sciences (Shanghai) Limited, China, ₹ 4.76 million (previous year ₹ 4.76 million) created in Jubilant Pharmaceuticals NV, Belgium and ₹ 2.33 million (previous year ₹ 1.04 million) created in PSI Supply NV, Belgium as per the requirements of local regulations. This reserve is not available for distribution. "

Notes to the consolidated financial statements for the year ended 31 March 2014 (Continued)

(₹ in million)

	As at 31 March 2014	As at 31 March 2013
5. LONG TERM BORROWINGS		
Term loans		
From Banks		
- Indian rupee loans (secured)	5,438.92	9,744.44
- Foreign currency loans (secured)	9,615.90	7,313.69
From other parties		
- Indian rupee loans (unsecured)	2.16	3.26
- Foreign currency loans (secured)	2,096.85	7,600.60
Finance lease obligations (secured)	15.00	26.06
	(1) **17,168.83**	(1) **24,688.05**
The above amount includes		
Secured borrowings	17,166.67	24,684.79
Unsecured borrowings	2.16	3.26
	17,168.83	**24,688.05**

(1) Refer note 10 for current maturities of long term borrowings

5. Nature of security of long term borrowings and other terms of repayment

5.1 Indian rupee loans amounting to ₹ 9,744.48 million (Previous year ₹ 9,100.00 million) from Corporation Bank, Axis Bank Limited, Central Bank of India and Indian Bank, External commercial borrowings amounting to ₹ 2,995.50 million (Previous year ₹ 3,165.09 million) from Citibank N.A., London and DBS Bank Limited, Singapore and foreign currency loans amounting to ₹ 2,695.95 million (Previous year ₹ 2,714.50 million) from Export Import Bank of India are secured by a first pari-passu charge amongst the lenders by way of: -

a. Mortgage of the immovable fixed assets both present and future situate at Bhartiagram, District Amroha, Uttar Pradesh and immovable fixed assets situate at Village Samlaya, Taluka Savli, District Vadodara, Gujarat, and

b. Hypothecation on the entire movable fixed assets, both present and future of the Company.

5.2 Foreign currency loans amounting to ₹ 5,691.45 million (Previous year ₹ 5,157.55 million) from Housing Development Finance Corporation Limited is secured by first mortgage by way of deposit of original title deeds of specified land and buildings owned by the Company which are situated at Noida, Greater Noida, Nanjangud, Nira, Roorkee, Ambernath and also at Bharuch owned by one of the subsidiaries of the Company. Land mortgaged at Chittorgarh demerged into a group company consequent upon the Scheme of demerger is under process of release.

5.3 Indian rupee loans amounting to ₹ 2,700.00 million (Previous year ₹ 2,700.00 million) and ₹ 1,000.00 million (Previous year ₹ 1,000.00 million) from Corporation Bank is repayable in two equal yearly installments commencing from February 2015 and March 2015 respectively.

5.4 Indian rupee loans amounting to ₹ 3,000.00 million (Previous year ₹ 3,000.00 million) from Axis Bank Limited is repayable in four equal half yearly installments commencing from September 2014.

5.5 Indian rupee loans amounting to ₹ 1,800.00 million (Previous year ₹ 2,400.00 million) from Central Bank of India. Balance is repayable in two yearly installments from March 2015.

5.6 Indian rupee loans amounting to ₹ 1,244.48 million (Previous year ₹ 1,600.00 million) from Indian Bank. Balance is repayable in three yearly installments from March 2015.

5.7 External commercial borrowing amounting to ₹ 2,995.50 million (Previous year ₹ 2,714.50 million) from DBS Bank Limited, Singapore is repayable in four yearly installments commencing from December 2014.

5.8 Foreign currency loans amounting to ₹ 2,695.95 million (Previous year ₹ 2,714.50 million) from Export Import Bank of India. Balance is repayable in three yearly installments from May 2014.

5.9 Foreign currency loans amounting to ₹ 5,691.45 million (Previous year ₹ 5,157.55 million) from Housing Development Finance Corporation Limited is repayable in single installment in July 2014.

5.10 Revolving Facility of USD 77.56 million (₹ 4,646.55 million) as on 31 March 2014 (Previous Year USD 64.76 million (₹ 3,516.07 million)) of Jubilant HollistierStier LLC from Bank of America N.A. is secured by way of:

i). Security interest in the receivable inventory, equipments and fixtures, deposit accounts and all general intangibles, including patents, trademarks, computer software (including any accessions, attachments, additions, substitutes or replacements thereof), books and records of Jubilant HollistierStier LLC pertaining to the collateral more particularly described in the security interest agreement dated 5 April 2013.

Notes to the consolidated financial statements for the year ended 31 March 2014 (Continued)

ii). Amended Deed of trust dated 5 April 2013 encumbering the parcel or parcels of real property owned by Jubilant HollistierStier LLC located in Spokane County, State of Washington, USA.

Revolving Facility is repayable in single installment in September 2016.

5.11 Term loans of USD 4.20 million (₹ 251.78 million) as on 31 March 2014 (Previous Year USD 20.93 million (₹ 1,136.45 million)) under Facility C to Jubilant HollisterStier Inc. from ICICI Bank Canada as the arranger and the agent is secured by way of:

i) Pledge over the entire fully paid up equity shares, present and future, of Jubilant HollisterStier Inc.

ii) First and exclusive charge over the assets of Jubilant HollisterStier Inc.

iii) Irrevocable and unconditional corporate guarantee from parent company guaranteeing all outstanding obligations of the borrower under the facility. Total guaranteed amount as 31 March 2014 is ₹ 251.78 million.

Balance amount of loan is repayable in one installment in May 2014.

5.12 Term loan of CAD 32 million (₹ 1,736.52 million) as on 31 March 2014 (Previous Year CAD 40 million (₹ 2,137.40 million)) under Facility B to Jubilant DraxImage Inc. from ICICI Bank, Canada as the arranger and the agent is secured by way of:

i) Irrevocable and unconditional corporate guarantee from Jubilant DraxImage Inc. and its subsidiaries.

ii) Pledge over the entire fully paid up equity shares, present and future, of:

a. Jubilant DraxImage Inc. and its subsidiaries.

b. Draximage Limited, Cyprus.

iii) First and exclusive charge over the fixed assets and current assets of Jubilant DraxImage Inc. and its subsidiaries.

iv) Irrevocable and unconditional corporate guarantee from Jubilant Generics Inc guaranteeing all outstanding obligations of the borrower under the facility. Total guaranteed amount as 31 March 2014 is ₹ 1,736.52 million.

Balance amount of Facility B is repayable in five yearly installments from November 2014 as described in the relevant amendatory credit arrangement letter dated 31 October 2013.

5.13 Term Loan of SGD 50 million (₹ 2,379.27 million) as on 31 March 2014 (Previous year SGD Nil) to Jubilant Life Sciences International Pte Limited from ICICI Bank Limited, Singapore is secured by way of first charge on its current assets and assignment of its advance payment and supply agreement with the parent company and first charge on debt service reserve amount.

Balance is repayable in twelve monthly installments commencing from June,2014.

5.14 Term Loan of Euro 23 million (₹ 1,901.64 million) as on 31 March 2014 (Previous year Euro Nil) to Jubilant Life Sciences NV from Deutsche Bank, Singapore is secured by way of first charge on its current assets.

Balance amount is repayable in eleven monthly installments from April 2014.

5.15 Facility of SGD Nil as on 31 March 2014 (Previous year SGD 55.00 million (₹ 2,404.15 million)) to Jubilant Life Sciences International Pte Limited from ICICI Bank Limited, Singapore was secured by way of:

i. Unconditional corporate guarantee to the extent of

a) 40% of the facility amount from Jubilant Life Sciences Limited. Guaranteed amount as on 31 March 2013 is ₹ 961.66 million.

b) 60% of the facility amount from Jubilant Pharma Pte Limited. Guaranteed amount as on 31 March 2013 is ₹ 1,442.49 million.

ii. First charge on current assets of Jubilant Life Sciences International Pte. Limited.

Balance amount was repayable in eleven monthly installments

5.16 Term loan of USD Nil as on 31 March 2014 (Previous year USD 2.99 million (₹ 162.58 million)) under Facility A to Jubilant HollisterStier Inc. from ICICI Bank, Canada as the arranger and the agent was secured by way of:

i) Irrevocable and unconditional corporate guarantee from Jubilant HollisterStier Inc. and its subsidiaries.

ii) Pledge over all the fully paid up equity shares (present and future) of Jubilant HollisterStier Inc. and Draxis Pharma LLC.

iii) First and exclusive charge over the fixed assets and current assets of Jubilant HollisterStier Inc. and its subsidiaries.

Balance amount was repayable in one installment in May 2013.

5.17 Unsecured term loan of Euro Nil as on 31 March 2014 (Previous year Euro 0.01 million (₹ 0.75 million)) to PSI Supply NV from KBC Bank. Balance amount was repayable in six equal monthly installments from April 2013.

Notes to the consolidated financial statements for the year ended 31 March 2014 (Continued)

5.18 Unsecured Term Loan of ₹ 4.06 million as on 31 March 2014 (Previous Year ₹ 4.06 million) to Jubilant First Trust Healthcare Ltd. Balance amount is repayable in four yearly installments from March 2015, as described in the relevant financing document.

5.19 Finance Lease obligations are secured by hypothecation of specific assets taken under such lease. The same are repayable within two to five years.

5.20 The Indian rupee loans carry interest rate ranging from 9.50% to 12.75% and foreign currency loan carry interest rate of benchmark interest rate (Libor, CAD dealer offered rate, Euro libor and swap offer rates) plus spread ranging from 250 to 550 basis points. The benchmark rates are reset at periodic intervals as per the terms of the loan.

The composition of assets/fixed assets and current assets as mentioned above are defined in detail in the respective financing/credit arrangements.

(₹ in million)

		As at 31 March 2014	As at 31 March 2013
6.	**OTHER LONG TERM LIABILITIES**		
	Other liabilities	10.66	8.14
	Income received in advance/unearned revenue	104.06	50.47
		114.72	**58.61**

(₹ in million)

		As at 31 March 2014	As at 31 March 2013
7.	**LONG TERM PROVISIONS**		
	Provision for employee benefits (Refer note 48)	499.86	427.72
	Mark-to market losses on derivative contracts (Refer note 47(ii))	1,695.44	1,951.92
		2,195.30	**2,379.64**

(₹ in million)

		As at 31 March 2014	As at 31 March 2013
8.	**SHORT TERM BORROWINGS**		
	Loans repayable on demand		
	- **From Banks**		
	- Secured	5,071.76	6,277.77
	- Unsecured	4,930.85	3,784.27
	- **From Others**		
	- Secured	898.65	271.45
	Other working capital loans		
	- **From Banks**		
	- Secured	977.03	980.38
		11,878.29	**11,313.87**
	The above amount includes		
	Secured borrowings	6,947.44	7,529.60
	Unsecured borrowings	4,930.85	3,784.27
		11,878.29	**11,313.87**

8. Nature of security of short term borrowings and other terms of repayment

8.1 Working capital facilities (including cash credit) sanctioned by consortium of banks and notified financial institutions comprising of ICICI Bank Limited, Corporation Bank, Punjab National Bank, State Bank of India, The Hongkong and Shanghai Banking Corporation Limited, ING Vysya Bank Ltd., Central Bank of India, Yes Bank Limited, DBS Bank Limited and Export Import Bank of India, are secured by a first charge by way of hypothecation, ranking pari passu inter-se Banks, of the entire book debts and receivables and inventories both present and future, of the Company wherever the same may be or be held. The working capital sanctioned limits also include commercial paper programme of ₹ 3,000 million (Previous year ₹ 3,000 million) as sublimit carved out from the funded limits, against which the balance outstanding as at year end is ₹ Nil (Previous year ₹ Nil). Maximum balance of commercial paper outstanding at any time during the year was ₹ Nil (Previous year ₹ 600.00 million). Other working capital loans are repayable as per terms of agreement within one year.

