



## JUBILANT LIFE SCIENCES LIMITED

Registered Office: Bhartiagram, Gajraula - 244 223  
District Jyotiba Phoolay Nagar,  
Uttar Pradesh, India

### NOTICE

**NOTICE** is hereby given that the Thirty Third Annual General Meeting of members of Jubilant Life Sciences Limited will be held as under: -

**DAY** : **TUESDAY**  
**DATE** : **AUGUST 23, 2011**  
**TIME** : **11: 30 A.M.**  
**VENUE** : **REGISTERED OFFICE:  
BHARTIAGRAM, GAJRAULA - 244 223  
DISTRICT JYOTIBA PHOOLAY NAGAR,  
UTTAR PRADESH, INDIA**

to transact the following business:-

#### ORDINARY BUSINESS

1. To consider and adopt the Balance Sheet of the Company as at March 31, 2011, the Profit and Loss Account for the year ended on that date and the Reports of the Auditors and Directors thereon.
2. To declare dividend.
3. To appoint a Director in place of Mr. Hari S. Bhartia, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Shyamsundar Bang, who retires by rotation and, being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Dr. Naresh Trehan, who retires by rotation and, being eligible, offers himself for re-appointment.
6. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT M/s. K. N. Gutgutia & Co., Chartered Accountants (Firm Registration Number 304153E with the Institute of Chartered Accountant of India), the Statutory Auditors of the Company, who retire but, being eligible, offer themselves for re-appointment, be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of 33rd Annual General Meeting until the conclusion of next Annual General Meeting on such remuneration as agreed upon by the Board of Directors and the Auditors, in addition to the reimbursement of service tax and actual out-of-pocket expenses."

#### SPECIAL BUSINESS

7. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**  
"RESOLVED THAT in supersession of the earlier resolutions, consent of the Company be and is hereby accorded, under Section 293(1)(d) of the Companies Act, 1956, to the Board of Directors of the Company (including a Committee constituted by the Board for this purpose), to borrow from time to time money as they may deem appropriate for the business and purpose of the Company, notwithstanding that the monies to be borrowed, together with the monies already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the

aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the aggregate of the monies that may be borrowed by the Board of Directors shall not exceed Rs. 50,000 million (Rupees Fifty Thousand Million only) at any point of time."

8. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT consent of the Company be and is hereby accorded in terms of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956 to the Board of Directors of the Company (including a Committee constituted by the Board for this purpose), to mortgage and/or charge the whole or substantially the whole of one or more of the undertakings of the Company wheresoever situated, present and future, in favour of Scheduled Banks, Foreign Banks, Financial Institutions, NBFCs, Mutual Funds, Insurance Companies or any other category of lender, in India or abroad to secure loans in Indian Rupees or Foreign Currency, guarantees, working capital facilities and/or any other financial assistance obtained/to be obtained from one or more of the aforesaid Lender(s) upto an aggregate amount not exceeding Rs. 40,000 million (Rupees Forty Thousand Million only) together with interest at the respective agreed rates, additional interest, compound interest, liquidated damages, commitment charges, premia on pre-payment or on redemption, Trustee's remuneration, costs, charges, expenses, and all other monies, including any increase on account of revaluation/ devaluation/ fluctuation in the rates of foreign currencies involved, payable by the Company to aforesaid Lender(s) in terms of their respective Loan Agreements/Trustees' Agreements/Letter of sanctions/ Memorandum of terms and conditions, Bonds or any other security document entered into/to be entered into/ issued/to be issued by the Company in respect of the said loans / credit facilities / debentures/ financial assistance, with a right, where necessary, to take over the management of the business and undertaking of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to negotiate, finalise and settle with the Banks and Financial Institutions/trustees/other lenders concerned, the terms and conditions of such security including ranking thereof and all deeds, documents and writings for creating appropriate mortgage(s) and/ or charge(s) on such of the immoveable and/or moveable properties of the Company as may be agreed by the Board and for reserving the aforesaid right in their favour and to do all such acts, deeds and things, in the manner as may be necessary or proper for giving effect to the aforesaid Resolution."

9. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 ('Act'), (including any statutory modification or re-enactment thereof for the time being in force) and in accordance with the

Articles of Association of the Company, the Listing Agreements with Stock Exchanges, Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ('SEBI Guidelines'), as amended from time to time, the applicable guidelines and clarifications issued by the Reserve Bank of India ('RBI') and any other statutory/regulatory authorities, and subject to such other approvals, consents, permissions and sanctions, as may be applicable, including such conditions and modifications as may be prescribed while granting such approvals, consents, permissions and sanctions, if any, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to include any Committee including Compensation Committee of the Board, hereinafter referred to as the "Committee"), consent of the members of the Company be and is hereby accorded to the Board for adoption and implementation of JLL Employees Stock Option Plan 2011 ("Plan 2011"), and to create, issue, offer and grant/allot at anytime such number of Equity Shares not exceeding 53,52,000, for granting Options to or for the benefit of eligible employees pursuant to Plan 2011, each Option entitling to one fully paid equity share of Re.1 ("Share") of the Company, at such price and on such terms and conditions as may be fixed or determined by the Board in accordance with Plan 2011.

