

Jubilant Pharma Holdings Inc. (formerly Jubilant Life Sciences Holdings Inc.)  
Special Purpose Balance Sheet as at 31 March 2014

	Note	As at 31 March 2014		As at 31 March 2013	
		USD	Rs. '000	USD	Rs. '000
<b>EQUITY AND LIABILITIES</b>					
<b>Shareholders' funds</b>					
Share capital	3	213,486,975	9,466,116	213,486,975	9,466,116
Reserves and surplus	4	(46,245,667)	553,311	(68,208,269)	(1,578,935)
		<b>167,241,308</b>	<b>10,019,427</b>	<b>145,278,706</b>	<b>7,887,181</b>
<b>Current liabilities</b>					
Short-term borrowings	5	22,450,000	1,344,980	8,350,000	453,322
Trade payables	6	68,602	4,110	-	-
Other current liabilities	7	187,203	11,215	16,358,542	888,105
		<b>22,705,805</b>	<b>1,360,305</b>	<b>24,708,542</b>	<b>1,341,427</b>
	<b>Total</b>	<b>189,947,113</b>	<b>11,379,732</b>	<b>169,987,248</b>	<b>9,228,608</b>
<b>ASSETS</b>					
<b>Non-current assets</b>					
Non-current investments	8	144,243,075	8,641,603	145,123,075	7,878,731
Deferred tax assets	16	-	-	1,523,759	82,725
		<b>144,243,075</b>	<b>8,641,603</b>	<b>146,646,834</b>	<b>7,961,456</b>
<b>Current assets</b>					
Cash and bank balances	9	6,996,819	419,179	1,766,877	95,924
Short-term loans and advances	10	38,707,219	2,318,950	21,573,537	1,171,228
		<b>45,704,038</b>	<b>2,738,129</b>	<b>23,340,414</b>	<b>1,267,152</b>
	<b>Total</b>	<b>189,947,113</b>	<b>11,379,732</b>	<b>169,987,248</b>	<b>9,228,608</b>

Significant accounting policies

2

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

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

ICAI Firm registration number: 101248W

For and on behalf of board of directors of

Jubilant Pharma Holdings Inc.

Pravin Tulsyan

Partner

Membership No.: 108044

Director

Place:

Date:

Jubilant Pharma Holdings Inc. (formerly Jubilant Life Sciences Holdings Inc.)  
Special Purpose Statement of Profit and Loss for the year ended 31 March 2014

	Note	For the year ended 31 March 2014		For the year ended 31 March 2013	
		USD	Rs. '000	USD	Rs. '000
<b>REVENUE</b>					
Other operating income	11	4,026,323	237,424	377	20
<b>Total revenue</b>		<b>4,026,323</b>	<b>237,424</b>	<b>377</b>	<b>20</b>
<b>EXPENSES</b>					
Finance costs	12	187,203	11,534	-	-
Other expenses	13	207,534	12,604	143,546	7,802
<b>Total expenses</b>		<b>394,737</b>	<b>24,138</b>	<b>143,546</b>	<b>7,802</b>
<b>Profit / (Loss) before exceptional items and tax</b>		<b>3,631,586</b>	<b>213,286</b>	<b>(143,169)</b>	<b>(7,782)</b>
Exceptional items	14	3,960,000	244,530	2,704,428	146,986
<b>Profit / (Loss) before tax</b>		<b>(328,414)</b>	<b>(31,244)</b>	<b>(2,847,597)</b>	<b>(154,768)</b>
Tax expenses:					
- Current tax		-	-	913,708	49,660
- Deferred tax credit		(402,308)	(24,753)	(1,082,087)	(58,811)
		<b>(402,308)</b>	<b>(24,753)</b>	<b>(168,379)</b>	<b>(9,151)</b>
<b>Profit / (Loss) for the year</b>		<b>73,894</b>	<b>(6,491)</b>	<b>(2,679,218)</b>	<b>(145,617)</b>
Basic earnings per share	18	67		(2,429)	
Diluted earnings per share	18	67		(2,429)	

Significant accounting policies

2

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

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

ICAI Firm registration number: 101248W

For and on behalf of board of directors of

Jubilant Pharma Holdings Inc.

