

**JUBILANT INNOVATION BVI LIMITED**

| Balance Sheet as at              | Note No      | 31-Mar-14        |                | 31-Mar-13        |                |
|----------------------------------|--------------|------------------|----------------|------------------|----------------|
|                                  |              | USD              | (INR'000)      | USD              | (INR'000)      |
| <b>I. EQUITY AND LIABILITIES</b> |              |                  |                |                  |                |
| <b>Shareholders' Funds</b>       |              |                  |                |                  |                |
| Share Capital                    | 1            | 16,255,000       | 777,412        | 15,080,000       | 721,218        |
| Reserves & Surplus               | 2            | (13,132,157)     | (590,322)      | (13,126,766)     | (615,176)      |
|                                  |              | <b>3,122,843</b> | <b>187,090</b> | <b>1,953,234</b> | <b>106,042</b> |
| <b>Current liabilities</b>       |              |                  |                |                  |                |
| Short-term borrowings            | 3            | 30,000           | 1,797          | -                | -              |
| Trade Payables                   | 4            | -                | -              | 157,067          | 8,527          |
|                                  |              | 30,000           | 1,797          | 157,067          | 8,527          |
|                                  | <b>Total</b> | <b>3,152,843</b> | <b>188,887</b> | <b>2,110,301</b> | <b>114,569</b> |
| <b>II. ASSETS</b>                |              |                  |                |                  |                |
| <b>Non-current assets</b>        |              |                  |                |                  |                |
| <b>Fixed Assets</b>              |              |                  |                |                  |                |
| Non-current investments          | 5            | 3,143,314        | 188,316        | 2,103,314        | 114,189        |
|                                  |              | 3,143,314        | 188,316        | 2,103,314        | 114,189        |
| <b>Current Assets</b>            |              |                  |                |                  |                |
| Cash & bank balances             | 6            | 6,925            | 415            | 5,425            | 295            |
| Short-term loans and advances    | 7            | 2,604            | 156            | 1,562            | 85             |
|                                  |              | 9,529            | 571            | 6,987            | 380            |
|                                  | <b>Total</b> | <b>3,152,843</b> | <b>188,887</b> | <b>2,110,301</b> | <b>114,569</b> |

**RAJNEESH GUPTA**  
Head - Accounts

Place : Noida  
Date: 23 May 2014

**JUBILANT INNOVATION BVI LIMITED**

**Statement of Profit and Loss**

| For the year ended                             | Note No | 31-Mar-14      |              | 31-Mar-13           |                  |
|--|---------|----------------|--------------|---------------------|------------------|
|  |         | USD            | (INR'000)    | USD                 | (INR'000)        |
| <b>REVENUE</b>                                 |         |                |              |                     |                  |
| Other Income                                   |         |                |              |                     |                  |
| <b>Total Revenue</b>                           |         | -              | -            | -                   | -                |
| <b>EXPENSES</b>                                |         |                |              |                     |                  |
| Other expenses                                 | 8       | 5,303          | 323          | 11,228,208          | 610,253          |
| <b>Total Expenses</b>                          |         | <b>5,303</b>   | <b>323</b>   | <b>11,228,208</b>   | <b>610,253</b>   |
| <b>Profit Before exceptional items and tax</b> |         | (5,303)        | (323)        | (11,228,208)        | (610,253)        |
| Exceptional Items                              | 9       | 88             | 5            | -                   | -                |
| <b>Profit Before Tax</b>                       |         | <b>(5,391)</b> | <b>(328)</b> | <b>(11,228,208)</b> | <b>(610,253)</b> |
| Tax expenses:                                  |         |                |              |                     |                  |
| - Current Tax                                  |         | -              | -            | -                   | -                |
| <b>Profit/(Loss) after tax</b>                 |         | <b>(5,391)</b> | <b>(328)</b> | <b>(11,228,208)</b> | <b>(610,253)</b> |