RESOLVED FURTHER THAT, subject to the necessary approval(s) (if any), the Non-Executive Directors ("NEDs") of the Company including Independent Directors, be granted up to a maximum of 25,000 Options per NED during a financial year and a maximum of 50,000 Options per NED in the aggregate under Plan 2011.

RESOLVED FURTHER THAT the Shares to be offered to the eligible employees (the Option holders) on exercise of the Options would be by way of either (a) subscription to Shares of the Company by such employees; or (b) transfer of Shares to such employees by Jubilant Employees Welfare Trust ("JEWT") or any other Trust to be constituted by the Board (which shall either acquire Shares from the secondary market or directly subscribe to the Shares of the Company).

RESOLVED FURTHER THAT if any additional Options/Shares are required to be granted/issued by the Company to Option holders/ JEWT/ other Trust in case of any corporate action(s) such as rights issue, bonus issue, merger, sale of division etc. for the purpose of making a fair and reasonable adjustment to the Options granted earlier, the above ceiling of 53,52,000 Options/ Shares shall be deemed to be increased to the extent of such additional Options/Shares.

RESOLVED FURTHER THAT the grant of Options shall be in accordance with the terms and conditions as regards price, payment, application, allotment, etc. as decided by the Compensation Committee from time to time in accordance with the SEBI Guidelines, inter alia, including the following:-

**(a) The total number of Options to be granted:**

A maximum of 53,52,000 (Fifty Three Lacs Fifty Two Thousand) Options, each Option representing 1 (one) Share.

**(b) Identification of classes of Employees entitled to participate in the Plan:**

The following persons shall be eligible for participating in Plan 2011 ('Eligible Employees'):-

- (i) Employees of the Company in the grade of Deputy General Manager (Level 12A) or above, whether working in India or out of India or such other category of Employees as may be decided by the Committee from time to time;

- (ii) Directors of the Company, whether Whole-time or not, including Nominee Directors;
- (iii) Employees/Directors as enumerated in sub clauses (a) and (b) above, of the Group, in India or outside India;
- (iv) Such other persons, as may from time to time be allowed under Applicable Laws and as may be approved by the Committee.

However a person who is a promoter or belongs to the promoter group or a director who either by himself or through his relatives or through any body corporate, directly or indirectly, holds more than 10% of the outstanding Shares of the Company, shall not be eligible to participate in Plan 2011.

**(c) Requirements of Vesting and period of Vesting**

Subject to Participant's continued service with the Company / Group, the Unvested Options shall vest with the Participant as follows:

- (i) 20% of the Options shall vest at the end of first year from the Grant date;
- (ii) 30% of the Options shall vest at the end of second year from the Grant date; and
- (iii) 50% of the Options shall vest at the end of third year from the Grant date.

Vesting of Options would be a function of achievement of performance criteria or any other criteria as specified by the Committee and communicated to the Grantee in the grant letter. The Committee may not vest any of the Options already Granted or vest such lesser number of Options already Granted, in the event it is found that the Participant has not met the performance criteria specified in the Grant Letter or if there is any Cause in relation to that Participant.

After one year from the Grant date, in case service of the Participant with the Company / Group is terminated due to retirement on attaining superannuation age or where an extension in retirement date is granted, on completion of such extension period, such number of unvested Options shall get vested as may be determined by the Committee. All the vested Options will have to be exercised within one year from the date of retirement or before the expiry of the exercise period whichever is earlier. The Committee may in its absolute discretion permit exercise of Options beyond this period.

In the event of death or permanent disability of a Participant while in employment with the Group, all the Options granted to him till such date and lying unvested shall vest in the Participant/Beneficiary of the deceased Participant on that day. All the Vested Options shall be permitted to be exercised within 1 (One) year from the date of death / incapacitation or before the expiry of the Exercise period, whichever is earlier. The Committee may in its absolute discretion permit exercise of Options beyond this period.

In case of employment of a Participant with the Group is terminated with Cause, his/her all Options - Vested and Unvested shall automatically stand forfeited on the termination date.

In case the service of the Participant with the Company or the Group is terminated for reasons other than those enumerated above, all the Vested Options as on that date shall be permitted to be exercised within 90 (ninety) days from the date of termination or before the expiry of the Exercise period, whichever is earlier. Any Vested Option not exercised within this aforesaid period shall lapse and

stand forfeited at the end of the aforesaid period. All the Unvested Options on the date of termination shall stand cancelled and forfeited. The Committee shall have power to accelerate vesting of unvested Options. It shall also have power to extend the period within which Vested Options may be exercised.

**(d) Maximum period within which the Options shall be vested:**

Options Granted under the Plan 2011 would vest not earlier than one year from the date of grant of such Options. The maximum time within which the Options shall be vested in eligible employees is three years in the manner mentioned in the vesting schedule hereinabove from the date of grant of Options. Further, the Vesting period may be varied at the discretion of the Committee.