Pravin Tulsyan

Partner

Membership No.: 108044

Director

Place:

Date:

**Jubilant Pharma Holdings Inc. (formerly Jubilant Life Sciences Holdings Inc.)**  
**Special Purpose Cash flow statement for the year ended 31 March 2014**

	For the year ended 31 March 2014		For the year ended 31 March 2013	
	USD	Rs. '000	USD	Rs. '000
<b>A. Cash flow from operating activities</b>				
Net profit/(loss) before tax	(328,414)	(31,244)	(2,847,597)	(154,767)
Adjustments:				
Finance costs	187,203	11,534	-	-
Provision for diminution in the value of investments	3,960,000	244,530	-	-
Provision no longer required written back written back	(21,875)	(1,351)	-	-
	4,125,328	254,713	-	-
<b>Operating profit/(loss) before working capital changes</b>	<b>3,796,914</b>	<b>223,469</b>	<b>(2,847,597)</b>	<b>(154,767)</b>
Increase in trade and other receivables	(9,732,251)	(587,925)	(11,147,000)	(605,839)
Increase in investments	(3,080,000)	(186,063)	(900,000)	(48,915)
Increase in trade and other payable	8,691,128	525,031	21,191,791	1,151,774
<b>Cash (used in)/generated from operations</b>	<b>(324,209)</b>	<b>(25,487)</b>	<b>6,297,195</b>	<b>342,252</b>
Income tax paid (net of refund)	(8,495,849)	(513,234)	(13,979,357)	(759,778)
<b>Net cash used in operating activities</b>	<b>(8,820,058)</b>	<b>(538,721)</b>	<b>(7,682,163)</b>	<b>(417,526)</b>
<b>B. Cash flow from financing activities</b>				
Proceeds from issue of equity share capital	-	-	3,900,000	211,965
Loan from holding co. - Jubilant Pharma Limited, net	1,750,000	105,718	5,350,000	290,773
Loan from ultimate holding company - Jubilant Life Sciences Limited	8,700,000	525,567	-	-
Loan from fellow subsidiary - Jubilant Draximage Inc.	3,650,000	220,497	-	-
Dividend paid (including dividend distribution tax)	(50,000)	(3,087)	-	-
<b>Net cash generated from financing activities</b>	<b>14,050,000</b>	<b>848,695</b>	<b>9,250,000</b>	<b>502,738</b>
<b>C. Foreign currency translation difference</b>	-	13,281.01	-	586
<b>Net Increase in cash and cash equivalents (A+B+C)</b>	<b>5,229,942</b>	<b>323,255</b>	<b>1,567,837</b>	<b>85,798</b>
Add: cash and cash equivalents at the beginning of year	1,766,877	95,924	199,040	10,126
<b>Cash and cash equivalents at the close of the year</b>	<b>6,996,819</b>	<b>419,179</b>	<b>1,766,877</b>	<b>95,924</b>

Notes:

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 B S R & Co. LLP

Chartered Accountants

ICAI Firm registration number: 101248W

For and on behalf of board of directors of

Jubilant Pharma Holdings Inc.

Pravin Tulsyan

Partner

Membership No.: 108044

Director

Place :

Date :

**Jubilant Pharma Holdings Inc. (formerly Jubilant Life Sciences Holdings Inc.)**  
**Notes to the special purpose financial statements for the year ended 31 March 2014.**

**1. Corporate Information**

Jubilant Pharma Holdings Inc. (formerly Jubilant Life Sciences Holdings Inc.) (the Company) was incorporated in United States of America under the local laws of Delaware in October 2005. The Company is a subsidiary of Jubilant Pharma Limited, Singapore (formerly Jubilant Pharma Pte. Limited), which holds 82% stake in the Company, balance stake of 18% is held by Jubilant Life Sciences Limited, India, the ultimate holding company. The primary activities of the company are of making investment.