**RAJNEESH GUPTA**  
Head - Accounts

Place : Noida  
Date: 23 May 2014

**JUBILANT INNOVATION BVI LIMITED**  
**CASH FLOW STATEMENT**

| For the year ended   | 31-Mar-14          |                 | 31-Mar-13          |                 |
|--|--------------------|-----------------|--------------------|-----------------|
|  | USD                | (INR'000)       | USD                | (INR'000)       |
| <b>A. Cash Flow arising from Operating Activities :</b>                    |                    |                 |                    |                 |
| Net profit before tax  | (5,391)            | (328)           | (11,228,208)       | (610,253)       |
| Adjustments for:   |                    |                 |                    |                 |
| Depreciation & Amortisation  | -                  | -               | 11,221,817         | 609,906         |
| Loss/(Gain) on sale/disposal/discard of Fixed Assets/Intangibles           | -                  | -               | -                  | -               |
|  | -                  | -               | 11,221,817         | 609,906         |
| <b>Operating Profit before Working Capital Changes</b>                     | <b>(5,391)</b>     | <b>(328)</b>    | <b>(6,391)</b>     | <b>(347)</b>    |
| Adjustments for :  |                    |                 |                    |                 |
| (Increase)/Decrease in Trade and Other Receivables-Current                 | (1,042)            | (63)            | 993                | 54              |
| Increase/(Decrease) in Current Liabilities & Provisions-Current            | (157,067)          | (9,488)         | (730,587)          | (39,708)        |
| <b>Net Cash Inflow/(Outflow) in course of Operating Activities</b>         | <b>(163,500)</b>   | <b>(9,879)</b>  | <b>(735,985)</b>   | <b>(40,001)</b> |
| <b>B. Cash Flow arising from Investing Activities :</b>                    |                    |                 |                    |                 |
| Acquisition/Purchase of Fixed Assets/CWIP                                  | -                  | -               | (260,534)          | (14,160)        |
| Investments in subsidiaries  | (1,040,000)        | (62,826)        | (1,020,000)        | (55,437)        |
| <b>Net Cash Inflow/(Outflow) in course of Investing Activities</b>         | <b>(1,040,000)</b> | <b>(62,826)</b> | <b>(1,280,534)</b> | <b>(69,597)</b> |
| <b>C. Cash Flow arising from Financing Activities :</b>                    |                    |                 |                    |                 |
| Proceeds from Issue of Share Capital                                       | 1,175,000          | 70,982          | 1,885,000          | 102,450         |
| Loan from subsidiaries   | 30,000             | 1,812           | -                  | -               |
| <b>Net Cash Inflow/(Outflow) in course of Financing Activities</b>         | <b>1,205,000</b>   | <b>72,794</b>   | <b>1,885,000</b>   | <b>102,450</b>  |
| <b>D. Foreign Currency Translation Difference arising on Consolidation</b> |                    | 31              |                    | 476             |
| <b>Net Increase in Cash &amp; Cash equivalents (A+B+C+D)</b>               | <b>1,500</b>       | <b>120</b>      | <b>(131,519)</b>   | <b>(6,672)</b>  |
| Add: Cash & Cash Equivalents at the beginning of Year                      | 5,425              | 295             | 136,944            | 6,967           |
| <b>Cash &amp; Cash Equivalents at the close of the Year</b>                | <b>6,925</b>       | <b>415</b>      | <b>5,425</b>       | <b>295</b>      |

Notes:

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

2) Amounts in brackets are for cash outflows

**RAJNEESH GUPTA**  
Head - Accounts

Place : Noida  
Date: 23 May 2014

**JUBILANT INNOVATION BVI LIMITED**

| Notes to the Accounts as at  | 31-Mar-14         |                | 31-Mar-13         |                |
|--|-------------------|----------------|-------------------|----------------|
|  | USD               | (INR'000)      | USD               | (INR'000)      |
| <b>1 SHARE CAPITAL</b>   |                   |                |                   |                |
| <b>Issued &amp; Subscribed</b>   |                   |                |                   |                |
| 16,255,000 Equity Shares of USD 1 each<br>(Previous Year 15,080,000 Equity Shares of USD 1 each) | 16,255,000        | 777,412        | 15,080,000        | 721,218        |
|  | <b>16,255,000</b> | <b>777,412</b> | <b>15,080,000</b> | <b>721,218</b> |
| <b>Paid up</b>   |                   |                |                   |                |
| 16,255,000 Equity Shares of USD 1 each<br>(Previous Year 15,080,000 Equity Shares of USD 1 each) | 16,255,000        | 777,412        | 15,080,000        | 721,218        |
|  | <b>16,255,000</b> | <b>777,412</b> | <b>15,080,000</b> | <b>721,218</b> |

1) The Company has only class of shares referred to as equity shares having par value of USD 1 each. Each holder of equity shares is entitled to one vote per share.