8.2 Revolving Credit Facility of CAD 15.02 million (₹ 815.19 million) as on 31 March 2014 (Previous Year CAD 14.87 million (₹ 794.43 million)) under Facility D1 to Jubilant HollisterStier Inc. from ICICI Bank, Canada as the arranger and the agent is secured by way of:

i) Irrevocable and unconditional corporate guarantee from Jubilant HollisterStier Inc. and its subsidiaries.

Notes to the consolidated financial statements for the year ended 31 March 2014 (Continued)

ii) Pledge over all the fully paid up equity shares(present and future) of Jubilant HollisterStier Inc. and Draxis Pharma LLC.

iii) First and exclusive charge over the fixed assets and current assets of Jubilant HollisterStier Inc. and its subsidiaries.

8.3 Revolving Credit Facility of CAD 2.98 million (₹ 161.85 million) as on 31 March 2014 (Previous Year CAD 3.48 million (₹ 185.95 million)) under Facility D2 to Jubilant DraxImage Inc. from ICICI Bank, Canada as the arranger and the agent is secured by way of:

i) Irrevocable and unconditional corporate guarantee from Jubilant DraxImage Inc. and its subsidiaries.

ii) Pledge over the entire fully paid up equity shares (present and future) of Jubilant DraxImage Inc(including its subsidiaries) and Draximage Limited, Cyprus(including its subsidiaries excluding Jubilant DraxImage Limited, India).

iii) First and exclusive charge over the assets of Jubilant DraxImage Inc. (including its subsidiaries) and Draximage Limited, Cyprus(including its subsidiaries excluding Jubilant DraxImage Limited, India).

8.4 Working capital facilities granted to Jubilant Chemsys Limited. by ING Vysya Bank are secured by way of First Charge by way of hypothecation of entire current assets (receivables & inventory) of Jubilant Chemsys Limited.

8.5 Working capital facilities granted to Jubilant Clinsys Limited. by ING Vysya Bank are secured by way of First Charge by way of hypothecation of entire current assets (receivables & inventory) of Jubilant Clinsys Limited.

8.6 Short term loans are availed in Indian rupees and in foreign currency. Indian rupee loans carry interest rate ranging from 9.50% to 13.85% and foreign currency loan carry interest rate of benchmark interest rate (Libor and CAD Prime) plus spread ranging from 75 to 350 basis points. The benchmark interest rates are reset at periodic intervals as per the terms of the loan.

The composition of assets/fixed assets and current assets as mentioned above are defined in detail in the respective financing/credit arrangements.

(₹ in million)

	As at 31 March 2014	As at 31 March 2013
9. TRADE PAYABLES		
Trade payables	7,181.37	6,471.25
	7,181.37	**6,471.25**

(₹ in million)

	As at 31 March 2014	As at 31 March 2013
10. OTHER CURRENT LIABILITIES		
Current maturities of long term debt (Refer note 5.1 to 5.18)	14,893.37	6,436.60
Current maturities of finance lease obligations (Refer note 5.19)	12.33	13.45
Trade deposits and advances	192.08	135.34
Interest accrued but not due on borrowings	147.15	249.98
Income received in advance/unearned revenue	406.08	427.41
Unpaid matured deposits and interest accrued thereon	-	0.31
Unpaid dividends	28.18	21.49
Creditors for capital supplies and services	316.26	421.44
Other payables (includes employee benefits and statutory dues etc)	1,316.56	1,273.99
	17,312.01	**8,980.01**

((₹ in million)

	As at 31 March 2014	As at 31 March 2013
11. SHORT-TERM PROVISIONS		
Provision for employee benefits (Refer note 48)	291.85	221.61
Dividends on equity shares (Including dividend distribution tax)	544.55	559.05
Income tax and wealth tax*	250.24	51.97
Mark-to market losses on derivative contracts (Refer note 47(ii))	1,438.64	175.42
Other provisions	14.62	10.33
	2,539.90	**1,018.38**

* Net of advance tax of respective tax jurisdictions to the extent permissible.

Notes to the consolidated financial statements for the year ended 31 March 2014 (Continued)

12. TANGIBLE ASSETS

(₹ in million)

Description	GROSS BLOCK - COST / BOOK VALUE						DEPRECIATION / AMORTISATION / IMPAIRMENT						NET BLOCK	
	As at 31 March 2013	Deduction/ adjustments on account of Sale of business (1)	Additions/ adjustments during the year	Deductions/ adjustments during the year(3)	Currency translation adjustment	As at 31 March 2014	As at 31 March 2013	Deduction/ adjustments on account of Sale of business(1)	Provided during the year	Deductions/ adjustments during the year(3)	Currency translation adjustment	As at 31 March 2014	As at 31 March 2014	As at 31 March 2013
Tangible assets:														
Land														
(a) Freehold	722.65	69.68	1.09	30.97	12.36	635.45	-	-	-	-	-	-	635.45	722.65
(b) Leasehold	764.95	22.79	24.86	-	-	767.02	94.42	3.52	8.26	-	-	99.16	667.86	670.53
Buildings														
(a) Factory	5,906.30	81.85	228.34	(592.61)	284.16	6,929.56	1,284.12	5.56	196.28	(326.27)	60.38	1,861.49	5,068.07	4,622.18
(b) Others	2,049.74	0.28	152.68	0.04	-	2,202.10	169.02	1.20	35.65	-	-	203.47	1,998.63	1,880.72
Plant and equipment	34,237.51	90.04	1,392.72	185.62	505.80	35,860.37	12,113.29	27.30	1,829.74	104.98	217.26	14,028.01	21,832.36	22,124.22
Furniture and fixtures (4)	1,336.37	13.19	39.86	483.39	37.39	917.04	708.13	3.77	88.39	252.08	24.84	565.51	351.53	628.24
Vehicles-owned	56.19	1.54	19.99	1.15	0.24	73.73	42.15	1.14	6.61	1.00	0.23	46.85	26.88	14.04
Vehicles-leased	56.91	-	8.93	14.39	-	51.45	21.14	-	13.71	7.23	-	27.62	23.83	35.77
Office equipments	1,284.58	6.50	97.12	(15.03)	43.08	1,433.31	822.40	4.86	97.64	4.23	39.18	950.13	483.18	462.18
Railway sidings	159.38	-	-	-	-	159.38	31.40	-	8.47	-	-	39.87	119.51	127.98
TOTAL	**46,574.58**	**285.87**	**1,965.59**	**107.92**	**883.03**	**49,029.41**	**15,286.07**	**47.35**	**2,284.75**	**43.25**	**341.89**	**17,822.11**	**31,207.30**	**31,288.51**
Previous Year	40,438.19	-	5,754.46	301.30	683.23	46,574.58	13,011.03	-	2,096.34	90.47	269.17	15,286.07		
Capital Work in Progress (CWIP)													1,108.44	1,394.79
													32,315.74	**32,683.30**

Notes :

(1) Refer note 33.

(2) Addition to fixed assets (including movement in CWIP) includes ₹ 281.00 million (Previous year ₹ 170.75 million) on account of exchange loss/(gain) (Refer note 46).

(3) Refer note 37.

(4) Include leasehold improvements.

Notes to the consolidated financial statements for the year ended 31 March 2014 (Continued)

13. INTANGIBLE ASSETS

(₹ in million)

Description	GROSS BLOCK - COST / BOOK VALUE						DEPRECIATION / AMORTISATION / IMPAIRMENT							NET BLOCK	
	As at 31st March 2013	Deduction/ adjustments on account of sale of business	Additions/ adjustments during the year	Deductions/ adjustments during the year(1)	Currency translation adjustment	As at 31 March 2014	As at 31 March 2013	Deduction/ adjustments on account of sale of business	Provided during the year	Deductions/ adjustments during the year(1)	Impairment	Currency translation adjustment	As at 31 March 2014	As at 31 March 2014	As at 31 March 2013
Intangible Assets:															
Goodwill	18,457.40	-	-	34.46	1,269.91	19,692.85	1,691.81	-	-	-	35.06	185.84	1,912.71	17,780.14	16,765.59
Intangibles															
a) Internally generated															
- Product Registration/ Market Authorisation	1,791.54	-	339.97	(184.91)	30.36	2,346.78	792.33	-	336.69	(133.88)	-	10.06	1,272.96	1073.82	999.21
b) Acquired patents	336.91	-	368.26	265.11	22.29	462.35	261.90	-	11.86	189.93	-	26.21	110.04	352.31	75.01
c) Other															
- Rights	186.50	-	25.93	-	5.99	218.42	87.71	-	12.29	-	-	5.95	105.95	112.47	98.79
- Software	1,354.56	4.27	171.46	11.41	46.18	1,556.52	907.06	1.87	166.09	2.28	-	25.76	1,094.76	461.76	447.50
TOTAL	**22,126.91**	**4.27**	**905.62**	**126.07**	**1,374.73**	**24,276.92**	**3,740.81**	**1.87**	**526.93**	**58.33**	**35.06**	**253.82**	**4,496.42**	**19,780.50**	**18,386.10**
Previous Year	20,402.72	-	866.49	(34.34)	823.36	22,126.91	3,228.13	-	441.61	(26.89)	-	44.18	3,740.81		
Intangible assets under development(including R&D expenditure in the nature of intangibles) [CWIP]														3,615.50	2,974.11
														23,396.00	**21,360.21**

Note :

(1) Refer note 37.

Notes to the consolidated financial statements for the year ended 31 March 2014 (Continued)

(₹ in million)

Number	Face value per unit	14. NON-CURRENT INVESTMENTS (at cost)	As at 31 March 2014		As at 31 March 2013	
		All unquoted unless otherwise specified				
		Other Investments				
		Investment in equity instruments (fully paid up equity shares)				
5,308,334 (4,550,000)	₹ 10	Forum I Aviation Limited		47.61		45.50
242,806 (50,000)	₹ 10	Jubilant Industries Limited (quoted) (192,806, equity shares Issued to Jubilant Employee Welfare Trust in accordance with the Scheme of Amalgamation and Demerger- Refer note 39)		0.41		0.41
510,771 (510,771)	USD 0.01	Safe Foods Corporation USA- Common Stock	299.56		271.45	
		Less: Provision for diminution in value	(169.34)		(153.45)	
				130.22		118.00
		Investment in preference shares				
166,667 (166,667)	USD 0.001	Putney Inc. (USA) - Convertible Preferred Stock	59.91		54.29	
		Less: Provision for diminution in value	(27.56)		(24.97)	
				32.35		29.32
		Investment in debentures/bonds				
		Muroplex Therapeutics , Inc. - Convertible Note & Warrants	16.09		14.58	
		Less: Provision for diminution in value	(16.09)		(14.58)	
				-		-
		Others				
		Putney Inc. (USA) - Subordinated Convertible Promissory Notes (Including Interest Accrued)		9.48		8.60
		Healthcare Ventures IX, L.P. -Investment (2)	142.29		74.65	
		Less: Provision for diminution in value	(22.47)		(20.36)	
				119.82		54.29
		Total non-current investments		**339.89**		**256.12**
		Aggregate amount of quoted investments:				
		- Cost		**0.41**		**0.41**
		- Market Value		**12.18**		**5.14**
		Aggregate amount of unquoted investments		**574.94**		**469.07**
		Aggregate provision for diminution in value of investments		**235.46**		**213.36**

Notes:

(1) Figures in ( ) are in respect of previous year.