**2. Significant accounting policies**

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

**A. Basis of preparation and presentation of special purpose 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) and pronouncements of the Institute of Chartered Accountants of India.

The special purpose 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.

These special purpose financial statements have been prepared for the purpose of compliance with the provisions of Section 212 of the Companies Act, 1956. The functional currency of the Company is United States Dollar (USD).

**B. Use of estimates**

The preparation of special purpose 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. 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.

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**C. Current and 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, 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 and non-current classification of assets and liabilities.

**D. 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

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**Jubilant Pharma Holdings Inc. (formerly Jubilant Life Sciences Holdings Inc.)**  
**Notes to the special purpose financial statements for the year ended 31 March 2014.**

decline, other than temporary, in the value of the investments, such reduction being determined and made for each investment individually.

**E. 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 expense is based on the local tax laws in United States of America and 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 realization 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.

**F. Foreign Currency Conversions/ Translations**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency on/ or closely approximating to the date of the transaction. All monetary assets and liabilities in foreign currency are restated at the end of accounting period. Exchange differences arising on the settlement of monetary items or on reporting of such monetary items of the Company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or expenses in the year in which they arise.

The special purpose financial statements 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.
  - The resulting net exchange difference is credited or debited to the foreign currency translation reserve.
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**G. Provisions, contingent liabilities and contingent assets**

The Company recognizes 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 special purpose 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.

**H. Dividend income**

Dividend income is recognised when the right to receive payment is established.

**I. Interest income**

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the interest rate applicable.

**J. 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.

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

**Notes to the special purpose financial statements for the year ended 31 March 2014**

	As at 31 March 2014		As at 31 March 2013	
	USD	Rs. '000	USD	Rs. '000
<b>3. SHARE CAPITAL</b>				
<b>Authorised</b>				
Equity share capital	-	-	-	-
3,000 shares at zero par value (Previous year - 3000 shares at zero par value)	-	-	-	-
<b>Issued, Subscribed and Paid up</b>				
Equity share capital	213,486,975	9,466,116	213,486,975	9,466,116
200 shares of class A and 911 Shares of class B common stock (Previous year 200 shares of class A and 911 shares of class B common stock)				
	<b>213,486,975</b>	<b>9,466,116</b>	<b>213,486,975</b>	<b>9,466,116</b>

3.1) The Company has two classes of stock, Class A common stock and Class B common stock. The total number of shares of all classes of stock which the Company is authorized to issue is 3,000 shares of zero par value. Of the total authorized shares, 1,500 shares shall be authorized to be issued as Class A common stock, at zero par value and 1,500 shares shall be authorized to be issued as Class B common stock, at zero par value.

The voting powers for the shareholder shall be vested equally in the holders of Class A common stock and Class B common stock, with each share of stock entitled to one vote. No rights to class voting shall exist for either class of common stock.

The holder of Class A common stock shall have all rights and preferences with respect to dividend declared by the Company, except to the extent that the Board of Directors makes a special dividend declaration to the holders of Class B common stock.

Except for the foregoing dividend preference rights, Class A common stock and Class B common stock shall have equal rights with respect to (i) voting; (ii) liquidating distributions made to the shareholders; (iii) any distribution of the Company assets to its shareholders; and (iv) any other shareholder rights and privileges.

3.2) In the event of liquidation of the Company, the holders of equity shares shall be entitled to receive all of the remaining assets of the Company, after distribution of all preferential amounts, if any. Such amounts will be in proportion to the number of shares of equity shares held by the stockholders.