**(e) Exercise price or pricing formula:**

The exercise price of the Option shall be the market price of the Shares on the date of grant as defined in SEBI Guidelines. The full exercise price alongwith applicable taxes, if any, shall be paid to the Company/Trust in cash upon exercise of the Options.

**(f) Exercise period and process of exercise**

Exercise period shall be 8 (Eight) years from the date of grant within which the Vested Options can be exercised. The Participant can exercise all or part of the Vested Options. Upon exercise, the Participant shall make full payment of the exercise price alongwith applicable taxes, if any and the Company / JEWTS /other Trust shall allot/ transfer him the requisite number of Shares. Further, the Exercise Period may be varied at the discretion of the Committee.

**(g) The appraisal process for determining the eligibility of Employees to the Plan**

Employees of the Group in the grade of Deputy General Manager (Grade 12A) and above shall be eligible to participate in the Plan 2011. The Committee will, based on parameters evolved/decided by it from time to time in its absolute discretion, decide which eligible employees should be granted Options under Plan 2011.

**(h) Maximum number of Options to be granted per Employee and in aggregate:**

The maximum number of Options in aggregate that may be granted under Plan 2011 shall not exceed 53,52,000. The maximum number of Options that may be granted to an Eligible Employee under the Plan shall not exceed 3,00,000 during any financial year and 6,00,000 in aggregate. Further, the maximum number of Options that may be granted to any Non-Executive Director of the Company including an Independent Director shall be 25,000 during any financial year and 50,000 in aggregate.

**(i)** The Company confirms that it shall conform to the accounting policies specified in SEBI Guidelines.

**(j)** The method which the Company shall use to value its Options shall be intrinsic value.

**(k)** As the Company calculates 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, shall be disclosed in the Directors' Report and also the impact of this difference on profits and on EPS of the company shall also be disclosed in the Directors' Report.

RESOLVED FURTHER THAT the Shares to be issued and allotted by the Company under Plan 2011, shall in all respects

rank pari passu with the then existing Equity Shares of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take necessary steps, if required, for listing of the Shares allotted under Plan 2011 on the Stock Exchanges where the Equity Shares of the Company are listed.

RESOLVED FURTHER THAT the Board be and is hereby authorized to vary, modify or alter any of the terms and conditions of the Plan, including those for the grant of Options, exercise price for the purpose of the grant, vesting period, exercise period and issue of Shares on exercise of Options, subject to the SEBI Guidelines.

RESOLVED FURTHER THAT for giving effect to this Resolution, the Board be and is hereby authorised to do all such acts, deeds and things as the Board may, in its absolute discretion, consider necessary, expedient, usual, proper or incidental and to settle any question, remove any difficulty or doubt that may arise from time to time in relation to the grant of Options, allotment of Shares on exercise of Options etc. and to take such actions or give such directions as may be necessary or desirable and to obtain any approvals, permissions or sanctions which may be necessary or desirable, as they may deem fit.

RESOLVED FURTHER THAT the Board be and is hereby further authorized to delegate all or any of the powers herein conferred by this resolution to any director or directors or to any Committee of directors including the Compensation Committee or any other officer or officers of the Company."

10. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 ('Act'), (including any statutory modification or re-enactment thereof for the time being in force) and in accordance with the Articles of Association of the Company, the Listing Agreements with Stock Exchanges, Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ('SEBI Guidelines'), as amended from time to time, the applicable guidelines and clarifications issued by the Reserve Bank of India ('RBI') and any other statutory/regulatory authorities, and subject to such other approvals, consents, permissions and sanctions, as may be applicable, including such conditions and modifications as may be prescribed while granting such approvals, consents, permissions and sanctions, if any, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "**Board**", which term shall be deemed to include any Committee including Compensation Committee of the Board), consent of the members of the Company be and is hereby accorded to the Board to extend the benefits of the JLL Employees Stock Option Plan 2011 ("**Plan 2011**"), and to create, issue, offer and grant/allot at anytime or from time to time, directly or through a trust, to the employees of Subsidiary and/or Holding Companies (including future Holding and Subsidiary companies) of the Company, such number of Equity Shares not exceeding 53,52,000 (as stated in the foregoing resolution) for granting Options to or for the benefit of the eligible employees of the Holding and the Subsidiary companies pursuant to Plan 2011, each Option entitling to one fully-paid up equity share of the Company having a face value of Re. 1 ("**Share**"), at such price and on such terms and conditions as may be fixed or determined by the Board in accordance with Plan 2011.

RESOLVED FURTHER THAT the Equity Shares to be offered to the eligible employees of the Holding and the Subsidiary companies (the Option holders) on exercise of the Options

would be by way of either (a) subscription to Equity Shares of the Company by such employees; or (b) transfer of Shares to such employees by Jubilant Employees Welfare Trust ("JEWTF")/ any other Trust to be constituted by the Board (which shall either acquire Shares from the secondary market or directly subscribe to the Shares of the Company).