(2) Represents 10% of total Capital of the fund.

(₹ in million)

	As at 31 March 2014	As at 31 March 2013
15. LONG TERM LOANS AND ADVANCES *(Unsecured and considered good)*		
Capital advances	74.95	88.08
Security deposits	112.67	128.99
Loans to related parties (Refer note 50(14))	-	439.39
Advances recoverable in cash or kind		
- From related parties (Refer note 50(17))	25.00	25.00
- Others	42.75	33.33
Other loans and advances	0.52	-
MAT credit entitlement	2,250.24	2,224.40
Advance payment of income tax/wealth tax (including TDS)*	761.64	850.44
	3,267.77	**3,789.63**

* Net of provision for tax of respective tax jurisdictions to the extent permissible.

Notes to the consolidated financial statements for the year ended 31 March 2014 (Continued)

(₹ in million)

	As at 31 March 2014	As at 31 March 2013
16. OTHER NON-CURRENT ASSETS		
(Unsecured and considered good)		
Other bank balances		
- Deposits with original maturity of more than 12 months	4.70	3.74
- Margin money deposit	1.16	5.03
	(1) **5.86**	(1) **8.77**

(1) ₹ 5.66 million (Previous year ₹ 5.52 million) has restricted use.

(₹ in million)

	As at 31 March 2014	As at 31 March 2013
17. INVENTORIES		
(Valued at the lower of cost and net realisable value)		
Raw materials (including goods-in-transit ₹ 453.77 million (Previous year ₹ 190.58 million))	5,420.85	4,417.70
Work-in-progress	2,688.10	2,129.75
Finished goods	3,530.14	3,222.98
Stock-in-trade	433.25	217.28
Stores and spares (including goods-in-transit ₹ 48.92 million (Previous year ₹ 6.88 million))	856.53	717.44
Others-process chemicals, fuels and packing material etc. (including goods-in-transit ₹ 45.24 million (Previous year ₹ 176.93 million))	485.30	456.65
	13,414.17	**11,161.80**

(₹ in million)

	As at 31 March 2014	As at 31 March 2013
18. TRADE RECEIVABLES		
Outstanding for a period exceeding six months from the date they become due for payment		
Unsecured and considered good	279.54	131.87
Doubtful	165.82	140.49
	445.36	**272.36**
Provision for doubtful receivables	165.82	140.49
(A)	**279.54**	**131.87**
Other receivables		
Unsecured and considered good	7,779.19	6,953.56
Doubtful	0.70	0.32
	7,779.89	**6,953.88**
Provision for doubtful receivables	0.70	0.32
(B)	**7,779.19**	**6,953.56**
Total (A+B)	(1) **8,058.73**	(1) **7,085.43**

(1) [Refer note 32(C)(i)]

(₹ in million)

	As at 31 March 2014	As at 31 March 2013
19. CASH AND BANK BALANCES		
Cash and cash equivalents		
Balances with banks:		
- On current accounts	4,546.12	1,331.53
- On dividend accounts	28.18	21.49
- On deposits accounts with original maturity upto three months	104.95	1,321.50
Cash on hand	2.29	1.86
Cheques/Drafts on hand	0.23	5.38
Others		
- Funds in transit	51.43	113.46
- Imprest and gift/meal vouchers	1.71	1.25
	4,734.91	**2,796.47**
Other bank balances:		
- Deposits with original maturity of more than three months upto twelve months	25.31	731.52
- As margin money	35.10	32.49
	(1) **4,795.32**	(1) **3,560.48**

(1) ₹ Nil (Previous year ₹ 1,600 million) as security against loan and ₹ 192.37 million (Previous year ₹ 505.55 million) has restricted use.

Notes to the consolidated financial statements for the year ended 31 March 2014 (Continued)

(₹ in million)

	As at 31 March 2014	As at 31 March 2013
20. SHORT TERM LOANS AND ADVANCES		
(Unsecured and considered good)		
Deposits	57.63	40.53
Deposits/balances with excise/sales tax authorities	866.62	869.63
Advance recoverable in cash or kind		
- From related parties (Refer note 50(17))*	128.34	86.52
- Claims recoverable	436.79	744.74
- Others	655.18	808.74
Other short term loans and advances	-	14.66
	2,144.56	**2,564.82**

* Includes due by directors and private companies having common director aggregating to ₹ 106.09 million (Previous year ₹ Nil)

(₹ in million)

	As at 31 March 2014	As at 31 March 2013
21. OTHER CURRENT ASSETS		
Other current assets**	867.52	1,238.06
[Refer Note 47(iii)]	**867.52**	**1,238.06**

** Including mark to market recoverable ₹ 4.62 million (Previous year ₹ 586.80 million) and note receivable ₹ 686.81 million (Previous year ₹ 492.54 million).

(₹ in million)

	For the year ended 31 March 2014	For the year ended 31 March 2013
22. REVENUE FROM OPERATIONS		
Sales of products	50,055.59	42,614.01
Sales of services	8,527.75	9,714.76
Other operating revenue (Refer note 35)	817.50	531.27
Revenue from operations (gross)	**59,400.84**	**52,860.04**
Less: excise duty	(1,367.21)	(1,200.54)
Revenue from operations (net)	**58,033.63**	**51,659.50**

(₹ in million)

	For the year ended 31 March 2014	For the year ended 31 March 2013
23. OTHER INCOME		
Interest Income	52.20	113.05
Net gain on sale of fixed assets	24.82	83.19
Other non-operating income	113.58	102.47
	190.60	**298.71**

(₹ in million)

	For the year ended 31 March 2014	For the year ended 31 March 2013
24. COST OF MATERIALS CONSUMED		
Raw and process materials consumed	21,920.89	18,069.11
	21,920.89	**18,069.11**

Notes to the consolidated financial statements for the year ended 31 March 2014 (Continued)

(₹ in million)

	For the year ended 31 March 2014	For the year ended 31 March 2013
25. PURCHASE OF STOCK-IN-TRADE		
Purchase of stock-in-trade	3,489.19	3,006.39
	3,489.19	**3,006.39**

(₹ in million)

	For the year ended 31 March 2014	For the year ended 31 March 2013
26. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
Stock at close - Work-in-progress	2,688.10	2,129.75
Stock at close - Finished goods	3,530.14	3,222.98
Stock at close - Stock-in-trade	433.25	217.28
	6,651.49	**5,570.01**
Stock at commencement - Work-in-progress	2,129.75	2,000.38
Stock at commencement - Finished goods	3,222.98	2,819.76
Stock at commencement - Stock-in-trade	217.28	200.20
	5,570.01	**5,020.34**
Increase in stocks	1,081.48	549.67
Adjustment on account of capitalisation	-	(81.90)
Foreign currency translation impact on movement in finished goods, work-in-progress and stock-in-trade	(92.01)	(0.79)
	989.47	**466.98**

(₹ in million)

	For the year ended 31 March 2014	For the year ended 31 March 2013
27. EMPLOYEE BENEFITS		
Salaries, wages, bonus, gratuity and allowances (Refer note 48)	9,286.61	8,070.78
Contribution to provident and superannuation fund (Refer note 48)	805.31	749.66
Staff welfare expenses	959.76	805.40
	11,051.68	**9,625.84**

(₹ in million)

	For the year ended 31 March 2014	For the year ended 31 March 2013
28. FINANCE COSTS		
Interest expense	3,064.17	2,848.33
Other borrowings cost	53.83	59.27
Exchange difference to the extent considered as an adjustment to borrowing cost	119.23	79.30
(Refer note 42)	**3,237.23**	**2,986.90**

Notes to the consolidated financial statements for the year ended 31 March 2014 (Continued)

(₹ in million)

	For the year ended 31 March 2014	For the year ended 31 March 2013
29. OTHER EXPENSES		
Power and fuel	3,897.40	3,567.33
Stores, spares, chemicals and packing materials consumed	2,485.38	2,158.62
Processing charges	201.42	212.18
Excise duty related to increase/decrease in inventory of finished goods	(36.01)	19.97
Rent	229.28	268.72
Rates and taxes	463.17	330.89
Insurance	177.78	137.43
Advertisement, publicity and sales promotion	196.56	155.34
Travelling and other incidental expenses	410.22	436.62
Repairs		
- Building	251.31	182.34
- Machinery	887.32	683.69
- Others	450.96	335.14
Vehicle running and maintenance	37.37	32.85
Printing and stationery	69.45	76.95
Communication expenses	132.57	140.47
Staff recruitment and training	140.10	115.12
Donation (Refer note 38)	72.33	41.58
Auditors Remuneration - As Auditors	3.57	3.27
- For tax audit and taxation matters	0.95	1.98
- For other services*	5.54	4.23
- Out of pocket expenses*	0.27	0.54
Legal, professional and consultancy charges	735.72	524.50
Freight and forwarding (including ocean freight)	756.92	607.27
Directors' sitting fees	2.81	2.09
Directors' commission	-	40.69
Miscellaneous expenses	116.20	102.79
Bank charges	133.86	122.37
Discounts and claims to customers and other selling expenses	524.20	336.47
Commission on sales	131.21	133.74
Loss on sale/disposal/discard of fixed assets	16.19	15.58
Provision/write off Bad debts/Irrecoverable advances (Net)	(8.79)	75.34
	12,485.26	**10,866.10**

* Includes ₹ 4.04 million in respect of erstwhile auditors.

(₹ in million)

	For the year ended 31 March 2014	For the year ended 31 March 2013
30. EXCEPTIONAL ITEMS		
Amortisation of Foreign Currency Monetary Item Translation Difference Account (FCMITDA)	1,000.21	631.61
Mark to market in respect of currency and interest rate swap contracts and forward covers outstanding (Refer note 47(ii))	718.85	327.17
Foreign exchange loss	444.02	172.87
Provision for impairment of goodwill*	35.06	-
Impairment of intangibles (Refer note 43)	33.74	626.55
Profit on sale of business (Refer note 33)	(142.72)	-
Others litigation expenses etc.	55.78	163.32
	2,144.94	**1,921.52**

* Related to pharmaceuticals segment

31. Commitments to the extent not provided for:

a) Capital Commitments:

Estimated amount of contracts remaining to be executed on capital account (Net of advances) ₹ 528.97 million (Previous year ₹ 478.75 million).

Notes to the consolidated financial statements for the year ended 31 March 2014 (Continued)

b) Other Commitments:

i) Exports obligation undertaken by the Group under EPCG scheme to be completed over a period of five/eight years on account of import of Capital Goods at concessional import duty and remaining outstanding is ₹ Nil (Previous year ₹ 6.60 million). Similarly export obligation under Advance License Scheme/DFIA scheme on duty free import of specific raw materials, remaining outstanding is ₹ 6,125.53 million (Previous year ₹ 4,550.88 million).

ii) Uncalled liability on investments in Healthcare Ventures IX, L.P. amounting to ₹ 157.26 million (Previous year ₹ 196.80 million).

iii) For lease commitments refer note 41

32. Contingent liabilities to the extent not provided for:

A. Guarantees:

Outstanding guarantees furnished by Banks on behalf of the Group is ₹ 538.17 million (Previous year ₹ 611.52 million).

B. Claims against Group, disputed by the Group, not acknowledged as debt:

(₹ in million)

	As at 31 March 2014	As at 31 March 2013
Central Excise	1,093.17	514.46
Customs	11.49	31.63
Sales Tax	51.59	7.08
Income Tax	611.47	604.29
Service Tax	315.10	269.05
Others	43.09	97.86

Excluding demands in respect of business transferred in earlier year to Jubilant Industries Limited in terms of the scheme of demerger though the demands may be continuing in the name of the parent Company.

Future cash outflows in respect of the above matters as well as for matters listed under 32(C) below are determinable only on receipt of judgments/decisions pending at various stages/forums.