3.3) The details of shares held by holding/ultimate holding company:

Name of the shareholder	As at 31 March 2014		As at 31 March 2013	
	No. of shares	USD	No. of shares	USD
Jubilant Pharma Limited, Singapore (formerly Jubilant Pharma Pte Limited, Singapore) - the holding company Class B common stock at zero par value	911	176,286,975	911	176,286,975
Jubilant Life Sciences Limited - ultimate holding company Class A common stock at zero par value	200	37,200,000	200	37,200,000

3.4) The details of shareholders holding more than 5% shares is set out below:

Name of the shareholder	As at 31 March 2014		As at 31 March 2013	
	No. of shares	% holding	No. of shares	% holding
Jubilant Pharma Limited, Singapore (formerly Jubilant Pharma Pte Limited, Singapore) - the holding company	911	82.00%	911	82.00%
Jubilant Life Sciences Limited - ultimate holding company	200	18.00%	200	18.00%

3.5) The reconciliation of the number of shares outstanding is set out below:

Particulars	As at 31 March 2014		As at 31 March 2013	
	No. of shares	Rs. '000	No. of shares	Rs. '000
Numbers of shares at the beginning	1,111	9,466,116	1,090	9,250,676
Add: shares issued during the year	-	-	21	215,440
Numbers of shares at the end	1,111	9,466,116	1,111	9,466,116

Jubilant Pharma Holdings Inc. (formerly Jubilant Life Sciences Holdings Inc.)  
Notes to the special purpose financial statements for the year ended 31 March 2014

	As at 31 March 2014		As at 31 March 2013	
	USD	Rs. '000	USD	Rs. '000
<b>4. RESERVES AND SURPLUS</b>				
<b>Foreign currency translation reserve</b>				
At the commencement of the year	-	1,703,287	-	1,214,877
Additions during the year	-	953,192	-	488,410
At the end of the year	-	<b>2,656,479</b>	-	<b>1,703,287</b>
<b>Capital reserve (refer note 15)</b>				
At the commencement of the year	-	-	-	-
Additions during the year	21,025,000	1,138,972	-	-
At the end of the year	<b>21,025,000</b>	<b>1,138,972</b>	-	-
<b>Deficit</b>				
At the commencement of the year	(68,208,269)	(3,282,222)	(65,529,051)	(3,136,605)
Add: Net Profit / (Loss) after tax transferred from statement of profit and loss	73,894	(6,491)	(2,679,218)	(145,617)
Adjustments (refer note 15)	913,708	49,660		
	<b>(67,220,667)</b>	<b>(3,239,053)</b>	<b>(68,208,269)</b>	<b>(3,282,222)</b>
<b>Less: Appropriations</b>				
Dividend on equity shares*	50,000	3,087	-	-
* Dividend paid to holding company Jubilant Pharma Limited				
At the end of the year	<b>(67,270,667)</b>	<b>(3,242,140)</b>	<b>(68,208,269)</b>	<b>(3,282,222)</b>
	<b>(46,245,667)</b>	<b>553,311</b>	<b>(68,208,269)</b>	<b>(1,578,935)</b>
<b>5. SHORT TERM BORROWINGS</b>				
Loans from related parties (unsecured)(refer note 17)	22,450,000	1,344,980	8,350,000	453,322
	<b>22,450,000</b>	<b>1,344,980</b>	<b>8,350,000</b>	<b>453,322</b>
Above includes:				
i) Interest free loan from Jubilant Pharma Limited	10,100,000	605,091	8,350,000	453,322
ii) Loan from Jubilant Life Sciences Limited carries interest @ 5% p.a.	8,700,000	521,217	-	-
iii) Loan from Jubilant Draximage Inc. carries interest @ 4% p.a.	3,650,000	218,672	-	-
<b>6. TRADE PAYABLE</b>				
Trade payable - others	68,602	4,110	-	-
	<b>68,602</b>	<b>4,110</b>	-	-
<b>7. OTHER CURRENT LIABILITIES</b>				
Interest accrued and due on borrowings (refer note 17)	187,203	11,215	21,875	1,188
Other payables (refer note 15)	-	-	16,336,667	886,917
	<b>187,203</b>	<b>11,215</b>	<b>16,358,542</b>	<b>888,105</b>

**Jubilant Pharma Holdings Inc. (formerly Jubilant Life Sciences Holdings Inc.)**  
**Notes to the special purpose financial statements for the year ended 31 March 2014**