RESOLVED FURTHER THAT if any additional Options/Shares are required to be granted/issued by the Company to Option holders/ JEWTF/ other Trust in case of any corporate action(s) such as rights issue, bonus issue, merger, sale of division etc. for the purpose of making a fair and reasonable adjustment to the Options granted earlier, the above ceiling of 53,52,000 Options/ Shares shall be deemed to be increased to the extent of such additional Options/Shares.

RESOLVED FURTHER THAT the Shares to be issued and allotted by the Company under Plan 2011, shall in all respects rank pari passu with the then existing Equity Shares of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take necessary steps, if required, for listing of the Shares allotted under Plan 2011 on the Stock Exchanges where the Equity Shares of the Company are listed.

RESOLVED FURTHER THAT the Board be and is hereby authorized to settle all matters and do all such acts, deeds, matters and things including but not limited to finalizing and executing agreements, contracts, deeds and other documents, as it may, in its discretion deem necessary or expedient, to give effect to the aforesaid resolution without being required to seek any further consent or approval of the Members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution."

11. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT subject to such consents and approvals as may be required from any Statutory or Government authority(ies) under applicable laws, Jubilant Employees Welfare Trust or such other Trust as may be decided by the Board of Directors of the Company (including a Committee thereof) be and is hereby authorised and empowered for 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 and its Holding or Subsidiary Companies from time to time, in such manner and on such terms and conditions as specified under the JLL Employees Stock Option Plan 2011.

RESOLVED FURTHER THAT the Board be and is hereby authorized to settle all matters and do all such acts, deeds, matters and things in its discretion as deemed necessary or expedient, to give effect to the aforesaid resolution."

By Order of the Board  
For Jubilant Life Sciences Limited

Lalit Jain  
Company Secretary

July 23, 2011

**Notes:**

1. Explanatory Statement, pursuant to Section 173(2) of the Companies Act, 1956, in respect of Resolutions set out under item nos. 7 to 11 above, is annexed.
2. Information regarding the Directors proposed to be appointed/re-appointed pursuant to Clause 49 (IV) (G) of the Listing Agreement with Stock Exchanges is annexed.

3. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON POLL, TO VOTE INSTEAD OF HIMSELF/HERSELF. A PROXY NEED NOT BE A MEMBER.

PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING. MEMBERS/PROXIES SHOULD FILL THE ATTENDANCE SLIP FOR ATTENDING THE MEETING.

4. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
5. The Register of members of the Company will be closed from Friday, August 12, 2011 to Tuesday, August 23, 2011 (both days inclusive) for the purpose of determining eligibility for payment of dividend.

(i) The dividend, as recommended by the Board (Rs. 2 per equity share of Re. 1 each), if declared at the meeting, will be paid to those members or their mandates:

- a. whose names appear as Beneficial owners as at the end of business hours on Thursday, August 11, 2011 in the lists of Beneficial Owners furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held in electronic form; and
- b. whose names appear as Members in the Register of members of the Company after giving effect to valid share transfers in physical form lodged with the Company on or before Thursday, August 11, 2011.

(ii) **Change of address or other particulars**

Members are requested to inform their change of address (with PIN Code), e-mail id, nominations, bank details, mandate instructions, Electronic Clearing Service (ECS) mandates, etc. as also any changes in the above (under the signature of the registered holder(s) of shares) to :-

- The Registrar and Share Transfer Agent (RTA) of the Company in respect of shares held in physical form; and
- Their Depository Participants in respect of shares held in electronic form.

(iii) **Payment of Dividend Electronically**

Dividend will be paid, preferably through ECS, wherever such facility is available, under intimation to the shareholders. In case dividend cannot be paid through ECS, it will be paid through dividend warrants.

In cases where the payments to the shareholders holding shares in dematerialized form are made by dividend warrants / payment instruments, particulars of bank account registered with their Depository Participants will be considered by the Company for printing the same on dividend warrants / payment instruments.

(iv) **Bank Mandate**

In order to provide protection against fraudulent encashment of dividend warrants, members who hold shares in physical form are requested to intimate the Company's RTA under the signature of the Sole / First joint holder, the following information to be incorporated on the dividend warrants:

- a) Name of Sole / First joint holder
- b) Folio Number

- c) Particulars of Bank account, viz.:
- Name of the Bank
  - Name of the Branch
  - Complete address of the Bank with PIN Code
  - Account type, whether savings or current account
  - Bank account number

6. 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 those financial years, may approach the Registrar of Companies, U.P. and Uttarakhand, Kanpur.

Dividends pertaining to the financial years 1994-95 to 2002-03 and 2003-04 (interim dividend), remaining unpaid, have been transferred to the Investor Education and Protection Fund (the Fund) established under Section 205C of the Companies Act, 1956 (the Act). As per the said Section, no claims shall lie against the Fund or the Company for the amounts transferred as above.

Members may kindly note that unpaid/unclaimed dividend for the year 2003-04 (final dividend) is due for transfer to the Fund, in October, 2011. As informed earlier, no claims shall lie against the Fund or the Company for the amounts transferred to the Fund. Members are, therefore, requested to lodge their claims with the RTA, well in advance to avoid any hardship.

7. Members who hold shares in physical form in multiple folios with identical names or hold multiple joint accounts in the same order of names, are requested to send the share certificates to the Company's RTA for consolidation into a single folio.
8. In terms of Section 109A of the Act, member(s) of the Company may nominate a person on whom the shares held by him / them shall vest in the event of his/ their unfortunate death. Member(s) desirous of availing this facility may submit nomination in Form 2B.
9. Members are requested to inform us their e-mail address to enable us to send important communications such as unaudited financial results, press releases and other similar information soon after these are intimated to the Stock Exchanges.
10. The Company has a dedicated e-mail address "investors@jubl.com" for shareholders to mail their queries or lodge complaints, if any. We will endeavour to reply to your queries at the earliest.
11. The Company's website "www.jubl.com" has a dedicated section on Investors. It also answers your frequently asked questions.
12. Certificate from Auditors regarding compliance of SEBI (ESOS & ESPS) Guidelines, 1999 shall be placed at the Annual General Meeting.
13. SEBI has placed the Company's shares under compulsory demat i.e. transactions in the Company's shares are required to be done only in the demat form. Further, considering the advantages of scripless trading like exemption from stamp duty, elimination of bad deliveries, reduction in transaction costs, improved liquidity etc., members are requested to consider dematerialisation of their shareholding, if not already done, to avoid inconvenience in future.
14. In view of sub-division of each equity share of Rs. 5/- into five equity shares of Re. 1/- each w.e.f. March 24, 2006, members were requested to surrender their existing certificates, so as to get the new sub-divided share certificates. Many shareholders have still not surrendered the old Rs. 10/- share certificates of Ramganga Fertilizers Limited / Vam Organic Chemicals

Limited / Jubilant Organosys Limited or Rs. 5/- share certificates of Jubilant Organosys Limited, for exchange with new share certificates of Re. 1/- each of Jubilant Life Sciences Limited, as above. Members are, therefore, requested to send the old share certificates along with a covering letter to the RTA for release of new certificates of Re. 1/- thereagainst.

15. Queries on the Annual Report and operations of the Company, if any, may please be sent to the Company seven days prior to the date of the Meeting so that the answers may be provided at the Meeting.
16. All correspondence may be sent to the RTA at the following address:  
Alankit Assignments Limited,  
(Unit: Jubilant Life Sciences Limited)  
Alankit House, 2E/21,  
Jhandewalan Extension,  
New Delhi - 110 055, India  
Phone: +91 - 11 - 23541234 / 42541234  
Fax: +91 - 11 - 42541967  
Email : rta@alankit.com
17. Your feedback/comments on various services and suggestions for further improvement are welcome. You may fill up and submit the feedback form online on our website www.jubl.com.

## **EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956**

### **ITEM NO. 7**

Under section 293 (1)(d) of the Companies Act, 1956, exercise of borrowing powers by the Board of Directors of the Company in excess of its paid up Share Capital and free reserves (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) requires approval of the members of the Company by an ordinary resolution.

Presently, the Board is authorised by a resolution of the shareholders passed through Postal Ballot on November 26, 2008 to borrow monies for the business of the Company with an overall limit of Rs. 40,000 million apart from temporary loans to be obtained from the Company's bankers in the ordinary course of business. The aggregate of borrowings as on June 30, 2011, apart from temporary loans obtained from the Company's bankers in the ordinary course of business, stands at Rs. 22,499 million.

Your Company today is growing at a fast pace both organically and inorganically. To fund its ambitious plans, large amounts of borrowings may be required from time to time. It is, therefore, considered desirable that authorisation to the Board to borrow moneys is increased from the existing level of Rs. 40,000 million to Rs. 50,000 million.

None of the Directors of the Company is, in any way, concerned or interested in the Resolution.

The Board commends the Resolution for approval.

### **ITEM NO. 8**

Section 293 (1)(a) of the Companies Act, 1956 provides, inter-alia, that the Board shall not, except with the consent of the Company in General Meeting sell, lease or otherwise dispose of the whole or substantially the whole of one or more of the undertakings of the Company.

The borrowings to be resorted to by the Company may from time to time be requiring creation of suitable mortgages or charges over the Company's assets in the normal course of business in such manner as the lenders may specify.

The Members of the Company had passed a resolution through Postal Ballot on November 26, 2008 wherein Board was authorised to create such charges/mortgages to secure borrowings upto Rs. 20,000 million.

It is proposed to authorise the Board to create such charges and/ or mortgages as may be necessary from time to time against the borrowings upto Rs. 40,000 million, to be made, without having to come back to the shareholders each time a borrowing is sanctioned / made and the security required for such borrowing is decided by the bank / institution or other lender.

The proposed resolution authorises the Board or a Committee thereof to agree with the lenders as to the nature of security, the ranking and the deeds and documents to be required therefor.

None of the Directors of the Company is, in any way, concerned or interested in the Resolution.

The Board commends the Resolution for approval.

#### **ITEM NOS. 9, 10 & 11**

The Company presently has Jubilant Employees Stock Option Plan, 2005 ("Plan 2005"). Plan 2005 provides that maximum number of shares that may be issued pursuant to exercise of Options granted shall not exceed 55,00,000 Shares of the Company which are equivalent to 11,00,000 Options.

Till date, the Company has granted Options which entitle to issue / transfer of 37.71 lacs Shares, out of which Options for 12.47 lacs Shares have been forfeited/lapsed. Further, the employees have exercised Options in respect of 16.45 lacs Shares. The outstanding Options may result into issue/transfer of 8.79 lacs Shares upon exercise. For implementation of Plan 2005, the Company had constituted Jubilant Employees Welfare Trust ("JEWT") which currently holds 38.42 lacs shares of the Company. It is now proposed that no further grants may be made under Plan 2005.

In order to retain, attract, reward and motivate the employees for high levels of individual performance, it is proposed to implement a new stock Option plan, namely, JLL Employees Stock Option Plan 2011 ("Plan 2011").

For implementation of Plan 2011, it is proposed to utilize 29.63 lacs surplus Shares (1.86% of the current paid up capital) held by JEWT.

It is further contemplated that JEWT/ other Trust shall either be issued fresh shares by the Company or it shall acquire Shares from secondary market or from the Company, upto 1.5% of existing capital of the Company, which is equivalent to 23.89 lacs Shares.

Hence, it is envisaged to grant upto 53.52 lacs Options under Plan 2011, each Option giving right to acquire 1 (One) Equity Share of the Company of Re. 1.

It is proposed that JEWT/ other Trust be empowered to acquire shares and allocate/transfer the same to eligible employees under Plan 2011.

The Compensation Committee ("Committee") has been mandated with the task of overall supervision and ongoing administration of Plan 2011.

M/s SPA Merchant Bankers Limited have been appointed as Merchant Bankers for implementation of the Plan 2011.

#### **Information pursuant to Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999**

##### **(a) The total number of Options to be granted:**

A maximum of 53,52,000 (Fifty Three Lacs Fifty Two Thousand) Options, each Option representing 1 (one) Share.

##### **(b) Identification of classes of Employees entitled to participate in the Plan:**

The following persons shall be eligible for participating in the Plan 2011 ('Eligible Employees'):-

- (i) Employees of the Company in the grade of Deputy General Manager (Level 12A) or above, whether working in India or out of India or such other category of Employees as may be decided by the Committee from time to time;

- (ii) Director of the Company, whether a Whole-time Director or not, including a Nominee Director;
- (iii) Employees/Directors as enumerated in sub clauses (a) and (b) above, of the Group, in India or outside India;
- (iv) Such other persons, as may from time to time be allowed under Applicable Laws and as may be approved by the Committee.

However a person who is a promoter or belongs to the promoter group or a director who either by himself or through his relatives or through any body corporate, directly or indirectly, holds more than 10% of the outstanding Shares of the Company, shall not be eligible to participate in Plan 2011.

##### **(c) Requirements of Vesting and period of Vesting**

Subject to Participant's continued service with the Company / Group, the Unvested Options shall vest with the Participant as follows:

- (i) 20% of the Options shall vest at the end of first year from the Grant date;
- (ii) 30% of the Options shall vest at the end of second year from the Grant date; and
- (iii) 50% of the Options shall vest at the end of third year from the Grant date.

Vesting of Options would be a function of achievement of performance criteria or any other criteria as specified by the Committee and communicated to the Grantee in the grant letter. The Committee may not vest any of the Options already Granted or vest such lesser number of Options already Granted, in the event it is found that the Participant has not met the performance criteria specified in the Grant Letter or if there is any Cause in relation to that Participant.

After one year from the Grant date, in case service of the Participant with the Company / Group is terminated due to retirement on attaining superannuation age or where an extension in retirement date is granted, on completion of such extension period, such number of unvested Options shall get vested as may be determined by the Committee. All the vested Options will have to be exercised within one year from the date of retirement or before the expiry of the exercise period whichever is earlier. The Committee may in its absolute discretion permit exercise of Options beyond this period.

In the event of death or permanent disability of a Participant while in employment with the Group, all the Options granted to him till such date and lying unvested shall vest in the Participant/ Beneficiary of the deceased Participant on that day. All the Vested Options shall be permitted to be exercised within 1 (One) year from the date of death / incapacitation or before the expiry of the Exercise period, whichever is earlier. The Committee may in its absolute discretion permit exercise of Options beyond this period.

In case of employment of a Participant with the Group is terminated with Cause, his/her all Options - Vested and Unvested shall automatically stand forfeited on the termination date.

In case the service of the Participant with the Company or the Group is terminated for reasons other than those enumerated above, all the Vested Options as on that date shall be permitted to be exercised within 90 (ninety) days from the date of termination or before the expiry of the Exercise period, whichever is earlier. Any Vested Option not exercised within this aforesaid period shall lapse and stand forfeited at the end of the aforesaid period. All the Unvested Options on the date of termination shall stand cancelled and forfeited. The Committee shall have power to accelerate vesting of unvested Options. It shall also have power to extend the period within which Vested Options may be exercised.