C. Other contingent liabilities as at 31 March 2014:

i. Liability in respect of Bills discounted with Banks ₹ 699.85 million (Previous year ₹ 1,149.38 million).

ii. The Parent Company's writ petition against the levy of transport fee by the State of Maharashtra on consumption of rectified spirit and molasses within Nira factory has been allowed by the Hon'ble Bombay High Court with consequential refund. The Parent Company has filed a refund claim for an amount of ₹ 2.51 million (Previous year ₹ 2.51 million) deposited during the period when the dispute was pending before the High Court. The total amount of disputed transport fee is ₹ 193.06 million (Previous year ₹ 171.66 million). The State of Maharashtra has filed a special leave petition in the Supreme Court and has sought a stay on the operation of the High Court order.

iii. The Parent Company has challenged before the Hon'ble Allahabad High Court, the increase in denaturing fee by the State of Uttar Pradesh w.e.f 1 April 2004 on denaturing of rectified spirit in the Gajraula factory and the writ petition has been admitted by the Court. The Parent Company has deposited ₹ 24.45 million (Previous year ₹ 22.52 million) under protest which is shown as deposits.

iv. Zila Panchayat at J.P. Nagar (in respect of the Parent Company's Gajraula plant) served a notice demanding a compensation of ₹ 277.40 million (Previous year ₹ 277.40 million) allegedly for, percolation of poisonous water stored in lagoons and flowing through the land of Zila Panchayat resulting in loss of crops and cattle of the farmers and for putting poisonous fly ash on national highway which caused loss to the health and damages to eyes and skin of people.

District Magistrate issued a recovery certificate along with 10% collection charges inflating the demand to ₹ 305.14 million (Previous year ₹ 305.14 million). In the opinion of the Parent Company, the Zila Panchayat has no jurisdiction in raising this demand. The demand was challenged in Hon'ble Allahabad High Court and the court stayed the demand till further orders.

v. The Parent Company has challenged before the Hon'ble Allahabad High Court, the levy of license fees of ₹ 2.87 million (Previous year ₹ 2.87 million) by State of Uttar Pradesh, for grant of PD-2 license for manufacture of ethyl alcohol for industrial use. The writ petition has been admitted and is being listed for final hearing. Though the amount has been deposited and shown as such, no provision against this has been made as the issue is covered by the earlier favorable judgment of the Hon'ble Supreme Court of India.

Notes to the consolidated financial statements for the year ended 31 March 2014 (Continued)

vi. The State of Uttar Pradesh (UP) has imposed levy on import of denatured spirit into the State of Uttar Pradesh (UP). The Parent Company has imported denatured spirit into the State of Uttar Pradesh and has challenged levy amounting to ₹ 90.00 million (Previous year ₹ 90.00 million) before Hon'ble Allahabad High Court. The writ petition has been allowed by the High Court in favour of the Parent Company. The State of Uttar Pradesh filed a Special Leave Petition (SLP) with Hon'ble Supreme Court. The SLP has been admitted but the Hon'ble Supreme Court has declined the request of the State of Uttar Pradesh (UP) to stay the operation of High Court Order.

vii. The Hon'ble Supreme Court has quashed the levy of license fee by State of Uttar Pradesh on captive consumption of denatured spirit in the Gajraula factory, and has ordered the refund of the fee paid during the period of dispute subject to condition that the amount has not been collected from the Company's customers. Further the Court has directed the State to investigate whether the Parent Company has collected the disputed fee from its customers to the extent bank guarantees were furnished.

The Parent Company is entitled to a refund of ₹ 84.06 million (Previous year ₹ 84.06 million) as the amount paid during the period of dispute or secured by bank guarantees was not collected from its customers. Accordingly the Parent Company has approached the State of Uttar Pradesh for the refund of the said amount. The amount paid has been shown as deposit.

viii. A group of villagers from Nira in Pune District of Maharashtra State, had filled a Public Interest Litigation against the Company on account of ground water contamination against which National Green Tribunal (NGT), Pune Bench passed an order on 16 May 2014. In this order, NGT has instructed the Parent Company to comply with the recommendations of National Environmental Engineering Research Institute (NEERI), Maharashtra Pollution Control Board (MPCB) and Central Ground Water Board (CGWB) to ensure zero discharge and remediation to contaminated ground water. NGT in its order has also instructed the district authority to form a committee to conduct an enquiry around 2 Km radius of Nira unit to ascertain extent of loss and recommend the loss if any, caused to agriculturist due to effluent discharge to Nira river and asked Parent Company to deposit adhoc amount of ₹ 2.50 million with the Collector of Pune.

33. During the year, the Group exited its hospital business which was operated under two of its subsidiaries namely Jubilant First Trust Healthcare Limited (JFTHL) and Asia Healthcare Development Limited (AHDL). As part of this transaction, the hospital business undertaking of JFTHL and entire investment held in AHDL was sold for a consideration of ₹ 449.60 million and a profit of ₹ 142.72 million has been recognised under exceptional items.

34. The Parent Company plans to consolidate its Pharmaceuticals business under its wholly owned subsidiary Jubilant Pharma Limited Singapore (JPL) and evaluate the option and opportunity to raise money to reduce the consolidated debt of the Company. Accordingly, the Board in its meeting held on 4 October 2013 approved transfer of Active Pharmaceutical Ingredients (API) and Dosage Forms business of the Parent Company by way of a slump sale on going concern basis and shares held by it in Jubilant Pharma Holdings Inc USA and Jubilant Pharma NV Belgium, to a wholly owned Indian subsidiary of JPL for a net consideration of ₹ 11,451 million (net of debts). The shareholders of the Parent Company on 21 March 2014 have approved the aforesaid sale subject to the concerned subsidiaries achieving financial closure to meet their obligation under the said purchase, and authorised the Board to decide whether to make this approval effective. JPL has received an approval from the Foreign Investment Promotion Board in this regard and subsequent to the year end, the board approved the share purchase agreement between the parties for above mentioned sale of shares held by the Parent Company.

35. Other operating income is in the nature of export incentive, contract termination fees, scrap sales and licensing Income/ royalty income etc.

36. During the previous year, the Group has changed useful life of dies and punches, used for manufacturing of dosages formulations from five years to "one to two years". Accordingly the depreciation for the previous year was higher by ₹ 39.55 million.

37. During the year certain fixed assets have been reclassified from plant and machinery to building - gross block ₹ 149.30 million, accumulated depreciation ₹ 86.13 million, from furniture and fixture to building - gross block ₹ 443.26 million, accumulated depreciation ₹ 240.10 million, from furniture and fixture to office equipment - gross block ₹ 31.35 million, accumulated depreciation ₹ 6.73 million, from office equipment to plant and machinery - gross block ₹ 2.05 million, accumulated depreciation ₹ Nil, from acquired patents to internally generated product registration/market authorisation - gross block ₹ 265.11 million, accumulated depreciation ₹ 189.93 million and from software to internally generated product registration/market authorisation - gross block ₹ 11.45 million, accumulated depreciation ₹ 2.29 million.

38. Donation includes ₹ 38.80 million payments made to Satya Electoral Trust (Previous year ₹ 10.00 million to General Electoral Trust) during the year.

Notes to the consolidated financial statements for the year ended 31 March 2014 (Continued)

39. Employee Stock Option Scheme

The Parent Company has two stock option plans in place namely:

- Jubilant Employees Stock Option Plan, 2005 ("Plan 2005")
- JLL Employees Stock Option Plan, 2011 ("Plan 2011")

The Board of Directors had constituted Compensation Committee ('Committee') comprising a majority of Independent Directors for administration and supervision of the Stock Option Plans.

Under Plan 2005, as amended, and under Plan 2011, upto 1,100,000 Stock Options and upto 5,352,000 Stock Options, respectively, can be issued to eligible directors (other than promoter directors) and other specified categories of employees of the Group. Options are to be granted at market price. As per the SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 ('Guidelines'), the market price is taken as the closing price on the day preceding the date of grant of options, on the stock exchange where the trading volume is the highest. Under Plan 2005, each option, upon vesting, shall entitle the holder to acquire five equity shares of ₹ 1 each. Options granted upto 28 August 2009 will vest entirely within two years from the grant date, with certain lock-in provisions. Options granted after 28 August 2009 will vest gradually over a period of 5 years from the grant date, without any lock-in provisions.

Under Plan 2011, each option, upon vesting, shall entitle the holder to acquire one equity share of ₹ 1 each. Options granted will vest gradually over a period of 3 years from the grant date. Vesting of Options is a function of achievement of performance criteria or any other criteria, as specified by the Committee and communicated in the grant letter.

Summary of vesting and lock-in provisions are given below:

	PLAN 2005						PLAN 2011		
	Vesting schedule (With lock in) Applicable for grants made upto 28 August, 2009			Vesting Schedule (Without lock in) Applicable for grants made after 28 August, 2009			Vesting schedule		
Sr. No.	% of options scheduled to vest	Vesting date	Lock-in period	% of options scheduled to vest	Vesting date	Lock-in period	% of options scheduled to vest	Vesting date	Lock-in period
1.	10	1 year from grant date	Nil	10	1 year from grant date	Nil	20	1 year from grant date	Nil
2.	15	2 years from grant date	Nil	15	2 years from grant date	Nil	30	2 years from grant date	Nil
3.	20	2 years from grant date	1 year from vesting date	20	3 years from grant date	Nil	50	3 years from grant date	Nil
4.	25	2 years from grant date	2 years from vesting date	25	4 years from grant date	Nil			
5.	30	2 years from grant date	3 years from vesting date	30	5 years from grant date	Nil			

In 2008-09, members approved constitution of Jubilant Employees Welfare Trust ('Trust') for the purpose of acquisition of equity shares of the Parent Company from the secondary market or subscription of shares from the Parent Company, to hold the shares and to allocate/transfer these shares to eligible employees of the Group from time to time on the terms and conditions specified under respective Plans. The members authorised grant of loan(s) from time to time to the Trust in one or more tranches, upto ₹ 1,000 million either free of interest or at interest agreed between the Board and the Trust. The outstanding loan to the Trust as at 31st March 2014 is ₹ 424.89 million (Previous year ₹ 439.39 million-Also Refer note 40).

Upto 31 March 2014, the Trust has purchased 6,363,506 equity shares of the Parent Company from the open market, out of interest free loan provided by the Parent Company, of which 1,530,010 shares were transferred to the employees on exercise of Options. The Trust has also been issued 192,086 equity shares of Jubilant Industries Limited in accordance with the Scheme of Amalgamation & Demerger amongst the Parent Company, Jubilant Industries Ltd. and others.

Notes to the consolidated financial statements for the year ended 31 March 2014 (Continued)

The movement in the stock options under both the Plans, during the year, is set out below:

Under Plan 2005

Particulars	31 March 2014		31 March 2013	
	Number of Options	Weighted Average Exercise Price(₹)	Number of Options	Weighted Average Exercise Price(₹)
Options outstanding at the beginning of the year	145,443	227.05	164,562	226.89
Options forfeited during the year	(12,759)	259.78	(19,119)	225.67
Options outstanding at the end of the year	132,684	223.89	145,443	227.05

Under Plan 2011

Particulars	31 March 2014		31 March 2013	
	Number of Options	Weighted Average Exercise Price(₹)	Number of Options	Weighted Average Exercise Price(₹)
Options outstanding at the beginning of the year	1,585,055	210.47	860,580	199.20
Granted during the year	12,187	176.00	918,351	219.01
Options forfeited during the year	(168,303)	207.81	(193,876)	200.96
Options outstanding at the end of the year	1,428,939	210.49	1,585,055	210.47

The Group has opted for intrinsic value method of accounting for Employee Stock Options. As market price of the options is equal to the exercise price on the date of grant, intrinsic value is ₹ Nil. Hence, there is no cost charged to Consolidated Statement of Profit and Loss on account of options granted to employees under the Employee Stock Option Plans of the Group.