	As at 31 March 2014		As at 31 March 2013	
	USD	Rs. '000	USD	Rs. '000
<b>8. NON-CURRENT INVESTMENTS</b>				
<b>(At Cost)</b>				
<b>Trade investments</b>				
<b>Investment in equity instruments (Fully Paid up Equity shares)</b>				
Jubilant Clinsys Inc. 38,650,016 Shares (previous year 37,087,174 Shares) of zero par value	69,854,324	4,184,973	66,794,324	3,626,264
HSL Holding Inc. 1,582 Shares (previous year 1,582 Shares) @ \$0.01 par value	110,770,000	6,636,231	110,770,000	6,013,703
Jubilant Generics Inc. (formerly Generic Pharmaceuticals Holdings Inc.) 210 shares(previous year 200 Shares) @ 0.01 par value	33,473,075	2,005,372	33,453,075	1,816,167
Less: Provision for diminution in the value of investment in Jubilant Clinsys Inc.	214,097,399 (69,854,324)	12,826,576 (4,184,973)	211,017,399 (65,894,324)	11,456,134 (3,577,403)
	<b>144,243,075</b>	<b>8,641,603</b>	<b>145,123,075</b>	<b>7,878,731</b>
<b>9. CASH AND BANK BALANCES</b>				
Cash and cash equivalents				
Balances with banks:				
- On current accounts	6,996,819	419,179	1,766,877	95,924
	<b>6,996,819</b>	<b>419,179</b>	<b>1,766,877</b>	<b>95,924</b>
<b>10. SHORT-TERM LOANS AND ADVANCES</b>				
- Loans to related parties(unsecured,considered good) (refer note 17)	38,050,000	2,279,576	20,600,000	1,118,374
- Advance payment of income tax (including TDS) (refer note 15)	-	-	371,551	20,171
- Advance recoverable in cash and kind				
- From related parties (refer note 17)	657,219	39,374	147,000	7,981
- Tax recoverable (refer note 15)	-	-	454,986	24,702
	<b>38,707,219</b>	<b>2,318,950</b>	<b>21,573,537</b>	<b>1,171,228</b>

Jubilant Pharma Holdings Inc. (formerly Jubilant Life Sciences Holdings Inc.)

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

	For the year ended 31 March 2014		For the year ended 31 March 2013	
	USD	Rs. '000	USD	Rs. '000
<b>11. OTHER OPERATING INCOME</b>				
Interest income	4,448	273	377	20
Dividend income from investments (non-trade)	4,000,000	235,800	-	-
Provision no longer written back	21,875	1,351	-	-
	<b>4,026,323</b>	<b>237,424</b>	<b>377</b>	<b>20</b>
<b>12. FINANCE COST</b>				
Interest expense	187,203	11,534	-	-
	<b>187,203</b>	<b>11,534</b>	-	-
<b>13. OTHER EXPENSES</b>				
Rates and taxes	44	3	36	2
Auditors' remuneration	5,000	305	2,625	143
Legal, professional and consultancy charges	201,727	12,250	140,115	7,615
Bank charges	763	46	770	42
	<b>207,534</b>	<b>12,604</b>	<b>143,546</b>	<b>7,802</b>
<b>14. EXCEPTIONAL ITEMS</b>				
Legal, professional and consultancy charges *	-	-	2,704,428	146,986
Diminution in value of investment (refer note 8)	3,960,000	244,530	-	-
	<b>3,960,000</b>	<b>244,530</b>	<b>2,704,428</b>	<b>146,986</b>

\* It pertains to legal expenditure incurred in respect of potential purchase of shares from minority for one of the subsidiaries.

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

**Notes to the special purpose financial statements for the year ended 31 March 2014.**

**All amounts in USD (Rs. '000)**

15. The Company being a holding company for various United States of America (USA)/ Canada based direct/ indirect subsidiaries/ majority owned entities and therefore files federal tax return and state tax return (as applicable) on a consolidated basis. Current and deferred income taxes are recognised by each entity within the group, regardless of which entity has the legal liability for settlement or recovery of the tax. Current and deferred tax amounts for each entity within the tax group are determined and recognised under a systematic, rational and consistent method.