**(d) Maximum period within which the Options shall be vested:**

Options Granted under the Plan 2011 would vest not earlier than one year from the date of grant of such Options. The maximum time within which the Options shall be vested in eligible employees is three years in the manner mentioned in the vesting schedule hereinabove from the date of grant of Options. Further, the Vesting period may be varied at the discretion of the Committee.

**(e) Exercise price or pricing formula:**

The exercise price of the Option shall be the market price of the Shares on the date of grant as defined in SEBI Guidelines. The full exercise price alongwith applicable taxes, if any, shall be paid to the Company/Trust in cash upon exercise of the Options.

**(f) Exercise period and process of exercise**

Exercise period shall be 8 (Eight) years from the date of grant within which the Vested Options can be exercised. The Participant can exercise all or part of the Vested Options. Upon exercise, the Participant shall make full payment of the exercise price alongwith applicable taxes, if any and the Company / JEWT / other Trust shall allot/transfer him the requisite number of Shares. Further, the Exercise Period may be varied at the discretion of the Committee.

**(g) The appraisal process for determining the eligibility of Employees to the Plan**

Employees of the Group in the grade of Deputy General Manager (Grade 12A) and above shall be eligible to participate in the Plan 2011. The Committee will, based on parameters evolved/decided by it from time to time in its absolute discretion, decide which eligible employees should be granted Options under the Plan 2011.

**(h) Maximum number of Options to be granted per Employee and in aggregate:**

The maximum number of Options in aggregate that may be granted under Plan 2011 shall not exceed 53,52,000. The maximum number of Options that may be granted to an Eligible Employee under the Plan shall not exceed 3,00,000 during any financial year and 6,00,000 in aggregate. Further, the maximum number of Options that may be granted to any Non-Executive Director of the Company including an Independent Director shall be 25,000 during any financial year and 50,000 in aggregate.

**(i) The Company confirms that it shall conform to the accounting policies specified in SEBI Guidelines.**

**(j) The method which the Company shall use to value its Options shall be intrinsic value.**

**(k) As the Company calculates 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, shall be disclosed in the Directors' Report and also the impact of this difference on profits and on EPS of the company shall also be disclosed in the Directors' Report.**

The other terms and conditions for issue of Options will be as per Plan 2011 and subject to modification/variation by the Board/Committee from time to time.

As per SEBI Guidelines read with section 81(1A) of the Companies Act, 1956, the approval of the shareholders by way of special resolution is required for the adoption and implementation of Plan 2011. Further, SEBI Guidelines mandate obtaining of separate resolution where the grant of Options is proposed to be offered to the employees of Holding and/or Subsidiary Companies of the Company. Additionally, Clause 49 of the listing agreement

requires prior approval of shareholders to be obtained before granting Options to Non-Executive Directors including Independent Directors.

The Directors, who are eligible to participate in the Plan, may be deemed to be concerned or interested in these Resolutions. Other directors are not, in any way, concerned or interested in these Resolutions.

The Board commends the Resolutions for approval.

**Inspection of documents**

A copy of JLL Employees Stock Option Plan 2011 and other documents referred to in the Notice and Explanatory Statement would be available for inspection to the desirous members of the Company on any working day between 11.00 a.m. and 1.00 p.m. at the Registered Office of the Company.

**INFORMATION REGARDING THE DIRECTORS PROPOSED TO BE APPOINTED/RE-APPOINTED PURSUANT TO CLAUSE 49 (IV) (G) OF THE LISTING AGREEMENT WITH STOCK EXCHANGES**

**1. MR. HARI S. BHARTIA**

Mr. Hari S. Bhartia, aged 54 years, is the Co-Chairman and Managing Director of Jubilant Life Sciences. Mr. Bhartia holds a bachelors' degree in chemical engineering from the Indian Institute of Technology, Delhi. He was awarded the Distinguished Alumni award from the Indian Institute of Technology, Delhi in 2000. He has over 27 years of experience in the pharmaceuticals, specialty chemicals, biotechnology, foods, oil and gas (exploration and production), aerospace and information technology sectors and has been instrumental in developing strategic alliances and affiliations with leading global companies.

Mr. Hari S. Bhartia has been involved in various capacities with the Indian Institute of Technology, Delhi and has also been the Chairman on the Board of Governors of the Indian Institute of Technology, Kanpur, besides being a member in numerous educational, scientific and technological programs of the Government of India. He was the President of the Confederation of Indian Industry for the year 2010-11. He has been a member of Jubilant's Board since November 01, 1983.

He holds Directorships in following Companies:

Public Companies

- Jubilant Industries Limited
- Jubilant Biosys Limited
- Jubilant Infrastructure Limited
- Jubilant First Trust Healthcare Limited
- Vam Holdings Limited
- Geo-Enpro Petroleum Limited
- Jubilant Foodworks Limited
- Television Eighteen India Limited
- IBN 18 Broadcast Limited
- Network18 Media & Investments Limited
- Shriram Pistons & Rings Limited
- Export Credit Guarantee Corporation of India Limited
- Jubilant Agri and Consumers Products Limited

Other Companies

- Jubilant Enpro Private Limited
- Enpro Oil Private Limited
- Jubilant Securities Private Limited
- Nikita Resources Private Limited
- Jaytee Private Limited

- B T Telecom (India) Private Limited
- American Orient Capital Partners (India) Private Limited
- Jubilant Retail Consolidated Private Limited
- Jubilant Stock Holding Private Limited
- Jubilant Retail Private Limited
- Vanthys Pharmaceutical Development Private Limited
- Jubilant Bhartia Foundation
- Jubilant Pharma NV
- Jubilant Pharma Pte Ltd.
- Jubilant Life Sciences Holdings Inc,
- Jubilant Clinsys Inc.
- Jubilant Discovery Services Inc.
- Jubilant Energy (Holding) B.V.
- Jubilant Energy Limited Canada
- Jubilant HollisterStier LLC
- HSL Holdings Inc.
- Jubilant Energy NV, Netherlands
- Jubilant Innovation (USA) Inc.
- Jubilant Life Sciences International Pte Ltd.
- Jubilant Biosys (Singapore) Pte Ltd.
- Jubilant Drug Development Pte Ltd.
- Jubilant Biosys (BVI) Ltd.
- Jubilant Life Sciences (BVI) Ltd.
- Jubilant DraxImage Inc.
- 6961396 Canada Inc.
- 6981364 Canada Inc.
- Jubilant Innovation Pte Limited

Mr. Hari S. Bhartia is Chairman of the Audit Committees of Jubilant First Trust Healthcare Limited and Jubilant Infrastructure Limited and member of Audit Committees of Television Eighteen India Limited, IBN 18 Broadcast Limited and Network18 Media & Investments Limited.

Mr. Bhartia also holds the membership of Investors' Grievance Committee of Television Eighteen India Limited.

## 2. MR. SHYAMSUNDAR BANG

Mr. Shyamsundar Bang, aged 59 years, graduated as Chemical Engineer from Nagpur University in 1971 and further obtained his Masters in Chemical Engineering from UDCT, Mumbai in 1973. He has rich experience of 37 years with various industries. He has been associated with Jubilant Bhartia Group since 1982, when he joined as Technical Manager. In his long stint with Jubilant, he has handled various responsibilities and has been instrumental in upgrading existing technologies, bringing new technologies, developing and managing projects and developing new business opportunities for the Company. He joined the Board of the Company in 1998 as Executive Director. He is providing leadership to the teams responsible for manufacturing, supply chain, projects design & implementation and environment and safety. He is focusing on the training needs of employees and new systems to be introduced in the Company keeping the Company's vision. He is occupier of all factories and guides factory heads in complying with all regulations. His expertise in Technology

Management and bringing manufacturing operations to world class has been beneficial for the Company.

Presently he is Managing Director of Jubilant Infrastructure Limited and also holds the directorship of U.C. Gas Engineering Limited

He is also a member of Investors Grievance Committee of the Company and member of Audit Committee of Jubilant Infrastructure Limited.

## 3. DR. NARESH TREHAN

Dr. Naresh Trehan, aged 64 years, is a renowned cardiovascular and cardiothoracic surgeon, a graduate from King George Medical College (KGMC) and has subsequently trained and practised at the New York University Medical Center, Manhattan, USA, where he obtained a diploma from the American Board of Surgery and the American Board of Cardiothoracic Surgery.

Dr Trehan is the Chairman and Managing Director, Medanta-The MediCity, a 1500 bedded multi-super speciality institute, which offers cutting edge technology and state-of-the-art treatment facilities at an affordable cost. The Escorts Heart Institute and Research Center, India was conceptualised, created and managed by Dr. Trehan as founder and executive director, from November 1987 to May 2007.

Dr. Trehan has received many prestigious awards, including the Padma Shree and the Padma Bhushan, presented by the Government of India. Dr. Trehan was the President of the International Society for Minimally Invasive Cardiac Surgery (ISMICS), Minneapolis (USA 2004-2005) and has also received honorary doctorates from three prestigious universities. He has served as a member of Jubilant's Board since March 05, 2003.

His present Directorships in other companies are as follows:

- Dabur Pharma Limited
- Punj Lloyd Limited
- Shrumps Real Estates Limited
- Afsan Health Resorts Private Limited
- Global Health Private Limited
- Trasa Investments Private Limited
- Wah India Private Limited
- Naresh Trehan Holdings Private Limited
- Dr. Naresh Trehan & Associates Health Services Private Limited
- Sharak Health Care Private Limited

Dr. Trehan is Chairman of Investors' Grievance Committee and is a member of Audit Committee of Punj Lloyd Limited.

He is also a member of Audit Committee of the Company.

Dr. Trehan is holding 25,000 Equity Shares in the Company, and has exercised all the Stock Options granted to him under Jubilant Employees Stock Option Plan, 2005.

By Order of the Board  
For Jubilant Life Sciences Limited

Lalit Jain  
Company Secretary

July 23, 2011