40. During the current period, the Parent Company has changed its policy with respect to treatment of shares held by Jubilant Employee Welfare trust ('Trust'). The Trust primarily holds equity shares of the Parent Company which are to be transferred to employees of the Group upon exercise of their stock options under various Employee Stock Option Plans (ESOP) in force. As per a recent opinion of the Expert Advisory Committee ('EAC') of The Institute of Chartered Accountants of India, as on the reporting date, the shares held by the trust but yet to be allotted to employees are shown as a deduction, from the Share Capital to the extent of face value of the shares and Securities Premium to the extent of amount exceeding face value of shares, with a corresponding adjustment to the, loan receivable from Trust, Capital Reserve (for the amount of profit on sale of shares) and Surplus (to the extent of dividend received net of operating expenses). Consequently, the face value of 4,833,496 equity shares held by trust as at 31 March 2014 amounting to ₹ 4.84 million is reduced from the share capital and the excess of net worth (after elimination of inter-company loans) of ₹ 420.00 million has been adjusted from securities premium ₹ 577.59 million, capital reserve (₹ 104.77 million) and surplus (₹ 52.82 million).

41. Leases:

a) The Group's significant operating lease arrangements are in respect of premises (residential, offices, godown etc.). These leasing arrangements, which are cancellable, range between 11 months and 10 years generally and are usually renewable by mutual agreeable terms. The aggregate lease rentals payable are charged as expenses. Rental payments under such leases are ₹ 163.43 million (Previous year ₹ 215.92 million).

b) Also, the Group has significant operating lease arrangements which are non-cancellable for a period upto 5 years. The lease rental is subject to escalation whereby the Lessor is entitled to increase the lease rental by 10% of the average lease rental of preceding three years blocked period.

The schedule of future minimum lease rental payments in respect of non-cancellable operating leases is set out below:

(₹ in million)

	Minimum lease payments	
	As at 31 March 2014	As at 31 March 2013
Not later than one year	50.32	52.00
Later than one year but not later than five years	28.41	67.96
Later than five years	-	-

Rental recognised under such leases during the year are ₹ 65.85 million (Previous year ₹ 52.80 million).

Notes to the consolidated financial statements for the year ended 31 March 2014 (Continued)

c) Assets acquired under finance lease:

The Group has taken vehicles under finance lease. Future minimum lease payments and their present values under finance leases are as follows:

(₹ in million)

	Minimum lease payments		Present value of minimum lease payments		Future interest	
	As at 31 March 2014	As at 31 March 2013	As at 31 March 2014	As at 31 March 2013	As at 31 March 2014	As at 31 March 2013
Not later than one year	15.13	17.77	12.33	13.45	2.80	4.32
Later than one year but not later than five years	16.94	30.37	15.00	26.06	1.94	4.31
Later than five years	-	-	-	-	-	-

There is no element of contingent rent or sub lease payments. The Group has option to purchase the assets at the end of the lease term. There are no restrictions imposed by these lease arrangements regarding dividend, additional debt and further leasing.

42. In line with the applicable Accounting Standards, during the year, interest amounting to ₹ 81.45 million (Previous year ₹ 227.57 million) has been capitalised.

43. The carrying value of internally generated intangible asset – product development and other intangibles including intangibles under progress has been reviewed and based on technical and financial assessment, carrying value of certain internally generated intangible assets/other intangibles under development of ₹ 33.74 million (Previous year ₹ 626.55 million) have been charged to the Consolidated Statement of Profit and Loss.

44. a) Deferred Tax Assets and Liabilities are attributable to the following items:

(₹ in million)

	As at 31 March 2014	As at 31 March 2013
Deferred Tax Assets		
Provision for compensated absences and gratuity	244.12	201.95
Expenditure allowed on actual payment basis	150.20	242.75
Tax losses carried forward	2,707.36	1,649.65
Others (d)	675.28	171.27
	3,776.96	**2,265.62**
Deferred Tax Liabilities		
Depreciation, amortisation and difference in value of CWIP/Intangibles	5066.07	4,675.46
Others	8.36	6.60
	5,074.43	**4,682.06**
Less: Deferred tax assets (net) not recognised in absence of virtual certainty of realisation	1,073.18	505.75
Deferred Tax Liabilities (Net)	**2,370.65**	**2,922.19**

b) In view of accumulated tax losses and absence of virtual certainty, deferred tax assets have been recognised only to the extent of deferred tax liabilities. Deferred tax assets (net) not recognised amount to ₹ 1,073.18 million and ₹ 505.75 million as at 31 March 2014 and 31 March 2013 respectively.

c) Consequent to re-evaluation of certain tax provisions relating to earlier years, true up of current tax amounting to ₹ 230.37 million and deferred tax benefits of ₹ (338.43) million have been recognised in the current year.

d) Net of ₹ (4.95) million (Previous year ₹ 182.30 million) representing deferred tax on hedging reserve balance.

45. Disclosure required by Accounting Standard 29(AS-29) "Provisions, contingent liabilities and contingent assets"

Movement in Provisions:

(₹ in million)

Sr. No	Particulars of disclosure	Provision for MTM Losses
1.	Balance as at 1 April 2013	2,127.34 (1,266.09)
2.	Additional provision during the year	1,202.11 (873.77)
3.	Provision used during the year	134.35 (2.33)
4.	Provision reversed during the year	72.15 (14.95)
5.	Currency translation adjustment	11.13 (4.76)
6.	Balance as at 31 March 2014	3,134.08 (2,127.34)

Figures in ( ) are in respect of previous year.

Notes to the consolidated financial statements for the year ended 31 March 2014 (Continued)

46. The Group has opted for accounting the exchange difference arising on reporting of long term foreign currency monetary items in line with Para 46A of Accounting Standard 11 (AS-11) - "The Effects of Changes in Foreign Exchange Rates" notified by the Ministry of Corporate Affairs on 29 December 2011. Accordingly during the year ended 31 March 2014, the Group has capitalised exchange difference amounting to ₹ 281.00 million (Previous year ₹ 170.75 million) to the cost of fixed assets and ₹ 805.49 million (Previous Year ₹ 579.64 million) to foreign currency monetary item translation difference account (FCMITDA). During the year ₹ 1,000.21 million (Previous Year ₹ 631.61 million) has been amortised to Consolidated Statement of Profit and Loss in terms of the said notification and balance of ₹ 480.73 million (Previous Year ₹ 675.45 million) is carried in balance sheet as on 31 March 2014.

47. Hedging and Derivatives:

(i) The Group uses various derivative instruments such as foreign exchange forward contracts, interest rate swaps and currency swaps to selectively hedge its exposures to movement in foreign exchange rates and interest rates. These derivatives are not used for speculative or trading purposes.

The following are the outstanding derivative contracts entered into by the group:

Category	Currency	Cross Currency	Amount (In million)	Buy/Sell
As at 31 March 2014:				
Forward Contracts	USD	INR	USD 70.00	Sell
Forward Contracts	SGD	USD	USD 50.00	Buy
Currency and Interest Swap	INR	USD	USD 188.57	
Interest rate swap	USD		USD 17.10	
As at 31 March 2013:				
Forward Contracts	USD	INR	USD 332.00	Sell
Forward Contracts	USD	INR	USD 62.60	Buy
Forward Contracts	SGD	USD	USD 45.08	Buy
Currency Swap (Loan of JPY 842.42 million)	JPY	USD	USD 8.30	
Currency and Interest Swap	INR	USD	USD 201.90	
Interest rate swap	USD		USD 17.94	

Refer note iii below

ii) Mark to market losses in respect of currency and interest rate swaps contracts amounting to ₹ 718.85 million (Previous year ₹ 327.17 million) has been charged to the Consolidated Statement of Profit and Loss. The accumulated mark to market losses on currency swaps (including currency and interest rate swaps) as at 31 March 2014 is ₹ 3,134.08 million (Previous year ₹ 2,127.34 million).

iii) The Company has opted for hedge accounting in respect of certain transactions including forward contracts under Accounting Standard 30 issued by the Institute of Chartered Accountants of India. Accordingly during the year:

a) An amount of ₹ (9.61) million (Previous Year ₹ 365.56 million) net of tax has been credited to Hedging Reserve Account on account of outstanding forward contracts of USD 70 million (Previous Year USD 263 million) for which highly probable forecast sale of USD 70 million (Previous Year USD 263 million) is expected to occur between April 2014 and Aug 2014.

b) An amount of ₹ 469.83 million (Previous Year ₹ 212.07 million) has been transferred from Hedging Reserve Account to Statement of Consolidated Profit and Loss under sales on occurrence of highly probable forecast transactions.

48. Employee Benefits in respect of Parent Company including Indian Subsidiaries have been calculated as under:

(A) Defined Contribution Plans

a. Provident Fund*

b. Superannuation Fund

During the year the Group has contributed following amounts to:

(₹ in million)

	For the year ended 31 March 2014	For the year ended 31 March 2013
Employers contribution to provident fund	29.58	31.68
Employers contribution to employee's pension scheme 1995	30.05	30.16
Employers contribution to superannuation fund	11.99	14.09

* For certain employees where Provident Fund is deposited with Government authority e.g. Regional Provident Fund Commissioner.

Notes to the consolidated financial statements for the year ended 31 March 2014 (Continued)

c. The Group's entities located in United States of America have a 401(k) Plan, where in the regular, full-time and part-time employees are eligible to participate in the defined contribution plan after completion of one month of continuous service. Participants may voluntarily contribute eligible pre–tax and post-tax compensation in 1% increments of up to 90% of their annual compensation in accordance with the annual limits as determined by the Internal Revenue Service. Eligible employees receive a 50% match of their contributions up to 6% of their eligible compensation. Employees above the age of 50 years may choose to contribute "catch-up" contributions in accordance with the Internal Revenue Service limits and are matched the same up to the maximum Group contribution of 3% of eligible compensation. The Group's matching contributions vest 100% after three years of service. The Group has contributed ₹ 71.42 million (Previous year ₹ 61.39 million) to 401(k) for the year.

d. The entities of the group located in Canada contribute to a Registered Retirement Savings Plan (RRSP), a trust registered with Canada Revenue Agency (CRA). Under this plan, the Group contributes equivalent to the contribution made by the employee, up to a maximum of 5% of the employees' base salary. The Group has contributed ₹ 68.92 million (Previous year ₹ 65.59 million) to RRSP for the year.

e. Further, the entities of the group located in Belgium contribute to social security fund named as Rijks Sociale Zekerheid (RSZ).Under these plan employees have to contribute 13% of their compensation and the Group makes a contribution of 33.33% of the employee's annual compensation. The Group has contributed ₹ 17.29 million (Previous year ₹ 13.34 million) to RSZ for the year.

f. State Plans

During the year, the Group has contributed following amounts to :

(₹ in million)

	For the year ended 31 March 2014	For the year ended 31 March 2013
Employers contribution to employee state insurance	7.52	4.99

(B) Defined Benefit Plans

i. Gratuity

In accordance with Accounting Standard 15(AS 15)-"Employee Benefits (Revised 2005)", an actuarial valuation has been carried out in respect of gratuity. The discount rate assumed is 9.40% p.a. (Previous year 8.00% p.a.) which is determined by reference to market yield at the Balance Sheet date on Government bonds. The retirement age has been considered at 58 years and mortality table is as per IALM (2006-08) (Previous year IALM (1994-96)).