The Company has a tax sharing arrangement with Cadista Holdings Inc. (Cadista), a fellow subsidiary which was effective from October 1, 2011. The Agreement sets forth, among other things, each of the Company's and Cadista obligations in connection with filing consolidated Federal, state and foreign tax returns. The agreement provides that current income tax (benefit) is computed on a separate return basis and Cadista shall make payments (or receive reimbursement) to or from the Company to the extent its income (losses and other credits) contribute to (reduce) the consolidated income tax expense. No such agreement exist with any other group entity.

In view of the tax sharing agreement, the Company has received USD 16,196,000 (Rs. 978,400) (Previous year USD 21,450,576 (Rs. 1,165,839) from Cadista as current federal income tax as computed on a separate return basis for financial year 2013-14.

The amount of excess tax computed on consolidated tax return basis (federal and state) as reduced by the amount collected under aforesaid tax sharing arrangement over the current tax computed for the Company assuming as if it was filing a separate tax return instead of a consolidated tax return has been recognized as debit/ credit to capital reserve.

In assessing virtual certainty for the realizability of deferred tax asset, the assessment is performed on consolidated group basis and the corresponding adjustment is also recorded through capital reserve.

This corresponding excess amount of USD 13,986,371 (Rs. 759,040) was disclosed as other current liability USD 16,336,667 (Rs. 886,591), deferred tax assets USD 1,523,759 (Rs. 82,694) and short term loans and advances USD 826,537 (Rs. 44,856) as at 31 March 2013.

Further, during the previous year, the consolidated state tax paid by the Company amounting to USD 913,708 (Rs. 49,660) was recognised as current tax expense, the same has been adjusted to Deficit with a corresponding effect to Capital reserve in the current year.

**Jubilant Pharma Holdings Inc. (formerly Jubilant Life Sciences Holdings Inc.)**  
**Notes to the special purpose financial statements for the year ended 31 March 2014.**  
**All amounts in USD (Rs. '000)**

16. Deferred Tax Assets and Liabilities are attributable to the following items:

Particulars	31 March 2014		31 March 2013	
	USD	Rs. '000	USD	Rs. '000
<b>Deferred Tax Assets</b>				
Accumulated Losses as per Tax Laws of the country in which the company is taxed	1,926,067	115,391	1,523,759	82,725
Less: Allocated to capital reserve	(1,926,067)	(115,391)	-	-
<b>Deferred Tax Assets (Net)</b>	-	-	<b>1,523,759</b>	<b>82,725</b>

17. Related Party Transactions

**(a) Related Parties of the Company**

**Ultimate Holding Company**

Jubilant Life Sciences Limited, India

**Holding Company**

Jubilant Pharma Limited, Singapore (formerly Jubilant Pharma Pte. Limited, Singapore)

**Subsidiaries including Step-down subsidiaries**

HSL Holdings Inc.

Jubilant HollisterStier LLC

Jubilant Clinsys Inc.

Cadista Holdings Inc.

Jubilant Generics Inc. (formerly Generics Pharmaceuticals Inc.)

Jubilant HollisterStier Inc.

Draxis Pharma LLC

Jubilant Cadista Pharmaceuticals Inc.

**Fellow subsidiary**

Jubilant Draximage Inc.

Jubilant Life Sciences (USA) Inc.