2) 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 preferential liability exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

3) The details of shares held by holding / ultimate holding company and / or their subsidiaries / associates: -

| Name of the shareholder  | No of shares | % held as at 31st March,2014 | No of shares | % held as at 31st March,2013 |
|--|--------------|------------------------------|--------------|------------------------------|
| Jubilant Pharma Ltd. (Formerly known as Jubilant Pharma Pte. Ltd.) | -            | -                            | 15,080,000   | 100%                         |
| Drug Discovery and Development Solutions Ltd.                      | 16,255,000   | 100%                         | -            | -                            |

4) The details of shareholders holding more than 5% shares as at 31st March,2014 and 31st March,2013 is set out below:

| Name of the shareholder  | No of shares | % held as at 31st March,2014 | No of shares | % held as at 31st March,2013 |
|--|--------------|------------------------------|--------------|------------------------------|
| Jubilant Pharma Ltd. (Formerly known as Jubilant Pharma Pte. Ltd.) | -            | -                            | 15,080,000   | 100%                         |
| Drug Discovery and Development Solutions Ltd.                      | 16,255,000   | 100%                         | -            | -                            |

5) The reconciliation of the number of shares outstanding as at 31st March,2014 and 31st March,2013 is set out below:

| Particulars                         | As at 31st March,2014 |          | As at 31st March 2013 |          |
|-------------------------------------|-----------------------|----------|-----------------------|----------|
|                                     | No.                   |          | No.                   |          |
| Numbers of shares at the beginning  | 15,080,000            |          | 13,195,000            |          |
| Add: Shares issued during the year  | 1,175,000             |          | 1,885,000             |          |
| <b>Numbers of shares at the end</b> | <b>16,255,000</b>     | <b>-</b> | <b>15,080,000</b>     | <b>-</b> |

**JUBILANT INNOVATION BVI LIMITED**

| Notes to the Accounts as at  | 31-Mar-14           |                  | 31-Mar-13           |                  |
|--|---------------------|------------------|---------------------|------------------|
|  | USD                 | (INR'000)        | USD                 | (INR'000)        |
| <b>2 RESERVES AND SURPLUS</b>  |                     |                  |                     |                  |
| Foreign Currency Translation Reserve   |                     |                  |                     |                  |
| As per last Balance Sheet  |                     | 86,013           |                     | 43,965           |
| Addition/(deduction) during the year   |                     | 25,182           |                     | 42,048           |
|  | -                   | <b>111,195</b>   | -                   | <b>86,013</b>    |
| <b>Surplus</b>   |                     |                  |                     |                  |
| Opening balance  | (13,126,766)        | (701,189)        | (1,898,558)         | (90,936)         |
| Add: Net Profit / (Loss) after tax transferred from Statement of Profit and Loss | (5,391)             | (328)            | (11,228,208)        | (610,253)        |
|  | <b>(13,132,157)</b> | <b>(701,517)</b> | <b>(13,126,766)</b> | <b>(701,189)</b> |
| Closing balance  | <b>(13,132,157)</b> | <b>(590,322)</b> | <b>(13,126,766)</b> | <b>(615,176)</b> |
| <b>CURRENT LIABILITIES</b>   |                     |                  |                     |                  |
| <b>3 SHORT TERM BORROWINGS</b>   |                     |                  |                     |                  |
| Loans and advances from related parties(unsecured)                               | 30,000              | 1,797            | -                   | -                |
|  | <b>30,000</b>       | <b>1,797</b>     | <b>-</b>            | <b>-</b>         |
| <b>4 TRADE PAYABLES</b>  |                     |                  |                     |                  |
| Trade payables-due to micro,small and medium enterprises under MSMED Act,2006    | -                   | -                | -                   | -                |
| Others   | -                   | -                | 157,067             | 8,527            |
|  | <b>-</b>            | <b>-</b>         | <b>157,067</b>      | <b>8,527</b>     |
| <b>CURRENT ASSETS</b>  |                     |                  |                     |                  |
| <b>6 CASH AND BANK BALANCES</b>  |                     |                  |                     |                  |
| Cash and cash equivalents  |                     |                  |                     |                  |
| Balances with banks:   |                     |                  |                     |                  |
| - On Current Accounts  | 6,925               | 415              | 5,425               | 295              |
|  | <b>6,925</b>        | <b>415</b>       | <b>5,425</b>        | <b>295</b>       |
| <b>7 SHORT TERM LOANS AND ADVANCES</b>   |                     |                  |                     |                  |
| - Advance recoverable in cash & kind   |                     |                  |                     |                  |
| - Others   | 2,604               | 156              | 1,562               | 85               |
|  | <b>2,604</b>        | <b>156</b>       | <b>1,562</b>        | <b>85</b>        |

**JUBILANT INNOVATION BVI LIMITED**

| As at                    |                            |  | 31-Mar-14        |                | 31-Mar-13        |                |  |
|--------------------------|----------------------------|--|------------------|----------------|------------------|----------------|--|
|                          |                            |  | USD              | (INR 000)      | USD              | (INR 000)      |  |
| <b>5</b>                 | <b>INVESTMENTS</b>         |  |                  |                |                  |                |  |
| <b>Number</b>            | <b>Face Value per unit</b> | <b>NON-CURRENT INVESTMENTS</b>                         |                  |                |                  |                |  |
|                          |                            | <b>All unquoted</b>                                    |                  |                |                  |                |  |
|                          |                            | <b>Trade investments</b>                               |                  |                |                  |                |  |
|                          |                            | <b>Investment in equity instruments</b>                |                  |                |                  |                |  |
|                          |                            | <b>Investment in Subsidiary Companies</b>              |                  |                |                  |                |  |
| 2,899,301<br>(2,589,301) | USD 1                      | Jubilant Innovation Pte Limited                        | 2,899,301        | 173,697        | 2,859,301        | 155,231        |  |
| 10,900<br>(10,900)       | USD 1                      | Jubilant Innovation India Limited                      | 10,900           | 653            | 10,900           | 592            |  |
| 2,110<br>(1,110)         | No par value               | Jubilant Innovation USA Inc                            | 2,110,000        | 126,410        | 1,110,000        | 60,262         |  |
|                          |                            |  | 5,020,201        | 300,760        | 3,980,201        | 216,085        |  |
|                          |                            | Less: Provision for dimunition in value of investments | (1,876,887)      | (112,444)      | (1,876,887)      | (101,896)      |  |
|                          |                            | <b>Total Investments - Non Current</b>                 | <b>3,143,314</b> | <b>188,316</b> | <b>2,103,314</b> | <b>114,189</b> |  |

**JUBILANT INNOVATION BVI LIMITED**

| Notes to the accounts for the year ended,                | 31-Mar-14    |            | 31-Mar-13         |                |
|--|--------------|------------|-------------------|----------------|
|  | USD          |            | USD               |                |
| <b>8 OTHER EXPENSES</b>                                  |              |            |                   |                |
| Legal , Professional & Consultancy Charges               | 5,103        | 311        | 6,184             | 336            |
| Bank charges   | 200          | 12         | 207               | 11             |
| Loss/(Gain) on sale/disposal of fixed Assets/intangibles | -            | -          | 11,221,817        | 609,906        |
|  | <b>5,303</b> | <b>323</b> | <b>11,228,208</b> | <b>610,253</b> |
| <b>9 Exceptional items</b>                               |              |            |                   |                |
| Foreign Exchange Gain/Loss                               | 88           | 5          | -                 | -              |
|  | <b>88</b>    | <b>5</b>   | <b>-</b>          | <b>-</b>       |
|  |              |            |                   |                |