The estimates of future salary increases, considered in actuarial valuation is 10% p.a. for first three years and 6% p.a. thereafter (Previous year 5% p.a.), taking into account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The plans assets are maintained with Life Insurance Corporation of India in respect of gratuity scheme for certain employees of two units of the Parent Company. The details of investments maintained by Life Insurance Corporation are not available with the Parent Company, hence not disclosed. The expected rate of return assumed on plan assets is 9.00% p.a. (Previous year 9.00% p.a.).

Reconciliation of opening and closing balances of the present value of the defined benefit obligation:

(₹ in million)

	Gratuity	
	31 March 2014	31 March 2013
Present value of obligation at the beginning of the year	354.29	302.66
Transferred under Business Transfer Agreement	(1.96)	-
Current service cost	50.55	40.24
Interest cost	28.34	24.13
Actuarial loss	56.41	31.74
Benefits paid	(47.35)	(44.48)
Present value of obligation at the end of the year	440.28	354.29

Reconciliation of the present value of defined benefit obligation and the fair value of the plan assets:

(₹ in million)

	Gratuity	
	31 March 2014	31 March 2013
Present value of obligation at the end of the year	440.28	354.29
Fair value of plan assets at period end	(21.66)	(17.91)
Net Liabilities recognised in the Balance Sheet	(418.62)	(336.38)

Notes to the consolidated financial statements for the year ended 31 March 2014 (Continued)

Cost recognised for the period (included under salaries, wages, allowances, bonus and gratuity):

(₹ in million)

	Gratuity	
	31 March 2014	31 March 2013
Current service cost	50.55	40.24
Interest cost	28.34	24.13
Actuarial loss	56.41	32.79
Expected return on plan assets	(1.61)	(1.21)
Net cost recognised during the year	133.69	95.95

Fair Value of Plan Assets:**

(₹ in million)

	Gratuity	
	31 March 2014	31 March 2013
Plan assets at the beginning of the year	17.91	13.44
Expected return on plan assets	1.61	1.21
Contribution by employer	5.85	5.46
Actual benefits paid	(3.65)	(1.15)
Actuarial losses	(0.06)	(1.05)
Plan assets at the end of the year	21.66	17.91

** In respect of certain employees of Nanjangud and Ambernath Unit of Parent Company.

Group's best estimate of contribution during next year is ₹ 117.14 million (Previous year ₹ 105.77 million)

Experience adjustment

(₹ in million)

	31 March 2014	31 March 2013	31 March 2012	31 March 2011	31 March 2010
Defined benefit obligation	440.28	354.29	302.66	267.74	265.22
Plan assets	21.66	17.91	12.64	9.96	8.15
Surplus/(Deficit)	(418.62)	(336.38)	(290.02)	(257.78)	(257.07)
Experience adjustment of plan liabilities-(loss)/ gain	(13.25)	(29.98)	(15.90)	34.01	(4.10)
Experience adjustment on plan assets-(loss)/ gain	(0.08)	(0.85)	(0.90)	0.17	0.24

ii **Provident Fund:**

The Guidance on implementation of AS 15, Employee Benefits (Revised 2005) issued by Accounting Standard Board (ASB) states that benefits involving provident funds, which require interest shortfall to be compensated, are to be considered as defined benefit plans. The actuary has worked out a liability of ₹ Nil (Previous year ₹ 9.67 million) likely to arise towards interest guarantee. The trust is managing common corpus of some of the group companies. The total liability of ₹ Nil (Previous year ₹ 9.67 million) as worked out by the actuary has been allocated to each entity based on the corpus value of each entity as on 31 March 2014. Accordingly, liability of ₹ Nil (Previous year ₹ 8.41 million) has been allocated to Group and ₹ Nil (Previous year ₹ 1.26 million) has been charged to Consolidated Statement of Profit and Loss during the year. The Group has contributed ₹ 115.64 million to Provident Fund (Previous year ₹ 104.42 million) for the year.

(C) **Other long term benefits**

(₹ in million)

	31 March 2014	31 March 2013
Present value of obligation at the end of the year	371.93	291.15

Notes to the consolidated financial statements for the year ended 31 March 2014 (Continued)

49. Segment Reporting :

i) Based on the guiding principles given in Accounting Standard 17 (AS-17) on " Segment Reporting", the Group's Primary Business Segments were organised around customers on industry and product lines as under:

a. Pharmaceuticals :

i) Generics, comprising Active Pharmaceuticals Ingredients (APIs) and Solid Dosage Formulations, ii) Specialty Pharmaceuticals (sterile products), comprising Radiopharmaceuticals, Allergy Therapy Products, CMO of Sterile Injectables iii) Drug Discovery and Development Solutions (DDDS).

b. Life Sciences Ingredients :

i) Advance Intermediates and Specialty Ingredients, ii) Life Science Chemicals, iii) Nutrition Products.

ii) In respect of secondary segment information, the Group has identified its geographical segments as:

(i) Within India

(ii) Outside India.

iii) Inter segment transfer pricing

Inter segment transfer prices are based on market prices.

iv) The financial information about the primary business segments is presented in the table given below:

(₹ in million)

	Particulars	Pharmaceuticals		Life Sciences Ingredients		Total	
		31 March 2014	31 March 2013	31 March 2014	31 March 2013	31 March 2014	31 March 2013
1)	**Segment revenue**	27,365.46	26,706.46	32,071.04	26,180.43	59,436.50	52,886.89
	Less: Inter segment revenue			35.66	26.85	35.66	26.85
	Less: Excise duty on sales	88.97	76.78	1,278.24	1,123.76	1,367.21	1,200.54
	Revenue from operations(net)	**27,276.49**	**26,629.68**	**30,757.14**	**25,029.82**	**58,033.63**	**51,659.50**
2)	**Segment results**	4,432.74	5,826.90	3,740.25	3,125.49	8,172.99	8,952.39
	Less : Interest (finance cost)					3,237.23	2,986.90
	Other un-allocable expenditure (net of un-allocable income)					2,862.93	2,554.11
	Total profit before tax	**4,432.74**	**5,826.90**	**3,740.25**	**3,125.49**	**2,072.83**	**3,411.38**
3)	**Capital employed**						
	(Segment assets - segment liabilities)						
	Segment assets	53,626.93	49,072.06	28,377.70	26,253.41	82,004.63	75,325.47
	Add: Unallocated assets					6,600.93	8,383.15
	Total assets	**53,626.93**	**49,072.06**	**28,377.70**	**26,253.41**	**88,605.56**	**83,708.62**
	Segment liabilities	3,816.32	3,945.62	6,095.81	5,034.03	9,912.13	8,979.65
	Add: Unallocated liabilities					4,525.47	3,478.19
	Total liabilities	**3,816.32**	**3,945.62**	**6,095.81**	**5,034.03**	**14,437.60**	**12,457.84**
	Segment capital employed	49,810.61	45,126.44	22,281.89	21,219.38	72,092.50	66,345.82
	Add: Unallocated capital employed					2,075.46	4,904.96
	Total capital employed	**49,810.61**	**45,126.44**	**22,281.89**	**21,219.38**	**74,167.96**	**71,250.78**
4)	Segment capital expenditure	2,285.13	2,805.03	693.82	1,488.54	2,978.95	4,293.57
	Add: Unallocated capital expenditure					94.61	367.72
	Total capital expenditure	**2,285.13**	**2,805.03**	**693.82**	**1,488.54**	**3,073.56**	**4,661.29**
5)	Depreciation and amortisation(net)	1,669.32	1,563.86	1,091.71	943.89	2,761.03	2,507.75
	Add: Unallocated Depreciation					50.65	30.20
	Total depreciation and amortisation	**1,669.32**	**1,563.86**	**1,091.71**	**943.89**	**2,811.68**	**2,537.95**

Notes to the consolidated financial statements for the year ended 31 March 2014 (Continued)

v) Secondary segments (Geographical segments):

(₹ in million)

	Particulars	31 March 2014	31 March 2013
a)	**Revenue from operations by geographic location of customers (Net of excise duty)**		
	Within India	14,772.27	13,333.55
	Outside India	43,261.36	38,325.95
	Total	**58,033.63**	**51,659.50**
b)	**Carrying amount of segment assets**		
	Within India	39,024.03	40,337.72
	Outside India	49,581.53	43,370.90
	Total	**88,605.56**	**83,708.62**
c)	**Capital expenditure**		
	Within India	1,833.82	3,211.68
	Outside India	1,239.74	1,449.61
	Total	**3,073.56**	**4,661.29**
d)	**Revenue from operations by geographic markets**		
	India	14,772.27	13,333.55
	Americas and Europe	33,566.27	30,398.23
	China	5,072.69	3,872.39
	Others	4,622.40	4,055.33
	Total	**58,033.63**	**51,659.50**

Notes:

1) The Company has disclosed Business Segment as the Primary Segment.

2) Segments have been identified and reported taking into account the nature of products and services, the differing risk and returns, the organisation structure and the internal financial reporting systems.

3) The Segment revenue, results, assets and liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.

50. Related Party Disclosures

1. Related parties with whom transactions have taken place during the year.

a) Enterprise over which certain key management personnel have significant influence:

Jubilant Enpro Private Limited, Jubilant Oil & Gas Private Limited, Jubilant FoodWorks Limited, Tower Promoters Private Limited, B&M Hot Breads Private Limited, Jubilant Industries Limited, Jubilant Agri and Consumer Products Limited, Sankur Chalets Private Limited, Jubilant Motors Private Limited, Jubilant Aeronautics Private Limited, Jubilant Fresh Private Limited

b) Key management personnel:

For the year ended 31 March 2014: Mr. Shyam S. Bhartia, Mr. Hari S. Bhartia , Mr. R. Sankaraiah, Mr. Shyamsundar Bang, Mr. Lalit Jain.

For the year ended 31 March 2013: Mr. Shyam S. Bhartia, Mr. Hari S. Bhartia , Mr. R. Sankaraiah, Mr. Shyamsundar Bang, Mr. Pramod Yadav, Mr. Rajesh Srivastava, Mr. Neeraj Agrawal, Mr. Chandan Singh, Mr. Marcelo Morales, Mr. Scott Delaney, Mr. Kevin Garrity, Mr.Subir Kumar Basak, Mr. Martyn Coombs

c) Others:

Vam Employees Provident Fund Trust, Jubilant Employee Welfare Trust*, Jubilant Bhartia Foundation, Vam Officers Superannuation Fund.

*Refer note 40

Notes to the consolidated financial statements for the year ended 31 March 2014 (Continued)

2. Transactions with related parties during the year

(₹ in million)

Sr. No.	Particulars	Enterprise over which certain key management personnel have significant influence	Key management personnel and relatives	Others
1.	Sales of goods and services	201.32 (426.39)		
2.	Purchase of goods and services	662.13 (556.10)		
3.	Recovery of expenses and utilities charges	102.89 (88.77)		
4.	Reimbursement of expenses	- (0.28)		
5.	Remuneration and related expenses		42.27 (415.64)	
6.	Company's contribution to PF Trust.			115.64 (104.42)
7.	Company's contribution to superannuation fund.			11.99 (14.09)
8.	Rent expenses	57.49 (56.39)		
9.	Donation			17.20 (24.61)
10.	Purchase of tangible/Intangible assets	9.18 (6.15)		
11.	Loans received back			- (14.50)
12.	Advance from customer against goods/assets	60.57 (-)		
Balance as at 31 March 2014				
13.	Trade and other payables	181.48 (200.15)		
14.	Loans recoverable			- (439.39)
15.	Trade Receivables	37.19 (47.05)		
16.	Deposits recoverable	21.00 (21.00)		
17.	Other recoverable	24.27 (86.52)	129.07 (25.00)	
18.	Advance from customer payable	60.57 (-)		

Note:

(1) Figures in ( ) indicates in respect of previous year.

(2) Related party relationship is as identified by the Group and relied upon by the Auditors.

(3) No amount has been written off/provided for in respect of dues from or to any related party.

3. Disclosure in respect of related party transactions during the year:

1. Sales of goods and services to Jubilant Agri and Consumer Products Limited ₹ 201.32 million (Previous year ₹ 426.39 million).
2. Purchases of goods and services from Jubilant Agri and Consumer Products Limited ₹ 662.13 million (Previous year ₹ 556.10 million).
3. Recovery of expenses and utilities charges includes Jubilant Enpro Private Limited ₹ 7.64 million (Previous year ₹ 8.21 million), Jubilant Oil & Gas Private Limited ₹ 5.45 million (Previous year ₹ 4.23 million), Jubilant FoodWorks Limited ₹ 13.51 million (Previous year ₹ 5.97 million), Jubilant Industries Limited ₹ 1.32 million (Previous year ₹ 0.18 million), Jubilant Agri and Consumer Products Limited ₹ 74.29 million (Previous year ₹ 69.43 million), B&M Hot Breads Private Limited ₹ 0.29 million(Previous year ₹ 0.59 million), Jubilant Aeronautics Private Limited ₹ 0.30 million(Previous year ₹ 0.16 million)and Jubilant Fresh Private Limited ₹ 0.09 million (Previous year ₹ Nil)

Notes to the consolidated financial statements for the year ended 31 March 2014 (Continued)

4. Reimbursement of expenses to Jubilant Oil and Gas Private Limited ₹ Nil (Previous year ₹ 0.28 million).
5. Remuneration and related expenses to Mr. Shyam S Bhartia ₹ Nil (Previous year ₹ 57.50 million), Mr. Hari S Bhartia ₹ Nil (Previous year ₹ 57.50 million), Mr. Shyamsundar Bang ₹ Nil (Previous year ₹ 21.31 million), Mr. R Sankaraiah ₹ 36.05 million (Previous year ₹ 36.17 million), Mr. Pramod Yadav ₹ Nil (Previous year ₹ 18.57 million), Mr. Rajesh Srivastava ₹ Nil (Previous year ₹ 18.91 million), Mr. Chandan Singh ₹ Nil (Previous year ₹ 11.08 million), Mr. Neeraj Agrawal ₹ Nil (Previous year ₹ 21.72 million, Mr. Sridhar Mosur ₹ Nil (Previous year ₹ 29.32 million), Mr. Marcelo Morales ₹ Nil (Previous year ₹ 46.16 million), Mr. Scott Delaney ₹ Nil (Previous year ₹ 41.72 million), Mr. Kevin Garrity ₹ Nil (Previous year ₹ 27.46 million), Mr. Subir Kumar Basak ₹ Nil (Previous year ₹ 13.56 million), Mr. Martyn Coombs ₹ Nil (Previous year ₹ 14.66 million), Mr. Lalit Jain ₹ 6.22 million (Previous year ₹ Nil).
6. Company's contribution to PF Trust to Vam Employee Provident Fund Trust ₹ 115.64 million (Previous year ₹ 104.42 million).
7. Company's contribution to superannuation fund to Vam Officers Superannuation Fund ₹ 11.99 million (Previous year ₹ 14.09 million).
8. Rent expenses paid to include Jubilant Enpro Private Limited ₹ 4.09 million (Previous year ₹ 2.59 million), Tower Promoters Private Limited ₹ 52.00 million (Previous year ₹ 52.00 million), Sankur Chalets Private Limited ₹ 1.40 million (Previous year ₹ 1.80 million)
9. Donation to Jubilant Bhartia Foundation ₹ 17.20 million (Previous year ₹ 24.61 million).
10. Purchase of tangible/Intangible assets include Jubilant Motors Private Limited ₹ 5.32 million (Previous year ₹ 6.15 million) and Jubilant Oil & Gas Private Limited ₹ 3.86 million (Previous year ₹ Nil).
11. Loan received back from Jubilant Employee Welfare Trust ₹ Nil (Previous year ₹ 14.50 million).
12. Advance from customer against goods/assets Jubilant FoodWorks Limited ₹ 60.57 million (Previous year ₹ Nil)
13. Trade and other payables include to Jubilant Industries Limited ₹ 0.97 million (Previous year ₹ Nil), Jubilant Agri and Consumer Products Limited ₹ 180.51 million (Previous year ₹ 200.15 million).
14. Loans recoverable from Jubilant Employee Welfare Trust ₹ Nil (Previous year ₹ 439.39 million).
15. Trade receivables include from Jubilant Agri and Consumer Products Limited ₹ 37.19 million (Previous year ₹ 47.05 million).
16. Deposit recoverable from Tower Promoters Private Limited ₹ 21.00 million (Previous year ₹ 21.00 million).
17. Other recoverable include from Jubilant Oil & Gas Private Limited ₹ 1.96 (Previous year ₹ Nil), Jubilant Industries Limited ₹ Nil (Previous year ₹ 17.17 million), Jubilant Agri and Consumer Products Limited ₹ 13.32 million (Previous year ₹ 63.98 million), Mr. R Sankaraiah ₹ 25.00 million (Previous year ₹ 25.00 million), B&M Hot Breads Private Limited ₹ 0.06 (Previous year ₹ Nil), Jubilant FoodWorks Limited ₹ 8.93 million (Previous year 5.37 million) and remuneration recoverable from Mr. Shyam S Bhartia ₹ 40.06 million (Previous year ₹ Nil), Mr. Hari S Bhartia ₹ 40.05 million (Previous year ₹ Nil), Mr. Shyamsundar Bang ₹ 23.96 million (Previous year ₹ Nil).
18. Advance from customer against goods/assets Jubilant FoodWorks Limited ₹ 60.57 million (Previous year ₹ Nil).
19. The Group is in the process of updating the documentation for the specified transactions entered into with the specified persons and associated enterprises during the financial year. The management is of the opinion that its specified transactions are at arm's length and will not have any impact on the consolidated financial statements, particularly on the amount of tax expense and that of provision for taxation.

Notes to the consolidated financial statements for the year ended 31 March 2014 (Continued)

51. Earnings per share (EPS)

Particulars		For the year ended 31 March 2014	For the year ended 31 March 2013
I. Profit for basic and diluted earnings per share of ₹ 1 each	₹ in million	1,090.40	1,527.27
II. Weighted average number of equity shares for earnings per share computation			
A) For basic earnings per share	Nos.	159,281,139	159,281,139
B) For diluted earnings per share:			
No. of shares for basic earning per share as per II A	Nos.	159,281,139	159,281,139
Add: weighted average outstanding options related to employee stock options. (Note 1)	Nos.	Nil	Nil
No. of shares for diluted earnings per share	Nos.	159,281,139	159,281,139
III. Earnings per share (face value of ₹ 1 each)			
Basic	Rupees	6.85	9.59
Diluted	Rupees	6.85	9.59

Note :

1) The shares held by Jubilant Employee Welfare Trust are in excess of employee stock option granted and outstanding. Therefore, the effect of outstanding employee stock options is Nil on computation of diluted EPS.(Refer note 40)

52. Prior period items for the year ₹ Nil (Previous year ₹ 38.49 million).

53. Previous year figures were audited by another firm of Chartered Accountants.

As per our report of even date attached

For and on behalf of the Board of Directors of **Jubilant Life Sciences Limited**

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

Akhil Bansal
Partner
Membership No.: 090906

Shyam S. Bhartia
Chairman and Managing Director

Place: Noida
Date : 26 May 2014

Lalit Jain
Company Secretary

R. Sankaraiah
Executive Director-Finance

Hari S. Bhartia
Co-Chairman and Managing Director

Details of Subsidiary Companies (2013-14)

		Jubilant Clinsys Limited	Jubilant Chemsys Limited	Jubilant Biosys Limited	Jubilant Infra-structure Limited	Jubilant First Trust Healthcare Limited	Jubilant Generics Limited	Jubilant Life Sciences (USA) Inc.		Jubilant Life Sciences (Shanghai) Limited	
		₹/million	₹/million	₹/million	₹/million	₹/million	₹/million	USD	₹/million	RMB	₹/million
(a)	Capital	290.50	82.00	4.41	344.84	156.13	1.00	375,000	17.11	1,652,837	8.80
(b)	Reserve and Surplus (adjusted for debit balance in Statement of Profit and Loss where applicable)	5.39	445.44	(802.52)	1,198.47	529.43	(0.41)	1,735,915	109.35	30,096,459	297.58
(c)	Total Assets	362.99	609.07	926.45	2,190.06	748.62	0.76	15,884,168	951.62	155,346,527	1,499.09
(d)	Total Liabilities	67.10	81.63	1,841.43	649.27	63.06	0.17	13,773,253	825.16	123,597,231	1,192.71
e)	Details of Investments (except in case of Investment in subsidiaries)	-	-	-	2.52	-	-	-	-	-	-
(f)	Turnover (Including Other Income)	186.51	478.51	979.80	802.91	200.00	-	48,657,383	2,948.99	456,832,169	4,518.18
(g)	Profit before Taxation	30.37	(72.43)	(9.58)	155.85	240.23	(0.41)	294,368	18.93	16,917,724	170.26
(h)	Provision for Taxation	1.83	-	188.26	43.95	59.04	-	105,973	6.82	4,219,085	42.47
(i)	Profit after Taxation	28.54	(72.43)	(197.84)	111.90	181.19	(0.41)	188,395	12.11	12,698,639	127.79
(j)	Dividend	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Details of Subsidiary Companies (2013-14)

		Jubilant Pharma NV		Jubilant Pharmaceuticals NV		PSI Supply NV		Jubilant Pharma Holdings Inc (formerly known as Jubilant Life Sciences Holdings Inc.).		Jubilant Clinsys Inc.	
		EURO	₹/million	EURO	₹/million	EURO	₹/million	USD	₹/million	USD	₹/million
(a)	Capital	16,180,000	894.14	1,050,300	63.95	665,000	43.37	213,486,975	9,466.12	34,129,630	1,761.39
(b)	Reserve and Surplus (adjusted for debit balance in Statement of Profit and Loss where applicable)	1,801,441	592.56	(811,223)	(44.18)	(149,187)	(0.72)	(46,245,667)	553.31	(29,224,606)	(1,467.53)
(c)	Total Assets	37,726	3.12	6,532,947	540.15	2,398,188	198.29	45,704,038	2,738.13	9,418,460	564.26
(d)	Total Liabilities	17,685	1.46	6,293,870	520.38	1,882,375	155.64	22,705,805	1,360.30	4,513,436	270.40
e)	Details of Investments (except in case of Investment in subsidiaries)	-	-	-	-	-	-	-	-	-	-
(f)	Turnover (Including Other Income)	33	0.00	26,958,163	2,125.01	3,558,670	291.58	4,026,323	237.42	6,413,568	384.43
g)	Profit before Taxation	(7,998)	(0.65)	(578,521)	(47.35)	308,347	25.69	(328,414)	(31.24)	(2,664,104)	(160.94)
h)	Provision for Taxation	-	-	542,682	42.09	287,025	22.27	(402,308)	(24.75)	(1,012,361)	(61.04)
(i)	Profit after Taxation	(7,998)	(0.65)	(1,121,203)	(89.44)	21,322	3.42	73,894	(6.49)	(1,651,743)	(99.90)
(j)	Dividend	Nil	Nil	Nil	Nil	Nil	Nil	50,000	3.09	Nil	Nil

Details of Subsidiary Companies (2013-14)

		HSL Holdings Inc.		Jubilant HollisterStier LLC		Jubilant Pharma Limited (formerly known as Jubilant Pharma Pte. Ltd)		Cadista Holdings Inc.		Jubilant Cadista Pharmaceuticals Inc.	
		USD	₹/million	USD	₹/million	USD	₹/million	USD	₹/million	USD	₹/million
(a)	Capital	16	0.00	21,521,278	876.78	326,758,994	15,232.66	117,797	5.40	1	0.00
(b)	Reserve and Surplus (adjusted for debit balance in Statement of Profit and Loss where applicable)	137,424,279	8,233.09	51,294,599	3,485.62	(11,994,482)	3,624.88	33,501,433	2,008.73	101,446,455	6,077.66
c)	Total Assets	73,843,774	4,423.98	197,363,433	11,824.04	18,455,472	1,105.67	33,685,315	2,018.09	143,813,380	8,615.86
(d)	Total Liabilities	106,770,344	6,396.61	124,547,556	7,461.64	15,626,983	936.21	66,086	3.96	42,366,924	2,538.20
(e)	Details of Investments (except in case of Investment in subsidiaries)	-	-	-	-	2,871,770	172.05	-	-	-	-
(f)	Turnover (Including Other Income)	2,237,526	135.31	87,758,702	5,290.74	126,930	7.70	38	0.00	112,703,095	6,820.56
(g)	Profit before Taxation	914,017	55.35	(6,713,300)	(420.79)	(637,914)	(39.14)	(12,335)	(0.74)	46,997,321	2,844.29
(h)	Provision for Taxation	(1,457,647)	(90.42)	(2,551,053)	(159.84)	15,000	0.93	-	-	13,962,177	840.17
(i)	Profit after Taxation	2,371,664	145.77	(4,162,247)	(260.95)	(652,914)	(40.07)	(12,335)	(0.74)	33,035,144	2,004.12
(j)	Dividend	4,000,000	247.00	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Details of Subsidiary Companies (2013-14)

		Jubilant Biosys (BVI) Limited		Jubilant Biosys (Singapore) Pte. Limited		Jubilant Discovery Services Inc		Jubilant Drug Development Pte. Limited		Jubilant Life Sciences (BVI) Limited	
		USD	₹/million	USD	₹/million	USD	₹/million	USD	₹/million	USD	₹/million
(a)	Capital	1,397,501	69.85	1,371,501	68.56	2,485,000	116.87	2,547,001	127.33	3,972,501	198.79
(b)	Reserve and Surplus (adjusted for debit balance in Statement of Profit and Loss where applicable)	(22,877)	12.51	(61,175)	9.94	(2,756,754)	(133.16)	(61,728)	21.56	(25,505)	37.67
(c)	Total Assets	4,403	0.27	8,655	0.51	2,458,994	147.31	11,738	0.70	4,155	0.25
(d)	Total Liabilities	1,280	0.08	4,881	0.29	2,730,748	163.60	4,881	0.29	1,661	0.10
(e)	Details of Investments (except in case of Investment in subsidiaries)	-	-	-	-	-	-	-	-	-	-
(f)	Turnover (Including Other Income)	-	-	-	-	3,716,361	224.75	-	-	-	-
g)	Profit before Taxation	(4,527)	(0.27)	(11,860)	(0.72)	(86,533)	(5.17)	(12,402)	(0.75)	(5,902)	(0.36)
h)	Provision for Taxation	-	-	-	-	-	-	-	-	-	-
(i)	Profit after Taxation	(4,527)	(0.27)	(11,860)	(0.72)	(86,533)	(5.17)	(12,402)	(0.75)	(5,902)	(0.36)
(j)	Dividend	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Details of Subsidiary Companies (2013-14)

		Jubilant Life Sciences International Pte. Limited		Jubilant Innovation (BVI) Limited		Jubilant Innovation Pte. Limited		Draximage Limited, Cyprus		Draximage Limited, Ireland	
		USD	₹/million	USD	₹/million	USD	₹/million	USD	₹/million	USD	₹/million
a)	Capital	437,503	19.99	16,255,000	777.41	2,899,301	136.88	3,305	0.15	700,004	33.48
(b)	Reserve and Surplus (adjusted for debit balance in Statement of Profit and Loss where applicable)	1,049,420	69.09	(13,132,157)	(590.32)	(2,357,890)	(104.44)	2,946,263	176.56	(299,300)	(9.47)
(c)	Total Assets	52,695,353	3,156.98	9,529	0.57	16,016	0.96	9,933	0.59	416,293	24.94
(d)	Total Liabilities	51,208,430	3,067.90	30,000	1.80	7,745	0.46	29,600	1.77	15,589	0.93
(e)	Details of Investments (except in case of Investment in subsidiaries)	-	-	-	-	-	-	-	-	-	-
(f)	Turnover (Including Other Income)	56,082,287	3,394.56	-	-	-	-	17	0.00	78	0.00
g)	Profit before Taxation	1,803,924	110.38	(5,391)	(0.33)	(362,461)	(22.34)	(76,104)	(4.69)	(25,873)	(1.60)
(h)	Provision for Taxation	363,707	22.38	-	-	-	-	-	-	-	-
(i)	Profit after Taxation	1,440,217	88.00	(5,391)	(0.33)	(362,461)	(22.34)	(76,104)	(4.69)	(25,873)	(1.60)
(j)	Dividend	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Details of Subsidiary Companies (2013-14)

		Draximage LLC		Jubilant Draximage (USA) Inc.		Deprenyl Inc., USA		Jubilant DraxImage Inc.		6963196 Canada Inc.	
		USD	₹/million	USD	₹/million	USD	₹/million	CAD	₹/million	CAD	₹/million
(a)	Capital	65,000	3.05	9	0.00	15	0.00	130,365,215	5,689.88	2,500	0.11
(b)	Reserve and Surplus (adjusted for debit balance in Statement of Profit and Loss where applicable)	(49,506)	(2.12)	(111,675)	(6.69)	2,966,721	177.74	12,784,402	2,078.85	(17,745)	(0.94)
(c)	Total Assets	16,364	0.98	645,427	38.67	3,713,339	222.47	213,956,545	11,611.42	273	0.01
(d)	Total Liabilities	870	0.05	757,093	45.36	746,603	44.73	70,832,326	3,844.07	15,518	0.84
(e)	Details of Investments (except in case of Investment in subsidiaries)	-	-	-	-	-	-	-	-	-	-
(f)	Turnover (Including Other Income)	-	-	2,240,033	135.65	12,018	0.85	40,441,409	2,314.72	-	-
(g)	Profit before Taxation	(146)	(0.01)	499,941	30.88	(72,662)	(4.14)	5,108,619	289.33	(2,326)	(0.13)
(h)	Provision for Taxation	-	-	-	-	(24,705)	(1.60)	5,759,851	340.52	-	-
(i)	Profit after Taxation	(146)	(0.01)	499,941	30.88	(47,957)	(2.54)	(651,232)	(51.19)	(2,326)	(0.13)
(j)	Dividend	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Details of Subsidiary Companies (2013-14)

		6981364 Canada Inc.		DAHI Animal Health (UK) Limited		Draximage (UK) Limited		Jubilant Innovation (USA) Inc.		Jubilant Innovation (India) Limited	Jubilant DraxImage Limited
		CAD	₹/million	GBP	₹/million	GBP	₹/million	USD	₹/million	₹/million	₹/million
(a)	Capital	2,500	0.11	1	0.00	1	0.00	2,110,000	104.97	0.50	0.78
(b)	Reserve and Surplus (adjusted for debit balance in Statement of Profit and Loss where applicable)	(6,154)	(0.31)	(2,207)	(0.22)	-	-	20,623	22.68	3.21	(26.89)
(c)	Total Assets	11	0.00	-	-	1	0.00	133,623	8.01	3.78	23.59
(d)	Total Liabilities	5,930	0.32	2,206	0.22	-	-	3,000	0.18	0.07	49.70
(e)	Details of Investments (except in case of Investment in subsidiaries)	2,265	0.12	-	-	-	-	2,000,000	119.82	-	-
(f)	Turnover (Including Other Income)	-	-	-	-	-	-	-	-	-	91.55
(g)	Profit before Taxation	(2,508)	(0.14)	-	-	-	-	(66,856)	(4.12)	(0.10)	(12.34)
(h)	Provision for Taxation	-	-	-	-	-	-	(25,349)	(1.57)	0.01	-
(i)	Profit after Taxation	(2,508)	(0.14)	-	-	-	-	(41,507)	(2.55)	(0.11)	(12.34)
(j)	Dividend	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Details of Subsidiary Companies (2013-14)

		Draxis Pharma LLC		Jubilant HollisterStier Inc.		Jubilant Generics Inc. (formerly known as Generic Pharmaceuticals Holdings, Inc.)		Jubilant Life Sciences (Switzerland) AG, Schaffhausen		Jubilant Drug Discovery and Development Services Inc., Canada	
		USD	₹/million	USD	₹/million	USD	₹/million	CHF	₹/million	CAD	₹/million
(a)	Capital	250,100	11.64	26,825,600	1,218.22	2	0.00	100,000	4.70	50,000	2.45
(b)	Reserve and Surplus (adjusted for debit balance in Statement of Profit and Loss where applicable)	(495)	3.31	(10,519,129)	(241.29)	33,209,579	1,989.58	(76,984)	(3.14)	60,428	3.54
(c)	Total Assets	247,343	14.81	7,272,500	435.70	20,100	1.20	39,658	2.69	405,685	22.01
(d)	Total Liabilities	-	-	101,583,859	6,085.88	263,494	15.79	16,642	1.13	295,257	16.02
(e)	Details of Investments (except in case of Investment in subsidiaries)	-	-	-	-	-	-	-	-	-	-
(f)	Turnover (Including Other Income)	-	-	-	-	-	-	7	0.00	74,800	4.29
(g)	Profit before Taxation	(143)	(0.01)	(3,737,420)	(225.70)	(263,494)	(16.27)	(12,193)	(0.79)	10,583	0.58
(h)	Provision for Taxation	-	-	(1,420,274)	(87.70)	-	-	-	-	2,934	0.16
(i)	Profit after Taxation	(143)	(0.01)	(2,317,146)	(138.00)	(263,494)	(16.27)	(12,193)	(0.79)	7,649	0.42
(j)	Dividend	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Details of Subsidiary Companies (2013-14)

		First Trust Medicare Pvt. Limited	Vanthys Pharmaceutical Development Pvt. Limited	Drug Discovery and Development Solutions Limited		Jubilant Life Sciences NV	
		₹/million	₹/million	USD	₹/million	EURO	₹/million
(a)	Capital	1.00	225.00	1	0.00	100,000	7.81
(b)	Reserve and Surplus (adjusted for debit balance in Statement of Profit and Loss where applicable)	5.35	(196.21)	7,083,530	424.37	(414,698)	(33.83)
(c)	Total Assets	0.01	32.69	1	0.00	28,241,102	2,334.97
(d)	Total Liabilities	0.19	3.90	3,993	0.24	28,555,800	2,360.99
(e)	Details of Investments (except in case of Investment in subsidiaries)	-	-	-	-	-	-
(f)	Turnover (Including Other Income)	0.04	2.37	-	-	21,932,951	1,850.70
(g)	Profit before Taxation	(0.04)	1.83	(3,993)	(0.25)	(414,698)	(35.21)
(h)	Provision for Taxation	-	0.41	-	-	-	-
(i)	Profit after Taxation	(0.04)	1.42	(3,993)	(0.25)	(414,698)	(35.21)
(j)	Dividend	Nil	Nil	Nil	Nil	Nil	Nil

Note:

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

Corporate Information

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Export Import Bank of India
ICICI Bank Ltd.
ING Vysya Bank Ltd.
Punjab National Bank
State Bank of India
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