**(b) Other Entities**

Jubilant HollisterStier General Partnership

**Jubilant Pharma Holdings Inc. (formerly Jubilant Life Sciences Holdings Inc.)**  
**Notes to the special purpose financial statements for the year ended 31 March 2014.**  
**All amounts in USD (Rs. '000)**

The Company has entered into transactions with the following related parties:

Particulars	31 March 2014		31 March 2013	
	USD	Rs. '000	USD	Rs. '000
<b>Ultimate Holding Company – Jubilant Life Sciences Limited, India</b>				
Loan received during the year	8,700,000	525,567	-	-
Interest charged during the year	98,792	6,087	-	-
Balance outstanding for interest payable	(98,792)	(5,918)	-	-
Balance outstanding at the year end	(8,700,000)	(521,217)	-	-
<b>Holding Company – Jubilant Pharma Limited, Singapore</b>				
Issue of equity share capital	-	-	3,900,000	211,965
Loan received during the year	5,800,000	350,378	5,350,000	290,773
Loan repaid during the year	4,050,000	244,661	-	-
Balance outstanding for interest payable	-	-	(21,875)	(1,188)
Balance outstanding at the year end	(10,100,000)	(605,091)	(8,350,000)	(453,322)
<b>Subsidiary Companies</b>				
<b>Jubilant Clinsys Inc.</b>				
Investment in equity share capital	3,060,000	184,855	900,000	48,915
Expenses reimbursed (Including Taxes)	8,521,894	514,808	14,039,614	763,053
Balance outstanding at the year end	-	-	147,000	7,981
<b>Jubilant Generics Inc.,</b>				
Investment in equity share capital	20,000	1,208	-	-
Balance outstanding at year end	-	-	(100)	(5)
<b>HSL Holdings Inc., USA</b>				
Interest free Loan given during the year	17,450,000	1,054,155	11,000,000	597,850
Balance outstanding at the year end	38,050,000	2,279,576	20,600,000	1,118,374
<b>Jubilant HollisterStier LLC</b>				
Expenses reimbursed	13,520	817	47,396	2,576
Balance outstanding at the year end	(13,520)	(810)	-	-

**Jubilant Pharma Holdings Inc. (formerly Jubilant Life Sciences Holdings Inc.)****Notes to the special purpose financial statements for the year ended 31 March 2014.****All amounts in USD (Rs. '000)**

<b>Jubilant Cadista Pharmaceuticals Inc.</b>				
Income tax received as per tax sharing agreement	16,196,000	978,400	21,450,576	1,165,839
Balance outstanding at the year end	654,764	39,227	-	-
<b>Jubilant Draximage Inc.</b>				
Loan received during the year	3,650,000	220,497	-	-
Interest charged during the year	88,411	5,447	-	-
Balance outstanding for interest payable	(88,411)	(5,297)	-	-
Balance outstanding at the year end	(3,650,000)	(218,672)	-	-
<b>Jubilant Life Sciences (USA) Inc.</b>				
Balance outstanding at the year end	2,455	147	-	-

(Figures in brackets represent amount payable by the company).

## 18. Earnings per share (EPS)

	<b>For the year ended 31 March 2014</b>	<b>For the year ended 31 March 2013</b>
I. Profit/(loss) for basic and diluted earnings per share (USD)	73,894	(2,679,218)
II. Weighted average number of equity shares	1,111	1,103
III. Earnings per share (USD)	67	(2,429)

19. Prior period items for the year ended 31 March 2014 USD (234,234) (Rs. 14,150) (previous year nil).

20. In the opinion of the management, there are no reportable segments as envisaged by the Accounting Standard-17 – “Segment Reporting” prescribed under Companies (Accounting Standards) Rules 2006. Accordingly, no disclosure for segment reporting has been made in the financial statements.

**Jubilant Pharma Holdings Inc. (formerly Jubilant Life Sciences Holdings Inc.)**  
**Notes to the special purpose financial statements for the year ended 31 March 2014.**  
**All amounts in USD (Rs. '000)**

21. Previous year figures were audited by another firm of Chartered Accountants.

As per our report of even date attached.

**For B S R & Co. LLP**

*Chartered Accountants*

ICAI Firm registration number: 101248W

**For and on behalf of board of directors of  
Jubilant Pharma Holdings Inc.**

**Pravin Tulsyan**

*Partner*

Membership No.: 108044

**Director**

Place:

Date: