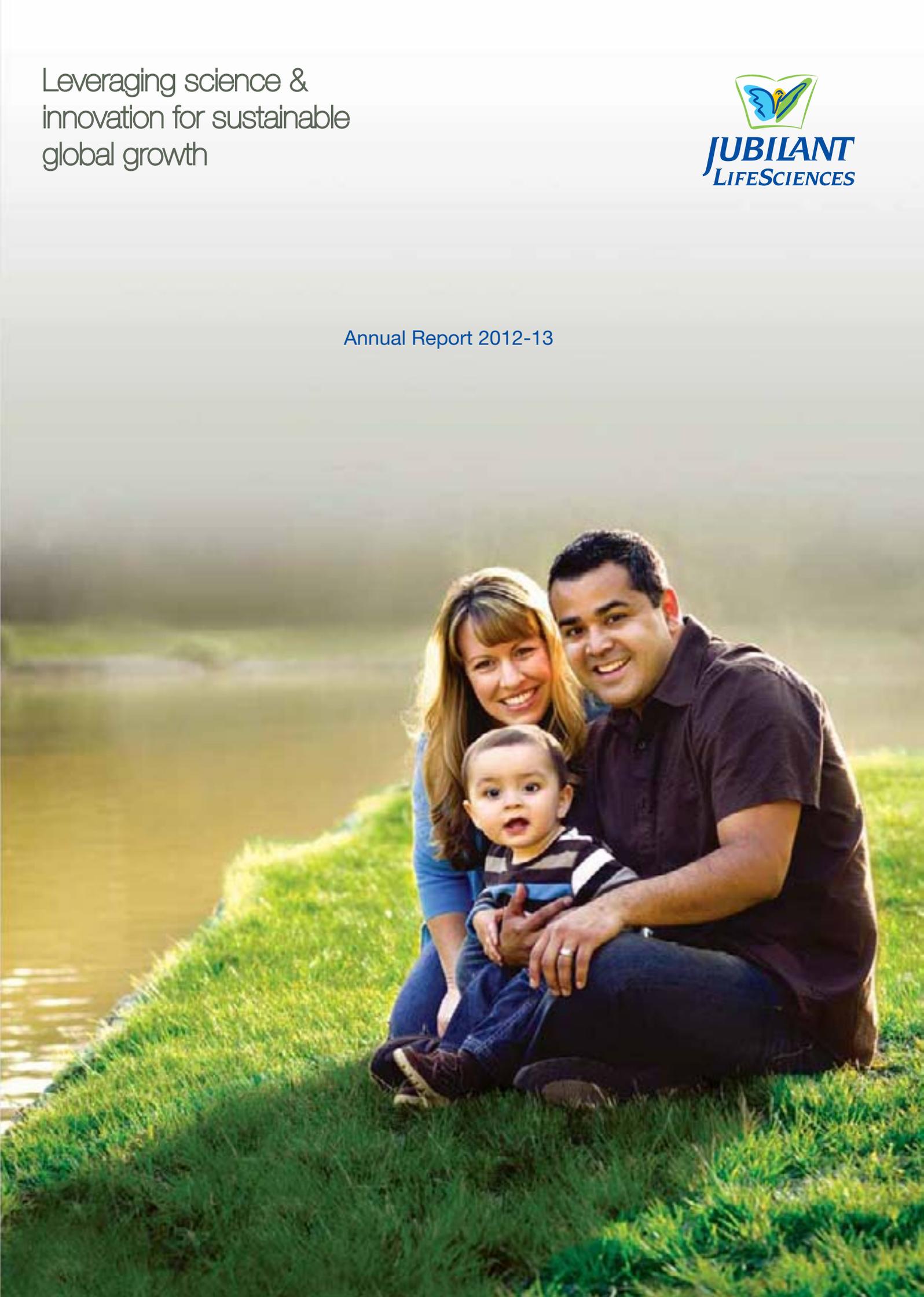


Leveraging science &
innovation for sustainable
global growth



Annual Report 2012-13





CONTENTS

02	Global Presence
04	Awards & Recognition
05	Board of Directors
06	Senior Leadership Team
08	Chairmen's Message
12	Management Discussion & Analysis
40	Directors' Report
63	Report on Corporate Governance
84	Independent Auditors' Report and Annexure to Independent Auditors' Report
88	Balance Sheet and Profit and Loss Account
90	Cash Flow Statement
91	Notes to the Financial Statements
127	Consolidated Independent Auditors' Report
128	Consolidated Balance Sheet and Profit and Loss Account
130	Consolidated Cash Flow Statement
131	Notes to the Consolidated Financial Statements
168	Details of Subsidiary Companies
176	Corporate Information

GLOBAL PRESENCE

NORTH AMERICA

Kirkland, Quebec, Canada

US FDA approved facility for contract manufacturing of Ointments, Creams and Liquids (OCL) and Radiopharmaceuticals

Ottawa, Canada

DDDS Office

Spokane, Washington, USA

US FDA approved facility for contract manufacturing of Sterile Injectable and Allergy Therapy Products

Horsham, Pennsylvania, USA

Jubilant Cadista - Sales & Marketing Head Office

Malvern, Pennsylvania, USA

DDDS Office

Salisbury, Maryland, USA

US FDA approved facility for Generics (Tablets & Capsules)

Raleigh North Carolina, USA

Clinical Research Centre and Jubilant Life Sciences Marketing Office

Bedminster, New Jersey, USA

Clinical Research Centre and Jubilant Life Sciences Marketing Office



- International sales in more than 98 countries
- Present in India, North America, Europe and China
- 7 Manufacturing facilities in India and 3 in North America
- Drug Discovery Centre in India and Multiple R&D Centres in India & Overseas
- Employs ~ 6200 people including ~1100 in R&D and ~1400 in North America

EUROPE

Merelbeke, Belgium

Regulatory & Generic Marketing

Dusseldorf, Germany

Jubilant Clinsys, Europe Office

CHINA

Shanghai

Marketing Office

INDIA

Noida, Uttar Pradesh

Corporate Office & R&D Centres

Roorkee, Uttarakhand

US FDA, UK MHRA, ANVISA Brazil and
PMDA Japan approved facility for Generics

Gajraula, Uttar Pradesh

Largest integrated Pyridine & its
derivatives facility in the world

Samlaya, Gujarat

Animal Nutrition Products

Bharuch, Gujarat

SEZ for Vitamins and

Life Science derivatives

Ambarnath, Maharashtra

Exclusive Synthesis - Pyridine derivatives

Nira, Maharashtra

Life Sciences Chemicals

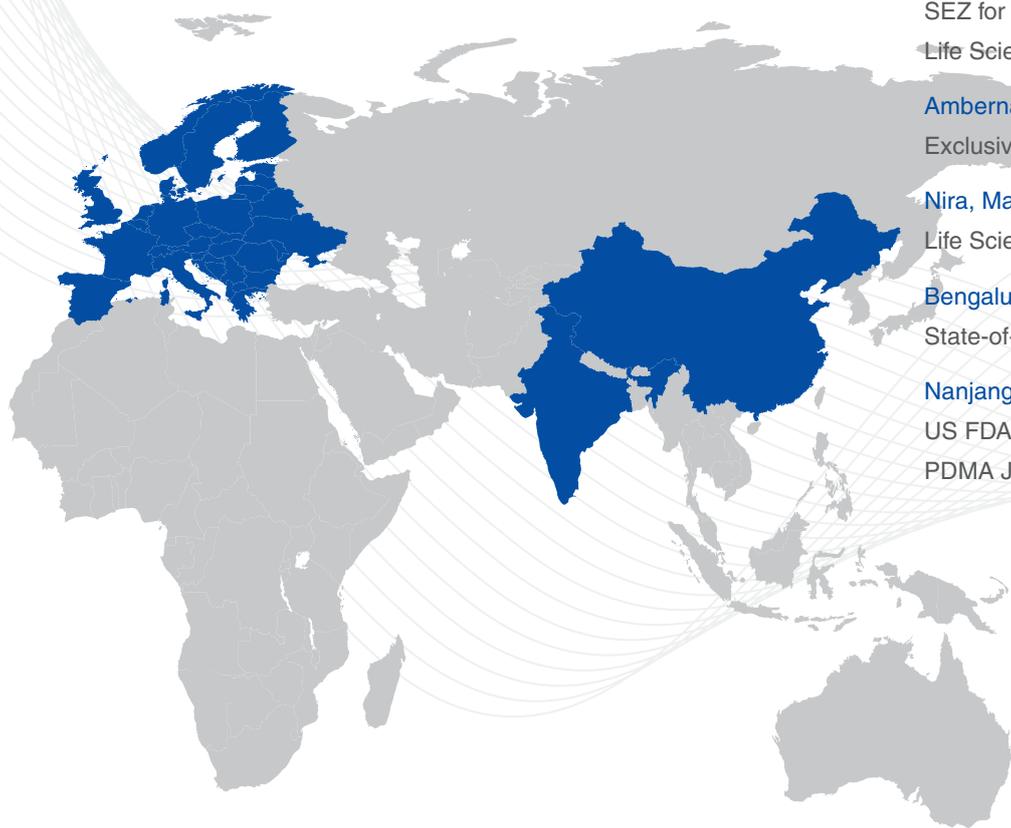
Bengaluru, Karnataka

State-of-art Discovery Centre

Nanjangud, Karnataka

US FDA, AFSSAPS France and

PDMA Japan approved APIs facility



AWARDS & RECOGNITION

- AIMA Managing India Awards 2013: Entrepreneurs of the Year – Mr. Shyam S Bhartia, and Mr. Hari S Bhartia, presented by the President of India, Mr. Pranab Mukherjee
- FICCI Quality System Excellence Awards 2012, Silver prize under large scale category to Gajraula plant, India
- NDTV Profit Business Leadership Award 2012 under Corporate Social Responsibility category, presented by Dr. Montek Singh Ahluwalia, Deputy Chairman, Planning Commission, Government of India
- 7 Star category Certificate from the Directorate of Industries, (UP), valid for 2 years, to the Gajraula plant, India
- National Quality Excellence Award for best in class manufacturing presented by Stars of the Industry Group to the Gajraula Plant, India
- CII National Award for Excellence in Water Management 2012 as Water Efficient Unit to the Gajraula Plant, India
- The Economic Times – Frost & Sullivan India Manufacturing Excellence Gold Award – Process Sector for 2012, second time in a row to the Gajraula Plant, India
- I.C.C. Award for Water Resource Management in Chemical Industry for the year 2011 to the Gajraula Plant, India
- Golden Peacock Award for Sustainability 2012 to the Gajraula Plant, India
- Golden Peacock Environment Management Award 2012 to the Gajraula Plant, India

BOARD OF DIRECTORS



Shyam S Bhartia
Chairman & Managing Director



Hari S Bhartia
Co-Chairman & Managing Director



Shyamsundar Bang
Executive Director
Manufacturing & Supply Chain



Abhay Havaladar
Director



Shardul S Shroff
Director



Dr. Inder Mohan Verma
Director



Suresh Kumar
Director



S Sridhar
Director

SENIOR LEADERSHIP TEAM



Shyam S Bhartia
Chairman & Managing Director



Hari S Bhartia
Co-Chairman & Managing Director



R Sankaraiah
Executive Director, Finance



Shyamsundar Bang
Executive Director
Manufacturing & Supply Chain



Pramod Yadav
CEO
Advance Intermediates and
Nutritional Products



Rajesh Srivastava
CEO
Fine Chemicals and CRAMS



Neeraj Agrawal
CEO
Generics



Marcelo Morales
CEO
Contract Manufacturing &
Services, Jubilant
HollisterStier



Scott Delaney
CEO
Jubilant Cadista



Chandan Singh
President
Acetyls and Ethanol



Martyn Coombs
President
Jubilant DraxImage



Kevin Garrity
President
Allergy Business



Dr. Vijayesh Kumar Gupta
President
Branded Generics – India



Dr. Subir Kumar Basak
President
Jubilant Drug Discovery
Services (Jubilant Biosys
& Jubilant Chemsys)



Nayan Nanavati
CEO
Jubilant Clinsys



Dr. Ashutosh Agarwal
Chief Scientific Officer
Chemicals and
Life Science Ingredients



Dr. Goutam Muhuri
President
R&D - Dosage Forms

CHAIRMEN'S MESSAGE



Shyam S Bhartia
Chairman & Managing Director

Hari S Bhartia
Co-Chairman & Managing Director

37%

Revenues
from Green
products for
FY 2013

Our overarching presence in the high-growth and high-margin defensive pharmaceuticals business is by way of a well-thought out strategy

Dear Shareholders,

The world economy is once again on the growth path. With financial conditions stabilising, there is greater hope of a sustained uptrend. The largest economy in the world, the US delivered stronger than expected growth. The emerging economies continue to support broader economic expansion and have attracted robust capital inflows. The Economic Survey 2012-13 estimates GDP growth rates to be in the range of 6.1% to 6.7% in FY 2013-14. The Government is making concerted efforts to boost economic growth by containing fiscal deficit, keeping current account deficit and inflation under check and by channelising savings and increasing investments.

Business Objectives

Your Company has created an integrated business across the entire pharmaceuticals value chain for catering to global requirements, strongly supported by its inherent strength of low cost of production and low R&D costs with large installed capacities out of India. We are one of the most cost competitive players in our chosen areas and being vertically-integrated across multiple businesses helps immensely. We have set up large global scale capacities in Life Science Ingredient products and continue to enjoy global leadership positions.

Our overarching presence in the high-growth and high-margin defensive pharmaceuticals business is by way of a well-thought out strategy that offers the best potential for growth in the years to come. The underlying objective in each business is to create a position of global leadership built through innovation, harnessing strength of integration benefits and creating global scale. We have a strong R&D team of 1,074 employees and we continue to make significant investments on R&D. In FY 2013, our spending on R&D stood at 2.9% as percentage of total revenues.

New products have contributed to over 10% of our revenues during last 5 years. We expect a robust growth momentum



going forward on account of new product launches and also expanding the existing product portfolio in new markets.

One of the thrust areas of the Company is sustainability with focus on doing things the green way. We have for long followed the triple bottom line approach of Economic, Environment and Social Performance. There are programs that constantly seek to reduce the energy footprint of the organisation and bring down the emission of greenhouse gases while delivering higher revenues from green products. Revenues from green products came in at ₹ 18,940 million for FY 2013, contributing 37% to our total revenues.

By virtue of our vertically integrated operations, we enjoy competitive advantages in the form of cost efficiencies by producing across the value chain, thereby reducing our dependence on third parties for supply of feedstock down the value chain and are insulated from significant price volatility in raw materials. In our Life Science Ingredients segment, our Life Science Chemicals products such as Alcohol and Acetaldehyde are used as feedstock for our Proprietary Products and Exclusive Synthesis (PPES) business. Our PPES end products such as Pyridines and its derivatives and Beta Picoline are used as feedstock for our value-added products in other business segments, including Nutrition Ingredients and for Active Pharmaceutical Ingredients (APIs) under our Pharmaceuticals segment. In our Pharmaceuticals segment, the APIs from our manufacturing facilities are used for

Solid Dosage Formulations under our Generics business. The effect of vertical integration on our performance is demonstrated by our Inter-Divisional Sales growing to 12% in FY 2013 and expected upward trend going forward.

The focus has now been on generating free cash flows from operations to reduce the overall debt of the consolidated entity to further strengthen the Balance Sheet. The board has formed a committee to explore various options of raising foreign currency bonds up to US\$ 250 million for the purpose of prepayment of the existing debt and other general corporate purposes without increasing the overall net debt levels of the company in the best interests of the company and all its stakeholders.

The Board also appointed Committee to consolidate the Company's global pharmaceuticals segment, comprising of (a) Active Pharmaceutical Ingredients (APIs), Solid Dosage Formulations, Radiopharmaceuticals, Allergy Therapy Products, Sterile Injectable and Ointment, Cream and Liquid businesses (Pharmaceuticals Business) and (b) the Drug Discovery and Development Solutions business under two separate subsidiaries and to evaluate the options and opportunities for raising money by listing the Pharmaceuticals business as deemed appropriate by it, subject to receipt of all necessary approvals, in the best interests of the Company and all its stakeholders. This would result in focused growth in pharmaceuticals business and reduction of overall consolidated debt of the Company.

Performance Review

The year FY 2013 saw Income from Operations of ₹ 51,610 million, growing 21%. Earnings before Interest, Taxes and Depreciation & Amortisation (EBITDA) stood at ₹ 10,548 million with EBITDA margins of 20.4%. Profits Before Exceptional Items, Tax and Minority Interest were at ₹ 5,708 million, up 22%. The Profit After Tax (PAT) was reported at ₹ 1,527 million whereas the Normalised PAT after adjusting for exceptional items stood at ₹ 3,824 million.

We continue to focus on our international business. Our products and services now reach out to clients in 98 countries of the world. International revenues account for over 74% of the revenue mix at ₹ 38,276 million with revenues from North America, Europe and Japan at an all-time high of ₹ 31,909 million.

In FY 2013, the Pharmaceuticals segment witnessed a revenue increase of 22% at ₹ 26,580 million, contributing 52% to the overall Income from Operations and 66% to EBITDA. This robust growth is driven by volumes and new product introductions and a wider geographical footprint. During the year, we witnessed multiple launches across geographies in Generics business, focussing mainly in Cardiovascular System (CVS), Central Nervous System (CNS) and Anti-infectives. We received 78 approvals for Solid Dosage Formulations products including 5 Abbreviated New Drug Application (ANDAs) in the US, 4 in Europe and 7 in Canada. Our product pipeline is getting stronger with 58 cumulative ANDA filings in US, 41 Dossiers in Europe, 20 in Canada and 501 in the Rest of World (ROW) along with 65 cumulative Drug Master Files (DMFs) in US, 29 Certificates of suitability to European Pharmacopoeia (CEPs), 33 filings in Canada, 6 filings in Japan and 102 filings in ROW as of March 31, 2013. Sterile Injectables & OCL business won contracts worth US\$ 217 million from global pharmaceutical companies to be delivered over multiple years. Our contract manufacturing facility at Canada had been issued a warning letter by United States Food and Drug Administration (USFDA) identifying violations of certain cGMP Regulations. We have already carried out certain improvements suggested by the regulators and we are continuously engaged to provide all the necessary clarifications sought by the agency. However, our normal operations are going on as usual though this warning letter may have an impact on approval of any new applications.

In FY 2013, Life Science Ingredients segment delivered revenue growth of 19% to ₹ 25,030 million thus contributing over 48% to the overall Income from Operations. Volume growth has been robust, in line with the capacity enhancements that were carried out over the last few years. We have introduced a series of value-added products which will offer sustained upsides in

22%

Revenue Growth
witnessed in
Pharmaceuticals
segment

The growth momentum of the Company
revenue and EBITDA is expected to
continue to do well, with robust outlook

performance from here on. Also the new Symtet plant was commissioned in the last quarter of the year after initial scale up issues.

As of March 31, 2013, our Net Debt stood at ₹ 34,322 million (excluding Financial Leases). It comprises of ₹ 25,134 million (excluding Financial Leases) in net long-term debt and ₹ 9,188 million in working capital debt. Post adjustment for constant exchange rates, when compared with March 31, 2012, Net Debt was down by ₹ 2,612 million at ₹ 32,865 million. The corresponding improvement is reflected in terms of our Net Debt to Equity Ratio at 1.4 at FY 2013 end, down from 1.6 last year and Net Debt to EBITDA at 3.3 from 4 in the corresponding period. To further accelerate process of reduction of debt, Board has also appointed a committee which will come up with options to meet this objective.

Dividend

Following sustained performance on a consolidated basis, the Board has proposed a dividend of 300% per equity share of ₹ 1 face value for the year. If approved this will result in a cash outgo of ₹ 559 million including tax.

Outlook For FY 2014

The growth momentum of the Company revenue and EBITDA is expected to continue to do well, with robust outlook. In the Pharmaceuticals segment, strategy of new product launches and geographic expansion will continue to drive growth while the key driver in the Life Science Ingredients segment will be higher capacity utilisation in the Nutrition Ingredients and Crop Science intermediates supported by backward



integration of Pyridine.

We would like to utilise this opportunity to convey our deepest gratitude to every stakeholder including customers for reposing faith in our products and services, suppliers and vendors for consistently providing quality inputs within desired timelines, our bankers and shareholders for believing in us and showing confidence by being with us and to our Independent Directors for the guidance drawn from their vast experience and knowledge. We take this opportunity to thank Mr. Surendra Singh, Mr. H. K. Khan and Dr. Naresh Trehan who resigned having completed 9 years' tenure, as fixed by the Board for Independent Directors. We would also like to welcome Mr. S. Sridhar as an Independent Director on the Board. Lastly, we would like to express a note of thanks to our employees worldwide for helping us deliver our broader agenda of profitable growth. Without their untiring efforts, we could not have delivered this kind of sustained performance.

Look forward to exciting times ahead!

Shyam S. Bhartia

Shyam S Bhartia
Chairman & Managing Director

June 15, 2013

Hari S. Bhartia

Hari S Bhartia
Co-Chairman & Managing Director

MANAGEMENT DISCUSSION & ANALYSIS



21%

Revenue from operations increased

Our strategy of continuously moving up the value chain into life sciences and pharmaceutical business with expanded geographic reach and ongoing investments in R&D has yielded excellent results

Key Economic and Industry Trends

The world economy is once again on the growth path. With financial conditions stabilising, there is greater hope of a sustained uptrend. The emerging economies continue to support broader economic expansion and have attracted robust capital inflows.

Last year has been a year of mixed trends for Pharmaceuticals and Life Sciences companies. On one hand, these are exciting times for pharmaceutical industry and it is on a growth path especially in emerging markets, on the other there are challenges that the industry has to face due to patents cliff, increased regulatory intervention and escalating healthcare costs.

The pharmaceuticals industry is riding on a growth wave in line with a rapidly strengthening scientific base, growing demand for medicines due to increasing and ageing global population, longer life expectancy, higher prevalence of infectious and chronic diseases and the removal of former impediments to free trade with the objective of providing lower cost healthcare services and improved access for all sections of society.

Agricultural chemicals have been proven to be highly effective in reducing crop losses caused by pests, diseases and weeds and to enable farmers to grow crops that meet growing demand and consumer expectations at reasonable prices.

We offer a substantial footprint in life science and pharmaceutical products and services through our presence across the value chain, thereby contributing to the needs of the environment, society and economy. Our integrated operations make it feasible to deliver advantages of scale and quality required by global clients in the chosen verticals. While the opportunity in outsourcing is large, the requirements from products and service solutions providers in this sector are often stringent. We continue to enjoy a



sterling reputation as a 'Partner of Choice' to almost all top players within pharmaceuticals and life sciences.

Our strategy of continuously moving up the value chain into life sciences and pharmaceuticals businesses with expanded geographic reach and ongoing investments in R&D has yielded excellent results. This is exemplified by our long standing relationships with 19 of the top 20 pharmaceutical and 6 of the top 10 agrochemical companies of the world. Over the years the Company has consolidated its position and has truly transformed itself into a global life sciences player.

Our Business Strategy

Our strategic objective is to continue to maintain and establish leading market positions in select key business lines to drive profitable growth. As such, we have implemented the following core business strategies:

Global leadership in chosen lines of business and increasing market share by continuing to grow our product portfolio - Our success is derived from our ability to select attractive product candidates in niche markets and to increase capacity utilisation for higher sales volume at optimum cost.

Capitalise on our strong customer relationships to creating and pursuing growth opportunities

- We believe in providing quality products with high service levels which help in establishing long lasting relationships with our customers. Our track record of compliance to global standards and regulations is an important factor in obtaining timely regulatory approvals helping in maintaining stable key accounts.

Optimise our margins while maintaining prudent financial policies

- by leveraging our existing sales capabilities and administrative functions across an expanded revenue base, thereby gaining scale in operations. We estimate that no major capital expenditure

for our businesses is needed in the short term as our existing capacities are sufficient to drive growth until FY 2015 and we anticipate using our free cash flows towards overall debt reduction.

The focus has now been on generating free cash flows from operations to reduce the overall debt of the consolidated entity to further strengthen the Balance Sheet. The board has formed a committee to explore various options of raising foreign currency bonds up to US\$ 250 million for the purpose of prepayment of the existing debt and other general corporate purposes without increasing the overall net debt levels of the company in the best interests of the company and all its stakeholders.

Financials

Consolidated Income Statement (₹ million)

Consolidated Income Statement (₹ million)	FY 2012	FY 2013	% Growth
Income from Operations	42,782	51,610	21%
Material Cost	16,115	20,500	
Power and Fuel Cost	2,869	3,586	
Employee Cost	8,364	9,622	
Other Expenditure	6,906	7,529	
Total Expenditure	34,254	41,237	
Other Income	402	175	
EBITDA including Other Income	8,930	10,548	18%
Depreciation	2,207	2,538	
Interest (Net)	2,096	2,302	
Profit Before Tax and Exceptional Items	4,628	5,708	23%
Exceptional Items	-3,487	-2,297	
Tax Expenses	684	1,524	
Minority Interest	311	361	
Profit After Tax	146	1,527	
Normalised Net Profit after Tax	3,633	3,824	5%

74%

International
Revenue

Key developed markets, comprising North America, Europe and Japan, contributed 62% of the total revenue with 28% year-on-year growth

Revenue

Revenue from operations increased 21% to ₹51,610 million in the Financial Year (FY) ended March 31, 2013 from ₹ 42,782 million in the FY ended March 31, 2012, primarily attributable to an increase in volumes. Sales volume growth contributed ₹ 7,008 million to increased revenues, which was partially offset by a decrease in base sales prices across most product categories of approximately ₹ 2,795 million.

Revenue from markets outside India contributed over 74% to total revenue in the FY ended March 31, 2013, with a 27% year-on-year growth. Key developed markets, comprising North America, Europe and Japan, contributed 62% of the total revenue with 28% year-on-year growth.

Total Expenditure

Expenses including depreciation and amortisation increased 20% to ₹ 43,775 million in the FY ended March 31, 2013 from ₹ 36,460 million in the FY ended March 31, 2012, primarily attributable to an increase in cost of materials consumed and employee benefit expenses, and to a lesser extent, increases in other manufacturing expenses, finance costs, research and development expenses, depreciation and amortisation expenses and other expenses. This was partially offset by a slight decrease in purchase of traded goods and relatively lesser increase in change in inventories due to increase in inventories of finished goods, work-in-progress and traded goods.

Material cost stood at ₹ 20,500 million in the FY ended March 31, 2013, up from ₹ 16,115 million in the FY ended March 31, 2012, primarily attributable to increases in Alcohol, Methanol, and Ammonia prices, partially offset by a decrease in Acetic Acid prices.

Employee benefit expenses increased 15% to ₹ 9,622 million in the FY ended March 31, 2013 from ₹ 8,364 million in the FY ended March 31, 2012. The majority of the increase was due to the depreciation of the Indian rupee against the US dollar, resulting in higher employee costs recorded in our



Indian rupee denominated financial statements, and to a lesser extent increases in wages, for our employees outside India, while head count remained relatively stable.

Finance costs (net of interest income and payments received under our interest swap agreement) increased 10% to ₹ 2,302 million in the FY ended March 31, 2013 from ₹ 2,096 million in the FY ended March 31, 2012, primarily attributable to an increase in interest expenses relating to increases in our working capital utilisation in line with the increase in our scale of operations.

Depreciation and amortisation expenses increased 15% to ₹ 2,538 million in the FY ended March 31, 2013 from ₹ 2,207 million in the FY ended March 31, 2012, primarily attributable to higher depreciation on capital expenditures in respect of our new SEZ Bharuch facility, a decrease in the useful life of certain plant and machineries, and to a lesser extent amortisation of product development costs, which had been capitalised.

Other expenses increased 9% to ₹ 7,529 million in the FY ended March 31, 2013 from ₹ 6,906 million in the FY ended March 31, 2012, primarily attributable to an increase in travelling expenses, legal professional and consultancy charges and foreign exchange fluctuations.

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

In FY 2013, we recorded highest ever EBITDA of ₹ 10,548 million, an expansion of 18% from ₹ 8,930 million in FY 2012. The EBITDA margin was at 20.4%. While Pharmaceuticals segment contributed over 66% of business EBITDA with 28.2% EBITDA margins, Life Science Ingredients (LSI) EBITDA margins stood at 15.3% for FY 2013.

Profit Before Tax

Profit before tax increased significantly to ₹ 3,411 million in the FY ended March 31, 2013 from ₹ 1,141 million in the FY ended March 31, 2012.

Tax Expenses

Tax expenses increased to ₹ 1,524 million in the FY ended March 31, 2013 from ₹ 684 million in the FY ended March 31, 2012, primarily attributable to an increase in taxable income from our operations in the United States.

Profit After Tax

Profit for the year (before adjustment for minority interest) increased significantly to ₹ 1,888 million in the FY ended March 31, 2013 from ₹ 457 million in the previous year. Minority interest increased 16% to ₹ 361 million from ₹ 311 million in the same period last year. Profit for the year (after adjustment for minority interest) increased significantly to ₹ 1,527 million in the FY ended March 31, 2013 from ₹ 146 million. However Normalised Net Profit after Tax grew to ₹ 3,824 million, a 5% jump as compared to ₹ 3,633 million last year with normalised Earnings per Share (EPS) at ₹ 24.01.

Indebtedness

Our total loans outstanding (comprising short-term borrowings of ₹ 9,188 million, long-term debt (including current portion) of ₹ 28,694 million and lease obligations of ₹ 40 million) was ₹ 37,922 million in FY ended March 31, 2013. As on March



31, 2013, our gross debt stood at ₹ 37,882 million (excluding Financial Leases) with cash and cash equivalents at ₹ 3,560 million, resulting in net debt of ₹ 34,322 million (excluding Financial Leases). Net long term debt was ₹ 25,134 million (excluding Financial Leases) including the current portion of the debt and ₹ 9,188 million in working capital debt. Post adjustments on the constant exchange rate, when compared March 31, 2012, net debt was down by ₹ 2,612 million at ₹ 32,865 million (excluding Financial Leases). The corresponding improvement is reflected in terms of our Net Debt-to-Equity at 1.4 at FY 2013 end down from 1.6 last year and the Net Debt-to-EBITDA 3.3 from 4 in the corresponding period. We continue to benefit from competitive interest rate of 5.8% given the FOREX borrowing at 4% and rupee borrowing at about 12%.

Capital Expenditure

During FY 2013, we have incurred capital expenditure of ₹ 4,661 million, including product registration/market authorisation (product development) capital expenditures of ₹ 948 million. We have incurred, over the last three years considerable amount of capex for our organic growth in both the segments. We expect to incur lower capex going forward and the same will be funded out of Operating Cash Flows of the Company without increasing the Net Debt.

18%

Expansion recording highest ever EBITDA of ₹ 10,548 million

We have incurred, over the last three years considerable amount of capex for our organic growth in both the business segments

Operations Review - Strengths, Opportunities and Challenges

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

- Generics, comprising Active Pharmaceutical Ingredients (APIs) and Solid Dosage Formulations
- Specialty Pharmaceutical, comprising Radiopharmaceuticals, Allergy Therapy Products and Sterile Injectables and OCL (Ointments, Creams and Liquids)
- Drug Discovery and Development Solutions (DDDS) and others



Our Life Science Ingredients segment include products from

- Proprietary Products and Exclusive Synthesis (PPES),
- Nutrition Ingredients (NI) and
- Life Science Chemicals (LSC)

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

Segmental Revenue Analysis	Revenue (₹ million)		Revenue Mix (%)	YoY Growth %
	FY 2012	FY 2013		
Pharmaceuticals	21,764	26,580	52%	22%
Generics				
Active Pharmaceutical Ingredients (APIs)	4,486	5,081	10%	13%
Solid Dosage Formulations	5,366	8,315	16%	55%
Specialty Pharmaceuticals				
Radiopharmaceuticals	1,659	2,089	4%	26%
Allergy Therapy Products	1,452	1,767	3%	22%
Sterile Injectables and OCL (Ointments, Creams and Liquids)	6,211	7,052	14%	14%
DDDS and Others				
DDDS (Drug Discovery and Development Solutions)	2,450	2,082	4%	-15%
Healthcare	140	194	0%	38%
Life Science Ingredients	21,018	25,030	48%	19%
Proprietary Products and Exclusive Synthesis (PPES)	9,312	11,211	22%	20%
Nutrition Ingredients (NI)	2,108	2,648	5%	26%
Life Science Chemicals (LSC)	9,598	11,171	22%	16%
Income from Operations	42,782	51,610	100%	21%

I. Pharmaceuticals



55%

Revenue growth
in Solid Dosage
Formulations
business

We have 31 commercialised Solid Dosage Formulations products across geographies including the United States and Europe

The pharmaceuticals segment which accounted for 52% of our total revenue from operations (net) in the FY ended March 31, 2013, had increased revenue from operations (net) of 22% to ₹ 26,580 million from ₹ 21,764 million in the FY ended March 31, 2012.

Active Pharmaceutical Ingredients (APIs)

Commonly known as bulk actives or bulk drugs, APIs are mixed with other components to produce tablets, capsules or liquids. We have a clear focus on production of APIs for Cardiovascular System (CVS) and Central Nervous System (CNS) therapeutic areas besides few Anti-infective and Anti-ulcerants.

We are increasing our APIs product portfolio by entering first in markets, improving our cost competitiveness through efficient manufacturing processes and systems, accelerating Drug Master File (DMF) filings, entering into and expanding relationships with major US, European and Indian generic companies for sale of our APIs, and continuing to build on our previous track record. Our APIs are exported worldwide, into emerging as well as developed markets. Our key markets are North America, South America, Europe, Japan, Korea, Commonwealth of Independent States (CIS) countries, the Middle East and Australia. Our API customers are leading global generic companies.

As of March 31, 2013, we have 27 APIs available through commercial scale plants, of which Carbamazepine, Oxcarbazepine, Citalopram, Lamotrigine, Donepezil, Pinaverium Bromide, Meclizine and Azithromycin Monohydrate are the most significant. We are constantly working to ensure that all plant lines provide the desired turnover, with least downtime and optimal product mix.

We filed 50 DMFs during the year, out of which 7 were in the US, 15 across Europe, 1 Certificates of suitability to European Pharmacopoeia (CEPs), 4 in Canada and 23 in Rest of World (ROW). During the year, we launched multiple products across regions. As of March 31, 2013, we have filed 65 DMFs in the

US, 29 CEPs in Europe, 33 in Canada, 6 in Japan and over 100 filings in other countries.

APIs business witnessed 13% increase in revenue to ₹ 5,081 million in the FY ended March 31, 2013, from ₹ 4,486 million in the FY ended March 31, 2012, largely due to an increase in demand for our existing products. The increase in sales volume revenue was partially offset by lower sales prices achieved across most of the APIs.

To tap the opportunity of increased demand and to counter challenges from reducing prices, we are aggressively optimising and de-bottlenecking our operations by using existing infrastructure to maximise throughput. Our future development will be driven by our strategic objective of focusing and specialising in certain therapeutic areas and integrating vertically to the formulation development, wherein lies our strength of APIs.

Solid Dosage Formulations

The Solid Dosage Formulations business is supported by our in-house R&D facility for formulation development and regulatory filings, in-house Clinical Research Organisation (CRO) for conducting bio-equivalence studies for the generics R&D program and cost effective manufacturing from India, while deriving benefit from backward integration from our API business. We focus primarily on manufacture and sale of proprietary solid dosage formulations including value-added formulations for CVS, CNS and Anti-allergy categories.

We are also expanding the sales reach in the United States directly to government agencies and distributors through our subsidiary Jubilant Cadista and continuing to award strategic licenses for our products to third parties in various European countries with regulatory support from our subsidiaries. As of March 31, 2013, we have 31 commercialised products across geographies including the United States and Europe. We are one of the largest exporters of oral solid formulations to Japan. This business

develops first-to-market generic drugs, innovative drugs, over-the-counter drugs and line extensions. Our range of products also includes value-added formulations and special formulations such as taste masking, flash tablets, oral dispersible forms, chewable tablets and modified release forms.

We enjoy leadership in the US for Methylprednisolone, Terazosin and Lamotrigine and figure among the top 3 in Meclizine, Cyclobenzaprine, Prochlorperazin, Donepezil and HCTZ Caps. Our key strengths in Europe also include regulatory affairs services, formulation development, licensing of marketing authorisations in addition to supplies of Solid Dosage Formulations to makers of generic products.

Revenues for FY 2013 witnessed 55% increase to ₹ 8,315 million from ₹ 5,366 million in the FY ended March 31, 2012, driven primarily by volume growth in existing commercial products. This was made possible by an increase in capacity utilisation in our Roorkee plant and new product launches in various regions during the FY ended March 31, 2013. During the year, we launched multiple products across regions.

As of March 31, 2013, we have 58 ANDAs filings in the United States, 41 dossiers in Europe, 20 filings in Canada and over 500 filings in other countries. 25 ANDAs in the United States and 35 dossiers in Europe have already been approved and 33 ANDAs in the United States, 13 in Canada and 6 products in Europe are pending approval.

While we see opportunity for growth in Canada through tie ups with local Canadian companies for product supplies, in Europe, we are focusing on distribution agreements and profit sharing agreements to help us get higher penetration and an opportunity to recover development cost from licensing out, life time business and cost sharing. We are also licensing out wherein we invest in development of dossiers and then find customers. In South Africa, we see opportunity by supplying



to retail chains and have tied up with various pharmacy chains and pharmaceuticals distributors. We are out-licensing to local South African companies too. We plan to tap into Russia and Commonwealth of Independent States by supplying to retail chains and distributors, Out-licensing to local companies. In Ukraine, we look to register the products in our brand names and tie up with sales and marketing company. In Latin America, we target enhanced sales through new launches, focus on filings in Brazil and commercialise countries like Chile, Peru and Costa Rica for top line growth. We also plan to enter Mexico and launch select generic products.

Radiopharmaceuticals

We offer a portfolio of products and complementary equipment in the niche segment of nuclear imaging. The business exhibits excellent skills in R&D, manufacturing, quality and regulatory affairs. It enjoys an established presence in North America. Nuclear medicine imaging and therapeutic agents are the focus of our Radiopharmaceuticals division, which develops, manufactures and markets such products in the global marketplace. Applications for our products include cardiology, oncology, thyroid uptake and scans, lung scans, kidney and brain imaging and bone scans.

The products currently marketed by our Radiopharmaceuticals business include a line of lyophilized

26%

Revenue growth in
Radiopharmaceuticals

We offer a portfolio of products and complementary equipment in the niche segment of nuclear imaging

Technetium-99m kits used in nuclear medicine imaging procedures and a line of imaging and therapeutic products including Sodium Iodide I-131 and Smart-Fill, a dispenser for I-131 for its therapeutic application in the treatment of thyroid cancer. Sodium Iodide I-131 is currently the main revenue contributor to this business segment. I-131 (used for treatment of thyroid cancer) is the sole US FDA product in its class, resulting in leadership for us. The diagnostic products in the portfolio include Macro Aggregates of Albumin (MAA) used in lung imaging, Diethylene Triamine Penta Acetic Acid (DTPA) suitable both for lung and renal imaging, Methyl Di Phosphonate (MDP) used in bone scanning, Gluceptate used in kidney and brain imaging and Sestamibi used in myocardial perfusion imaging. These products are often sold along with the kit that is used to administer the product. Products are directly retailed to radiopharmacies and hospitals with which we have tie-ups.

Revenues in FY 2013 witnessed 26% increase in revenue to ₹ 2,089 million in the FY ended March 31, 2013 from ₹ 1,659 million in the FY ended March 31, 2012, primarily because we launched existing products in new markets thereby contributing to growth.

We intend to expand our range of product offerings and consolidate our market share for Radiopharmaceuticals in North America. We are also expanding in markets such as Europe and Asia through our collaborative and contractual arrangements with partners and new distribution channels to drive growth in our current and pipeline products. Our Radiopharmaceuticals business has a number of other products in late stage development, including the Rubidium Rb-82 Generator System, a next-generation Rubidium generator. The system is currently under regulatory review in the United States, Europe and Canada, and we expect to launch it subject to regulatory approval.

The launch of Ruby-fill, a paradigm changing product, will help us become a leader in Nuclear Medicine Pet Cardiology. We see opportunity to build machine for rapid development of

generics, a center of excellence in Montreal and to carefully forge partnerships with industry counterparts. Our innovation endeavors continue and we have identified potential new product targets and formulated a product launch plan upto 2020.

Allergy Therapy Products

Our Allergy Therapy business provides products to the allergy specialty industry with a range of over 200 different allergens and standard allergy vaccine mixtures both in bulk and against customer prescriptions. We focus on big 5 antigens plus skin test devices and the target user-base covers conventional allergists, ENT, regular physicians and managed care/hospital based clinics across the US and Canada besides other international markets. Majority of our therapeutic and diagnostic vaccines are extracted from pollens, animal pelt and stinging insects (venom).

Revenues in FY 2013 stood at ₹ 1,767 million, up 22% from ₹ 1,452 million in the previous year reflecting traction on account of our consolidation in the North American market with the introduction of new marketing and promotional tools.

During the year, we have brought improvements in our allergy sales and marketing organisation. We developed and tested sales force optimisation/profit maximisation model. We also validated research analysis of the US Market for allergenic extracts and skin testing devices. In international business, we completed a major supply agreement, expanded distribution in France and other markets including India, Korea, Mexico and Australia.

We aim to become leaders in US extract sales with improved margins by improving operations, reducing costs, improving cash management, eliminating product supply interruptions, increasing the sophistication of our sales and marketing efforts, adding value to our current service offering, improving Sales efficiency and capitalising on the emerging primary care segment. We aim to capitalise

on opportunities by establishing strategic alliances and distributor relationships in order to expand our allergenic extracts product portfolio, and to introduce new immunotherapy products focusing on alternative routes of administration.

Sterile Injectables and OCL (Ointments, Creams And Liquids)

In Sterile Injectables and OCL, we are focused on servicing innovator and branded pharmaceutical and biotechnology organisations, expanding our business to include clinical trial manufacturing and sterile manufacturing capabilities, leveraging on existing business relationships and cross-selling opportunities within the pharmaceuticals segment.

In sterile portfolio, we offer services for a broad range of products including Vial and Ampoule Liquid Fills, Freeze-Dried (Lyophilized) Injectables, Biologics, Suspensions and water for Injection Diluents to pharmaceutical companies. We are also capable of manufacturing products in quantities suitable for clinical trials as well as for large scale commercial requirements.

The services we offer for non-sterile products include solid oral and semi-solid dosage formulations, including antibiotic ointments, dermatological cream and liquids (syrups and suspensions), capsules, tablets and powder blends.

We follow a partnership approach to contract manufacturing of Sterile Injectables and OCL where the primary clientele is innovator companies. We are among top 5 Contract Manufacturing Outsourcing players in North America in Sterile Injectables and have been strengthening our presence with manufacturing facilities at two locations in US and Canada with multiple service capabilities.

Revenues in FY 2013 stood at ₹ 7,052 million with 14% growth compared to ₹ 6,211 million in the previous year (excluding the onetime other operating income of ₹ 249 million in FY 2012). Backed by strong order execution, the business exhibited improvement in revenues on a year on year basis

building superior channels for growth in the future. Focus on cost-saving helped Jubilant to improve margins in the sterile injectables space.

We have integrated operations at our US and Canadian facilities. We had a successful launch of lab services across key customer segments in FY 2013. We now have a mechanism in place to monitor manufacturing effectiveness to ensure execution as per our plans. Automation of vial inspection will become a critical requirement from 2013 onwards. We are working towards achieving this. The business benefits from a strong order book and there are multiple contracts under execution for supplies to US and European geographies. Necessary measures to improve capacity utilisation have been taken which in turn will support growth in the future.

Our contract manufacturing facility at Canada had been issued a warning letter by USFDA identifying violations of certain Current Good Manufacturing Practice (cGMP) regulations. We have already carried out certain improvements suggested by the regulators and we are continuously engaged to provide all the necessary clarifications sought by the agency. However, our normal operations are going on as usual though this warning letter may have an impact on approval of any new applications.

Drug Discovery and Development Solutions (DDDS)

We provide our discovery services such as bioinformatics (pathart), chemoinformatics (ChemBioBase), crystallography structure directed molecular design and information technology services; pre-clinical services such as medicinal chemistry, analytical chemistry, custom synthesis, library design, combinatorial and focused and lead optimisation; clinical development and market launch services across Phase I (bioavailability studies, bioequivalence studies, bioanalytics analysis, pharmacokinetic support, statistical support and clinical materials management), Phase II, Phase III/ III B (clinical trial management study feasibility, site

14%

Revenues growth in Sterile Injectables and OCL business

We are among top 5 Contract Manufacturing players in North America in Sterile Injectables and have been strengthening our presence with manufacturing facilities at two locations in US and Canada with multiple service capabilities

identification, site initiation/close out and medical monitoring) and Phase IV (data management, biostatistics, quality assurance, regulatory affairs, drug safety, consulting services and staffing solutions).

We also conduct collaborative and integrated drug discovery programs under this business. The collaborative/partnership model is an integrated discovery program across a single or a portfolio of molecules. We share with the collaborators the risks and rewards of the project and we receive payments as research funding upon the achievement of agreed milestones, subject to the fulfillment of certain criteria and also bonus amounts at each specified stage. Continued development milestones and royalties for further development and commercialisation of a successful molecule or portfolio of molecules may also be agreed. Our partnering model allows collaborators to pursue integrated pre-clinical and clinical development strategies by taking targets and leads from research institutions, developing and taking them up to clinical trial phase II and licensing them to large pharmaceutical companies for further development and commercialisation. We offer an integrated play of Drug Discovery and Development Solutions where the focus is on oncology, metabolic disorders, pain and inflammation. There are certain projects being executed with leading pharmaceutical companies which are complemented by delivery capabilities across the US, European and Indian markets. The model is inherently flexible and offers optimal solutions in terms of costing and time-to-market.

The research facilities under the DDDS business are located in Malvern, US and at Bengaluru and Noida in India. We also maintain a global presence in the Clinical Trial operations and have facilities both in the US and in India with presence in Canada as well as in Germany.



Revenues in FY 2013 stood at ₹ 2,082 million from ₹ 2,450 million in the previous year. The performance in this business was muted due to decrease in services volume, reflecting intense competition. The global pharmaceutical industry continued to consolidate in the R&D space in the past year throwing up challenges for the business growth.

Others – Healthcare

Our Healthcare business is engaged in providing 'Better Care at Affordable Cost' to the middle-income population in West Bengal. It operates hospitals at Baharampur (with 50 beds) and at Barasat (with 120 beds), which provide services under Neurosurgery, Neonatal and Paediatric Intensive Care. This facility is operated by a team of full-time doctors representing major medical disciplines. These doctors are also available on-call to extend emergency care to patients.

Revenues in FY 2013 stood at ₹ 194 million from ₹ 140 million in the previous year. We are looking at improving profitability by focusing on enhancing productivity from current investments.

II. Life Science Ingredients



20%

Sales growth
in PPES

PPES business is a fully-integrated operation where Pyridine, Picolines and a range of Pyridine derivatives are manufactured. The business benefits from over 3 decades of experience in Pyridine chemistry

Our Life Science Ingredients segment comprises revenue lines of Proprietary Products and Exclusive Synthesis, Nutrition Ingredients and Life Science Chemicals businesses. Life Science Ingredients segment revenues continued to chart their growth trajectory at ₹ 25,030 million in FY 2013, contributing over 48% of our total revenue mix on the back of 19% growth year-on-year, mainly driven by volume uptick across businesses.

Proprietary Products and Exclusive Synthesis (PPES)

Our PPES business unit develops, manufactures and provides products which comprise basic building blocks, value-added intermediates, and agro-actives used in the production of pharmaceutical and agrochemical and other life science industries. Our Fine Chemicals and Crop Science Chemicals products are mainly value-added intermediates that we develop from our advance intermediates on the basis of customer requests.

We are focused on maintaining and enhancing our market position in pyridine and derivatives, expanding our Fine Chemicals and Advance Intermediate product portfolios by leveraging our capability in complex chemical processes, and strengthening R&D and technology capabilities in developing new value-added products through forward value added products. We have developed manufacturing processes that enable us to produce more efficiently.

Our Exclusive Synthesis business unit offers process research, development, scale-up and optimisation services for intermediates of new chemical entities and other in-market products to life science companies across the value chain. We have the capability for seamless scale-up through our cGMP kilo lab, pilot plant and commercial scale plants.

PPES business is a fully-integrated operation where Pyridine, Picolines and a range of Pyridine derivatives are manufactured. The business benefits from over 3 decades of experience in Pyridine chemistry. There is continuous development of new products with pharmaceuticals and agrochemicals being the



main focus areas. We enjoy global leadership across range of products including Pyridines, Beta Picolines and 14 other derivatives.

This business reported revenues of ₹ 11,211 million in FY 2013 compared to ₹ 9,312 million in the previous year. The 20% sales growth that we witnessed was primarily driven by a 14% increase in volume of PPES products sold. Our Pyridines and Beta Picoline capacity utilisation was close to 90% in FY 2013.

Advanced Intermediates global business is driven by dynamism of two co-products with highly competitive market and concentrated supplier structure. The low entrance barrier has paved way for many new Chinese players. This is coupled with few big customers and then highly fragmented customer base. In such a scenario, key differentiation is primarily based on manufacturing efficiencies. The past year saw us achieve market share of over 33% for Pyridine bases, helping us retain leadership position in the category.

We expect to maintain leadership position in Pyridine bases worldwide by maximising co-product utilisation through supply to Vitamins business, being the best in alpha chemistry and technological capabilities leading to be the lowest cost manufacturer and ensuring 100% compliance to environmental measures and Zero discharge.

We aim to become one of the Top 2 global supplier partners of chosen Pyridine derivatives by adding new products and Advanced Intermediates, achieving cost reduction, new product development and debottlenecking capacities of few Fine Chemicals. We are actively trying to work with innovator life science companies, for long term contracts of projects having synergy with us. We will keep working on present pipeline of 14 projects and keep developing new late phase pipeline for Exclusive Synthesis business potential.

In Crop Science Chemicals, we have formulated a definitive plan for our growth across regions. We plan to grow our agroactives business through presence in critical markets of Europe, Brazil and the US to become a global leader in the Pyridine based route of producing Chlorpyrifos by supplying Symtet, we plan to validate the bigger size column trials for optimising production and achieving longer batch time cycles. We also plan to ensure global compliance for Symtet like China Registration, Evaluation, Authorisation and Restriction of Chemical Substance notification, EU REACH and other forthcoming regulations. We enjoy excellent relationships with the global crop science active players.

Nutrition Ingredients

Our Nutrition Ingredients business is a fully integrated operation and primarily manufactures and markets Vitamin B3, which are formulated for human, pharmacological, cosmetics and animal feed consumption, as well as choline chloride (also referred to as Vitamin B4), an important feed additive for poultry. Vitamin B3 is also used extensively in human nutrition such as flour fortification, food enrichment, sports drinks, energy drinks, baby food and multi-vitamins and in animal nutrition as feed additives for the poultry, dairy and pork industry, and in pharmaceuticals such as diabetes and cholesterol-related drugs in cosmetics for skin color and texture improvement and the manufacture of other life sciences intermediates.

The biggest advantage we have is our integrated nature of operations. Beta Picoline manufactured under the Proprietary Products is the precursor to Niacin and Niacinamide (Vitamin



B3) produced. This provides us with the cost-advantage that is difficult for any player in the industry to match.

Revenues in FY 2013 witnessed 26% increase to ₹ 2,648 million in the FY ended March 31, 2013 from ₹ 2,108 million in the FY ended March 31, 2012, driven by sales volume increase as a result of enhanced capacity utilisation after the commissioning of the new facility at SEZ Bharuch in the FY ended March 31, 2012. This year saw consolidation at operational and management structure level. We also divided the sales team into two teams (Straight Ingredients and Specialty Products) to increase focus in the targeted segments. There were a slew of such initiatives across Manufacturing, R&D, Supply Chain and Human Resources.

We are focused on improving our share in Vitamin B3 through higher capacity utilisation. With the recent price increase announcement after a challenged FY 2013 when prices were low, we see opportunity to benefit both in terms of volumes and value, thereby improving our profitability. We are working towards building a global leadership position in Vitamin B3. We plan to capitalise on strength of Vitamin B3 positioning for the launch of new products in Nutritional space. With our improved quality of Niacinamide, our strategy is centered on aggressively building market share in regions other than US, Europe and China. De-risking our business is high on agenda and we continue to explore new products to diversify the Nutrition Ingredients portfolio.

26%

Revenue growth in
Nutrition Ingredients
business

The biggest advantage we have is our integrated nature of operations. Beta Picoline manufactured under the Proprietary Products is the precursor to Niacin and Niacinamide (Vitamin B3) produced

In Animal Nutrition business, we will focus on new product development, new business development initiatives such as participation in expositions and achieving optimum capacity utilisations going forward. New launches as well as entry into new geographies for existing products will hold the key to success of our strategy.

Life Science Chemicals

Life Science Chemicals are organic intermediates, also known as Acetyls, which are precursors to Advance Intermediates and Fine Chemicals used in a range of applications such as pharmaceuticals, aromatics, adhesives, food, packaging, beverages, crop protection chemicals, textiles and other solvents. We produce various organic intermediates including Acetic Acid, Monochloro Acetic Acid, Acetic Anhydride, Ethyl Acetate and Sodium Monochloracetate, which are typically used in the manufacture of downstream products such as pharmaceuticals, crop protection chemicals and solvents.

Life Science Chemicals is a capital intensive business in which scale of operations is imperative. We have leadership position in Acetyls in India and sizeable presence globally. We enjoy economies of scale. The business produces 'Green Solvent' Ethyl Acetate, which is being preferred by customers in all markets.

Our strength lies in some of these Acetyls being consumed by our other business verticals in production of value added Fine Chemicals and APIs. Strong integration and manufacturing efficiencies have helped us rank within the top 10 in key Acetyl products across the world. We have created large storage capacities at our plants and ports to ensure continued supplies of feedstock to the operation and to benefit from lower feedstock prices which are cyclical in nature, especially with respect to Ethyl Alcohol.

Revenues in FY 2013 witnessed 16% increase in Life Science Chemicals to ₹ 11,171 million in the FY ended March 31, 2013 from ₹ 9,598 million in the FY ended March 31, 2012, driven

by volume growth largely as a result of more efficient capacity utilisation.

This year saw us growing and further consolidating our presence in Life Science Chemicals by enhancing utilisations from newly added capacities of Ethyl Acetate and Anhydride in the previous year. We have started bringing economies through alternate material usage and developing new suppliers for other raw material. We successfully demonstrated developing Mundra as new Exporting Port providing us opportunity for substantial savings in the logistics area.

As part of our constant endeavour to enter into long term supply contract with major ethanol suppliers in the region, we were able to develop the same, covering more than 50% of alcohol purchase. This year we were able to secure alcohol requirement from domestic market by avoiding high cost imports (which were higher by ₹ 7-8/lit). This resulted in positive impact on profits. We successfully conducted pilot trials of feeding spent wash with 15% solid to bio-methanation reactor at Nira (normal spent wash has 10% solid). This will help us implementing the initiative for reducing effluent at Nira. In another initiative, we optimised alcohol cost by stopping slop fired boiler for four months as purchase alcohol was cheaper compared to manufacturing cost through this route, resulting in savings.

For us to achieve our objective of becoming a formidable Acetyls player globally, we see opportunity by building a more robust marketing and distribution platform to handle larger annual volumes. We are conscious of the challenges that face us and have formulated a detailed business development plan for the same. The risks we might face stem from changing Acetic Acid balance in our region. We aim to increase the profitability by utilising our existing capacity, by changing our product mix, targeting higher share in Middle-East, African and Asian Markets by replicating our hugely successful Europe model and looking at charting aggressive growth in domestic market by entering untapped accounts.

Business Enablers



1074

People strong
R&D team

The Company won award and recognition from CII, Kaizen Institute and Frost and Sullivan for various accomplishments in Manufacturing Excellence

Research & Development and Intellectual Property

At Jubilant we dedicate considerable resources to research and development in order to develop new and existing products; this in turn creates value for our customers. We have a dedicated 1074 people strong team spread across our multiple locations. Our R&D efforts have helped us develop our own intellectual property which is well protected in defined geographies of our business interests.

Focusing on our acquisition strategy for businesses, our intellectual properties have grown over the years. Our production technologies which comprise of specialised proprietary know-how, have evolved and enhanced over a period of time. When an opportunity arises to accelerate our businesses we may grant licenses for our patents and know-how to third parties. With complete evaluation of the best available opportunity, we may also obtain licenses to manufacture and sell products of third parties using their technology and know-how.

Manufacturing

Excellence is the key driver for manufacturing at Jubilant Life Sciences Limited. The path to excellence is laid with a strong foundation on innovation, waste reduction, and resource conservation without losing focus on an all-out effort towards sustainable growth. We won the National Quality Excellence award for our Gajraula unit for best in class manufacturing in FY 2013.

As the Company has grown, the manufacturing facilities have been taking strides to match the pace with reduced cost of operations, engineering initiatives and capacity de-bottlenecking. At home with renowned tools like world class manufacturing techniques and Total Productive Maintenance (TPM), the manufacturing facilities are playing their part in maximising profitability. We use the



latest technologies for environment management and build stringent environment and safety safeguards into all projects from conceptualisation stage.

Today, besides 7 manufacturing plants in India, we also have 3 manufacturing facilities across locations in North America. The plant for generics is located at Salisbury, Maryland, United States. Our facility in the US state of Maryland is able to serve a large generics market of North America. We have been making several product filings annually and are on track to establish this business in other international markets. For this purpose we plan to rely on the integrated ecosystem within India where dosage formulations can be manufactured and supplied globally from our Roorkee plant. The dual manufacturing presence works to our advantage in this business.

The plants for Sterile Injectable and OCL manufacturing are at Spokane, Washington, United States and Montreal, Quebec, Canada respectively. Both are US FDA approved besides having approvals from other major regulatory bodies. Contract Manufacturing Outsourcing (CMO) by innovators to local players puts our North American Contract Manufacturing facilities at an advantageous position and is key to our top 5 ranking in that market.

The Spokane facility also houses Allergy Therapy Products setup, while the Montreal facility in Canada supports our Radiopharmaceuticals unit under the Specialty Pharmaceuticals business. Keeping in mind the importance of proximity to suppliers of nuclear raw material and for being close to the largest market, the facility is ideally located in Canada.

The distribution of manufacturing units and research facilities globally has been planned bearing in mind the advantages of being in proximity to end customers and key markets. All the manufacturing facilities have robust systems in Quality, Environment and Safety. Qualified with repetitive and sustained accreditation of IMS, cGMP as well as agencies like US FDA, UK MHRA and PMDA (Japan), the APIs and Solid Dosage Formulations in India have been supporting the Company to scale new heights in a consistent way.

The latest feather in the cap is a world class facility at Bharuch SEZ, Gujarat for Vitamins and Fine Chemicals and Agrochemicals in the Life Science Ingredients space. All units have state-of-the-art fully automated manufacturing plants, quality and QA systems conforming to global benchmarks.

Reinstating the commitment to sustainable business is strong awareness and pro-active approach to regulatory compliance. Our one of a kind compliance monitoring system is fully integrated with our internal systems which facilitates and tracks the compliance status giving ample advance notice to any upcoming requirement or changes.

Enabled and equipped with the plethora of latest technologies, innovative and committed team, the manufacturing function forges to avail new pinnacles for the organisation.



Supply Chain

The efficient supply chain processes which have been agile to dynamic external market conditions with changing business needs have been able to create flexibility and bring about continuous improvement in performance. The continued focus is on innovation and aggressive stretch targets by building best in class supply chain processes which are sustainable.

The focus on transparent e-procurement purchasing electronic process (EJBUI) for transactions on export logistics services has been implemented with high on line quotes target and is now in the process to be extended into all category of buying. The maturity and the on line negotiations and approvals with Management Information System and intelligence on the platform has been the key focus during this year leading to transparency, visibility and faster processing of transactions across the value chain. This also facilitates our initiative towards environment protection, with paperless buying. This EJBUI process would be extended to further categories of material sourcing specially in R&D across all the associated companies this year. The negotiations through reverse auctions on selected categories have been implemented



Certified
manufacturing
facilities

The continued focus is on innovation and aggressive stretch targets by building best in class supply chain processes which are sustainable

on the platform achieving better price discovery in order to achieve cost reduction.

Improvement on creditors also has been the main focus for this year with an enhancement of at least 12 days which has unlocked working capital.

Initiatives on alternate sourcing, consolidation and single window buying have been the other initiatives envisaged to bring more value within the buying process. The activities have been further extended to integrate R&D spend and to look at global sourcing initiatives with focus towards sourcing from China.

Our other initiatives on integrating logistics through multi-modal transportation of bulk liquids from and to the ports and its integration with in-house railway siding has been a key accomplishment for the team this year. Further stretch targets with respect to improving 'On Time in Full' for customers and reducing inventory in the pipeline have been initiated to manage costs better. Measurement systems within the Supply Chain Re-engineering (SCOR) framework which are able to measure the critical parameters for supply chain accuracy have focused to improve the customer facing metrics through the automated order management process on the Information Technology (IT) platform used. Monthly measurement of forecast accuracy has created better visibility especially on inventory across the end-to-end supply chain.

We are also working with our suppliers to take initiatives on greening supply chain. In this, we are working with a target of sustainable growth with a strong commitment towards environment while we learn and grow continuously along with our stakeholders

Key challenges for the coming year would be on the

end-to-end planning process (S&OP) which has been taken as a way forward for improvement especially for the APIs and Solid Dosage Formulations business which are growing both in terms of complexities and volumes. The excellence in the supply chain processes has been a journey which we are continuously pursuing along with business and other functions.

Business Excellence

In Jubilant, Business Excellence function is proactively creating the framework for new improvement strategies which drives the competitive advantage backed by a strong execution mechanism and capability. These improvement strategies pertain to all three critical pillars of the organisation – Customer, Process and People.

The continual efforts of Business Excellence function is to understand processes and systems, model them by transfer functions and define crucial measurements resulting in a superior co-ordination and integration of processes. Learning, reconfiguration and transfiguration become source of competitive advantage and can be effectively used to leverage Company's competitive strategy. During this journey of continual improvement, this function has adopted various improvement methodologies in line with organisation priorities like Six Sigma, Lean, Design for Six Sigma (DFSS), World Class Manufacturing (WCM), Total Productivity Management (TPM), Supply Chain Re-engineering (SCOR), Project Management (EPM), Operation Research (OR), Business Intelligence (BI) etc. This year Business Excellence function has also added competencies like Maynard Operation Sequencing Technique (MOST) for manpower productivity enhancement and dynamic and steady state simulation modelling for enhancing efficiencies of chemical processes using tools like ASPEN and DYNOCHEM.

The scope of these improvement initiatives cover all facets of the business like Manufacturing, Sales and Marketing, New Product Introduction (R&D), Supply Chain, Corporate HR, Projects and other support functions which helped creating a more efficient value chain. The Business Excellence infrastructure element helps in creating self-driven / mission directed teams which drive their operational area towards excellence in alignment to business objective through right accountability and training. This sustained culture of innovation and excellence is the result of deep commitment of the people at Jubilant.

These varied businesses have specific challenges and require customised innovative solutions to cater to these requirements. With the support of all CEOs, Business Heads, Champions and urge of all Business Functions (including foreign subsidiaries) towards internalisation of Business Excellence initiatives, this improvement journey has gone a long way in firming the foundations for sustained profitable growth.

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

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

Some of the key projects undertaken during the year are capacity debottlenecking projects through application of Lean Six Sigma and process simulation in APIs, Solid Dosage

Formulations, Fine Chemicals and Exclusive Synthesis business, Supply Chain reengineering solutions in the area planning and sourcing by creating optimisation and business intelligence solutions in the pharmaceutical businesses customer delight projects in contract manufacturing businesses where critical cost savings and quality improvement projects were done to resolve chronic issues using design for Six Sigma techniques. In the last year an extensive emphasis was also created around effluent load reduction where extensive Raffinate reduction in Advance Intermediates, isolation of salts in APIs, reduction of fresh water usage in Acetyls, were accomplished. Total Productive Maintenance has been taken to the next level especially in Gajraula and Nanjangud (APIs) sites and significant improvements have been achieved in overall asset effectiveness. More than 100 green belts completed their requirements for certification by undergoing the Lean Six Sigma training and completing at least one Improvement project sponsored by their Functional Head. Cash to Cash cycle time reduction and working capital improvements were driven across all businesses by following best in class Lean and Supply Chain practices.

Human Resource Management

We believe that people perform to the best of their abilities in organisations to which they feel truly connected. We today provide employment to 6,223 employees across businesses and functions within the Company. Our vision is to be an employer of choice and one of the most admired companies to work for. Our focus is to develop organisational capabilities and improve organisation effectiveness so as to have a capable and engaged workforce.

Talent Management and Succession Planning to attract and build people capabilities for growth is a critical part of building capabilities. We have launched our Leadership

6223

Employees
across the
globe

Our focus is to develop Organisation Capabilities and improve Organisation Effectiveness so as to have a capable and engaged workforce

Framework which establishes a list of core behaviors that will drive leadership capabilities along with our values. Our HR core processes in terms of Performance Management System (PMS) & Leadership Development is being used to institutionalise this process through a “360 feedback” and “Development Centers”. 49 key Leaders across business and manufacturing are going through this process. Training being an integral part of our development has clocked an average of 2.9 training man days.

To strengthen organisation effectiveness on a people perspective, our initiatives have been to establish an integrated HRIS System, and assess and improve employee engagement. We are in the process of implementing the PeopleSoft (HRIS) that will build a common platform for Performance Management System, Career Management & Succession Planning & Profiles Management globally. Employee feedback on the work environment and engagement is done through a sample survey once a year and a Gallup Survey once in 2 to 3 years. The last sample survey done in October 2012, has provided significant insights to drive improvement actions. Our



Rewards & Recognition policy that recognises performance and significant contribution through the Chairmen’s Awards and Applause is an outcome of this process.

We are a signatory to the policy on CII Code of Conduct for affirmative action which reconfirms our commitment that equal opportunity in employment for all sections of society is a component of our growth and competitiveness.

Internal Control Systems And Risk Management



1700

Controls related to key operating, financial and compliance related issues, every quarter

The Company identifies and evaluates several risk factors and draws out appropriate mitigations plans associated with the same in detail

Risk-taking is an inherent trait of any enterprise. There can be no growth or creation of value in a company without risk-taking. However, if risks are not properly managed and controlled, they can affect the company's ability to attain its objectives. Risk management and internal control systems play a key role in directing and guiding the company's various activities within the desired parameters.

Jubilant's Vision On Risk Management

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

Risk Management Strategy

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

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

Risk Management Structure

Our risk management structure comprises the Board of Directors and Audit Committee at the Apex Level, supported by Executive Directors, Heads of Businesses, Functional Heads, Unit Heads, Divisional Heads of Accounts and Finance and Head of Assurance function. As risk owners, the Heads are entrusted with the responsibility of identification and monitoring of risks. These are then discussed and deliberated at various review forums chaired by the Executive Directors and actions are drawn upon.

The Audit Committee, Executive Directors and Head of Assurance act as a governing body to monitor the effectiveness of the internal controls framework. There is a perpetual internal audit activity carried out by M/s Ernst and

Young Private Limited and the in-house internal audit team, who make an independent assessment of our risk mitigating measures and provide suggestions for improvement.

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

Risk Mitigation Methodology

We have a comprehensive internal audit plan and a robust Enterprise Risk Management (ERM) exercise which helps to identify risks at an early stage and take appropriate steps to mitigate the same. We have completed seven years of our certification process wherein, all concerned Control Owners certify the correctness of about 1700 controls related to key operating, financial and compliance related issues, every quarter. This has made our internal controls and processes stronger and also serves as the basis for compliance with revised Clause 49 requirements mandated by the Securities and Exchange Board of India (SEBI).

We have also identified entity level controls for the organisation, covering integrity and ethical values, adequacy of audit and control mechanisms and effectiveness of internal and external communication, there by strengthening the internal controls systems and processes with clear documentation on key control points.

Management's Assessment of Risk

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

Competition

With significant share of the business represented by exports across different businesses within the life sciences space, the Company faces stiff competition from both domestic as well as international markets.

Manufacturers in China, who aided by economies of scale, favorable policies, lower costs amongst others may pose a risk in terms of threatening the Company's ability to maintain its market

leadership, achieve planned growth and generate planned margins. Additional risk of competition manifests in the form of certain competitors being suppliers of core raw materials for Life Science Chemicals business, new entrants resorting to penetration pricing to make inroads, dumping strategy by China manufacturers to fuel price wars from local players (Beta Picoline) amongst others. The Company has drawn out detailed plans and combat strategies to safeguard existing business against competition which range from customer and account management programs to offering improved quality and service experience and in the process securing long term contracts. With the commissioning of the SEZ in Bharuch and initiatives underway to bring in manufacturing efficiencies, the Company expects further cost optimisation opportunities which will help in successfully taking on competition from international boundaries. The Company has developed new suppliers for certain key raw materials. Significant R&D has been done focusing on improving norms and increasing the manufacturing efficiencies.

For our ANU business, the government has issued anti dumping notification against imports of Choline Chloride for 5 years with 60.79% anti dumping duty.

Cost Competitiveness

Rising Input Prices and Margin Pressure – The Company believes that it is a low-cost manufacturer for most of its products and is a major contender for outsourcing opportunities with global corporations offering products that also conform to quality standards set in developed markets. Constant and rising input prices amidst inflationary market condition poses a risk to the Company's ability to retain price competitiveness and build reserves to drive future growth. Volatility in raw material prices, sugar industry trends (Life Science Chemicals business), and increase in input prices of core material such as Acetic Acid, Alcohol, Ammonia have cascading impact on other businesses in terms of increased cost of input materials. Significant variations in the cost as well as availability of raw materials may impact our operating results. Local currency depreciation and impact on fuel prices has further increased the logistics costs putting additional pressure on the Company margins when competing globally. We continue to take initiatives in reducing our costs by employing Business Excellence initiatives. Wherever feasible, the Company enters into long term contracts with volume commitments and prices which are linked to key input material prices to mitigate risks. Alternate supply sources are constantly being identified and evaluated by Supply Chain and

R&D initiatives undertaken to develop cheaper alternates or re-engineering costs to counter increase in input costs.

Foreign Currency and Interest Rate Exposures

Foreign currency exposures on account of global operations could impact the financial results of the Company. Foreign currency exposures arise out of international revenues, imports and foreign currency debt. Constantly increasing interest cost on the borrowings may impact the profitability of the organisation adversely. Depreciating rupee poses a risk of imports becoming dearer and raw material more expensive. Further, volatility and uncertainty in forex rates create complexity and challenge in determining the price which balances margins protection goal and at the same time is attractive to customers. To mitigate foreign currency related risks, the Company has a strategy in place to take measured risks through hedges and forward covers. It has a Committee of dedicated experts and professionals to periodically advise on matters relating to foreign currency risk management for example consolidating inbound/outbound exposures for natural hedge. The risk management team formulates policies and guidelines which are periodically reviewed to align with external environment and business exigency. Further, if required, currency and interest swaps are taken on loans and interest rate exposures. A quarterly update on foreign exchange exposures, outstanding forward contracts and derivatives is placed before the Board.

Capacity Planning and Optimisation

Investments towards building new capacities or enhancing and augmenting existing capacities are critical to meeting business objectives – driving growth as well as maintaining market leadership. Non availability of sufficient capacity threatens a company's ability to execute customer demands and be competitive. On the other hand, excess capacity threatens an organisation's ability to generate competitive profit margins. Identifying the ideal lead time between market assessment, capex decision and actual upgrade of production capacity is critical to effective capacity planning and optimisation.

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

R&D

Keeps itself updated with the regulations, upcoming technological changes and trends

The Company continues to hire new, highly-skilled scientific and technical personnel staff, it also introduced Rewards and Recognition policies for effective employee engagement

process, escalate costs and impairs the ability to service its customers effectively. The Company has robust processes in place to continuously monitor plant capacities, utilisation and drive improvements aligned with good manufacturing practices such as preventive maintenance schedules, modifications to plant designs in case of repeated breakdown. It periodically undertakes de-bottlenecking and other initiatives to improve efficiencies in terms of throughput, cost reduction and build additional capacities without committing significant capital outlay thereby generating better ROI.

R&D Effectiveness

Innovation, speed-to-market and a robust product pipeline is critical for success for a life sciences company. Failure to timely develop new products or commercialise products timely may adversely impact the Company's competitive position. Similarly, an R&D function which fails to meet the expectations of the business, such as, meeting target product costs and minimising product cost deviations between R&D and operational phase will adversely impact the Company's ability to launch its products competitively and, hence, put to risk, its ability to command market share. Risk of Company failing to develop products which are compliant with accepted standards documentation will significantly dent Company's reputation in addition to the financial loss associated with the failed launch. Further, emergence of new cost effective methods for producing core products supplied by the Company (Advance Intermediaries, Vitamins business) or emergence of alternative platforms and substitutes for APIs can pose a risk to the Company's competitive position.

To safeguard itself from these risks, the Company has strategy in place with earmarked budgets and investments in R&D commensurate with the business plans – infrastructure, manpower and new technologies. It has institutionalised robust processes and proven R&D methodologies to ensure successful commercialisation and minimum surprises during scale-up. The R&D keeps itself updated with the regulations, upcoming technological changes and trends and proactively aligns with pharmacopeia methods and industry best practices.

Human Resources – Acquire and Retain Talent

Acquisition and retention of right talent is critical to maintain desired operational standards. Insufficient focus on human resource processes (e.g. recruiting, talent management, labour management, development and training) may result in



an organisation's inability to recruit and/ or hold the required personnel. Further, given the Company's dependence on R&D activity, it is imperative that it recruits and retains high quality R&D specialists. Lack of credible successors may expose the Company in case of unexpected departures in key positions. Inability to attract the talent required to execute business objectives may result in deteriorating business performance.

The Company has committed substantial resources to this effort given the competition for qualified and experienced scientists from biotechnology, pharmaceutical and chemical companies, as well as universities and research institutes, in India and outside India. To execute its growth and diversification plans, while on one hand the Company continues to hire new, highly-skilled scientific and technical personnel staff, it also introduced Rewards and Recognition policies for effective employee engagement.

Further, in Succession Management process, the Company identifies high potential candidates for critical positions.

Portfolio and Mix: Customer and Product Concentration

A balanced portfolio in terms of customers, markets and products is important to be able to execute business strategies and monitor and assess impact of decisions.

A change in customer organisation, behaviour, needs and/ or expectations may lead to a decrease in market attractiveness and / or adverse competitive position. A high customer

concentration poses a risk in terms of sudden dip in market share in the event of loss of key customers or share of business due to shift of customer's preference to competitors. An over-dependence on single product or few customers may adversely impact the realisation of long term business objectives in the event of any regulation limiting the end use application. In case of high dependence on specific geography, failure to accurately forecast socio-political-economical trends or regulatory changes in key customers' market may significantly impact business performance.

The Company regularly reviews its portfolio – product, customer and geography and draws out strategies to achieve desired mix. With robust customer and account management programs in place, it safeguards itself against shift in customer preference. To mitigate the risk emerging from over-dependence on few / single products, it has committed investments in R&D to broaden its product mix and widen the portfolio to support forward integration with value added products such as Vitamins and Syntet businesses. As part of the annual business planning and periodic review meetings, it constantly strives to identify and explore new profitable markets for its products as well as new downstream opportunities in terms of applications and alternate use of the products available in its portfolio.

Compliance and Regulatory

We need to comply with a broad range of regulatory controls on testing, manufacturing and marketing of our products in the pharmaceutical and life sciences space. In some countries, including the US, regulatory controls have become increasingly demanding leading to increased costs and reduced operating margins for our line of products and services. Failure to achieve regulatory approval of new products can mean that we do not recoup our R&D investment through the sale of final products. Any change in regulations or reassessment of safety and efficacy of products based on new scientific knowledge or other factors could result in the amendment or withdrawal of existing approvals to market our products, which in turn could result in revenue loss. This may occur even if regulators take action falling short of actual withdrawal.

We have adopted measures to address these stricter regulations by increasing the efficiency of our R&D process, reducing the

impact of extended testing and making our products available on time.

Environment Health and Safety (EHS)

In the current business climate of reputational threats and rising political backlash, corporates need to tread carefully to maintain public trust. Social acceptance and Corporate Social Responsibility (CSR) have become increasingly important over the last decade. Compliance with stringent emission standards for the manufacturing facilities and other environmental regulations may adversely affect the business. R&D, life science services and manufacturing of products involve dangerous chemicals, process and by-products and are subjected to stringent regulations. The Company anticipates that environmental laws and regulations in the jurisdictions, where it operates, may become more restrictive and be enforced more strictly in the future. It also anticipates that customer requirements as to the quality and safety of products will continue to increase. In anticipation of such requirements, the Company has incurred substantial expenditure and allocated other resources to proactively adopt and implement manufacturing processes to increase its adherence to environmental quality standards and enhance its industrial safety levels.

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

Protecting Intellectual Property Rights (IPRs)

Our success will depend, in part, on our ability in the future to obtain and protect IPRs and operate without infringing the same of others. Our competitors may have filed patent applications, or hold issued patents, relating to products or processes that compete with those we are developing, or their patents may impair our ability to do business in a particular geography. The Company in addition to patents has relied on trade secrets, know how and other proprietary information and, hence, our employees, vendors and suppliers sign confidentiality agreements.

ANNUAL ACCOUNTS



DIRECTORS' REPORT

Your Directors are delighted in presenting the Thirty Fifth Annual Report together with the Audited Standalone and Consolidated financial statements for the year ended March 31, 2013.

Overview

Jubilant Life Sciences Limited is a global Pharmaceutical and Life Sciences Company engaged in manufacture and supply of Generics (including Active Pharmaceutical Ingredients (APIs) and Solid Dosage Formulations), Specialty Pharmaceuticals (including Radiopharmaceuticals, Allergy Therapy Products and Sterile Injectables & Ointments, Creams and Liquids (OCL)) and Life Science Ingredients (including Proprietary Products and Exclusive Synthesis (PPES), Nutrition Ingredients (NI) and Life Science Chemicals (LSC). It also provides Drug Discovery and Development Solutions (DDDS) and other Healthcare services. The Company's strength lies in its unique offerings of Pharmaceuticals and Life Science products and services across the value chain. With 10 world-class manufacturing facilities in India, US and Canada and a team of over 6,200 multicultural people across the globe, the Company is committed to deliver value to its customers spread across 98 countries. The Company is well recognised as a "Partner of Choice" by leading pharmaceuticals and life sciences companies globally.

Financial Results

(₹ in million)

	Year ended March 31, 2013	Year ended March 31, 2012
Income from Operations	31,248	26,176
Other Operating Income	215	234
Total Income from Operations	31,463	26,410
Total Expenditure	26,921	22,294
Operating Profit	4,542	4,116
Other Income	89	89
EBITDA including Other Income	4,631	4,205
Depreciation	1,522	1,320
Finance Costs	1,712	1,544
Profit after Interest but before Exceptional Items	1,397	1,341
Exceptional Item - (Loss)	(1,525)	(1,800)
Tax Expenses	305	350
Reported Net (Loss) After Tax and Minority Interest	(433)	(809)
Profit brought forward from previous year	7,863	9,227
PROFIT AVAILABLE FOR APPROPRIATION	7,430	8,418
Which the Directors have appropriated as follows:		
- Proposed Dividend on Equity shares	478	478
- Tax on Dividend on Equity Shares	81	77
- Transfer to General Reserve	-	-
Balance to be carried forward	6,871	7,863

Financial Highlights

(i) Standalone Financials

Income from Operations

In FY 2013, the Company recorded income from operations of ₹ 31,463 million, which grew by 19% over last year.

International Revenues

International business contributed 58% to the Revenue from Operations at ₹ 18,399 million.

EBITDA

For the year ended March 31, 2013, EBITDA stood at ₹ 4,631 million with EBITDA margins at 15%.

Reported and Normalised Profit After Tax and EPS

Reported Loss After Tax was ₹ 433 million in FY 2013. Basic EPS stood at ₹ (2.72). However, Normalised Profit After Tax stood at ₹ 1,092 million after adjusting for exceptional items of ₹ 1,525 million, mainly on account of unrealised exchange losses. Normalised EPS stood at ₹ 6.86 for the FY 2013.

(ii) Consolidated Financials

Income from Operations

In FY 2013, income from operations was ₹ 51,610 million, up from ₹ 42,782 million in previous year (excluding onetime other income of ₹ 249 million) reporting a growth of 21%.

International Revenues

International business contributed 74% to the Revenue from Operations at ₹ 38,276 million. Sales from key developed markets were at ₹ 31,909 million contributing 62% to the Revenue of the Company as compared to 58% in previous year.

Pharmaceuticals Segment

This segment comprises revenue lines of APIs, Solid Dosage Formulations, Radiopharmaceuticals, Allergy Therapy Products, Sterile Injectables & OCL, DDDS and other Healthcare services. In FY 2013, income from operations from this segment was ₹ 26,580 million contributing 52% to the total revenue of the Company, up from ₹ 21,764 million (excluding onetime other income of ₹ 249 million) in previous year reporting a growth of 22%. EBITDA stood at ₹ 7,504 million, up from ₹ 5,783 million (excluding onetime other income of ₹ 249 million) in previous year, reporting a growth of 30% in Pharmaceuticals segment with EBITDA margins at 28% on account of better product mix.

Life Science Ingredients Segment

This segment comprises PPES, NI and LSC. In FY 2013, Income from operations from this segment was

₹ 25,030 million, up from ₹ 21,018 million in previous year, recording a growth of 19%. EBITDA stood at ₹ 3,819 million with 15% margins for the year as compared to ₹ 3,472 million with 17% margins in previous year. Life Science Ingredients segment EBITDA was up 10% on back of higher volumes albeit with slightly lower EBITDA margins due to lower pricing of certain products in NI and LSC during the year.

EBITDA

For the year ended March 31, 2013, EBITDA stood at ₹ 10,548 million with EBITDA margins at 20%.

Reported and Normalised Profit After Tax and EPS

Reported Profit After Tax was ₹ 1,527 million in FY 2013. Basic EPS stood at ₹ 9.59. However, Normalised Profit After Tax stood at ₹ 3,824 million after adjusting for exceptional items of ₹ 2,297 million. Exceptional items consisted of unrealised mark-to-market book loss of ₹ 839 million mainly on account of currency movement in US dollar from the base rate of ₹ 50.88 last year to ₹ 54.29 on March 31, 2013 with respect to the rupee loans of ₹ 9,100 million swapped into a US dollar loan of \$202 million; FCMTDA amortisation of ₹ 632 million on account of unrealised exchange loss amortised over a period of the tenure of the loan as per the Indian Accounting Standards; and ₹ 826 million due to write-off with respect to intangible assets under product development and inventory write down etc. and profit on sale of non-operating assets. Normalised EPS stood at ₹ 24.01 for the FY 2013.

Dividend

The Board is pleased to recommend a dividend of 300% i.e. ₹ 3 per fully paid-up equity share of ₹ 1 for the year ended March 31, 2013. Total dividend payout inclusive of ₹ 81.21 million as tax on dividend will amount to ₹ 559.05 million based on existing capital. Payment of dividend is subject to the approval of the shareholders at the forthcoming Annual General Meeting (AGM) of the Company.

Capital Structure

(a) Employees Stock Options (ESOPs)

During the year, 918,351 Options were granted under JLL Employees Stock Option Plan 2011 ('Plan 2011'). However, no Options were granted under Jubilant Employees Stock Option Plan 2005 ('Plan 2005').

As on March 31, 2013, 145,443 Options were outstanding under Plan 2005. Each Option entitles the holder to acquire five equity shares of ₹ 1 each at the exercise price fixed at the time of grant being market value as per the SEBI (Employee Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 ('SEBI Guidelines').

A maximum of 727,215 shares will be allotted by the Company / transferred from Jubilant Employees Welfare Trust upon exercise of these Options.

As on March 31, 2013, 1,585,055 Options were outstanding under Plan 2011. Each Option entitles the holder to acquire one equity share of ₹ 1 at the exercise price fixed at the time of grant being market value as per the SEBI Guidelines.

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

Disclosures as required under Regulation 12 of the SEBI Guidelines are given in **Annexure A** and form part of this Report.

(b) Share Capital

During the year, there has been no change in the authorised, subscribed and paid-up share capital of the Company. As at March 31, 2013, the paid-up share capital stands at ₹ 159,281,139 comprising of 159,281,139 equity shares of ₹ 1 each, the same as in previous year.

Subsidiaries

As on March 31, 2013, the Company had 46 subsidiaries. Brief particulars of principal subsidiaries are given below:

Jubilant HollisterStier LLC

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

Its contract manufacturing capabilities include aseptic liquid fill / finishing and lyophilization in three distinct cGMP areas designated as Small Volume Parenteral (SVP), Small Lot Manufacturing (SLM) and Clinical Trial Manufacturing (CTM). Its capabilities can be applied to a variety of projects from pre-clinical through commercial scale across a multitude of dosage forms including microspheres, suspensions, WFI/diluents, biologics (proteins), lyophilized products and liposomes. Jubilant HollisterStier maintains an outstanding regulatory record with the FDA (CBER and CDER), EMA and Japan's and Brazil's regulatory agencies. Its contract manufacturing business serves customers including innovators ranging from small biotechnology to large pharmaceutical companies.

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

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

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

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

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

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

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

During 2012-13, this company has:

- Continued to provide Drug Discovery Services in integrated drug discovery programmes, functional service in structural biology, High thru put screening, Insilco modeling and IN Vivo Biology and Invitro Biology;
- Expanded relationship with a couple of midsized biotech companies such as Norgine, Mnemosyne;
- Successfully engaged a number of potential big clients which once closed, would give a continued stream of revenue;
- Successfully received a developmental milestone from one of its customers named Endo Pharmaceuticals, culminating in its business model;
- Successfully delivered a number of scientific milestones in different Therapeutic areas; and
- Commenced internal research on new molecules which would be available for either partnering with existing clients or outlicensing to the interested potential clients.

Jubilant Discovery Services Inc. - This Delaware based USA corporation, is a wholly owned subsidiary of Jubilant Biosys Limited. This company apart from providing sales, marketing and liaisoning services to Jubilant Biosys Limited for its US based customers is also providing electrophysiology services to Jansen Pharmaceutical NV and Mnemosyne.

During the year, this company has expanded its reach and a number of potential clients have shown interest in this capability and has been a key differential to the competitors.

Jubilant Discovery Services Inc. has completed an important step in the realisation of a long term strategy to extend capabilities in prosecuting ion channel targets and expanding the capabilities in other targets including GPCRS and Kinases. As part of company's strategy to extend its capabilities, company started the 'State of the Art Discovery Center' in North America for ion Channel targets. This center is enabled with comprehensive discovery biology capabilities with a focus in Voltage gated and ligand gated ion channels, GPCRs and Kinases.

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

- Discovery Chemistry Functions;

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

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

During the year, the chemistry business has been challenging and the same has been compounded due to certain customer contract cancellations. The management has, however, put together a plan for the revival of this business and expansion to other related areas such as GMP scale up facility.

Jubilant Clinsys Limited – This company is a subsidiary of your Company through Jubilant Drug Development Pte. Limited, a wholly owned subsidiary of your Company, which holds entire equity of this company.

This company is a full service, scientifically-focused contract research organisation that provides pharmaceutical, biotechnology and medical device companies with a wide range of services in support of Phase I-IV drug and device development. These services range from bio-analytical, bio-equivalence & pharmacokinetic studies, all phases of clinical trials, biostatistics, clinical data management, medical and scientific support including medical writing, drug safety, regulatory, quality assurance, end-to-end project management, clinical monitoring, site management, investigator and site recruitment. This company operates an 80 bedded Clinical Pharmacology Unit in Noida and is equipped with a bio-analytical as well as a clinical laboratory accredited by College of American Pathologists (CAP) and NABL, India.

During the year, this company has extended its reach to European clients and signed contracts with NRIM (U.K) and Aristo Pharma (Germany).

Jubilant Clinsys Inc. – This New Jersey based USA corporation is a wholly owned subsidiary of Jubilant Life Sciences Holdings Inc. and is a therapeutically focused full service clinical research organisation.

This company has expertise in a wide range of highly specialised therapeutic areas including oncology, cardiovascular, central nervous system, respiratory, dermatology and allergy/immunology. It offers broad range of clinical research services to pharmaceutical, biotechnology and medical device companies in support of Phase II-IV drug and device development including project management, clinical monitoring, scientific and medical support, patient and investigator recruitment, site management, biostatistics, data management, drug safety, quality assurance, regulatory affairs and medical writing. This company expanded therapeutically, geographically and added functional service offerings. It has operations in Bedminster, New Jersey, Raleigh,

North Carolina, Ottawa, Ontario, Canada and Dusseldorf, Germany.

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

This SEZ became operational last year and commenced commercial production of Unit-1. The finished products from this facility would be fully backward integrated and based on in-house developed innovative technologies, making it a hub for world class quality offering value to all stakeholders.

The global scale plants of Vitamin B3 and 3-Cyanopyridine at SEZ make your Company the largest producer of Vitamin B3 in India and second largest globally.

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

Jubilant First Trust Healthcare Limited – This company is a wholly owned subsidiary of your Company. 95.8% of its capital is being held directly by your Company and 4.2% by First Trust Medicare Private Limited.

With a vision for providing quality healthcare at affordable cost, this company has set up multi-specialty hospitals in the district towns of West Bengal. It addresses vital disease segments like critical care, neonatal care, high risk pregnancies, dialysis, neuro sciences, plastic surgery to name a few. It has projected itself as a friendly neighbourhood hospital with a firm belief in ethics.

Asia Healthcare Development Limited - This company is a subsidiary of your Company through Jubilant First Trust Healthcare Limited, which holds its entire capital. This company runs a 50 bedded low cost model multispecialty hospital in Behrampur on a Public-Private-Partnership (PPP) with the Government of West Bengal.

For years, it has been serving the health needs and has stood as number one choice for the people of this region.

Cadista Holdings Inc. and Jubilant Cadista Pharmaceuticals Inc.

- Cadista Holdings Inc., a corporation incorporated in Delaware, got registered with the Securities and Exchange Commission (SEC) during the year ended

March 31, 2012. The registration was obtained pursuant to section 12(g) of the Securities and Exchange Act of 1934 according to which, a company has to get registered with SEC on the number of shareholders exceeding 500. However, such registration did not constitute an offering of securities by the Company and no fresh money was raised pursuant to such registration. Your Company, through its subsidiary, Generic Pharmaceuticals Holdings Inc., holds 82.38% of common stock of this company.

- ii) Jubilant Cadista Pharmaceuticals Inc., a corporation incorporated in Delaware, is a wholly owned subsidiary of Cadista Holdings Inc. This company is in the business of manufacturing solid dosage forms of generic pharmaceuticals at its US FDA approved manufacturing facility in Salisbury, Maryland, USA. Its customer base includes all the large wholesalers, retail and grocery chains. Besides manufacturing its own label products, it also provides Product Development and Contract Manufacturing services. As of March 31, 2013 there were 16 products commercialised in the US with focus in the therapeutic areas of CVS, CNS, Anti Allergic, Steroids etc. The company is the US market leader in 3 products and ranked in top 2 in 2 products and has a strong pipeline of product filings for future growth.

Jubilant Life Sciences (USA) Inc. – This corporation in the State of Delaware, USA, is a wholly owned subsidiary of your Company. It undertakes sales and distribution of advance intermediates, nutrition ingredients, fine chemicals and APIs in the USA.

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

Jubilant Pharmaceuticals NV - This is a wholly owned subsidiary of your Company through Jubilant Pharma NV, Belgium, which holds 99.8% of its shares and Jubilant Pharma Pte. Limited which holds the balance shares, both of which are wholly owned subsidiaries of your Company. This company is engaged in the business of licensing of generic dosage forms providing regulatory services to generic pharmaceutical companies and distribution of life science chemicals and vitamins to European customers.

PSI Supply NV - This is a wholly owned subsidiary of your Company. 99.5% shares of this company are held by Jubilant Pharma NV and balance by Jubilant Pharma Pte. Limited. This company is engaged in the supply of generic dosage forms to European markets.

Jubilant DraxImage Limited -This is a wholly owned subsidiary of your Company through Draximage Limited, Cyprus. This company is engaged in marketing of innovative diagnostic imaging radiopharmaceutical solution and therapeutic radiopharmaceutical products. It is providing wide range of radioisotopes which include Tc-99m Generator (used in the diagnosis of Bone Cancer, Renal Imaging, Cerebral Perfusion Imaging, Myocardial Perfusion Imaging), Thallium-201 and Iodine-131 capsules and solution for the diagnosis and treatment of Thyroid and its related disease. It has also launched the Lyophilized kits MDP, MAA and Sestambi and would soon be launching DTPA. The target customers are Nuclear Medicine physicians, Cardiologists & Oncologists of various hospitals and imaging labs.

Other subsidiaries as at the year end are as follows:

First Trust Medicare Private Limited
 Jubilant Innovation (India) Limited
 Vanthys Pharmaceutical Development Private Limited
 Jubilant Innovation Pte. Limited
 Jubilant Biosys (Singapore) Pte. Limited
 Jubilant Drug Development Pte. Limited
 Jubilant Pharma Pte. Limited
 Jubilant Life Sciences International Pte. Limited
 Jubilant Innovation (BVI) Limited
 Jubilant Life Sciences (BVI) Limited
 Jubilant Biosys (BVI) Limited
 Jubilant Innovation (USA) Inc.
 Generic Pharmaceuticals Holdings, Inc.
 Jubilant Life Sciences Holdings Inc.
 HSL Holdings Inc.
 Draximage LLC.
 Jubilant DraxImage (USA) Inc.
 Deprenyl Inc., USA
 Draxis Pharma LLC
 Jubilant HollisterStier Inc.
 Draximage Limited, Cyprus
 Draximage Limited, Ireland
 Jubilant Pharma NV
 6963196 Canada Inc.
 6981364 Canada Inc.
 Jubilant Drug Discovery & Development Services Inc.
 DAHI Animal Health (UK) Limited
 Draximage (UK) Limited
 Jubilant Life Sciences (Switzerland) AG

Partnerships

Jubilant HollisterStier General Partnership

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

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

Consolidated Financial Statements

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

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

In terms of general exemption granted by the Ministry of Corporate Affairs (MCA), Government of India vide its general circular no. 2/2011 dated February 8, 2011, from attaching the Directors' Reports, Balance Sheets, Statement of Profit & Loss and other particulars of the subsidiary companies subject to fulfillment of certain conditions mentioned therein, the same have not been attached to this Report. The Company will make available the Annual Accounts of the subsidiary companies and the related detailed information upon request by any member of the Company or its subsidiary companies. The Annual Accounts of the subsidiary companies will also be kept open for inspection by any member at the registered office of the Company and the subsidiary companies during business hours.

Fixed Deposits

No fresh deposits have been accepted by your Company during the year from the public. As on March 31, 2013, your Company had no outstanding Fixed Deposits. There were no overdue deposits. There were, however, 9 unclaimed deposits amounting to ₹ 0.15 million.

Cost Audit

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

Based on the recommendations of the Audit Committee and subject to the approval of the Central Government, the Board of Directors had re-appointed M/s. J. K. Kabra & Co., Cost Accountants, [Firm Registration Number - 9] as

Cost Auditors of the Company, for the financial year 2012-13 under Section 233B of the Act to conduct the cost audit for the FY 2012-13.

The relevant compliance report and cost audit report for the FY 2011-12 were filed with the Central Government in the extensible Business Reporting Language ('XBRL') format on December 27, 2012 & January 7, 2013 respectively, against the due date of February 28, 2013.

Secretarial Audit

As a voluntary initiative for good corporate governance, M/s. Sanjay Grover & Associates, Company Secretaries, were appointed to conduct the Secretarial Audit of compliances and records of the Company for the financial year ended March 31, 2013. They have submitted their Report confirming compliance of applicable corporate laws. A copy of the Secretarial Audit Report is attached as **Annexure H**.

Directors

During the year, Mr. Suresh Kumar was appointed as an Independent Director of the Company with effect from July 23, 2012.

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Shyam S. Bhartia and Mr. Shardul S. Shroff retire by rotation at the forthcoming Annual General Meeting (AGM) and being eligible, offer themselves for re-appointment. The Board recommends their re-appointment.

The Board has fixed a tenure of 9 years for Independent Directors. Accordingly, Mr. H. K. Khan, Dr. Naresh Trehan and Mr. Surendra Singh, who had completed 9 years' tenure, ceased to be Directors with effect from April 4, April 12 & April 15, 2013 respectively. The Board records its appreciation for their excellent contribution during their tenure.

Directors' Responsibility Statement

The Directors of your Company, based on the representation received from the management, confirm:

- that in the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on March 31, 2013 and of the loss of the Company for the year ended March 31, 2013;
- that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the

Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- that the Directors have prepared the annual accounts on a going concern basis; and
- that proper systems are in place to ensure compliance of all laws applicable to the Company.

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

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

Employees

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

Corporate Governance

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

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

A Certificate from the Chairman & Managing Director (**Annexure F**) confirming that all the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended March 31, 2013 is attached to the Corporate Governance Report and forms part of this Report.

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

Management Discussion & Analysis Report

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

Risk Management

Risk-taking is an inherent trait of any enterprise. However, if risks are not properly managed and controlled, they

can affect the Company's ability to attain its objectives. Risk management and internal control systems play a key role in directing and guiding the Company's various activities by continually preventing and managing risks. The Board, Audit Committee and Senior Management team collectively sets the overall tone and risk culture of the Company by identifying the risks impacting the Company's business and documenting their process of risk identification, risk minimisation, risk optimisation as a part of risk management policy through defined and communicated corporate values, clearly assigned risk responsibilities, appropriately delegated authority, and a set of processes and guidelines.

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

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

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

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

Certifications

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

Plants at Bharuch and Savli are certified for FAMI-QS Code Version 5 in Feed Safety Management System. Additionally, Bharuch Plant is certified for ISO 22000 and HACCP (Hazard Analysis and Critical Control Points)

for Food Safety Management System and also awarded certification for KOSHER, HALAL Malaysia and HALAL Indonesia.

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

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

Nanjangud plant has got USFDA approval for exporting certain products to US market, ANSM (Agence nationale de securite du medicament et des produits de sant e -the French Health Products Safety Agency) approval, GMP approval for certain products, PMDA approval (Pharmaceuticals and Medical Devices Agency, Japan) for exporting Risperidone and HCl to the Japanese market, KFDA (Korea Food and Drug Administration) approval for exporting Valsartan and Losartan to Korean market, COFEPRIS approval (Federal Commission for Protection against Health Risks) for exporting Pinaverium Bromide to Mexican market, ANVISA, Brazil approval for exporting Carbamazepine to Brazil market and TGA, Australia approval for exporting certain products to Australia.

Plants producing Olanzapine and Losartan were audited and certified by the United States Pharmacopeia for the use of USP logo.

Human Resources

We believe in an open, fair and transparent culture and stand by our promise of **Caring, Sharing, Growing** and make efforts to make Jubilant one of the best places

to work for. In this direction, we have been conducting regular employee engagement surveys to gauge organisation's health. This allows us to get an insight into the voice of employees and thereby implementing the necessary interventions. There is a strong organisational focus on employee growth and development in order to prepare them for a dynamic and competitive business environment.

We strive toward technology driven HR systems and processes and have implemented world renowned PeopleSoft based human resource Information system known as '**HRIS**'. Its key features include employee personal and job database, employee self-service features like reimbursements, pay slips, leaves, income tax declarations & computations, online LTA claim and exit process etc. We are in the process of implementing the PeopleSoft Core modules globally so as to have a common HR business process. The modules include position management, performance management system, online recruiting solutions, compensation management, employee profile, training administration, career and succession planning.

We have signed a policy on **CII Code of Conduct on Affirmative Action** that reconfirms our commitment that equal opportunity in employment for all sections of society is a component of our growth and competitiveness.

As of March 31, 2013, 658 of our employees at our manufacturing plants at Savli, Nira, Gajraula and Nanjangud, were members of unions or had collective bargaining capability. During the year, we enjoyed cordial relations with our employees and there have been no instances of major strikes, lockouts or other disruptive labour disputes.

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

Investor Services

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

- E-mailing to the shareholders quarterly results, press releases and other similar communications soon after they are sent to the stock exchanges; e-mailing Annual Reports and Corporate Sustainability Report;
- User friendly Investor Section on the website of the Company at <http://www.jubl.com/investor-relation-landing.html>;
- A dedicated e-mail ID viz. investors@jubl.com for interacting on various matters with respect to share transfer, transmission, dividends and other related issues with the Company Secretary / Compliance Officer;
- Mailing feedback forms to investors on annual basis

so as to obtain valuable feedback and suggestions for improvement. The Company has also placed an online Investor Feedback Form on its website www.jubl.com under the head "Investors" to facilitate electronic submission of the Form;

- Earnings calls are conducted and the transcripts are uploaded on the website. The Earnings call is typically accompanied by Results Presentation and Release that is also uploaded on the website www.jubl.com; and
- The Company also meets institutional investors and analysts throughout the year and participates in various Investor Conferences.

Awards and Accolades

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

- 'FICCI Quality System Excellence Award 2012' silver prize under large scale category won by Gajraula Plant, India;
- 'AIMA Managing India Awards 2013: Entrepreneurs of the Year' award won by Mr. Shyam S. Bhartia and Mr. Hari S. Bhartia, presented by the President of India, Mr. Pranab Mukherjee;
- NDTV Profit 'Business Leadership Award 2012 under Corporate Social Responsibility category' won by the Company presented by Dr. Montek Singh Ahluwalia, Deputy Chairman, Planning Commission, Government of India;
- '7 Star Category Certificate' from Directorate of Industries, U.P., (valid for two years), won by Gajraula Plant, India;
- 'ICC Award for Water Resource Management in Chemical Industry' for the year 2011 won by Gajraula Plant, India;
- 'The Economic Times - Frost & Sullivan India Manufacturing Excellence Gold Award - Process Sector' for 2012 won by Gajraula Plant, India - second time in a row;
- CII 'National Award for Excellence in Water Management 2012' as Water Efficient Unit won by Gajraula Plant, India;
- 'National Quality Excellence Award' for best in Class manufacturing presented by Stars of the Industry Group, won by Gajraula Plant, India;
- 'Golden Peacock Environment Management Award 2012' won by Gajraula Plant, India; and
- 'Golden Peacock Award for Sustainability 2012' won by Gajraula Plant, India.

Green Initiatives

With the aim of going green and minimising our impact on

the environment, the Company continued with its green initiatives in its operations which include:

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

Corporate Social Responsibility

Corporate Social Responsibility at Jubilant is the commitment of business towards Inclusive Growth. Jubilant believes that long-term sustainability can be achieved by good performance in the social, environmental and financial areas. During the year 2012-13, Jubilant continued its corporate social responsibility initiatives in various fields.

Your Company remains focused on its policy of sustainable development by ensuring Equal Opportunities for All, Climate Change Mitigation, Environment, Health and Safety and Green Supply Management. Corporate Sustainability Report on the various social initiatives undertaken by the Company is duly audited by Ernst & Young, and conforms to the Global Reporting Initiative G3.1 Reporting Guidelines launched on March 23, 2011 by Global Reporting Initiative. As a part of our Sustainability Policy with the aim of mitigating impact on environment, like last year, this year too we are sending Corporate Sustainability Report in CD form alongwith the Annual Report to shareholders. The same is also available on your Company's website at www.jubl.com/sustainability-report.html.

Corporate Social Responsibility initiatives of your Company are conceptualised and implemented through Jubilant Bhartia Foundation (JBF), the social wing of Jubilant Bhartia Group established in 2007, as a not for profit organisation. JBF works on 4P model (Public-Private-People-Partnership) for empowering communities and believes that for sustainable social intervention, the people themselves would have to be the drivers of these projects.

Based on the 4P approach, following three major areas have been selected for social initiatives by Jubilant:

- Supporting Government Rural Primary Education System;
- Strengthening Basic Healthcare Facilities; and
- Improving Employability of Local Youths through Vocational Training Programmes.

A summary of the activities of JBF is provided on its website www.jubilantbhartiafoundation.com. Sustainability initiatives are set out in greater detail in the **Corporate Sustainability Report**.

Material Changes and Commitments affecting the financial position of the Company after March 31, 2013

The Company is proposing to explore options and opportunities to raise debt, including by way of issue of foreign currency bonds and/or non-convertible debentures, or by any one or more or a combination of the above or otherwise, to be denominated in Indian rupees or foreign currency, as the case may be, to various eligible investors in or outside India, whether by way of public offering or by way of a private placement, in the best interests of the Company and all its stakeholders, upto an amount not exceeding US \$ 250 million for the purpose of pre-payment of the existing debt and other general corporate purposes without increasing the overall net debt levels of the Company. For this purpose, a committee of the Board of Directors namely 'Issue Committee' has been constituted.

Acknowledgments

Your Directors acknowledge with gratitude the co-operation and assistance received from the Central and State Government

Authorities. Your Directors thank the Shareholders, Private Equity Investors, Financial Institutions, Banks/other lenders, Customers, Vendors and other business associates for their confidence in the Company and its management and look forward to their continued support. The Board wishes to place on record its appreciation for the dedication and commitment of your Company's employees at all levels, which has continued to be our major strength. We look forward to their continued support in the future.

For and on behalf of the Board

Place : Noida
Date : May 7, 2013

Shyam S. Bhartia
Chairman & Managing Director

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

S. No.	Particulars	Plan 2005	Plan 2011																																				
a)	Options granted during 2012-13	None	918,351																																				
b)	Options granted upto March 31, 2013	754,250	1,809,734																																				
c)	Pricing formula	Market Price of Share as on the date of Grant, as per SEBI Guidelines																																					
d)	Options vested upto March 31, 2013	463,245	117,777																																				
e)	Options exercised upto March 31, 2013	328,969	None																																				
f)	Total number of shares arising as a result of exercise of Options upto March 31, 2013	16,44,845 Equity Shares of ₹ 1 each	None																																				
g)	Options lapsed/forfeited upto March 31, 2013	279,838	224,679																																				
h)	Variation of terms of Options upto March 31, 2013	<p>Modifications made on July 04, 2008:</p> <p>i) The vesting period for the Options granted was accelerated so that 10% of the Options vest on the 1st Anniversary of the Grant date and 90% vest on 2nd Anniversary of the Grant date subject to certain lock-in provisions. Summary of vesting and lock-in provisions is given below:</p> <p>Vesting Schedule (with Lock-in) Applicable for grants made upto August 28, 2009</p> <table border="1"> <thead> <tr> <th>Vesting Date</th> <th>% of Options scheduled to vest</th> <th>Lock-in Period</th> </tr> </thead> <tbody> <tr> <td>1 year from grant date</td> <td>10</td> <td>NIL</td> </tr> <tr> <td>2 years from grant date</td> <td>15</td> <td>NIL</td> </tr> <tr> <td>2 years from grant date</td> <td>20</td> <td>1 year from vesting date</td> </tr> <tr> <td>2 years from grant date</td> <td>25</td> <td>2 years from vesting date</td> </tr> <tr> <td>2 years from grant date</td> <td>30</td> <td>3 years from vesting date</td> </tr> </tbody> </table> <p>ii) Modification carried out to explicitly provide for recovery of Fringe Benefit Tax from the respective employees in respect of the exercise of Stock Options by them, in terms of Section 115WKA of the Income Tax Act, 1961</p> <p>Modification made on November 26, 2008: Constitution of Jubilant Employees Welfare Trust for the purposes of acquisition of equity shares of the Company from the secondary market or subscription of shares from the Company, to hold the shares and to allocate / transfer these shares to eligible employees of the Company, on such terms and conditions, as specified under the Jubilant Employees Stock Option Plan 2005</p> <p>Modification made on August 28, 2009: The Options granted after August 28, 2009 will vest gradually over a period of 5 years from the grant date, without any lock-in provisions. Summary of vesting and lock-in provisions is given below:</p> <p>Vesting Schedule (without Lock-in) Applicable for grants made after August 28, 2009</p> <table border="1"> <thead> <tr> <th>Vesting Date</th> <th>% of Options scheduled to vest</th> <th>Lock-in Period</th> </tr> </thead> <tbody> <tr> <td>1 year from grant date</td> <td>10</td> <td>NIL</td> </tr> <tr> <td>2 years from grant date</td> <td>15</td> <td>NIL</td> </tr> <tr> <td>3 years from grant date</td> <td>20</td> <td>NIL</td> </tr> <tr> <td>4 years from grant date</td> <td>25</td> <td>NIL</td> </tr> <tr> <td>5 years from grant date</td> <td>30</td> <td>NIL</td> </tr> </tbody> </table>	Vesting Date	% of Options scheduled to vest	Lock-in Period	1 year from grant date	10	NIL	2 years from grant date	15	NIL	2 years from grant date	20	1 year from vesting date	2 years from grant date	25	2 years from vesting date	2 years from grant date	30	3 years from vesting date	Vesting Date	% of Options scheduled to vest	Lock-in Period	1 year from grant date	10	NIL	2 years from grant date	15	NIL	3 years from grant date	20	NIL	4 years from grant date	25	NIL	5 years from grant date	30	NIL	No Variation
Vesting Date	% of Options scheduled to vest	Lock-in Period																																					
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S. No.	Particulars	Plan 2005	Plan 2011
		Modification made on September 28, 2010:	
		The Plan was modified to incorporate special provisions consequential to Scheme of Amalgamation & Demerger amongst the Company, Jubilant Industries Ltd. & Others and to provide:	
		(i) that an Option holder who is continuing with the Company, would be entitled to not only the equity shares of the Company but also the equity shares of Jubilant Industries Limited in accordance with the share exchange ratio i.e. 1 equity share of ₹ 10 each of Jubilant Industries Limited (JIL Share), free of cost, for every 20 equity shares of ₹ 1 each of the Company when such Options holder pays the exercise price in accordance with the Plan	
		(ii) that the Lock-in provisions, in accordance with the Plan, wherever applicable to the equity shares of the Company will also apply to the JIL Shares acquired by a Participant	
		(iii) for other specific provisions applicable to Participant(s) transferred to Jubilant Industries Limited, including provision for accelerated vesting of Options on Effective Date, in case Options were granted at least one year before the Effective Date but not vested upto that date	
i)	Money realised by exercise of Options upto March 31, 2013	Received by the Company as subscription for allotment of 114,835 shares - ₹ 23,170,959 Received by Jubilant Employees Welfare Trust on transfer of 1,530,010 shares - ₹ 309,427,888 Total - ₹ 332,598,847	NIL NIL NIL
j)	Total number of Options in force upto March 31, 2013	145,443	1,585,055
k)	Employee-wise details of Options granted during 2012-13 to:		
	i) Senior Management Personnel	NIL	As per Annexure A(i)
	ii) any other employee who received a grant in any one year of Options amounting to 5% or more of Options granted during that year	NIL	NIL
	iii) identified employees who are granted Options, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	NIL	NIL
l)	Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of Option calculated in accordance with Accounting Standard (AS) - 20	The Company has calculated the employee compensation cost using the intrinsic value method of accounting to account for Options issued under "Jubilant Employees Stock Option Plan 2005" and "JLL Employees Stock Option Plan 2011". The stock based compensation cost as per the intrinsic value method for the financial year 2012-13 is NIL	

S. No.	Particulars	Plan 2005	Plan 2011																										
m)	Where the Company has calculated the employee compensation cost using the intrinsic value of the Options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognised if it had used the fair value of the Options, shall be disclosed. The impact of this difference on profits and on EPS of the Company shall also be disclosed	<p>If the employee compensation cost was calculated as per the fair-value of Options based on Black Scholes methodology, read with Guidance Note on "Accounting for Employee Share-based Payments" issued by Institute of Chartered Accountants of India, the total cost to be recognised in the financial statements for the year 2012-13 would be ₹ 37.05 million. The effect of adopting the fair value method on the net income and earnings per share is presented below:</p> <p>Pro Forma Adjusted Net Income and Earnings Per Share:</p> <table border="1"> <thead> <tr> <th>Particulars</th> <th>₹/Million</th> </tr> </thead> <tbody> <tr> <td>Net Income - As Reported</td> <td>(433.23)</td> </tr> <tr> <td>Add: Intrinsic Value Compensation Cost</td> <td>Nil</td> </tr> <tr> <td>Less: Fair Value Compensation Cost</td> <td>25.03</td> </tr> <tr> <td>Adjusted Pro Forma Net Income</td> <td>(458.26)</td> </tr> <tr> <td>Earnings Per Share of ₹ 1 each</td> <td></td> </tr> <tr> <td><u>Basic (In ₹)</u></td> <td></td> </tr> <tr> <td>As Reported</td> <td>(2.72)</td> </tr> <tr> <td>Adjusted Proforma</td> <td>(2.87)</td> </tr> <tr> <td>Earnings Per Share of ₹ 1 each</td> <td></td> </tr> <tr> <td><u>Diluted (In ₹)</u></td> <td></td> </tr> <tr> <td>As Reported</td> <td>(2.72)</td> </tr> <tr> <td>Adjusted Proforma</td> <td>(2.87)</td> </tr> </tbody> </table>	Particulars	₹/Million	Net Income - As Reported	(433.23)	Add: Intrinsic Value Compensation Cost	Nil	Less: Fair Value Compensation Cost	25.03	Adjusted Pro Forma Net Income	(458.26)	Earnings Per Share of ₹ 1 each		<u>Basic (In ₹)</u>		As Reported	(2.72)	Adjusted Proforma	(2.87)	Earnings Per Share of ₹ 1 each		<u>Diluted (In ₹)</u>		As Reported	(2.72)	Adjusted Proforma	(2.87)	
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As Reported	(2.72)																												
Adjusted Proforma	(2.87)																												
n)	Weighted-average exercise prices and weighted-average fair values of Options shall be disclosed separately for Options whose exercise price either equals or exceeds or is less than the market price of the Options	<p>(i) Where exercise price equals the market price of the Options:</p> <ul style="list-style-type: none"> - Weighted average of exercise prices of Options: ₹ 227.05 - Weighted average of fair values of Options: ₹ 104.05 <p>(ii) Where exercise price exceeds the market price of the Options: Not Applicable</p> <p>(iii) Where exercise price is less than the market price of the Options: Not Applicable</p>	<p>(i) Where exercise price equals the market price of the Options:</p> <ul style="list-style-type: none"> - Weighted average of exercise prices of Options: ₹ 210.47 - Weighted average of fair values of Options: ₹ 104.70 <p>(ii) Where exercise price exceeds the market price of the Options: Not Applicable</p> <p>(iii) Where exercise price is less than the market price of the Options: Not Applicable</p>																										
o)	A description of the method and significant assumptions used during the year to estimate the fair values of Options, including the following weighted-average information:	Not applicable as no Options were granted during the year	The fair value has been calculated using the Black Scholes Option Pricing Model																										
	i) date of grant		<table border="1"> <thead> <tr> <th></th> <th>July 23, 2012</th> <th>December 5, 2012</th> </tr> </thead> <tbody> <tr> <td></td> <td>8.06%</td> <td>8.16%</td> </tr> <tr> <td></td> <td>5.65 years</td> <td>5.65 years</td> </tr> <tr> <td></td> <td>41.41%</td> <td>41.59%</td> </tr> <tr> <td></td> <td>0.68%</td> <td>0.68%</td> </tr> <tr> <td></td> <td>₹ 170.20</td> <td>₹ 220.90</td> </tr> </tbody> </table>		July 23, 2012	December 5, 2012		8.06%	8.16%		5.65 years	5.65 years		41.41%	41.59%		0.68%	0.68%		₹ 170.20	₹ 220.90								
	July 23, 2012	December 5, 2012																											
	8.06%	8.16%																											
	5.65 years	5.65 years																											
	41.41%	41.59%																											
	0.68%	0.68%																											
	₹ 170.20	₹ 220.90																											
	ii) risk-free interest rate																												
	iii) expected life																												
	iv) expected volatility																												
	v) expected dividends																												
	vi) price of the underlying share in market at the time of Option grant																												

ANNEXURE – A(i)**Employee-wise details of Options granted during 2012-13 to Senior Managerial Personnel under JLL Employees Stock Option Plan 2011**

S.No.	Name of Employee	No. of Options Granted
1	Bang Shyamsundar	56,310
2	Sankaraiah R.	56,310
3	A Morales, Marcelo	43,302
4	Agarwal Ashutosh (Dr.)	40,366
5	Yadav Pramod	38,033
6	Srivastava Rajesh Kumar	38,033
7	Agrawal Neeraj	36,380
8	Khanna Ajay	22,916
9	Basak Subir (Dr.)	22,108
10	Soni Manoj Devendra	20,271
11	Muhuri Goutam	19,510
12	Pande Anant	19,343
13	Sengar Chandan Singh	18,441
14	Singh Sudhir (Dr.)	15,741
15	Khare V. P.	13,991
16	Sharma Arun K.	12,837
17	Treasure Cecil Prem	12,053
18	Srivastava A. P.	11,651
19	Kulshrestha Vimal Deep	11,413
20	Arora Amit	10,708
21	Sahrawat Samai Singh	10,638
22	Prakash Chandra Bisht	10,514
23	Gupta Kulbhushan	9,870
24	Mehta Umesh	9,716
25	Tiwari Ravindra	8,278
26	Verma Inder Mohan (Dr.)	7,500
27	Trehan Naresh (Dr.)	7,500
28	Shroff S. Shardul	7,500
29	Kumar Suresh	7,500
30	Khan H. K.	7,500
31	Singh Surendra	7,500
32	Rajagopal Sriram	6,794
33	Aggarwal Nidhi (Ms.)	6,318
34	Barua Kankana (Ms.)	5,913
35	Jain Lalit Kumar	5,104
36	Sharma Devinder	4,925
37	Rao T. Venkataswara	1,988
38	Trivedi Vinod Kumar	551

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

A. Conservation of Energy

(a) Energy Conservation Measures Taken

- To reduce steam consumption by 2.8 TPH in Pyridine Distillation (Reflux Optimisation & Hot refluxing)
- To reduce steam consumption norm in raffinate distillation from 0.33 to 0.23 MT/KL raffinate
- To reduce Specific Power consumption in Ethyl Acetate plant from 145 to 120 KW/MT of Ethyl Acetate and in Acetic Anhydride Plant from 323 to 310 KW/MT of Acetic anhydride
- To reduce Steam consumption norm in Ethyl Acetate plant from 2.71 to 2.55 MT/MT Ethyl Acetate
- To reduce Organic raffinate incineration cost from 5000 to 2600 ₹/KL (Fuel/Energy Cost)
- Toluene, O-xylene and Methanol recovery & recycle enhancement in Irbesartan
- Enhancement of recycling MDC in Valsartan
- Reduction in steam cost by replacing Furnace Oil with bio-diesel
- Power Reduction by interlocking VFD cooling fan running to VFD panel operation in Incinerator ID fan
- Power reduction by optimisation of Vacuum pump operations in Plant
- Enhancement of solvent recovery & recycle in Esomeprazole
- To reduce power consumption in Distillery by 1800 KWH/day by Segregating high and low head consumers in cooling water system & trimming pump impeller
- Power saving of 240 KWH/day by stopping distillery process water supply pump from existing pump.
- Power saving of 552 KWH/day by replacing existing blowers with low speed high flow blower in Biogas area
- Power saving from 517 KWH/day to 282 KWH/day by improving centrifuge performance by introducing polyelectrolyte for faster separation.
- Power saving by 7 KWH/MT by converting open loop Chilled water system to Closed loop system & stopping primary hot well pumps in all the plants
- To reduce steam consumption norms in Acetic Anhydride plant II by 0.2 MT/MT by utilising flash steam for preheating feeds
- Reduction in power norms from 280 KWH/MT to 250 KWH/MT of Acetic Anhydride plant
- Reuse of Vacuum pump drain & steam ejector drain water for DA dilution (12 m³/day) and recycling of RO Reject water (200 m³/d).

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

- Steam norm reduction in 3CP from 16.75 to 15.75 MT/MT 3CP Production
- Steam Norm reduction by enhancing Beta capacity from 16TPD to 36 TPD Pyridine plant
- To reduce steam cons. by installing Hydrojet ejector in place of Steam Ejector for Distillation column and reactors
- To reduce Steam Norm in Acetic Anhydride Plant (Steam Reduction in Acetic Acid Concentration in DA plant)
- To reduce Power Cons Norm in AC2O Plant from 310 KW/MT to 290 KW/MT
- To reduce Steam consumption norm from 2.48 to 2.32 MT/MT EA Production
- Reduction in Steam consumption norms from 3.1 to 2.8 MT/MT in EA-I plant by improving separation in decanter
- To reduce power norms of EA III & IV by providing common energy efficient chilling system and in Acetic Anhydride -II and EA-5 by trimming Cooling water pump impellers
- To reduce Specific steam consumption by 0.1 MT/MT in EA-I to EA-V plants by Process optimisation & heat recoveries (Pinch Technology)
- Reduction in steam consumption norms of distillery by installing multi pass PHE for effective waste heat recovery from spent wash.

Expected investment in above initiatives is ₹ 23 million approx.

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

- Reduction in steam and power consumption norms
- Improvements in process & norms
 1. Saving due to (a) conservation of energy: ₹ 80 million per annum, approx.
 2. Saving due to (b): ₹ 73 million per annum, approx.

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

FORM A

A. Power & Fuel Consumption

			2012-13	2011-12
1.	Electricity			
	a. Purchased			
	i) Units	KWH	109,084,790.99	75,063,054.00
	ii) Total Amount	₹ in million	779.34	491.63
	iii) Rate / Unit	₹/KWH	7.14	6.55
	b. Own Generation			
	- Through DG			
	i) Units	KWH	4,810,654.00	3,968,770.00
	ii) Unit per litre of RFO/LDO	KWH/LTR	3.38	3.43
	iii) Cost / Unit	₹/KWH	12.84	11.71
	- Through Steam Turbine Generator*			
	i) Units	KWH	143,689,896.00	150,144,401.00
	ii) Units per MT of Steam	KWH/MT	509.76	497.43
	iii) Cost / Unit	₹/KWH	2.69	2.14
2.	Coal**			
	Quantity	MT	411,592.45	387,751.51
	Total Cost	₹ in million	1,843.22	1,421.25
	Average Rate	₹/MT	4,478.27	3,665.37
3.	Steam Purchased			
	Quantity	MT	231,728.03	110,975.71
	Total Cost	₹ in million	338.80	187.99
	Average Rate	₹/MT	1,462.08	1,694.00
4.	Furnace Oil			
	Quantity	KL	11,466.65	15,144.93
	Total Cost	₹ in million	490.42	582.63
	Average Rate	₹/KL	42,769.44	38,470.09
5.	Natural Gas			
	Quantity	SM ³	1,619,524.00	634,624.00
	Total Cost	₹ in million	44.98	14.96
	Average Rate	₹/SM ³	27.77	23.58
6.	Biomass Briquettes			
	Quantity	MT	8,057.38	2,813.00
	Total Cost	₹ in million	45.32	13.61
	Average Rate	₹/MT	5,625.25	4,837.00
7.	Bio Diesel***			
	Quantity	KL	965.26	-
	Total Cost	₹ in million	38.88	-
	Average Rate	₹/KL	40,281.05	-
8.	Others/Internal Generation			
	Internal Generation - Biogas			
	Quantity	NM ³	30,219,147.00	31,752,935.00
	Total Cost [^]	₹ in million	17.06	17.01
	Average Rate	₹/NM ³	0.56	0.54

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

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

*** Bio Diesel is being used in one of the Plants as it is a cleaner and economical fuel.

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

B. Consumption per Unit of Production

		2012-13	2011-12 ^{^^}
Pharmaceuticals & Life Science Chemicals			
Electricity	KWH/MT	375.82	382.46
Steam	MT/MT	3.38	3.43
Furnace Oil [@]	LT/MT	9.78	20.42
Coal	MT/MT	0.02	0.03
Natural Gas	SM ³ /MT	1.91	1.55
Bio Gas	NM ³ /MT	44.71	45.18
Pharmaceuticals & Life Science Chemicals (Dosage)			
Electricity	KWH/NO.	0.01	0.01
Steam	MT/NO.	0.00	0.00
Furnace Oil	LT/NO.	0.00	0.00
Bio Gas	NM ³ /NO.	-	-

^{^^} Previous year figures have been re-stated.

[@] Furnace oil has been replaced by Biogas in some plants.

B. Technology Absorption**(e) Efforts made in technology absorption as per Form B below:****FORM B****Research and Development (R&D):**

The Company has R&D Centres in India at Noida, Gajraula, Nanjangud and Savli. The Company has 493 R&D Employees out of which 85 are doctorates and others are post graduates and graduates. R&D supports the activities of various businesses through new product and process development, process intensification, absorption technology and establishing technologies at commercial scale, focusing green chemistry guidelines. R&D is a focal point for the continuous improvements of existing processes throughout the life cycle of the product.

1. Specific areas in which R&D carried out by the Company:**(i) Active Pharmaceutical Ingredients and Dosage Forms**

- Non-infringing Process development of generic APIs
- Non-infringing Process development of generic APIs
- Non-infringing process development of generic high potency APIs
- Selection & optimisation of optimum PolyState Form of generic APIs
- Value creation in existing APIs through process improvement/intensification
- Development of chiral molecules through chemical and biological process
- Development of generic solid oral dosage forms for Human and

Veterinary use meeting the Global Regulatory requirements

- Development of Novel Drug Delivery System
- Development of injectable generic and ophthalmic products
- Development of new validated analytical methods for non-compensia products and sending them to Pharmacopoeial committee for inclusion in the Pharmacopoeia
- Electronic submissions of ANDA/DMF filings in Regulated and Emerging markets

(ii) Biotechnology

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

(iii) Fine Chemicals and Proprietary Products

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

- Development of animal health care products
- (iv) Contract Manufacturing Outsourcing (CMO) and Drug Discovery & Development Services (DDDS)**

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

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

- Strong position in generic Pharma businesses in regulated markets
- During the year, 9 Abbreviated New Drug Applications (ANDAs) were filed with the USFDA and 5 ANDAs approvals received, 6 EU MA's were filed and 3 EU MA's approvals received, 11 ANDSs were filed and 7 ANDSs approvals received from Health Canada, 232 ROW applications were filed and 62 approvals received
- 33 ANDAs in US, 13 ANDSs in Canada and 7 MA's in EU are under review with the regulatory agencies
- During the year, the Company filed 7 USDMFs, 4 EDMFs, 4 Canada DMFs, 2 AUS DMFs, 2 Singapore DMFs, 1 Taiwan DMFs, 3 Russia Registration, 4 China Registration and 1 CEPs (COSSs)
- Partners of Choice for global pharmaceuticals and agrochemical companies
- Global leadership in selected segments of our business
- Development of new products
- Generation of own Intellectual property Rights (IPRs) to provide competitive edge. During the year, 19 Process Patents were filed and 13 Process Patents granted for Chemicals and Life Science Ingredients
- Application to make generic production in Brazil
- Marketing authorisation application in Australia
- Major growth in export of our products

- Competitiveness in cost and quality
- Effective effluent management

3. Future Action Plan

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

4. Expenditure on R&D

(₹ in million)

	2012-13	2011-12
(a) Capital	990.52	701.99
(b) Recurring	446.98	345.69
(c) Total	1437.50	1047.68
(d) Total R&D expenditure as a percentage of turnover	4.57%	3.97%

Technology Absorption, Adaptation and Innovation:

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

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

of our manufacturing plants to provide better services to our customers.

2. Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution etc.

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

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

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

Not Applicable

C. Foreign Exchange Earnings and Outgo

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

- Activities relating to exports

Jubilant achieved 32% export growth over the previous year in value terms. During FY 2013, exports were ₹ 18,086 million, as compared to ₹ 13,679 million in the previous year. Exports continued to contribute over 58% of Net Revenue from Operations during FY 2013.

- Initiatives taken to increase exports

The Company performed well in its exports to Americas & Europe and its growth was 31% during FY 2012-13 as compared to the previous year. The Company's exports to Americas & Europe were ₹ 11,096 million during FY 2012-13 as against ₹ 8,471 million of the previous year. The Company during the year expanded its geographical base with its entry in new European countries, Latin America and emerging markets. The Company is making big inroads in Neutraceuticals intermediaries markets in Korea, Japan and now, in China. In China, though the prices were under pressure, the Company maintained its market share in Pyridine segment, rather increased in volumetric terms. Acetyls demand is growing substantially in European market through our

own warehousing at Antwerp. Our finished dosage forms are now exported to over 30 countries across various continents.

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

- Development of new export markets for products and services

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

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

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

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

- Export Plans

Going forward, the Company intends to keep its focus on being Pharmaceuticals and Life Sciences major across the established markets, and introduce number of products in the new markets. Your Company would strive to sustain the existing business in China. The Company is focusing on Asian markets for Acetyls and

Nutritional products. Your Company would emphasise on giving customised service and being reliable partner, as product's quality is already well established in Europe, USA and Japan.

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

Your Company has already entered into contracts with major Agrochemical companies to ensure smooth supplies of Symtet, an intermediate for Chloroprifos, from Company's new SEZ manufacturing site from May 2012 onwards. Your Company has entered into contracts with major consumers of 2-Chloro Pyridine in Korea

and Japan to cater to Nutraceutical segment in a sustainable way.

- Approach towards Foreign Exchange Risk Management

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

(g) Total Foreign Exchange used and earned

(₹ in million)

	2012-13	2011-12
Foreign Exchange used	8,378	10,295
Foreign Exchange earned	18,086	13,679

ANNEXURE - C

STATEMENT UNDER SECTION 217(2A) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 AND FORMING PART OF DIRECTORS' REPORT FOR THE YEAR ENDED MARCH 31, 2013

S. No.	Employee Name	Designation & Nature of Duties	Qualification	Total Work Experience (Years)	Date of Commencement of Employment	Age	Remuneration (₹)	Previous Designation	Name of the Company
A	Employed for Full Year and In Receipt of Remuneration for the Year which in Aggregate was not less than ₹ 6,000,000								
1	Agarwal Ashutosh (Dr.)	CSO - Chemicals & Life Science Ingredients	M.Sc., Ph.D	33	Aug. 20, 1998	55	19,371,788	DGM - Organic Chemical Business	Ballarpur Industries Ltd.
2	Aggarwal Nidhi (Ms.)	Senior Vice President - Investor Relations	B.Com, MBA, DBF	22	Sep. 01, 2010	46	6,922,020	AED - Investor Relation	Dalmia Cement (Bharat) Ltd.
3	Agrawal Neeraj	CEO - Generics	B.Tech (Elect.), MBA	16	June 02, 2003	40	21,724,710	Business Strategy	Mckinsey & Company
4	Arora Amit	Senior Vice President - Financial Planning & Analysis	CA, CWA	19	Aug. 12, 2010	42	8,203,037	Vice President - Finance Operations	HSBC Electronic Data Processing India Pvt. Ltd.
5	*Bang Shyamsundar	Executive Director - Manufacturing & Supply Chain	B.Tech. M.Tech.	43	Feb. 01, 1997	62	21,309,557	President	Enpro India Ltd.
6	Bhaskar Rajesh	Head - R&D Formulations	M.Pharma	28	July 26, 2004	53	10,797,997	Associate Director	Ranbaxy Laboratories Ltd.
7	Bisht Prakash Chandra	Senior Vice President - Group Accounts	B.Com, CA	26	Apr. 23, 2009	49	8,014,549	Head-Accounts	Apollo Tyres Ltd.
8	Gupta Kulbhushan	Head of Business Excellence & Six Sigma	B.E.	18	Aug. 18, 2003	41	10,542,088	Quality Leader Training Development	IGE Ltd.
9	Khanna Ajay	President-Strategy & Corporate Affairs	B.Com, LL.B	32	June 01, 2009	53	15,896,999	Partner	Accenture India
10	Khare V. P.	President - International Sales	B.Sc., Diploma in Export Marketing	38	May 15, 1998	56	7,752,030	Deputy General Manager	Rajasthan Petro & Synthetics Ltd.
11	Kulshrestha Vimal Deep	Senior Vice President & Business Unit Head - Ethanol & Specialty Gases	B.Tech. (Chemical Engg.)	26	June 28, 1995	48	7,714,837	Assistant Manager - Poly	Modipon Fibers Company
12	Muhuri Goutam (Dr.)	President R&D - Dosage Forms	M.Pharma, Ph.D	22	Dec. 15, 2010	54	15,869,636	Director- Pharmaceutical Research and Development	Teva Pharmaceuticals Inc., New York
13	Pande Anant	President - Manufacturing	B.E.(Hons)-Chemical, M.Sc.(Hons)-Chemistry	26	April 12, 2010	50	12,913,705	Chief Operating Officer	Indo Greenfuel Pvt. Ltd.
14	Rao T. Venkataswara	Business Unit Head - Fine Chemicals	B.Sc., PGDBM	30	July 17, 1986	55	7,355,113	Sales Officer	Punjab Alkalies & Chemicals Ltd.

S. No.	Employee Name	Designation & Nature of Duties	Qualification	Total Work Experience (Years)	Date of Commencement of Employment	Age	Remuneration (₹)	Previous Employment held
								Designation
15	Sahrawat Samai Singh	Senior Vice President - HR	MSW	34	April 03, 1989	58	7,841,112	Assistant Manager Hero Honda Motors Ltd.
16	Sankaraiah R.	Executive Director - Finance	B.Sc., FCA	29	Sept. 09, 2002	54	36,172,757	GM Finance SRF Ltd.
17	Sengar Chandan Singh	President-Acetyls & Ethanol	B.Sc., MBA	27	July 13, 1988	49	11,077,115	Assistant Officer J.K.Synthetics Ltd.
18	Sharma Arun K.	Senior Vice President - Group Finance	B.Sc., CA	24	Aug. 27, 2003	47	9,136,772	GM - Treasury & Financial Resources Escorts Ltd.
19	Soni Manoj Devendra	President - Supply Chain	B.Tech. (Mechanical)	28	July 20, 2007	51	9,191,462	GM - Supply Chain New Holland Tractors
20	Srivastava A. P.	Senior Vice President - Corporate Affairs	B.A.	40	Nov. 17, 1990	67	8,053,436	Manager Reliance Industries Ltd.
21	Srivastava Rajesh Kumar	CEO-Fine Chemicals & CRAMS	B.Tech., MMM	26	Aug. 19, 2000	48	18,913,683	Marketing Manager Ranbaxy Fine Chemicals Ltd.
22	Venkatraman Prakash	Growth Unit Head - API	B.E., MBA	22	May 10, 2010	47	9,284,588	Associate Vice President Wockhardt Ltd.
23	Yadav Pramod	CEO - Advance Intermediates & Nutritional Products	B.Sc. (Tech.), MMM	26	Sep. 04, 1995	50	18,568,837	Marketing Manager (North) Bhansali Engg. Polymers Ltd.
24	Treasure Cecil Prem	Chief of Human Resources	PG in Personnel Management, LL.B	23	Oct. 18, 2011	52	8,541,678	Director HR Thermo Fisher Scientific Inc.
25	Vir Dharam	Head - API (R&D)	B.Sc., M.Sc., Ph.D	25	Dec. 9, 2008	52	7,205,932	Associate Director Ranbaxy labs Ltd.
26	Mehta Umesh	CIO - India	B.Sc., PGLSCM	24	Sep. 1, 2010	47	7,125,588	Vice President Asia Motor Work Ltd.
27	George Blesson	Head - Business HR	B.Sc., MBA (HR)	18	Feb. 14, 2011	43	6,166,459	HR Head India industrial Schneider-Electric Pvt. Ltd.

Directors' Report

S. No.	Employee Name	Designation & Nature of Duties	Qualification	Total Work Experience (Years)	Date of Commencement of Employment	Age	Remuneration (₹)	Previous Employment held	
								Designation	Name of the Company
B.	Employed for Part of the Year and in Receipt of Remuneration which in aggregate was not less than ₹500,000 p.m.								
1	Dixit Mukul	Senior Vice President - Projects Execution	B.E. (Chem)	28	July 24, 2007	50	7,924,127	ED-Operations	Chemplast Sanmer Ltd.
2	Kumar Anil	President - Projects	B.Tech.(Chem)	37	Jan. 24, 2006	60	12,972,882	President-Technical	Bajaj Hindustan Ltd.
3	Mitra Biswajit	Senior Vice President - Operations	B.Sc. (Chem), B.Tech. (Chem), Diploma Indus Safety	25	Sep. 20, 2007	51	5,062,344	Senior Director	Dr. Reddy's Laboratories Ltd.
4	Trivedi Vinod Kumar	Senior Vice President - Manufacturing (Unit Head)	B.E. (Chem)	33	July 4, 2007	53	6,842,081	President & Head	Kanoria Chemicals & Industries Ltd.
5	Shukla Ramakant (Dr.)	Senior Vice President - CQA & Regulatory Affairs	M.Sc., Ph.D	23	Aug. 22, 2012	49	3,408,482	Corporate Quality & Regulatory Affairs	Alembic Pharmaceuticals
6	Gupta Vijayesh Kumar	President India Generics	MBBS, MD	19	Feb. 14, 2013	49	1,597,923	BU Head and Senior Vice President	Zydus Cadila
7	Gaur Anil	Vice President - HR	PGDBM, LL.B	20	Mar. 19, 2013	47	275,360	GM - HR	Maruti Suzuki India Ltd.

Notes:

- *Employment of Mr. Shyamsundar Bang is contractual. Employments of others are governed by the rules and regulations of the Company from time to time.
- All above persons are/were full time employees of the Company.
- None of the above employees is related to any Director of the Company.
- No employee out of above, falls within the meaning of Section 217(2A)(a)(iii) of the Companies Act, 1956.
- Remuneration comprises salary, allowances, perquisites/ taxable value of perquisites including perquisite value of ESOPs exercised.

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

REPORT ON CORPORATE GOVERNANCE

ANNEXURE – D

a) Company's Philosophy

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

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

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

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

Highlights of Jubilant's Corporate Governance Regime are:

- Appropriate mix of Executive and Non-Executive Independent Directors on the Board with more than half Independent Directors bringing in expertise in diverse areas;
- Constitution of several Committees for focused attention and proactive flow of information;
- Emphasis on ethical business conduct by the Board, management and employees;
- Employees Stock Option Plans – to attract, reward and retain key senior executives;
- Active employee participation in place; one top executive on the Board of Directors;
- Business excellence through 'Velocity' initiatives like Six Sigma, lean and world class manufacturing;
- Online monitoring of internal controls on all operations spanning around 1700 control assertions through especially designed software to institutionalise a quarterly system of certification to enable CEO/CFO certification of internal controls as per revised Clause 49 of the Listing Agreement as stipulated by the Securities and Exchange Board of India (SEBI);
- Robust Risk Management and Control Mapping for each of the businesses and for the Company as a whole;
- Timely, transparent and regular disclosures;
- Effective control on statutory compliances by

quarterly online reporting and presentation;

- Paperless meetings of Board and Committees;
- Comprehensive Corporate Sustainability Management System;
- Established Codes of Conduct for Directors and Senior Management as also for other employees;
- Robust Whistle Blower Mechanism and Ombudsman Process;
- Code of Conduct for Prevention of Insider Trading;
- Focus on hiring, retaining and nurturing best talent and to promote a culture of excellence across the organisation. Exhaustive HRD Policies cover succession planning, training and development, employee grievance handling etc.; and
- Regular communication with shareholders including e-mailing of quarterly results and press releases just after release to Stock Exchanges, e-mailing of Annual Reports and Corporate Sustainability Report, obtaining regular and also online feedback.

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

b) Board of Directors:

(i) Composition

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

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

(ii) Policy on positive attributes of Independent Directors

An Independent Director on the Board is expected to:

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

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

(iii) Meetings of the Board

Meetings of the Board are generally held at the Corporate Office of the Company at 1A, Sector 16A, Noida - 201 301, Uttar Pradesh, India. During the year, Jubilant's Board met four times i.e. on May 7, 2012; July 23, 2012; November 5, 2012 and January 29, 2013.

The Company held a minimum of one Board Meeting in each Quarter as required under the Companies

Act, 1956 ('the Act') and maximum gap between any two meetings did not exceed four months which is in compliance with the Listing Agreement.

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

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

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

Composition of the Board of Directors and attendance at the Board meetings and the last Annual General Meeting are given in **TABLE** below:

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

Name and Designation	Category	Attendance at Meetings		
		No. of Board Meetings		Last AGM
		Held During Tenure	Attended	Attended
Mr. Shyam S. Bhartia [#] <i>Chairman & Managing Director</i>	Executive and Promoter	4	4	Yes
Mr. Hari S. Bhartia [#] <i>Co-Chairman & Managing Director</i>	Executive and Promoter	4	3	Yes
Mr. Shyamsundar Bang <i>Executive Director –Manufacturing & Supply Chain</i>	Executive	4	4	Yes
Mr. Abhay Havaladar [@] <i>Director</i>	Non-Executive, Independent	4	3	No
Dr. Inder Mohan Verma <i>Director</i>	Non-Executive, Independent	4	3	No
Mr. Shardul S. Shroff <i>Director</i>	Non-Executive, Independent	4	2	No
Mr. Suresh Kumar [*] <i>Director</i>	Non-Executive, Independent	2	2	No
Mr. H. K. Khan [^] <i>Director</i>	Non-Executive, Independent	4	4	No
Dr. Naresh Trehan ^{^^} <i>Director</i>	Non-Executive, Independent	4	0	No
Mr. Surendra Singh ^{^^^} <i>Director</i>	Non-Executive, Independent	4	4	Yes

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

^{*} Appointed as director w.e.f. July 23, 2012

[@] Nominee of GA European Investments Limited –Private Equity Investor

[^] Ceased w.e.f. April 4, 2013

^{^^} Ceased w.e.f. April 12, 2013

^{^^^} Ceased w.e.f. April 15, 2013

The Board has fixed a tenure of 9 years for Independent Directors. Accordingly, Mr. H. K. Khan, Dr. Naresh Trehan and Mr. Surendra Singh, who had completed 9 years' tenure, ceased to be Directors with effect from April 4, April 12 & April 15, 2013, respectively.

(iv) Other Directorships

Number of directorships and memberships/chairmanships of Board and Committees held by the Directors in other bodies corporate as on March 31, 2013 are as given in **TABLE** below:

NUMBER OF DIRECTORSHIPS HELD IN OTHER COMPANIES AND CHAIRMANSHIPS/MEMBERSHIPS OF COMMITTEES

Name of Director	No. of Directorships in Other Companies [#]			No. of Chairmanships/Memberships of Committees [*]	
	Public	Private	Foreign	Chairmanships	Memberships
Mr. Shyam S. Bhartia	5	20	9	0	0
Mr. Hari S. Bhartia	6	18	3	0	2
Mr. Shyamsundar Bang	3	0	0	0	3
Mr. Abhay Havaldar	3	1	0	0	2
Dr. Inder Mohan Verma	1	0	0	0	0
Mr. Shardul S. Shroff	6	7	0	0	2
Mr. Suresh Kumar	0	0	0	0	0
Mr. H. K. Khan [^]	1	1	0	1	3
Dr. Naresh Trehan ^{^^}	3	10	0	1	3
Mr. Surendra Singh ^{^^^}	4	1	0	2	6

[#] Excluding Section 25 companies and Limited Liability Partnerships

^{*} Only Audit and Investors Grievance Committees of Indian Public Companies, whether listed or not, have been considered pursuant to Clause 49. Committees of Jubilant are also included

[^] Ceased w.e.f. April 4, 2013

^{^^} Ceased w.e.f. April 12, 2013

^{^^^} Ceased w.e.f. April 15, 2013

(v) Code of Conduct

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

(vi) Information Given to the Board

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

- Annual operating plans and budgets and any updates;
- Capital budgets and any updates;
- Quarterly results of the Company and its operating divisions or business segments;
- Minutes of the meetings of various Committees of the Board;
- Information on recruitment and remuneration of senior officers just below the Board level;
- Show cause, demand, prosecution notices and penalty notices, which are materially important;
- Fatal or serious accidents, dangerous

occurrences, any material effluent or pollution problems;

- Material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company;
- Issues which involve possible public or product liability claims of substantial nature;
- Details of any joint venture or collaboration agreement;
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property;
- Significant labour problems and their proposed solutions including any significant development in Human Resources / Industrial Relations front;
- Sale of material nature, of investments, subsidiaries, assets, which is not in normal course of business;
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material;
- Minutes of Board Meetings of unlisted subsidiary companies;
- Statement of significant transactions or arrangements made by unlisted subsidiary companies; and
- Non-compliance of any regulatory, statutory or listing requirements and shareholders service

such as non-payment of dividend, delay in share transfer etc.

Applicable provisions of law are being complied with by the Company. Further, the Company has substantially complied with the Secretarial Standards (SS) recommended by the Institute of Company Secretaries of India (ICSI) from time to time.

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

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

c) Committees of the Board

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

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

Major Committees are:

- Audit Committee
- Remuneration Committee
- Investors Grievance Committee
- Corporate Governance Committee
- Sustainability Committee
- Finance Committee
- Compensation Committee

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

Audit Committee

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

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

(i) Terms of Reference

The Audit Committee functions according to its terms of reference that define its composition, authority, responsibility and reporting functions in accordance with Section 292A of the Act, and Clause 49 of the Listing Agreement which, *inter-alia*, include the following:

- (a) Overseeing the financial reporting process and disclosure of financial information to ensure that the financial statements are correct, sufficient and credible;
- (b) Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the Statutory Auditors and the fixation of audit fees;
- (c) Approval of payment to Statutory Auditors for any other services rendered;
- (d) Reviewing with the management, the Annual Financial Statements before they are submitted to the Board for approval, with particular reference to:
 - Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of sub-section (2AA) of Section 217 of the Act
 - Changes, if any, in accounting policies and practices and reasons for the same
 - Major accounting entries involving estimates based on the exercise of judgment by the management
 - Significant adjustments made in the financial statements arising out of audit findings
 - Compliance with the Listing Agreement and other legal requirements relating to financial statements
 - Disclosure of related party transactions
 - Qualifications in the draft audit report
- (e) Reviewing, with the management, the Quarterly Financial Statements before submission to the Board for approval;
- (f) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public issue or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

- (g) Reviewing, with the management, performance of Statutory and Internal Auditors, adequacy of the internal control systems;
- (h) Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit;
- (i) Discussion with internal Auditors of any significant findings and follow up thereon;
- (j) Reviewing the findings of any internal investigations by Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- (k) Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (l) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors;
- (m) Reviewing the functioning of the Whistle Blower Mechanism;
- (n) Approval of appointment of CFO;
- (o) Reviewing the Management Discussion & Analysis of financial condition and results of operations;
- (p) Reviewing the statement of significant related party transactions;
- (q) Reviewing management letters / letters of internal control weaknesses issued by the Statutory Auditors;
- (r) Reviewing the Internal audit reports relating to internal control weaknesses;
- (s) Approving the appointment, removal and terms of remuneration of the Chief Internal Auditor; and
- (t) Reviewing the financial statements of unlisted subsidiary companies.

(ii) Composition

Earlier, the Committee comprised of Mr. Surendra Singh (Chairman), Mr. H. K. Khan, Dr. Naresh Trehan and Mr. Abhay Havaladar. The first three Directors ceased during the first fortnight of April 2013. In their place, Dr. Inder Mohan Verma and Mr. Shyamsundar Bang were co-opted as members of the Committee. Mr. Abhay Havaladar was appointed as the Chairman of the Committee.

Invitees:

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

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

Secretary

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

(iii) Meetings, Quorum and Attendance

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

During the year, the Committee met five times, i.e. on May 7, 2012; July 23, 2012; November 5, 2012; January 29, 2013 and February 7&8, 2013 (two day meeting).

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

AUDIT COMMITTEE ATTENDANCE DETAILS

Name of the Committee Member	Meetings Held During Tenure	Meetings Attended
Mr. Surendra Singh* (Chairman)	5	5
Mr. H. K. Khan**	5	5
Dr. Naresh Trehan***	5	0
Mr. Abhay Havaladar	5	4

* Ceased w.e.f. April 15, 2013

** Ceased w.e.f. April 4, 2013

*** Ceased w.e.f. April 12, 2013

Remuneration Committee

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

(i) Terms of Reference

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

(ii) Composition

Earlier, the Committee comprised of Dr. Naresh Trehan (Chairman), Mr. H. K. Khan, Mr. Surendra Singh and Mr. Abhay Havaladar. The first three Directors ceased during the first fortnight of April 2013. In their place, Mr. Suresh Kumar and Mr. Shardul S. Shroff were co-opted as members of the Committee. Mr. Suresh Kumar was appointed as the Chairman of the Committee.

Invitee

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

Secretary

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

(iii) Meetings, Quorum and Attendance

The Committee meets as and when necessary. The quorum for the meetings is two members.

The Committee met once during the year, i.e., on January 29, 2013, to consider increase in remuneration of Mr. Shyamsundar Bang, Executive Director. The meeting was attended by Mr. Surendra Singh, Mr. Abhay Havaladar and Mr. H. K. Khan.

Investors Grievance Committee

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

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

(i) Terms of Reference

The Committee approves the matters relating to:

- Transfer & Transmission of shares;
- Issue of Duplicate share certificates;
- Redressal of investors' complaints and grievances such as non-receipt of annual reports, dividend payments etc.; and
- Other areas of investor service.

(ii) Composition

Earlier, the Committee comprised of Mr. H. K. Khan (Chairman), Mr. Surendra Singh and Mr. Shyamsundar Bang. The first two Directors ceased during the first fortnight of April 2013. In their place, Dr. Inder Mohan Verma and Mr. Shyam S. Bhartia were co-opted as members of the Committee. Dr. Inder Mohan Verma was appointed as the Chairman of the Committee.

Invitee

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

Secretary

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

(iii) Meetings, Quorum and Attendance

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

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

INVESTORS GRIEVANCE COMMITTEE ATTENDANCE DETAILS

Name of the Committee Member	Meetings Held During Tenure	Meetings Attended
Mr. H. K. Khan* (Chairman)	4	4
Mr. Surendra Singh**	4	4
Mr. Shyamsundar Bang	4	4

* Ceased w.e.f. April 4, 2013

** Ceased w.e.f. April 15, 2013

(iv) Investors Complaints

During the year, the Company received 38 complaints, which were duly resolved. No complaint was pending as on March 31, 2013.

(v) Transfers and Transmissions approved

During the year, the Company received 167 cases (representing 100,844 shares) of share transfer / transposition out of which 95 cases (representing 61,649 shares) were approved and 72 cases (representing 39,195 shares) were rejected on technical grounds.

The Company had around 23,700 investors as on March 31, 2013.

Corporate Governance Committee**(i) Terms of Reference**

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

(ii) Composition

As on date, the Committee comprises of four members namely Mr. Hari S. Bhartia (Chairman), Mr. Abhay Havaladar, Mr. Shardul S. Shroff and Mr. R. Sankaraiah*.

*Not a Director

Secretary

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

(iii) Meetings, Quorum and Attendance

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

No meeting of the Committee was held during the year.

Sustainability Committee

The Sustainability Committee was constituted to oversee the performance of the Company on triple bottom line indicators viz. Environmental, Economic and Social factors.

(i) Terms of Reference

The Committee is authorised to take all steps and decide all matters pertaining to triple bottom line indicators viz. Environmental, Economic and Social factors.

(ii) Composition

As on date, the Committee comprises of four members namely Mr. Shyam S. Bhartia (Chairman), Mr. Hari S. Bhartia, Mr. Shyamsundar Bang and Dr. Inder Mohan Verma.

Invitee

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

Secretary

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

(iii) Meetings, Quorum and Attendance

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

During the year, the Committee met twice, i.e. on May 7, 2012 and November 5, 2012.

Attendance details of the members are given in TABLE below:

SUSTAINABILITY COMMITTEE ATTENDANCE DETAILS

Name of the Committee Member	Meetings Held During Tenure	Meetings Attended
Mr. Shyam S. Bhartia (Chairman)	2	2
Mr. Hari S. Bhartia	2	2
Mr. Shyamsundar Bang	2	2
Dr. Inder Mohan Verma	2	2

Finance Committee

The Board of Directors of the Company has delegated to the Finance Committee the powers to borrow moneys

and to avail financial assistance from banks, financial institutions etc.

(i) Terms of Reference

- To avail financial assistance from Banks, Financial Institutions, NBFCs, Mutual Funds, Insurance Companies or any other Lenders by way of term loans, working capital loans or any other funding method;
- To approve creation of the mortgages/charges in favour of lenders; and
- To give corporate guarantees to Banks/ Financial Institutions for financial assistance availed by wholly owned subsidiaries.

(ii) Composition

Earlier, the Committee comprised of Mr. Shyam S. Bhartia (Chairman), Mr. Hari S. Bhartia, Mr. Shyamsundar Bang and Mr. Surendra Singh. Mr. Surendra Singh ceased during the first fortnight of April 2013.

Invitee

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

Secretary

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

(iii) Meetings, Quorum and Attendance

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

During the year, the Committee met three times i.e., on October 11, 2012, November 28, 2012 and March 28, 2013.

Attendance details of the members are given in TABLE below:

FINANCE COMMITTEE ATTENDANCE DETAILS

Name of the Committee Member	Meetings Held During Tenure	Meetings Attended
Mr. Shyam S. Bhartia (Chairman)	3	3
Mr. Hari S. Bhartia	3	2
Mr. Shyamsundar Bang	3	1
Mr. Surendra Singh*	3	3

* Ceased w.e.f. April 15, 2013

Compensation Committee

The Compensation Committee had been constituted for administration and superintendence of Employees Stock Option Plans. During the year 2011-12, it was proposed that no further grants may be made under Jubilant

Employees Stock Option Plan 2005 and a new plan be implemented. In view of this, the Committee approved the implementation of a new Stock Option Plan, namely, JLL Employees Stock Option Plan 2011.

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

(i) Terms of Reference

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

(ii) Composition

Earlier, the Committee comprised of Mr. Surendra Singh (Chairman), Mr. H. K. Khan, Mr. Hari S. Bhartia and Mr. Abhay Havaladar. The first two

Directors ceased during the first fortnight of April 2013. In their place, Mr. Shardul S. Shroff was co-opted as member of the Committee. Mr. Abhay Havaladar was appointed as the Chairman of the Committee.

Invitees

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

Secretary

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

(iii) Meetings, Quorum and Attendance

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

The Committee met once during the year, i.e., on July 23, 2012.

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

COMPENSATION COMMITTEE ATTENDANCE DETAILS

Name of the Committee Member	Meetings Held During Tenure	Meetings Attended
Mr. Surendra Singh [*] (Chairman)	1	1
Mr. Hari S. Bhartia	1	0
Mr. H. K. Khan ^{**}	1	1
Mr. Abhay Havaladar	1	1

* Ceased w.e.f. April 15, 2013

** Ceased w.e.f. April 4, 2013

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

d) Remuneration of Directors

(i) Remuneration to Managing/Whole-Time Directors

Mr. Shyam S. Bhartia, Chairman & Managing Director and Mr. Hari S. Bhartia, Co-Chairman & Managing Director, were re-appointed for a period of five years each w.e.f. April 1, 2012. Mr. Shyamsundar Bang was re-appointed as Whole-time Director for a period of five years w.e.f. November 1, 2008.

TABLE below gives the remuneration details including perquisites/ taxable value of perquisites, commission and retirement benefits paid / payable to Managing / Executive Directors for the year 2012-13:

REMUNERATION DETAILS OF MANAGING / WHOLE-TIME DIRECTORS

(Amount in ₹)			
Particulars	Mr. Shyam S. Bhartia	Mr. Hari S. Bhartia	Mr. Shyamsundar Bang
1. Salary	9,960,000	9,960,000	9,578,325
2. Commission	17,500,000	17,500,000	-
3. HRA/House Rent	25,999,998	25,999,998	4,789,164
4. Contribution to Superannuation Fund	-	-	1,436,749
5. Contribution to Provident Fund	1,195,200	1,195,200	1,149,399
6. Perquisite Value of Options*	-	-	-
7. Allowances/ Perquisites**	2,844,792	2,844,792	4,286,128
8. Others	-	-	69,792
Total	57,499,990	57,499,990	21,309,557

The above excludes the provision for gratuity and leave encashment, as the same is calculated on overall company basis. However, gratuity and leave encashment actually paid to Managing Directors / Whole-time Director is included

*Mr. Shyamsundar Bang was given 50,591 Options on October 24, 2011 and 56,310 Options on December 5, 2012 under JLL Employees Stock Option Plan 2011. Each Option confers a right to acquire one Equity Share of ₹ 1 at an exercise price of ₹ 200.05 per share and ₹ 220.90 per share in respect of grants made on October 24, 2011 and December 5, 2012 respectively (being the market price at the time of grant). Till March 31, 2013, 10,118 Options had vested with Mr. Shyamsundar Bang

**Perquisites have been taken at actual value/in accordance with Income Tax Rules prescribed under Income Tax Act, 1961

Service Contracts, Notice Period and Severance Fees

Appointments of Managing Directors and Whole-time Director are contractual.

Appointment of Whole-time Director is terminable by the Company by giving 3 months' notice or salary in lieu thereof.

(ii) Remuneration to Non-Executive Directors

Details of Sitting Fees for Board / Committee Meetings and Commission paid / payable to Non-Executive Directors for the year ended on March 31, 2013 is shown in **TABLE** below:

REMUNERATION DETAILS OF NON-EXECUTIVE DIRECTORS

(Amount in ₹)		
Name	Sitting Fees	Commission*
Mr. Surendra Singh [^]	165,000	1,000,000
Mr. H. K. Khan ^{^^}	150,000	1,000,000
Dr. Naresh Trehan ^{^^^}	Nil	1,000,000
Mr. Abhay Havaladar [§]	-	-
Dr. Inder Mohan Verma	70,000	1,000,000
Mr. Shardul S. Shroff [@]	40,000	1,000,000
Mr. Suresh Kumar	40,000	690,411 [#]
Total	465,000	5,690,411

* Commission to the Non-Executive Directors is payable in terms of a Special Resolution passed by members. The same is payable after the accounts are approved at the next Annual General Meeting

§ Opted not to take any remuneration

Proportionate to the period of Directorship

@ During the year, the Company has paid ₹ 0.74 million as professional fees to M/s. Amarchand & Mangaldas & Suresh A. Shroff & Co., a firm in which Mr. Shardul S. Shroff, Director of the Company, is Managing Partner

[^] Ceased w.e.f. April 15, 2013

^{^^} Ceased w.e.f. April 4, 2013

^{^^^} Ceased w.e.f. April 12, 2013

Number of Equity Shares/ Options in the Company held by Non-Executive Directors as on March 31, 2013 is given in **TABLE** below:

NUMBER OF EQUITY SHARES / OPTIONS HELD BY NON-EXECUTIVE DIRECTORS AS ON MARCH 31, 2013

Name	No. of Equity Shares of ₹ 1/- held	No. of Options under Plan 2005	No. of Options under Plan 2011
Mr. Abhay Havaladar	Nil	NA	NA
Dr. Inder Mohan Verma	Nil	Nil	17,638 [®]
Mr. Shardul S. Shroff	Nil	Nil	15,000 [®]
Mr. Suresh Kumar	Nil	Nil	7,500 [®]
Mr. Surendra Singh [^]	25,000	Nil	15,000 [®]
Mr. H. K. Khan ^{^^}	Nil	4,000 [#]	15,000 [®]
Dr. Naresh Trehan ^{^^^}	Nil	Nil	15,000 [®]

[^] Ceased w.e.f. April 15, 2013

^{^^} Ceased w.e.f. April 4, 2013

^{^^^} Ceased w.e.f. April 12, 2013

[#] Granted on September 6, 2005, where each Option entitles the holder to five Equity Shares of ₹ 1 each, at an exercise price of ₹ 201.33 per Equity Share

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

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

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

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

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

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

f) General Body Meetings

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

Financial Year	Date	Time	Location
2011-12 (34 th AGM)	August 28, 2012	11.30 a.m.	Registered Office: Bhartiagram, Gajraula - 244 223 District Jyotiba Phoolay Nagar, U.P.
2010-11 (33 rd AGM)	August 23, 2011		
2009-10 (32 nd AGM)	September 28, 2010		

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

Meeting	Subject Matter of Special Resolutions Passed
34 th AGM	1. Approval for payment of commission to Non-Executive Directors
33 rd AGM	1. Issue of Options to eligible employees of the Company 2. Issue of Options to eligible employees of subsidiary/holding Companies 3. Grant of authority to Jubilant Employees Welfare Trust
32 nd AGM	1. Payment of Commission to Directors other than the Managing/ Executive Directors 2. Alteration of Articles of Association of the Company 3. Modification of Jubilant Employees Stock Option Plan 2005

(iii) Special Resolutions passed through Postal Ballot last year:

No Special Resolution was passed through Postal Ballot during the year 2012-13.

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

No Special Resolution is proposed to be passed through Postal Ballot.

(v) Procedure for Postal Ballot:

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

g) Disclosures

- (i) The Company does not have any material unlisted Indian subsidiary company;
- (ii) There are no materially significant transactions with the related parties viz. promoters, directors or the management, their subsidiaries or relatives, etc. that may have a potential conflict with the interests of the Company at large. Related party transactions are given at **Note No. 54 of Notes to the Accounts**;
- (iii) The Company has complied with various rules and regulations prescribed by Stock Exchanges, Securities and Exchange Board of India or any other statutory authority relating to the capital markets during the last three years. During the year, no penalties or strictures have been imposed by them on the Company; and
- (iv) Listing fees for the financial year 2013-14 have been paid to the Stock Exchanges on which the shares of the Company are listed.

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

The Policy has been posted on the Company's intranet viz: "[myjubilant](#)". During the year, no personnel were

denied access to the Audit Committee.

h) Means of Communication

- (i) The quarterly results are regularly submitted to the Stock Exchanges and are normally published in leading Business Newspapers of the country like 'Financial Express' and 'Mint' and regional newspapers like 'Dainik Jagran' and 'Hindustan' in accordance with the Listing Agreement;
- (ii) The official news releases, including the quarterly, half yearly and annual results and presentations are posted on the Company's website www.jubl.com;
- (iii) Various sections of the Company's website www.jubl.com keep the investors updated on material developments of the Company by providing key and timely information like details of Directors, financial information, press releases, presentations, stock information etc.;
- (iv) Regular communications are sent to Shareholders including e-mailing of quarterly results just after release to Stock Exchanges, e-mailing of Annual Reports and Corporate Sustainability Report, obtaining regular and also online feedback; and
- (v) The Company works towards excellence in stakeholder communication. It believes in sharing all material information that may directly or indirectly affect the financial and operational performance of the Company and consequently the share price.

An extensive investor outreach program includes hosting a quarterly conference call to share the financial results of the Company along with discussion on the performance of the businesses by the leadership team. This is followed by question and answer session such that whosoever has a question for the management can raise it in the forum. In the 4 quarterly calls that were conducted during the year 2012-13, over 100 participants from brokerage houses, foreign and domestic institutional investors, banks, insurance and portfolio management companies and rating agencies, besides media and others logged into the conference each time to listen to the management discussion and analysis. A detailed docket on the financials and business highlights is released after the Board approves the results for the period. Transcript of the investor call is also available on the website. The Company, as a process, disseminates material information on specific business updates through business or press releases, as is appropriate.

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

i) General Shareholders' Information**(i) Date, time and venue for 35th Annual General Meeting:**

Date and Time	August 27, 2013; 11:30 AM
Venue	Registered Office: Bhartiagram, Gajraula - 244 223 District Jyotiba Phoolay Nagar, U.P.

(ii) Financial Year and Financial Calendar- The Company observes April 1 to March 31 of the following year as its Financial Year. The Financial Calendar for year 2013-14 is as follows:

Item	Tentative Dates *
First Quarter Results	Thursday, August 1, 2013
Second Quarter Results	Tuesday, October 29, 2013
Third Quarter Results	Thursday, February 6, 2014
Audited Annual Results for the year	Tuesday, May 6, 2014

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

(iii) Book Closure & Dividend Payment Dates

As per Notice of 35th Annual General Meeting. The Dividend, if declared, will be paid on or before September 26, 2013.

(iv) Listing

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

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

(vii) Growth in Equity Capital

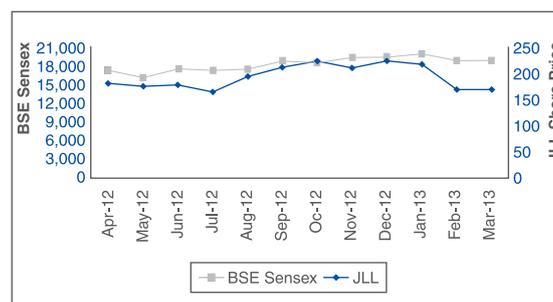
Year	Particulars	Increase in Number of Shares	Cumulative Number of Shares	Face Value (₹)/Per Share
1978	Issue of Shares to initial subscribers	1,200	1,200	10
1981	Issued to Indian promoters	608,370	609,570	10
1981	Issued to Foreign collaborators	655,430	1,265,000	10
1981	Issued to Public through public issue	2,200,000	3,465,000	10
1982-1983	Rights Issue 1: 5	693,000	4,158,000	10
1984-1985	Forfeited on account of non-payment of allotment money	-3,200	4,154,800	10
1986-1987	Conversion of loan into Equity Shares	1,006,180	5,160,980	10
1995-1996	Issued to shareholders of Ramganga Fertilisers Ltd. upon merger with the Company	256,522	5,417,502	10
1999-2000	Issued to Shareholders of Anichem India Limited & Enpro Speciality Chemicals Ltd. upon merger with the Company	839,897	6,257,399	10
2001-2002	Conversion of 1,500,000 Warrants issued to promoters on preferential basis	1,500,000	7,757,399	10
2002-2003	Sub-division of shares from ₹ 10/- to ₹ 5/-	7,757,399	15,514,798	5
2002-2003	Cancellation of shares as per Scheme of Amalgamation of the Company with Vam Leasing Limited & Vam Investments Ltd.	-851,234	14,663,564	5

(v) Market Information

Monthly high / low of the market price of the Company's Equity Shares (of ₹ 1 each) traded on the Stock Exchanges during 2012-13 is given hereunder:

(Amount in ₹)

Month	BSE Limited		National Stock Exchange of India Limited	
	High	Low	High	Low
Apr-12	208.00	177.55	207.90	176.00
May-12	195.50	173.50	194.40	171.25
Jun-12	186.50	170.05	187.00	169.00
Jul-12	178.00	155.00	177.80	153.65
Aug-12	202.10	154.00	201.70	150.70
Sep-12	226.00	171.35	228.40	171.20
Oct-12	243.00	195.00	242.90	200.50
Nov-12	234.30	198.00	234.80	197.30
Dec-12	248.25	206.50	248.60	206.00
Jan-13	237.90	202.05	237.90	202.20
Feb-13	215.40	167.00	217.70	167.10
Mar-13	190.00	157.45	190.00	157.10

(vi) Performance of the Company's Equity Shares vis-a-vis BSE Sensex during 2012-13

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

Year	Particulars	Increase in Number of Shares	Cumulative Number of Shares	Face Value (₹)/Per Share
2003-2004	Issue of Bonus Shares in the ratio of 3: 5	8,798,139	23,461,703	5
2004-2005	Issued to foreign investors on preferential basis	2,424,273	25,885,976	5
2004-2005	Part conversion of FCCBs	27,379	25,913,355	5
2005-2006	Part conversion of FCCBs	1,448,348	27,361,703	5
2005-2006	Issued to foreign investors on preferential basis	990,000	28,351,703	5
2005-2006	Sub-division of shares from ₹ 5/- to ₹ 1/-	113,406,812	141,758,515	1
2005-2006	Part conversion of FCCBs	684,480	142,442,995	1
2006-2007	Part conversion of FCCBs	999,339	143,442,334	1
2006-2007	Issue of shares upon exercise of Options under Jubilant Employees Stock Option Plan, 2005	3,000	143,445,334	1
2007-2008	Part conversion of FCCBs	2,675,375	146,120,709	1
2007-2008	Issue of shares upon exercise of Options under Jubilant Employees Stock Option Plan, 2005	65,205	146,185,914	1
2008-2009	Issue of shares upon exercise of Options under Jubilant Employees Stock Option Plan, 2005	46,630	146,232,544	1
2008-2009	Part conversion of FCCBs	1,309,714	147,542,258	1
2009-2010	Issue of Shares to Qualified Institutional Buyers	11,237,517	158,779,775	1
2010-2011	Issue of Shares under Scheme of Amalgamation & Demerger with Jubilant Industries Ltd and Others	501,364	159,281,139	1

(viii) Appreciation in Share Price

A person who invested ₹ 1 lac in the Company in April, 2001 has holdings worth approximately ₹ 44.48 lacs now as computed below:

Date	Action	No. of Resultant Shares of JLL	Face Value of JLL Shares(₹)	No. of Resultant Shares of JIL	Face Value of JIL Shares(₹)
April 02, 2001	Purchased shares @ ₹ 62.90 per share (BSE Opening Price)	1,589.83	10	NA	NA
November 21, 2002	Sub-division of shares from ₹ 10/- to ₹ 5/-	3,179.65	5	NA	NA
March 18, 2004	Issue of Bonus Shares 3: 5	5,087.44	5	NA	NA
March 24, 2006	Sub-division of shares from ₹ 5/- to ₹ 1/-	25,437.20	1	NA	NA
November 26, 2010	Issue of Shares by JIL pursuant to Demerger	-	-	1271.86	10

Market Value of 25,437.20 Equity Shares of JLL as at the end of Financial Year 2012-13 @ ₹ 169.75 per share is ₹ 4,317,964.70 and Market Value of 1271.86 Equity Shares of JIL as at the end of Financial Year 2012-13 @ ₹ 102.00 per share is ₹ 129,729.72 resulting in an aggregate of ₹ 4,447,694.42. Thus, the investor has multiplied his wealth over 44 times in 12 years, implying a Compounded Annual Growth Rate of 37% approximately. In addition, he has got handsome dividends.

(ix) Compliance Officer

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

(x) Registrar and Transfer Agent

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

M/s. Alankit Assignments Limited, Alankit House, 2E/21, Jhandewalan Extension, New Delhi-110 055; Tel: +91-11-23541234, 42541234; E-mail: rta@alankit.com.

(xi) Share Transfer System

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

(xii) Shareholder Satisfaction Survey

Each year, the Company conducts a survey to assess the shareholders' satisfaction level on the investor services being rendered by the Company, comprising:

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

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

- Excellent
- Very Good
- Good
- Poor

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

The Composite Satisfaction Index arrived as above for the year 2012-13 is 70.12%.

(xiii) Distribution of Shareholding as on March 31, 2013**(a) Value wise**

Shareholding of Nominal Value in ₹	Shareholders		Shareholding	
	Number	% of Total	Number	% of Total
Upto 5000	23,290	98.055	9,772,656	6.135
5001 to 10000	213	0.897	1,537,254	0.965
10001 to 20000	89	0.375	1,295,747	0.813
20001 to 30000	28	0.118	710,639	0.446
30001 to 40000	20	0.084	711,181	0.446
40001 to 50000	16	0.067	719,719	0.452
50001 to 100000	23	0.097	1,590,691	0.999
100001 and above	73	0.307	142,943,252	89.743
Total	23,752	100.00	159,281,139	100.00

(b) Category wise

S. No.	Category	No. of Shares	Shareholding as a Percentage of Total Number of Shares
A	Promoters & Promoter Group	78,115,056	49.04
B	Public Shareholding:		
	1. Financial Institutions / Banks	1,102,032	0.69
	2. UTI / Mutual Funds	1,549,979	0.97
	3. Domestic Companies	15,377,618	9.66
	4. Non Resident Indians	512,529	0.32
	5. FII / Foreign Bodies	44,569,911	27.98
	6. Indian Public / Trust / Others	18,054,014	11.34
	Grand Total	159,281,139	100

(xiv) Code of Conduct for Prevention of Insider Trading

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

The Company Secretary is the Compliance Officer in this regard.

(xv) Unclaimed Dividends

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

Dividends pertaining to the financial years 1994-95 to 2004-05 remaining unpaid, have been transferred to the Investor Education and Protection Fund ('the Fund') established under Section 205C of the Act. As per the said Section, no claims are allowed from the Fund.

In respect of unpaid / unclaimed dividends for the year 2005-06 onwards, the shareholders are requested to write to the Company. Dividends remaining unclaimed for seven years from the date of transfer to unpaid dividend account will be transferred to the Fund as per Section 205A(5) of the Act.

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

Financial Year	Date of Dividend Declaration	Due Date for Transfer to the Fund
2005-06	September 19, 2006	October 22, 2013
2006-07	September 25, 2007	October 30, 2014
2007-08	September 27, 2008	October 30, 2015
2008-09	August 28, 2009	October 01, 2016
2009-10	September 28, 2010	October 31, 2017
2010-11	August 23, 2011	September 24, 2018
2011-12	August 28, 2012	September 29, 2019

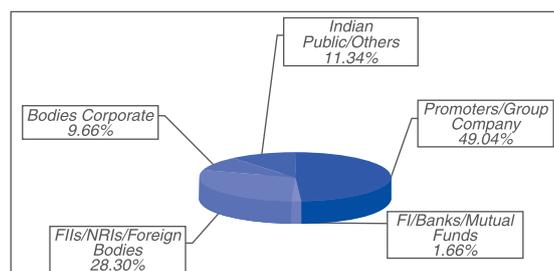
(xvi) Information Pursuant to Clause 49 IV(G)(i) of the Listing Agreement

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

(xvii) Compliance Certificate of the Statutory Auditors

The Company has obtained a Certificate from the Statutory Auditors regarding compliance of conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement. The Certificate is attached as **Annexure E**.

(xviii) Distribution of Shareholding as on March 31, 2013



(xix)(a) Dematerialisation of Shares

The shares of the Company fall under the category of compulsory delivery in dematerialised mode by all categories of investors. The Company has signed agreements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As on March 31, 2013, 157,650,046 Equity Shares of the Company (98.97% of the Paid-up capital) were in dematerialised form.

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

(b) Liquidity

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

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

(a) As on March 31, 2013, there were no FCCBs/ GDRs/ADRs/Warrants outstanding.

(b) Employees Stock Options

The Company had instituted in 2005, Jubilant Employees Stock Option Plan 2005 ('Plan 2005'). Each Option under Plan 2005 entitles the holder to five Equity Shares of ₹ 1 each at the grant price which is the market price at the time of grant. The Board has decided not to grant any further Options under the Plan 2005.

The Company also implemented a new Stock Option Plan - JLL Employees Stock Option Plan 2011 ('Plan 2011') during the year 2011-12. Each Option under Plan 2011 entitles the holder to one Equity Share of ₹ 1 at the grant price which is the market price at the time of grant.

The Company during the year 2012-13, granted 918,351 Options under Plan 2011. As on March 31, 2013, 145,443 Options were outstanding under Plan 2005 and 1,585,055 Options were outstanding under Plan 2011.

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

(c) Paid-up Capital

The Paid-up Capital as at March 31, 2013 stands at ₹ 159,281,139 comprising of 159,281,139 Equity Shares of ₹ 1 each, the same as in previous year.

(xxi) Location of the Manufacturing Facilities

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

(xxii) R&D Centres

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

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

(xxiv) Corporate Identity Number (CIN)

L24116UP1978PLC004624

(xxv) Equity Shares in Suspense Account

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

Particulars	Number of Shareholders	Number of Equity Shares
Aggregate number of shareholders and the outstanding shares in the Unclaimed Suspense Account lying as on April 1, 2012	4,845	2,731,320
Aggregate number of shareholders and the outstanding shares transferred to Unclaimed Suspense Account during 2012-13	0	0
Number of shareholders who approached the Company for transfer of shares from the Unclaimed Suspense Account during 2012-13	144	80,335
Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during 2012-13	144	80,335
Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account as on March 31, 2013	4,701	2,650,985

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

Compliance with Clause 49 of the Listing Agreement

(a) Mandatory Requirements

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

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

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

1. The Board

- **Non Executive Chairman's Office**
Not applicable as Chairman is executive.
- **Tenure of Independent Directors not to exceed 9 Years**
Adopted.

2. Remuneration Committee

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

3. Shareholders' Rights

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

4. Audit Qualifications

Financial statements of the Company contain no audit qualifications.

5. Training of Board Members

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

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

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

6. Mechanism for Evaluating Non-Executive Board Members

Not Adopted.

7. Whistle Blower Policy

Jubilant has a robust Whistle Blower Policy and Ombudsman Process in place to enable any full time employee to voice concerns without fear of retaliation / victimisation / discrimination which is a sine qua non for an ethical organisation. To further augment the Corporate

Governance standards, an independent office of Ombudsman for the Jubilant Group was established during the year. Any issue or concern may be reported by way of e-mail by an employee. The Audit Committee periodically reviews functioning of 'Whistle Blower Mechanism' and the 'Ombudsman Process'.

Corporate Governance Voluntary Guidelines 2009

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

Compliance with Code of Conduct

A declaration by the Chairman & Managing Director that all Directors and Senior Management personnel

have affirmed compliance with the Code of Conduct of the Company for the year ended March 31, 2013 is enclosed as **Annexure F**.

CEO/CFO Certification

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

Secretarial Audit Report

The Company has voluntarily got Secretarial Audit conducted by M/s Sanjay Grover & Associates, Company Secretaries, for the year 2012-13. Their Secretarial Audit Report is enclosed as **Annexure H**.

ANNEXURE – E

AUDITORS' CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE AS PER CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGES

To the Members of

Jubilant Life Sciences Limited

We have examined the compliance of conditions of corporate governance by **Jubilant Life Sciences Limited** ("the Company") for the year ended on March 31, 2013, as stipulated in clause 49 of the Listing Agreements of the Company with the stock exchanges. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India.

The compliance of conditions of corporate governance is the responsibility of the Company's management. Our examination was limited to procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations sought and replies given to us by the Company, its Directors and Officers, we certify that the Company has complied with, in all material respects, the mandatory conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreements.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **K. N. Gutgutia & Co.**
Firm Registration Number : 304153E
Chartered Accountants

Place : Noida
Date : May 7, 2013

B. R. Goyal
Partner
Membership No. 12172

ANNEXURE – F**TO WHOM IT MAY CONCERN**

This is to confirm that all the Board members and senior management personnel have affirmed compliance with the Code of Conduct of the Company for the year ended March 31, 2013.

For **Jubilant Life Sciences Limited**

Place : Noida
Date : May 7, 2013

Shyam S. Bhartia
Chairman & Managing Director

ANNEXURE – G**CERTIFICATE OF CEO/CFO**

This is to certify that:

- (a) We have reviewed financial statements and the cash flow statement for the year 2012-13 and that to the best of our knowledge and belief:
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit committee:
 - i. significant changes in internal control over financial reporting during the year;
 - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

For **Jubilant Life Sciences Limited**

Shyam S. Bhartia
Chairman & Managing Director

R. Sankaraiah
Executive Director – Finance

Place : Noida
Date : May 07, 2013

Secretarial Audit Report**The Board of Directors****Jubilant Life Sciences Limited****Noida**

We have examined the registers, records and documents of Jubilant Life Sciences Limited (hereinafter referred to as “the Company”) for the financial year ended on **March 31, 2013** according to the provisions of-

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

1. Based on our examination and verification of the registers, records and documents produced before us and according to the information and explanations given to us by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company during the audit period covering the financial year 2012-2013 has complied with the provisions of the Act and the Rules made thereunder and the Memorandum and Articles of Association of the Company, with regard to:

- I. maintenance of various statutory registers and documents and making necessary entries therein;
- II. closure of the Register of Members;
- III. forms, returns, documents and resolutions required to be filed with the Registrar of Companies, Uttar Pradesh and Uttarakhand and the Central Government;
- IV. service of documents by the Company on its Members;
- V. notice of the Board meetings and Committee meetings of Directors;
- VI. the meetings of Directors and Committees of Directors;
- VII. the 34th Annual General Meeting held on August 28, 2012;
- VIII. minutes of proceedings of General Meetings and of Board and its Committee Meetings;
- IX. approval of the Members, the Board of Directors, the Committees of Directors and government authorities, wherever required;
- X. constitution of the Board of Directors/Committee(s) of Directors and appointment, retirement of Directors;
- XI. payment of remuneration to the Directors including the Managing Director and Whole- time Directors;
- XII. appointment and remuneration of Auditors and Cost Auditors;
- XIII. transfer and transmission of the Company’s shares;
- XIV. declaration and payment of dividend;
- XV. borrowings and registration of charges;
- XVI. investment of the Company’s funds including loans and investments;
- XVII. form of Balance Sheet as prescribed under Part I of Schedule VI to the Act and requirements as to Statement of Profit & Loss as per Part II of the said Schedule;
- XVIII. contracts, common seal, registered office and publication of name of the Company;

2. We further report that:

- I. The Directors have complied with the requirements as to disclosure of interests and concerns in contracts and arrangements, shareholdings and directorships in other companies and interests in other entities;
- II. The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the code of Conduct for Directors and Senior Management.

- III. The Company has obtained all necessary approvals under the various provisions of the Act, wherever applicable;
 - IV. During the period of Audit, there was no prosecution initiated against or show cause notice received by the Company, its Directors and Officers under the provisions of the Act, SEBI Act and Listing Agreement(s).
3. We further report that :
- I. The Company has complied with the requirements under the Equity Listing Agreements entered into with the BSE Limited and the National Stock Exchange of India Limited.
 - II. The Company has complied with the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
 - III. The Company has complied with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 including the provisions with regard to disclosures and maintenance of records required under the Regulations.

For **Sanjay Grover & Associates**
Company Secretaries

Date : May 03, 2013
Place : New Delhi

Sanjay Grover
FCS No. 4223
C.P No. 3850

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF JUBILANT LIFE SCIENCES LIMITED

Report on the Financial Statements

1. We have audited the accompanying financial statements of JUBILANT LIFE SCIENCES LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the Financial Statements

2. Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments; the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design the audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the financial

statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- (ii) In the case of the Statement of Profit and Loss, of the Loss for the year ended on that date; and
- (iii) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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

For K.N. Gutgutia & Co.

Firm Registration Number: 304153E
Chartered Accountants

B.R. Goyal

Partner

Place : Noida

Date : 7th May, 2013

Membership No. 12172

ANNEXURE TO INDEPENDENT AUDITORS' REPORT

Re: JUBILANT LIFE SCIENCES LIMITED

Referred to in paragraph 7 of our report of even date to the Members of Jubilant Life Sciences Ltd. on the financial statements for the year ended 31st March, 2013.

- i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation, of fixed assets.
 - (b) As explained to us, physical verification of fixed assets has been carried out in terms of the phased programme of verification of its fixed assets adopted by the Company and no material discrepancies were noticed on such verification. In our opinion the frequency of verification is reasonable, having regard to the size of the Company and nature of its business.
 - (c) During the year the Company has not disposed off any substantial/ major part of fixed assets.
- ii) (a) The inventory has been physically verified, during the year, by the management at reasonable intervals.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) On the basis of our examination of inventory records, in our opinion, the Company is maintaining proper records of inventory. In our opinion, discrepancies noticed on physical verification of stocks as compared to book records were not material in relation to the operations of the Company and the same have been properly dealt with in the books of account.
- iii) (a) There are only two Companies (Subsidiaries) covered in the register maintained under section 301 of the Companies Act, 1956 to whom the Company has granted loans. The maximum amount involved during the year was ₹ 2,159.38 million (including the opening balance) and the year end total balance of loans granted to such parties was ₹ 2,159.38 million.
 - (b) In our opinion the rate of interest (wherever leviable) and other terms and conditions on which loans were granted to the said Companies listed in register maintained under section 301 of the Companies Act, 1956 are not prima facie, prejudicial to the interest of the Company. An interest free loan of ₹ 570.05 million has been given to Jubilant Pharma Pte Ltd., Singapore, a subsidiary company, and the same is not considered as prejudicial in view of the fact that the other company is Wholly Owned Subsidiary.
 - (c) The parties pay principal amounts as and when demanded and the parties were regular in the matter of payment of interest, wherever applicable.
 - (d) There is no overdue amount of loan granted to the said companies.
- (e) The Company had taken short term loans from 5 companies covered in the register maintained under section 301 of the Companies Act, 1956. The amount involved was ₹ 530.20 million and the maximum balance was ₹ 532.47 million during the year and the year end balance was ₹ 532.47 million and the loans are repayable on demand. The rate of interest and terms of such loan, prima facie, are not prejudicial to the interest of the Company.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system.
- v) (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the transactions that need to be entered into the register maintained under Section 301 have been so entered.
 - (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register under Section 301 have been made at prices which are reasonable having regard to prevailing market prices, to the extent comparable prices were available, at the relevant time.
- vi) In the case of public deposits received by the Company in the earlier years and remaining unclaimed, the directives issued by the Reserve Bank of India and the provisions of Section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposit) Rules 1975 have been complied with. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- vii) In our opinion, the company has an internal audit system commensurate with the size of the company and the nature of its business.
- viii) We have broadly reviewed the books of account maintained by the company pursuant to the Rules made by the Central Government for the maintenance of the cost records under clause (d) of Sub Section (1) of Section 209 of the Companies Act, 1956 and are of the opinion that prima facie the prescribed accounts and records have been maintained. We are, however, not required to and have not carried out any detailed examination of such accounts and records with a view to determining whether they are accurate or complete.
- ix) (a) According to the records examined by us, the company is regular in depositing with appropriate authorities undisputed statutory dues including

provident fund, investors education and protection fund, employees state insurance, income tax, sales-tax, wealth tax, service tax, custom duty, excise duty, cess and other statutory dues wherever applicable. According to the information and explanations given to us, no undisputed arrears of statutory dues were outstanding as at 31st March, 2013 for a period of more than six months from the date they became payable.

- (b) According to the records of the Company, the dues of customs, service tax, excise duty, cess which have not been deposited on account of disputes and the forum where the dispute are pending are as under:

	Name of the Statute	Nature of the Dues	Amount	Period to which the amount relates	Forum Where dispute is pending
			(₹ in million)		
1	Central Excise Act, 1944	Excise Duty	1.26	April 2001 to March 2002	Joint Commissioner, Pune
		Excise Duty	0.88	Mar-97	Commissioner (Appeal), Meerut
		Excise – EOU	0.80	April, 2007 to November 2007	Commissioner (Appeal), Hapur
		Excise Duty	280.61	April, 2006 to March 2010	CESTAT, New Delhi
		Excise Duty	115.91	April 2007 to March, 2011	Commissioner, Meerut
		Excise Duty	7.36	April 2007 to October 2011	Commissioner, Meerut
		Excise Duty	0.30	April 2007 to March, 2009	Commissioner (Appeal), Pune
		Excise Duty	2.58	Sep 07 to March 2011	Additional Commissioner, Meerut-II
		Excise Duty	0.57	Nov 11-Aug 2012	Assistant Commissioner, Hapur
		Excise Duty	0.27	Sep 2011 - Nov 2011	Commissioner, Mysore
		CENVAT on R&D Input Services	145.26	April 2006 to March, 2011	CESTAT, New Delhi
		CENVAT on R&D Input Services	23.16	April 2011 to March, 2012	Commissioner, Noida
		2	Customs Act, 1962	Custom Duty + Interest	6.24
Custom Duty + Interest	6.05			2002-2008	A. C. Custom ICD Delhi
3	Service Tax, Finance Act, 1994	Service Tax	2.76	Oct 07 to March 2011	Additional Commissioner, Noida
		Service Tax on Foreign Payments	0.08	April 2007 to March, 2009	Assistant Commissioner, Noida

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

- x) There are no accumulated losses of the Company as at 31st March, 2013. The company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- xi) Based on our audit procedures and on the basis of the information and explanations given to us by the management, we are of the opinion that the company has not defaulted in repayment of dues to any financial institution, bank or debenture holders/bond holders.
- xii) Based on our examination of the records and the information and explanations given to us, the Company has not granted any loans and/ or advances on the basis of security by way of pledge of shares, debentures and other securities. Hence, paragraph 4(xii) of order is not applicable.
- xiii) In our opinion, the Company is not a Chit Fund/Nidhi/ Mutual Fund/Society. Therefore, the provisions of paragraph 4 (xiii) of the Order are not applicable to the company.
- xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures, and other investments. Accordingly, the provisions of clause 4 (xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company. However, all investments have been held by it in its own name or its nominees.
- xv) According to the information and explanations given to us, Company has given guarantees for loans taken by others (the step down subsidiary companies) from Banks and the terms of such guarantees are not prejudicial to the interest of the company.

- xvi) According to the information and explanations given to us, the term loans raised during the year have been applied, to the extent used, for the purpose for which they were raised and the balance moneys, pending utilisation, are lying in Current Accounts/Deposits with the banks.
- xvii) According to the information & explanation given to us and on an overall examination of the Balance Sheet of the company, we report that the no funds raised on short-term basis have been used for long term investment.
- xviii) The Company has not made any preferential allotment of shares during the year to parties/companies covered in the register maintained under section 301 of the Companies Act, 1956.
- xix) During the year covered by our audit report, the Company has not issued secured debentures.
- xx) The company has not raised money by Public Issue during the year.
- xxi) Based upon the audit procedures performed and as per the information and explanations given by the management to us, we report that no fraud on or by the Company has been noticed or reported during the course of our audit for the year ended 31st March, 2013.

For K.N. Gutgutia & Co.

Firm Registration Number: 304153E
Chartered Accountants

B.R. Goyal

Partner

Membership No. 12172

Place : Noida

Date : 7th May, 2013

BALANCE SHEET

(₹ in million)

As at 31st March,	Note No.	2013	2012
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	2	159.30	159.30
Reserves & surplus	3	18,458.91	19,011.68
		18,618.21	19,170.98
Non-current liabilities			
Long-term borrowings	4	20,083.83	24,222.12
Deferred tax liabilities (Net)	5	2,419.27	2,114.13
Long-term provisions	6	2,273.50	1,568.85
		24,776.60	27,905.10
Current liabilities			
Short-term borrowings	7	6,325.63	4,847.32
Trade payables	8	9,347.64	7,067.00
Other current liabilities	9	4,712.89	1,867.86
Short-term provisions	10	1,136.02	883.54
		21,522.18	14,665.72
Total		64,916.99	61,741.80
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	11	20,901.22	17,663.10
Intangible assets	12	953.62	737.58
Capital work-in-progress	11	257.60	2,520.78
Intangible assets under development	12	1,875.97	1,668.80
Non-current investments	13	19,785.06	19,380.24
Long-term loans and advances	14	4,532.40	4,632.24
Other non-current assets	15	2.18	3.70
		48,308.05	46,606.44
Current assets			
Current investments	16	-	217.00
Inventories	17	6,112.14	5,933.26
Trade receivables	18	3,932.51	4,038.25
Cash & bank balances	19	2,558.85	2,028.27
Short-term loans and advances	20	3,412.39	2,749.49
Other current assets	21	593.05	169.09
		16,608.94	15,135.36
Total		64,916.99	61,741.80
Statement of significant accounting policies & Notes to the Financial Statements	1-57		

In terms of our report of even date attached.

For and on behalf of the Board

for **K.N. Gutgutia & Co.**

Firm Registration Number : 304153E

Chartered Accountants

B.R. Goyal

Partner

Membership No. 12172

Shyam S. Bhartia

Chairman & Managing Director

Place: Noida

Date : 7th May, 2013

Lalit Jain

Company Secretary

R. Sankaraiah

Executive Director - Finance

Hari S. Bhartia

Co-Chairman & Managing Director

STATEMENT OF PROFIT AND LOSS

(₹ in million)

For the year ended 31st March,	Note No.	2013	2012
REVENUE			
Revenue from operations(gross)	22	32,663.57	27,331.70
Less:excise duty		(1,200.54)	(921.03)
Revenue from operations(net)		31,463.03	26,410.67
Other income	23	89.16	89.41
Total revenue		31,552.19	26,500.08
EXPENSES			
Cost of materials consumed	24	15,285.77	12,399.52
Purchase of traded goods	25	1,917.38	2,436.79
Change in inventories of finished goods, work-in-progress and traded goods	26	(241.75)	(932.61)
Other manufacturing expenses	27	5,446.03	4,618.12
Employee benefits expenses	28	2,486.51	2,072.32
Finance costs	29	1,711.66	1,544.21
Depreciation & amortisation expense	11&12	1,521.67	1,320.03
Other expenses	30	2,027.78	1,700.32
Total expenses		30,155.05	25,158.70
Profit before exceptional items and tax		1,397.14	1,341.38
Exceptional items	31	1,525.23	1,800.84
Profit/(loss) before tax		(128.09)	(459.46)
Tax expenses:	48		
- Current tax		-	132.75
- MAT credit entitlement		-	1.83
- Deferred tax charge/(credit)		305.14	215.11
		305.14	349.69
Profit/(loss) for the year		(433.23)	(809.15)
Basic earnings per share of ₹ 1 each (In Rupees)	56	(2.72)	(5.08)
Diluted earnings per share of ₹ 1 each (In Rupees)	56	(2.72)	(5.08)
Statement of significant accounting policies & Notes to the Financial Statements	1-57		

In terms of our report of even date attached.

For and on behalf of the Board

for **K.N. Gutgutia & Co.**

Firm Registration Number : 304153E

Chartered Accountants

B.R. Goyal

Partner

Membership No. 12172

Shyam S. Bhartia

Chairman & Managing Director

Place: Noida

Date : 7th May, 2013

Lalit Jain

Company Secretary

R. Sankaraiah

Executive Director - Finance

Hari S. Bhartia

Co-Chairman & Managing Director

CASH FLOW STATEMENT

(₹ in million)

For the year ended 31st March,	2013	2012
A. Cash flow arising from operating activities :		
Net profit before tax	(128.09)	(459.46)
Adjustments for:		
Depreciation & amortisation	1,521.67	1,320.03
Loss/(Gain) on sale/disposal/discard of fixed assets/intangibles	66.75	203.12
Finance costs	1,711.66	1,544.21
Amortisation of FCMITDA	631.61	405.05
Provision for doubtful debts	13.55	0.72
Provision for employee benefits	73.24	77.92
Bad debts/irrecoverable advances written off (net off write-in)	(10.98)	7.66
Unrealised (gain)/loss on exchange (including mark-to-market on currency and interest rate swaps)	827.39	1,222.05
Income from current investment (non trade) - dividend	-	(13.29)
	4,834.89	4,767.47
Operating profit before working capital changes	4,706.80	4,308.01
Adjustments for :		
(Increase)/Decrease in trade and other receivables	(56.76)	(1,210.05)
(Increase)/Decrease in inventories	(174.89)	(1,886.26)
Increase/(Decrease) in trade and other payables	3,950.96	3,110.16
Cash generated from operations	8,426.11	4,321.86
Direct taxes paid (net of refunds)	(168.36)	(266.31)
Net cash inflow/(outflow) in course of operating activities	8,257.75	4,055.55
B. Cash flow arising from investing activities :		
Acquisition/purchase of fixed assets/CWIP (including capital advances)	(3,027.39)	(4,557.45)
Sale proceeds of fixed assets	17.02	3.63
Investment in subsidiaries	(187.82)	(956.69)
Loans to subsidiaries	(409.98)	277.68
Movement in other bank balances	(710.15)	0.71
Interest received	323.98	203.62
Dividend received	-	13.29
Net cash inflow/(outflow) in course of investing activities	(3,994.34)	(5,015.21)
C. Cash flow arising from financing activities :		
Proceeds from long term & short term borrowings	2,928.33	7,875.18
Repayment of long term & short term borrowings	(5,396.34)	(3,212.87)
Repayment of FCCB (including premium on redemption of FCCB)	-	(9,442.01)
Loans from subsidiaries	457.20	65.00
Dividend paid (including dividend distribution tax)	(548.30)	(368.08)
Finance costs paid	(1,883.87)	(1,781.17)
Net cash inflow/(outflow) in course of financing activities	(4,442.98)	(6,863.95)
Net Increase in cash & cash equivalents (A+B+C)	(179.57)	(7,823.61)
Add: cash & cash equivalents at the beginning of year(including balance in dividend accounts)	2,023.38	9,846.99
Cash & cash equivalents at the close of the year (including balance in dividend accounts)	1,843.81	2,023.38

Notes:

- Cash Flow Statement has been prepared under the indirect method as set out in the Accounting Standard 3 (AS-3)-"Cash Flow Statements".
- Purchase/acquisition of fixed assets includes movement of CWIP during the year.
- Closing cash & bank balances includes ₹ 2,052.39 million (Previous Year ₹ 1,787.95 million) which has restricted use-(Refer Note 19).

In terms of our report of even date attached.

For and on behalf of the Board

for **K.N. Gutgutia & Co.**

Firm Registration Number : 304153E

Chartered Accountants

B.R. Goyal

Partner

Membership No. 12172

Shyam S. Bhartia

Chairman & Managing Director

Place: Noida

Lalit Jain

Company Secretary

R. Sankaraiah

Executive Director - Finance

Hari S. Bhartia

Co-Chairman & Managing Director

Date : 7th May, 2013

NOTES TO THE FINANCIAL STATEMENTS

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Corporate Information

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

A. Basis of preparation and presentation of financial statements

The accounts of the Company are prepared under the historical cost convention on the accrual basis of accounting in accordance with the accounting principles generally accepted in India ("GAAP") and comply with the mandatory accounting standards notified under the Companies (Accounting Standards) Rules, 2006, as amended, and the relevant provisions of the Companies Act, 1956. The financial statements are presented in Indian rupees rounded off to the nearest million.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of financial statements and the results of operations during the reporting periods. Examples of such estimate include future obligations under employee benefit plans, income taxes, useful lives of tangible assets and intangible assets, impairment of assets, provision for doubtful debts etc. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results could vary from these estimates. 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 in the period in which such results are known/materialised. Effect of material changes is disclosed in the notes to the financial statements.

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

B. Tangible and Intangible Fixed Assets

Fixed Assets are stated at cost net of tax/duty credits availed, if

any, less accumulated depreciation/amortisation/impairment losses. The cost of fixed assets includes effect of exchange differences on long term foreign currency borrowings, other incidental expenses related to the acquisition and installation of the respective assets and borrowing costs directly attributable to fixed assets which necessarily take a substantial period of time to get ready for their intended use. In case of fixed assets acquired at the time of amalgamation of certain entities with Company, the same are recognised at book value in case of amalgamation in the nature of merger and at book value / fair value in case of amalgamation in the nature of purchase in line with Accounting Standard 14 (AS 14)-"Accounting for Amalgamations". Insurance spares/standby equipments are capitalised as part of the mother asset and are depreciated at applicable rates, over the remaining useful life of the mother assets.

Cost incurred for product development leading to Product Registrations/Market Authorisation is recognised as intangible asset when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Expenditure for acquisition and implementation of software systems is recognised as part of the intangible assets.

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

C. Depreciation and Amortisation

Depreciation is provided on straight line method at rates mentioned and in the manner specified in Schedule XIV to the Companies Act, 1956 (as amended), and read with statement as mentioned hereunder, on the original cost/ acquisition cost of assets or other amounts substituted for cost. Certain plants were classified as continuous process plants from the financial year ended 31st March, 2000 on technical assessment, (relied upon by the auditor being a technical matter) and depreciation on such assets has been provided accordingly.

Depreciation, in respect of assets added/installed up to December 15, 1993, is provided at the rates applicable at the time of additions/installations of the assets, as per the Companies Act, 1956 and depreciation, in respect of assets added/installed during the subsequent period, is provided at the rates, mentioned in Schedule XIV to the Companies Act, 1956 read with Notification dated 16th December, 1993 issued by Department of Company Affairs, Government of India except for the following classes of fixed assets which are depreciated over the useful life estimated as under;

- R&D related equipments & machineries: ten years.
- Dies and punches for manufacture of dosage formulations: one to two years.

- c. Motor vehicles: five years.
- d. Motor vehicles under finance lease: tenure of lease or five years whichever is shorter.
- e. Computer & information technology related assets: three to five years.
- f. Certain employee perquisite related assets: five years, being the period of the perquisite scheme.

Depreciation rates so arrived at are not lower than the rates prescribed in Schedule XIV to the Companies Act, 1956.

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

Depreciation on exchange fluctuation capitalised is charged over the remaining useful life of assets in view of the option exercised by the Company for accounting the exchange differences arising on reporting of long term foreign currency monetary items in line with Para 46 and 46A of Accounting Standard 11 (AS-11) – “The Effects of Changes in Foreign Exchange Rates”. Also refer Note 50.

Leasehold land is amortised over the lease period on straight line method.

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

D. Leases

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

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease payments under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis.

E. Valuation of Inventories

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

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

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

Cost includes all direct costs, cost of conversion and appropriate portion of variable and fixed production overheads and such other costs incurred as to bring the inventory to its present location and condition inclusive of excise duty wherever applicable.

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

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

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

G. Income Tax

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 provisions of Income Tax Act, 1961 and judicial interpretations thereof as at the Balance Sheet date and takes into consideration various deductions and exemptions to which the Company is entitled to as well as the reliance placed by the Company on the legal advices received by it. Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

Deferred Tax

Deferred tax charge or credit reflects the tax effects of timing differences between accounting income and taxable income for the current year and reversal of timing differences for earlier years. The deferred tax charge or credit and the

corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carry forward of losses, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed at each Balance Sheet date and are written-down or written-up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realised. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

Minimum Alternate Tax

Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which MAT credit becomes eligible to be recognised as an asset in accordance with the recommendation contained in the Guidance Note on "Accounting for Credit Available in respect of Minimum Alternative Tax under The Income Tax Act, 1961" issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period.

H. Foreign Currency Conversions/Translations

- i) **Initial Recognition:** 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.
- ii) **Conversion:** Foreign currency monetary items are reported using the closing rate or at the spot rate at the inception of forward contract where forward cover for the specific monetary item has been taken. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.
- iii) **Exchange Differences:** All monetary assets and liabilities in foreign currency are restated at the period end exchange rate. The Company has opted Para 46A of Accounting Standard 11 (AS-11) – "The Effects of Changes in Foreign Exchange Rates" for accounting of exchange differences arising on reporting of long term foreign currency monetary items. Accordingly, foreign exchange difference attributable to depreciable asset is adjusted in the cost of the depreciable asset, which would be depreciated over the balance life of the asset. In other cases, the foreign exchange difference is accumulated in a Foreign Currency Monetary Item Translation Difference Account (FCMITDA), and amortised over the balance period of such long term

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

Exchange differences arising on the settlement of monetary items not covered above, 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 recognised as income or expenses in the year in which they arise.

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

I. Derivative contracts

The Company enters into derivative contracts in the nature of foreign currency swaps, forward contracts, interest rate swaps etc. with an intention to hedge its existing assets and liabilities, firm commitments and highly probable forecast transactions.

Derivative contracts which are closely linked to the existing assets and liabilities are accounted as per the policy stated for foreign currency conversions/translations.

All other derivative contracts (except those derivative contracts which are designated as a hedging instrument for highly probable forecast transactions) are marked-to-market and losses are recognised in the Statement of Profit and Loss. Gains arising on the same are not recognised until realised as a matter of prudence.

J. Hedge Accounting

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

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

In respect of cash flow hedge, that is determined to be an effective hedge, the effective portion of the gain or loss on the hedging instrument is recognised directly in hedging reserve account and the ineffective portion of the gain or loss on the hedging instrument is recognised in the Statement of Profit and Loss. If the hedging instrument no longer meets the hedging criteria for hedge accounting, expires or sold, terminated or exercised, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognised in hedging reserve remains there until

the forecasted transaction occurs. If the forecast transaction is no longer expected to occur, then the balance in hedging reserve is recognised immediately in Statement of Profit and Loss. In other cases, the amount recognised in the hedging reserve is transferred to Statement of Profit and Loss in the same period during which the hedged item affects the Statement of Profit and Loss.

K. Provisions, Contingent Liabilities and Contingent Assets

The Company recognises a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. Contingent liabilities are disclosed in respect of possible obligations that may arise from past events but their existence is confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognised/disclosed. Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet Date.

L. Research & Development

Research costs are expensed as incurred and presented under the natural heads of expenditure.

Development cost including regulatory cost and legal expenses leading to Product Registration/ Market Authorisation relating to the new and/or improved product and/or process development is recognised as an intangible asset to the extent that it is expected, that such asset will generate future economic benefits, adequate technical, financial and other resources required to complete the development and to use or sell the asset are available and the expenditure attributable to the asset during its development can be measured reliably.

M. Employee Benefits

- (i) **Short-term employee benefits:** All employee benefits falling due within twelve months of the end of the period in which the employees render the related services are classified as short-term employee benefits, which include benefits like salaries, wages, short term compensated absences, performance incentives, etc. and are recognised as expenses in the period in which the employee renders the related service and measured accordingly.
- (ii) **Post-employment benefits:** Post employment benefit plans are classified into defined contribution plans and defined benefit plans in line with the requirements of AS 15 on "Employee Benefits".

a. Gratuity and Leave encashment

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

b. Superannuation

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

c. Provident Fund

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

d. Other Long Term Employee Benefits:

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

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

N. Borrowing Costs

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

O. Revenue Recognition

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

Goods sold on consignment are recorded as inventory until goods are sold by the consignee to the end customer.

Revenue from time and material contracts is recognised as hours are incurred, multiplied by contractual billing rates. Revenue from unit-based contracts is recognised as units are completed.

Revenue from fixed-price contracts are recorded on a proportional completion basis.

Revenue related to contract manufacturing arrangements and development contracts is recognised when performance obligations are substantially fulfilled.

Sale of utility is recognised on delivery of the same to the consumers and no significant uncertainty exists as to its realisation.

Export incentives/ benefits are accounted for on accrual basis in the year in which exports are made and where recovery is probable.

Revenue from licensing & regulatory services is recognised when performance obligations are fulfilled.

Refundable fees are deferred and recognised as revenue in the period in which all contractual obligations are met and the contingency is resolved.

Royalty revenue is recognised on an accrual basis in accordance with contractual agreements when all significant contractual obligations have been fulfilled, the amounts are determinable and collection is reasonably assured.

Dividend income is recognised when the unconditional right to receive the income is established. Income from interest on deposits, loans and interest bearing securities is recognised on time proportionate method.

P. Segment Reporting

The accounting policies adopted for segment reporting are in line with accounting policies of the Company. Revenues, expenses, assets and liabilities have been identified to segments on the basis of their relationship to operating activities of the segments (taking into account the nature of products and services and risks & rewards associated with them) and internal management information systems and the same is reviewed from time to time to realign the same to conform to the business units of the Company. Revenues, expenses, assets and liabilities, which are common to the enterprise as a whole and are not allocable to segments on a reasonable basis, have been treated as "Common Revenues/Expenses/Assets/Liabilities", as the case may be.

Q. Earnings Per share

The basic earnings per share is calculated by dividing the net profit after tax for the year by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, net profit after tax during the year and the weighted average number of shares outstanding during the year are adjusted for the effect of all dilutive potential equity shares. The dilutive potential equity shares are deemed converted as of the beginning of the year unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Anti dilutive effect of any potential equity shares is ignored in the calculation of earnings per share.

R. Impairment of Fixed Assets

The Company assesses at each Balance Sheet date whether there is any indication that an asset/cash generating unit may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset/cash generating unit. If such recoverable amount of the asset or the recoverable amount of the cash generating unit is less than the carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss.

An assessment is also done at each Balance Sheet date whether there is any indication that an impairment loss recognised for an asset/cash generating unit in prior accounting periods may no longer exist or may have decreased. If any such indication exist, the asset's/cash generating unit's recoverable amount is estimated. The carrying amount of the fixed asset/cash generating unit is increased to the revised estimate of its recoverable amount but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous periods. A reversal of impairment loss is recognised in the Statement of Profit and Loss.

S. Employee Stock Option Schemes

Equity settled stock options granted to the employees are accounted for as per the accounting treatment prescribed by Employee Stock Option Scheme and Employee Stock Purchase Guidelines, 1999, issued by Securities and Exchange Board of India and the Guidance Note on Accounting for Employee Share-based Payments issued by the Institute of Chartered Accountants of India. The intrinsic value of the option being excess of market value of the underlying share immediately prior to date of grant over its exercise prices recognised as deferred employee compensation with a credit to employee stock option outstanding account. The deferred employee compensation is charged to Statement of Profit and Loss on straight line basis over the vesting period of the option. The options that lapse are reversed by a credit to employee compensation expense, equal to the amortised portion of value of lapsed portion and credit to deferred employee compensation expense equal to the unamortised portion.

		(₹ in million)	
As at 31st March,		2013	2012
2. SHARE CAPITAL			
Authorised			
655,000,000 equity shares of ₹ 1 each		655.00	655.00
(Previous Year 655,000,000 equity shares of ₹ 1 each)			
		655.00	655.00
Issued & Subscribed			
159,313,139 equity shares of ₹ 1 each		159.31	159.31
(Previous Year 159,313,139 equity shares of ₹ 1 each)			
		159.31	159.31
Paid up			
159,281,139 equity shares of ₹ 1 each		159.28	159.28
(Previous Year 159,281,139 equity shares of ₹ 1 each)			
Add: equity shares forfeited (paid up)		0.02	0.02
		159.30	159.30

Notes :

- 2.1 Paid up capital includes, 501,364, equity shares of ₹ 1 allotted and issued pursuant to the Scheme of Amalgamation and Demerger, to the shareholders of erstwhile Pace Marketing Specialities Limited for consideration other than cash during the year 2010-11.
- 2.2 The Company has only one class of shares referred to as equity shares having par value of ₹ 1. Each holder of equity shares is entitled to one vote per share.
- 2.3 The details of shareholders holding more than 5% shares is set out below:

Name of the shareholder	As at 31st March, 2013		As at 31st March, 2012	
	No of shares	% held	No of shares	% held
Jubilant Stock Holding Pvt Ltd	21,740,992	13.65%	21,740,992	13.65%
SSB Consultants & Management Services Pvt Ltd	21,007,665	13.19%	-	-
HSB Corporate Consultants Pvt Ltd	15,824,979	9.94%	-	-
Jubilant Capital Pvt Ltd	-	-	21,007,665	13.19%
Jubilant Securities Pvt Ltd	-	-	18,698,979	11.74%
GA Global Investments Ltd	11,707,200	7.35%	11,707,200	7.35%

- 2.4 The reconciliation of the number of shares outstanding is set out below:

Particulars	As at 31st March, 2013		As at 31st March, 2012	
	No	₹ in million	No	₹ in million
Numbers of shares at the beginning	159,281,139	159.28	159,281,139	159.28
Numbers of shares at the end	159,281,139	159.28	159,281,139	159.28

- 2.5 a) 114,835, equity shares of ₹ 1 each allotted on exercise of the vested stock options in accordance with the terms of exercise under the "Jubilant Employees Stock Option Plan" (Refer Note 44).
- b) Under the Jubilant Employees Stock Option 2005 Plan, as at 31st March, 2013 - 145,443 options are outstanding convertible into 727,215 shares.
- c) Under the Jubilant Employees Stock Option 2011 Plan, as at 31st March, 2013 - 1,585,055 options are outstanding convertible into 1,585,055 shares.
- 2.6 In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.
- 2.7 The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

	(₹ in million)	
As at 31st March,	2013	2012
3. RESERVES AND SURPLUS		
Capital Reserve		
As per last Balance Sheet	80.10	80.10
Capital Redemption Reserve		
As per last Balance Sheet	9.86	9.86
Securities Premium Account		
As per last Balance Sheet	5,878.41	6,170.33
Less: Premium on redemption of FCCB's [Net of Tax of ₹ Nil - (PY ₹ 140.20 million)]	-	(291.92)
	5,878.41	5,878.41
Amalgamation Reserve		
As per last Balance Sheet	13.21	13.21
General Reserve		
As per last Balance Sheet	5,745.31	5,745.31
Hedging Reserve (Refer Note 51(iv))		
As per last Balance Sheet	148.93	-
Addition/(deduction) during the year	387.54	148.93
	536.47	148.93
Foreign currency monetary item translation difference account (Refer Note 50)		
As per last Balance Sheet	(727.42)	-
(Addition)/amortisation during the year	51.97	(727.42)
	(675.45)	(727.42)
Surplus		
As per last Balance Sheet	7,863.28	9,227.79
Add: Net Profit/(Loss) after tax transferred from Statement of Profit and Loss	(433.23)	(809.15)
Amount available for appropriation	7,430.05	8,418.64
Less: Appropriations		
Proposed dividend on equity shares	477.84	477.84
Distribution tax on proposed equity dividend	81.21	77.52
	6,871.00	7,863.28
	18,458.91	19,011.68

For the year ended 31st March, 2013, dividend of 300% (Previous year 300%) i.e. ₹ 3 (Previous year ₹ 3) per fully paid up equity share has been recognised as distributions to equity shareholders.

	(₹ in million)	
As at 31st March,	2013	2012
4. LONG TERM BORROWINGS		
Term loans		
From Banks		
- Indian rupee loans (secured)	9,744.44	13,400.00
- Foreign currency loans (secured)	2,714.50	3,417.10
From other parties		
- Foreign currency loans (secured)	7,600.60	7,376.88
Long-term maturities of finance lease obligations		
- Finance lease obligations (secured)	24.29	28.14
	20,083.83	24,222.12
The above amount includes		
Secured borrowings	20,083.83	24,222.12
Unsecured borrowings	-	-
	(1) 20,083.83	24,222.12

(1) Refer Note 9 for Current maturities of long term debts.

4. Nature of security of long term borrowings and other terms of repayment:

- 4.1 Rupee term loans amounting to ₹ 9,100.00 million from Corporation Bank, Axis Bank Limited, Central Bank of India and external commercial borrowings amounting to ₹ 3,165.09 million from Citibank N.A., London and DBS Bank Limited, Singapore and other term loan in foreign currency amounting to ₹ 2,714.50 from Export Import Bank of India are secured by a first pari-passu charge amongst the lenders by way of: -
- a) Mortgage of the immovable fixed assets both present and future situate at Bhartiagram, District Jyotiba Phoolay Nagar, Uttar Pradesh and immovable fixed assets situate at Village Samlaya, Taluka Savli, District Vadodara, Gujarat, and
 - b) Hypothecation on the entire movable fixed assets, both present and future of the company.
- 4.2 Other term loan in foreign currency amounting to ₹ 5,157.55 million from Housing Development Finance Corporation Limited is secured by first mortgage by way of deposit of original title deeds of specified land and buildings situated at Noida, Greater Noida, Nanjangud, Nira, Roorkee, Ambernath and also at Bharuch owned by one of the subsidiaries of the Company. Land mortgaged at Chittorgarh demerged into a group company consequent upon the scheme of demerger is under process of release.
- 4.3 Rupee term loan amounting to ₹ 1,600.00 million from Indian Bank is secured by fixed deposits.
- 4.4 Rupee term loans amounting to ₹ 2,700.00 million and ₹ 1000.00 million from Corporation Bank is repayable in two equal yearly installments commencing from February, 2015 and March, 2015 respectively.
- 4.5 Rupee term loan amounting to ₹ 3,000.00 million from Axis Bank Limited is repayable in four equal half yearly installments commencing from September, 2014.
- 4.6 Rupee term loan amounting to ₹ 2,400.00 million from Central Bank of India is repayable in three yearly installments commencing from March, 2014.
- 4.7 Rupee term loan amounting to ₹ 1,600.00 million from Indian Bank is repayable in four yearly installments commencing from March, 2014.
- 4.8 External commercial borrowing amounting to ₹ 450.59 million from Citibank N.A., London. Entire amount is repaid in April, 2013.
- 4.9 External commercial borrowing amounting to ₹ 2,714.50 million from DBS Bank Limited, Singapore is repayable in four yearly installments commencing from December, 2014.
- 4.10 Other term loan in foreign currency amounting to ₹ 2,714.50 million from Export Import Bank of India is repayable in four yearly installments starting from May, 2013.
- 4.11 Other term loan in foreign currency amounting to ₹ 5,157.55 million from Housing Development Finance Corporation Limited is repayable in single installment in July, 2014.
- 4.12 Finance lease obligations are secured by hypothecation of specific assets taken under such lease. The same are repayable as per the terms of agreement.

		(₹ in million)	
As at 31st March,		2013	2012
5. DEFERRED TAX LIABILITIES (NET)			
Deferred tax liabilities on account of:			
- Accelerated depreciation/amortisation		2,800.92	2,359.99
- Difference in value of CWIP		576.28	512.38
		3,377.20	2,872.37
Deferred tax assets on account of:			
- Provision for leave encashment and gratuity		160.54	136.54
- Amount disallowed u/s 43B		29.09	13.89
- Accumulated losses as per tax laws		557.19	585.64
- Others		211.11	22.17
		957.93	758.24
Deferred tax liabilities(Net)		2,419.27	2,114.13

		(₹ in million)	
As at 31st March,		2013	2012
6. LONG TERM PROVISIONS			
Employee benefits		376.73	370.43
Mark-to market losses on derivative contracts (Refer Note 51(iii))		1,896.77	1,198.42
		2,273.50	1,568.85

		(₹ in million)	
As at 31st March,		2013	2012
7. SHORT TERM BORROWINGS			
Loans repayable on demand			
From Banks			
- Cash credit/working capital demand loans (secured)		4,017.01	1,609.43
Other working capital loans			
From Banks (unsecured)		1,514.97	2,572.89
From other parties (secured)		271.45	-
Loans from related parties (unsecured) - Refer Note 54		522.20	65.00
Commercial Papers (unsecured)		-	600.00
		6,325.63	4,847.32
The above amount includes			
Secured borrowings		4,288.46	1,609.43
Unsecured borrowings		2,037.17	3,237.89
		6,325.63	4,847.32

7.1 Nature of security of short term borrowings and other terms of repayment:

Working capital facilities sanctioned by consortium of Banks and notified Financial Institutions comprising of ICICI Bank Limited, Corporation Bank, Punjab National Bank, State Bank of India, The Hongkong and Shanghai Banking Corporation Limited, ING Vysya Bank Ltd., Central Bank of India, Yes Bank Limited and Export Import Bank of India, are secured by a first charge by way of hypothecation, ranking pari passu inter-se Banks, of the entire book debts and receivables and inventories both present and future, of the Company wherever the same may be or be held. The working capital sanctioned limits also include commercial paper programme of ₹ 3,000 million as sublimit carved out from the funded limits, against which the balance outstanding as at 31st March, 2013 ₹ NIL million. Maximum balance of commercial paper outstanding during the year at any time was ₹ 600 million.

Other working capital loans are repayable as per terms of agreement within one year.

		(₹ in million)	
As at 31st March,		2013	2012
8. TRADE PAYABLES			
Trade payables - due to micro, small and medium enterprises under MSMED Act, 2006 (Refer Note 36)		8.92	15.79
Trade payables - others		4,808.66	3,096.21
Acceptances		4,530.06	3,955.00
		9,347.64	7,067.00

		(₹ in million)	
As at 31st March,		2013	2012
9. OTHER CURRENT LIABILITIES			
Current maturities of long term debt		1,677.60	282.64
Current maturities of finance lease obligations		13.06	10.90
Trade deposits & advances		1,601.08	22.49
Interest accrued but not due on borrowings		217.31	151.38
Income received in advance/unearned revenue		53.36	26.62
Unpaid matured deposits and interest accrued thereon		0.31	0.94
Unpaid dividends		21.49	14.43
Creditors for capital supplies & services		246.38	474.85
Other payables		882.30	883.61
		4,712.89	1,867.86

		(₹ in million)	
As at 31st March,		2013	2012
10. SHORT-TERM PROVISIONS			
Employee benefits		204.38	137.44
Dividends on equity shares (Including dividend distribution tax)		559.05	555.36
Income tax & wealth tax		2.00	1.00
Mark-to market losses on derivative contracts		134.35	-
Provision for Excise Duty (Refer Note 49)		109.30	100.13
Other provisions (Refer Note 49)		126.94	89.61
		1,136.02	883.54

11. TANGIBLE ASSETS

(₹ in million)

Description	GROSS BLOCK - COST / BOOK VALUE			DEPRECIATION / AMORTISATION / IMPAIRMENT			NET BLOCK		
	Total as at 31st March 2012	Additions/ adjustments during the year	Deductions/ adjustments during the year	Total as at 31st March 2013	Provided during the year	Deductions/ adjustments during the year	Total as at 31st March 2013	As at 31st March 2013	As at 31st March 2012
Tangible assets:									
Land									
(a) Freehold	340.98	—	—	340.98	—	—	—	340.98	340.98
(b) Leasehold	520.96	8.39	—	529.35	5.87	—	81.11	448.24	445.72
Buildings									
(a) Factory	1,577.15	506.26	—	2,083.41	53.35	—	266.84	1,816.57	1,363.66
(b) Others (1)	904.96	891.54	—	1,796.50	16.96	—	161.82	1,634.68	760.10
Plant & equipment	20,857.71	2,905.97	44.54	23,719.14	1,141.51	21.84	7,770.71	15,948.43	14,206.67
Furniture & fixtures	332.34	45.15	8.00	369.49	27.16	5.40	149.38	220.11	204.72
Vehicles	70.03	2.34	22.85	49.52	6.04	20.51	38.25	11.27	17.31
Vehicles-leased	46.34	14.83	6.62	54.55	14.25	3.10	20.90	33.65	36.59
Office equipments	322.59	213.42	9.80	526.21	42.30	7.10	206.90	319.31	150.89
Railway sidings	159.38	—	—	159.38	8.48	—	31.40	127.98	136.46
TOTAL	25,132.44	4,587.90 (2)	91.81	29,628.53	1,315.92	57.95	8,727.31	20,901.22	17,663.10
Previous Year	21,191.98	3,963.39	22.93	25,132.44	1,207.91	13.55	7,469.34	257.60	2,520.78
Capital Work in Progress(CWIP)									
								21,158.82	20,183.88

Notes :

- (1) Building includes ₹ 500 being cost of share in Co-operative Housing Society.
- (2) Includes ₹ 1,002.28 million in respect of R&D Assets.
- (3) Title Deeds pertaining to land at Gajraula purchased during the year 2007-08, measuring 2.80 acres are yet to be registered in the name of Company.
- (4) Capital research and development expenditure aggregating to ₹ 335.38 million incurred during the year included in additions to fixed assets/capital work in progress.
- (5) Addition to fixed assets (including movement in CWIP) includes ₹ 170.75 million (Previous year (-) ₹ 47.12 million) on account of exchange loss/(gain) (Refer Note 50).

12. INTANGIBLE ASSETS

(₹ in million)

Description	GROSS BLOCK - COST / BOOK VALUE			DEPRECIATION / AMORTISATION / IMPAIRMENT			NET BLOCK		
	Total as at 31st March 2012	Additions/ adjustments during the year	Deductions/ adjustments during the year	Total as at 31st March 2012	Provided during the year	Deductions/ adjustments during the year	Total as at 31st March 2013	As at 31st March 2013	As at 31st March 2012
Intangible assets:									
Intangibles									
a) Internally generated									
- Product registration/market authorisation	698.51	384.30	4.88	128.22	152.94	0.53	280.63	797.30	570.29
b) Others									
- Rights	81.66	-	-	46.16	6.98	-	53.14	28.52	35.50
- Software	220.50	42.32	1.36	88.71	45.83	0.88	133.66	127.80	131.79
TOTAL	1,000.67	426.62 (1)	6.24	263.09	205.75	1.41	467.43	953.62	737.58
Previous Year	619.10	381.57	-	150.97	112.12	-	263.09	1,875.97	1,668.80
Intangible assets under development (including R&D expenditure in the nature of intangibles) [CWIP]								2,829.59	2,406.38

Notes :

(1) Includes ₹ 384.30 million in respect of R&D Assets.

(2) Capital research and development expenditure aggregating to ₹ 655.14 million incurred during the year included in additions to fixed assets/Intangible assets under development.

As at 31st March,			(₹ in million)	
			2013	2012
13. NON-CURRENT INVESTMENTS (At cost)				
Number	Face value per unit	All unquoted unless otherwise specified		
		Trade Investments (Long Term)		
		Investment in equity instruments (fully paid up equity shares)		
		Investment in Subsidiary Companies		
375 (375)	No Par Value	- Jubilant Life Sciences (USA) Inc.	17.11	17.11
13,900,000 (13,900,000)	EURO 1	- Jubilant Pharma NV (Belgium)	743.79	743.79
322,558,994 (316,908,994)	USD 1	- Jubilant Pharma Pte. Ltd. (Singapore)	14,967.77	14,659.95
200 (200)	No Par Value	- Jubilant Life Sciences Holdings Inc. (USA)	1,660.44	1,660.44
34,484,000 (34,484,000)	₹ 10	- Jubilant Infrastructure Ltd.	1,297.40	1,297.40
14,963,171 (14,963,171)	₹ 10	- Jubilant First Trust Healthcare Ltd.	690.55	690.55
100,000 (100,000)	₹ 10	- First Trust Medicare Pvt. Ltd.	30.00	30.00
		Investment in Preference shares		
		Investment in Subsidiary Companies		
		- Jubilant Chemsys Ltd.		
6,200,000 (-)	₹ 10	8% optionally convertible non-cumulative redeemable preference shares fully paid.	62.00	-
		- Jubilant Clinsys Ltd.		
20,850,000 (17,350,000)	₹ 10	6% optionally convertible non-cumulative redeemable preference shares fully paid.	208.50	173.50
6,200,000 (6,200,000)	₹ 10	8% optionally convertible non-cumulative redeemable preference shares fully paid.	62.00	62.00
		Non Trade Investments		
		Investment in equity instruments (fully paid up equity shares)		
4,550,000 (4,550,000)	₹ 10	Forum I Aviation Ltd.	45.50	45.50
		Total non-current investments	19,785.06	19,380.24
		Aggregate amount of unquoted investments	19,785.06	19,380.24

Notes:

1) Figures in () are in respect of previous year

As at 31st March,			(₹ in million)	
			2013	2012
14. LONG TERM LOANS AND ADVANCES				
		Capital advances (unsecured, considered good)	16.01	53.93
		Security deposits (unsecured, considered good)	70.82	63.82
		Loans to related parties (unsecured, considered good) [Refer Note 34 & 54]	1,953.19	1,967.69
		Advances recoverable in cash or kind (unsecured, considered good)		
		- From related parties (Refer Note 54)	25.00	25.00
		- Others	381.58	436.00
		MAT credit entitlement	2,085.80	2,085.80
			4,532.40	4,632.24

As at 31st March,			(₹ in million)	
			2013	2012
15. OTHER NON-CURRENT ASSETS				
		Non-Current bank balances		
		- Deposits with original maturity of more than 12 months	0.50	-
		- Margin money deposit	1.68	3.70
			2.18	3.70

As at 31st March,			(₹ in million)	
			2013	2012
16. CURRENT INVESTMENTS (At cost)				
Number	Face value per unit	All unquoted unless otherwise specified		
		Current portion of non-current investments		
		Trade Investments		
		Investment in Preference shares		
		Investment in Subsidiary Companies		
		- Jubilant Chemsys Ltd.		
(18,200,000)	- ₹ 10	8% optionally convertible non-cumulative redeemable preference shares fully paid.	-	182.00
		- Jubilant Clinsys Ltd.		
(3,500,000)	- ₹ 10	6% optionally convertible non-cumulative redeemable preference shares fully paid.	-	35.00
		Total current investments	-	217.00
		Aggregate amount of unquoted investments	-	217.00

Notes:

(1) Figures in () are in respect of previous year.

As at 31st March,		(₹ in million)	
		2013	2012
17. INVENTORIES			
Raw materials		2,780.09	2,972.10
(includes in transit ₹ 164.39 million (PY ₹ 160.56 million))			
Work-in-progress		948.43	902.47
Finished goods		1,639.40	1,407.02
Traded goods		68.33	23.02
Stores and spares		241.00	211.98
Others - process chemicals, fuels & packing material etc. (includes in transit ₹ 162.36 million)		434.89	416.67
		6,112.14	5,933.26

(Refer Note 1 (E) on valuation of inventory)

As at 31st March,		(₹ in million)	
		2013	2012
18. TRADE RECEIVABLES			
Outstanding for period exceeding six months from the date they are due for payment			
Unsecured, considered good		61.13	51.49
Doubtful		14.93	1.38
		76.06	52.87
Provision for doubtful receivables		14.93	1.38
		(A) 61.13	51.49
Other receivables			
Unsecured, considered good		3,871.38	3,986.76
		(B) 3,871.38	3,986.76
		Total (A+B) (1) 3,932.51	4,038.25

(1) - Net [Refer Note 33 (C) (i)]

As at 31st March,	(₹ in million)	
	2013	2012
19. CASH AND BANK BALANCES		
Cash and cash equivalents		
Balances with banks:		
- On current accounts	391.74	204.98
- On dividend accounts	21.49	14.43
- Deposits with original maturity upto three months	1,315.86	1,768.63
Cash on hand	0.66	1.50
Cheques/Drafts on hand	-	7.51
Others		
- Funds in transit	112.90	25.88
- Imprest & gift/meal vouchers	1.16	0.45
	1,843.81	2,023.38
Other bank balances:		
- Deposits with original maturity of more than three months upto twelve months	712.96	4.59
- As margin money	2.08	0.30
	(1) 2,558.85	2,028.27

(1) ₹ 1,600 million (PY ₹ Nil) as security against loan & ₹ 452.39 million (PY ₹ 1,787.95 million) has restricted use.

As at 31st March,	(₹ in million)	
	2013	2012
20. SHORT TERM LOANS AND ADVANCES		
Loans to related parties (unsecured, considered good) (Refer Note 34 & 54)	645.58	289.75
Deposits (unsecured, considered good)	22.55	18.65
Deposits/Balances with excise / sales tax authorities	718.04	957.08
Advance payment of income tax/wealth tax (including TDS)	419.77	255.62
Advances recoverable in cash or kind (unsecured, considered good)		
- From related parties (Refer Note 35 & 54)	306.15	166.59
- Claims recoverable	736.78	536.68
- Others	563.52	525.12
	3,412.39	2,749.49

As at 31st March,	(₹ in million)	
	2013	2012
21. OTHER CURRENT ASSETS		
Other current assets	593.05	169.09
[Including mark to market recoverable ₹ 558.22 million (PY ₹ 153.17 million)] [Refer Note 51(iv)]		
	593.05	169.09

		(₹ in million)	
For the year ended 31st March,		2013	2012
22. REVENUE FROM OPERATIONS			
Sales of products		32,437.52	27,088.87
Sales of services		11.54	8.55
Other operating revenue		214.51	234.28
Revenue from operations (gross)		32,663.57	27,331.70
Less: excise duty		(1,200.54)	(921.03)
Revenue from operations (net)		31,463.03	26,410.67
(Refer Note 38)			
22.1 PARTICULARS OF SALES OF PRODUCTS			
Organic chemicals including specialty chemicals and its intermediates		23,973.84	20,583.91
Active pharma ingredients (API)		4,963.67	4,410.98
Tablets, capsules & injectables		2,544.79	1,141.00
Dry & aqueous choline chloride		494.74	524.14
Feed premixes		378.18	348.77
Power & steam		82.30	80.07
		32,437.52	27,088.87
22.2 PARTICULARS OF SALES OF SERVICES			
Income from utility services rendered		11.54	8.55
		11.54	8.55

		(₹ in million)	
For the year ended 31st March,		2013	2012
23. OTHER INCOME			
Income from current investments (Non-Trade) - Dividend		-	13.29
Other non-operating income		89.16	76.12
		89.16	89.41

		(₹ in million)	
For the year ended 31st March,		2013	2012
24. COST OF MATERIALS CONSUMED			
Raw & process materials consumed		15,285.77	12,399.52
		15,285.77	12,399.52
24.1 PARTICULARS OF MATERIALS CONSUMED			
Molasses		1,079.39	1,086.62
Alcohol		3,255.99	2,348.49
Acetic Acid		4,226.94	3,461.06
Process chemicals		2,942.80	2,341.47
Chemicals for API/Dosage/Feed Additives		3,589.69	2,992.55
Others		190.96	169.33
		15,285.77	12,399.52

		%	₹ in million	%	₹ in million
24.2 PARTICULARS OF IMPORTED AND INDIGENOUS MATERIALS CONSUMED					
Imported		38.15	5,832.17	40.54	5,026.98
Indigenous		61.85	9,453.60	59.46	7,372.54
		100.00	15,285.77	100.00	12,399.52

	(₹ in million)	
For the year ended 31st March,	2013	2012
25. PURCHASE OF TRADED GOODS		
Purchase of traded goods	1,917.38	2,436.79
	1,917.38	2,436.79
25.1 PARTICULARS OF PURCHASE OF TRADED GOODS		
Organic chemicals including specialty chemicals and its intermediates	1,525.08	2,120.85
Feed premixes	266.23	246.27
Active pharma ingredients (API)	120.58	69.67
Tablets, capsules & injectables	5.49	-
	1,917.38	2,436.79

	(₹ in million)	
For the year ended 31st March,	2013	2012
26. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND TRADED GOODS		
Stock at close -Work-in-progress	948.43	902.47
Stock at close -Finished goods	1,639.40	1,407.02
Stock at close -Traded goods	68.33	23.02
	2,656.16	2,332.51
Stock at commencement -Work-in-progress	902.47	616.05
Stock at commencement -Finished goods	1,407.02	768.10
Stock at commencement -Traded goods	23.02	15.75
	2,332.51	1,399.90
Increase / (Decrease) in Stocks	323.65	932.61
Less: Adjustment on account of capitalisation	(81.90)	-
	241.75	932.61
26.1 PARTICULARS OF INVENTORIES		
Details of Work-in-progress		
Organic chemicals including specialty chemicals and its intermediates	546.04	611.07
Dry & aqueous choline chloride	4.55	10.17
Active pharma ingredients (API)	294.97	262.81
Tablets, capsules & injectables	102.87	18.42
	948.43	902.47
Details of Finished goods		
Organic chemicals including specialty chemicals and its intermediates	1,293.56	1,057.04
Feed premixes	19.57	23.57
Dry & aqueous choline chloride	15.27	20.33
Active pharma ingredients (API)	289.88	296.16
Tablets, capsules & injectables	21.12	9.92
	1,639.40	1,407.02
Details of Traded goods		
Organic chemicals including specialty chemicals and its intermediates	61.23	4.28
Feed premixes	5.06	13.08
Active pharma ingredients (API)	2.04	5.66
	68.33	23.02

(₹ in million)

For the year ended 31st March,	2013	2012
27. OTHER MANUFACTURING EXPENSES		
Power and fuel	3,379.08	2,715.36
Stores, spares, chemicals & packing materials consumed	1,315.30	1,129.70
Processing charges	178.53	196.30
Repairs to plant & machinery	510.12	465.54
Repairs to building	43.03	37.70
Excise duty	19.97	73.52
(Refer Note 39)	5,446.03	4,618.12

	%	₹ in million	%	₹ in million
27.1 PARTICULARS OF IMPORTED AND INDIGENOUS STORES, SPARES, CHEMICALS CONSUMED				
Imported	8.15	107.17	8.48	95.77
Indigenous	91.85	1,208.13	91.52	1,033.93
	100.00	1,315.30	100.00	1,129.70

(₹ in million)

For the year ended 31st March,	2013	2012
28. EMPLOYEE BENEFITS EXPENSES		
Salaries, wages, bonus, gratuity & allowances	2,197.80	1,825.47
Contribution to provident & superannuation fund	136.96	122.21
Staff welfare expenses	151.75	124.64
	2,486.51	2,072.32

(₹ in million)

For the year ended 31st March,	2013	2012
29. FINANCE COSTS		
Interest expense	1,938.54	1,813.96
Other borrowings cost	33.68	34.27
	1,972.22	1,848.23
Less: Interest Income	(260.56)	(304.02)
	1,711.66	1,544.21

(Refer Note 43 & 46)

	(₹ in million)	
For the year ended 31st March,	2013	2012
30. OTHER EXPENSES		
Rent	117.31	112.56
Rates & taxes	85.34	33.15
Insurance	61.40	57.38
Advertisement, publicity & sales promotion	47.85	35.42
Travelling & other incidental expenses	253.14	197.79
Repairs & Maintenance-Others	164.45	136.14
Vehicle running & maintenance	19.32	23.33
Printing & stationery	26.29	24.73
Communication expenses	42.55	44.34
Staff recruitment & training	34.42	39.72
Donation(Refer Note 41)	37.75	37.29
Auditors Remuneration - As Auditors	2.02	2.02
- For taxation matters	1.65	1.26
- For other services	3.70	4.25
- Out of pocket expenses	0.44	0.37
Legal, professional & consultancy charges	182.25	142.86
Freight & forwarding (including ocean freight)	360.47	408.25
Directors' sitting fees	0.47	0.46
Directors' commission	40.69	2.50
Miscellaneous expenses	40.05	42.85
Bank Charges	65.93	82.97
Foreign exchange fluctuation loss/(gain)-(Net)	314.92	104.85
Discounts & claims to customers and other selling expenses	46.03	80.53
Commission on sales	76.90	70.76
Loss/(Gain) on sale/disposal/discard of fixed assets	(0.41)	5.75
Loss/(Gain) on sale of raw materials	0.28	0.41
Provision/write off Bad Debts/ Irrecoverable advances (Net)	2.57	8.38
	2,027.78	1,700.32

	(₹ in million)	
For the year ended 31st March,	2013	2012
Research & Development Expenses comprises as mentioned hereunder:-		
Material Consumption	141.89	128.11
Employee Cost	376.99	339.09
Utilities - Power	29.31	23.21
Others	453.54	461.12
	1,001.73	951.53
Less: Transferred to Intangibles/assets under development	(554.75)	(605.84)
Balance, charged to Revenue	446.98	345.69

	(₹ in million)	
For the year ended 31st March,	2013	2012
31. EXCEPTIONAL ITEMS		
Amortisation of foreign currency monetary item translation difference account (FCMITDA)	631.61	405.05
Mark to market in respect of currency & interest rate swap contracts and forward covers outstanding (Refer Note 51(iii) & 51(iv-c))	826.46	1,198.42
Write off intangible assets (Refer Note 47)	55.56	197.37
One time (profit)/loss on sale/discard of assets (net)	11.60	-
	1,525.23	1,800.84

32. Commitments**a) Capital Commitments:**

Estimated amount of contracts remaining to be executed on capital account (Net of advances) ₹ 173.25 million (Previous year ₹ 711.37 million) [Advances ₹ 16.01 million (Previous year ₹ 53.93 million)].

b) Other Commitments:

- i. Exports obligation undertaken by the Company under EPCG scheme to be completed over a period of five/eight years on account of import of capital goods at concessional import duty and remaining outstanding is ₹ 6.60 million (Previous year ₹ 59.48 million). Similarly export obligation under Advance License Scheme/DFIA scheme on duty free import of specific raw materials, remaining outstanding is ₹ 4,550.88 million (Previous year ₹ 3,539.28 million).
- ii. Outstanding export obligation amounting to ₹ 1,554.84 million, against equivalent supplier advance received from a step down wholly owned subsidiary.
- iii. For lease commitments refer note No 45.

33. Contingent liabilities to the extent not provided for:**A. Guarantees:**

- i. The Company has given following corporate guarantee on behalf of its subsidiaries to secure financial facilities :

Name of Subsidiary	Bank	2013	2012
Jubilant HollisterStier Inc.	ICICI Bank Canada	US\$ 20.93 million	US\$ 37.66 million
Jubilant Life Sciences International Pte. Ltd	ICICI Bank Ltd. Singapore	SGD 22.00 million	-

Total effective guarantee as on 31st March, 2013 in ₹ 2,098.11 million (previous year ₹ 2,234.09 million).

- ii. Outstanding guarantees furnished by banks on behalf of the Company/by the Company including in respect of letters of credits is ₹ 2,794.99 million (Previous year ₹ 2,101.03 million).

B. Claims against Company, disputed by the Company, not acknowledged as debt:

(₹ in million)

As at 31st March,	2013	2012
Central Excise	514.46	320.33
Customs	31.63	12.59
Sales Tax	7.08	45.54

(₹ in million)

As at 31st March,	2013	2012
Income Tax	563.52	411.19
Service Tax	175.74	105.83
Others	47.03	41.83

Excluding demands in respect of business transferred in earlier year to Jubilant Industries Limited in terms of the scheme of demerger though the demands may be continuing in the name of the Company.

Future cash outflows in respect of the above matters as well as for matters listed under 33(C) below are determinable only on receipt of judgments/decisions pending at various stages/forums.

C. Other contingent liabilities:

- i. Liability in respect of bills discounted with banks is ₹ 1,050 million (Previous year ₹ 500 million).
- ii. The Company's writ petition against the levy of transport fee by the State of Maharashtra on consumption of rectified spirit and molasses within Nira factory has been allowed by the Hon'ble Bombay High Court with consequential refund. The Company has filed a refund claim for an amount of ₹ 2.51 million deposited during the period when the dispute was pending before the High Court. The total amount of disputed transport fee is ₹ 171.66 million. The State of Maharashtra has filed a special leave petition in the Supreme Court and has sought a stay on the operation of the High Court order.
- iii. The Company has challenged before the Hon'ble Allahabad High Court, the increase in denaturing fee by the State of Uttar Pradesh w.e.f 1st April, 2004 on denaturing of rectified spirit in the Gajraula factory and the writ petition has been admitted by the court. The Company has deposited ₹ 22.52 million under protest which is shown as deposits.
- iv. Zila Panchayat at J.P. Nagar (in respect of the Company's Gajraula plant) served a notice demanding a compensation of ₹ 277.40 million allegedly for, percolation of poisonous water stored in lagoons and flowing through the land of Zila Panchayat resulting in loss of crops and cattle of the farmers and for putting poisonous fly ash on national highway which caused loss to the health and damages to eyes and skin of people.

District Magistrate issued a recovery certificate along with 10% collection charges inflating the demand to ₹ 305.14 million. In the opinion of the Company, the Zila Panchayat has no jurisdiction in raising this demand. The demand was challenged in Hon'ble Allahabad High Court and the court stayed the demand till further orders.

- v. The Company has challenged, before the Hon'ble Allahabad High Court, the levy of license fees of ₹ 2.87 million by State of Uttar Pradesh, for grant of PD-2 license for manufacture of ethyl alcohol for industrial use. The writ petition has been admitted and is being listed for final hearing. Though the amount has been deposited and shown as such, no provision against this has been made as the issue is covered by the earlier favorable judgment of the Hon'ble Supreme Court of India.
- vi. The State of Uttar Pradesh (UP) has imposed levy on import of denatured spirit into the State of Uttar Pradesh (UP). The Company has imported denatured spirit into the State of Uttar Pradesh and has challenged levy amounting to ₹ 90 million before Hon'ble Allahabad High Court. The writ petition has been allowed by the High Court in favour of the Company. The State of Uttar Pradesh filed a special leave petition (SLP) with Hon'ble Supreme Court. The SLP has been admitted but the Hon'ble Supreme Court has declined the request of the State of Uttar Pradesh (UP) to stay the operation of High Court Order.
- vii. The Hon'ble Supreme Court has quashed the levy of license fee by State of Uttar Pradesh on captive consumption of denatured spirit in the Gajraula factory, and has ordered the refund of the fee paid during the period of dispute subject to condition that the amount has not been collected from the Company's customers. Further the Court has directed the State to investigate whether the Company has collected the disputed fee from its customers to the extent bank guarantees were furnished.

The Company is entitled to a refund of ₹ 84.06 million as the amount paid during the period of dispute or secured by bank guarantees was not collected from its customers. Accordingly the Company has approached the State of Uttar Pradesh for the refund of the said amount. The amount paid has been shown as deposit.

- viii. The State of Uttar Pradesh (UP) has also levied trade tax (VAT) in addition to the administrative fee on sale of molasses within the State. The Hon'ble Allahabad High Court had struck down the levy of VAT on grounds that once an administrative fee, in the form of tax, has already been charged under a Special Act, no Trade Tax or VAT can be charged under a general act. The Hon'ble Supreme Court (SC) has also declined to grant stay in SLP filed by the State of UP and the VAT authorities are currently treating molasses as goods not subject to VAT. The Company discontinued paying VAT on molasses purchased during FY 2011- FY 2013. The issue of applicability of VAT on sale of molasses is pending before the Hon'ble S.C and in case it is decided in favour of the State of UP, VAT amounting to ₹ 228.40 million would become payable on molasses purchased till FY 2013 and the net liability would be ₹ 24.70 million after adjustment of VAT credit to the extent of ₹ 203.70 million.

34. Loans to Subsidiary Companies, including interest accrued thereon pursuant to information required to be disclosed under clause 32 of listing agreement.

(₹ in million)

Particulars	Outstanding amount (including interest accrued thereon) as at 31st March,	
	2013	2012
Jubilant Biosys Ltd	1,589.33	1,650.92
Jubilant Pharma Pte. Ltd. Singapore (Interest free)	570.05	152.63

The above companies have not invested in the securities of the company.

35. Balance outstanding recoverable from following Companies in which Directors are interested:

(₹ in million)

Particulars	Outstanding amount as at 31st March,	
	2013	2012
B & M Hot Breads Pvt. Ltd	NIL	0.04
Jubilant Oil & Gas Pvt. Ltd	NIL	0.18

The above amounts are included in the note number 20: Advances recoverable in cash or kind.

36. **Micro, Small and Medium Business Entities**

There are no Micro, Small & Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March, 2013. The information as required to be disclosed under the Micro, Small and Medium Enterprises

Development Act, 2006 (MSMED) has been determined to the extent such parties have been identified on the basis of information available with the Company.

(₹ in million)

As at 31st March,	2013	2012
Principal amount payable to suppliers at the year end	8.92	15.79
Interest due on the remaining unpaid amount to the suppliers as at the end of the year	-	-
Amount of interest paid by the Company in terms of section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year	-	-
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED.	-	-
Amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
Amount of further interest due and payable in the succeeding year	-	-

37. As per share purchase agreement with Jubilant Cadista Pharmaceuticals Inc, a step down subsidiary, the company has delivered 10 Pre-Abbreviated New Drug Application (ANDA). Pending receipt of approval from FDA, company is yet to recognise revenue for 3 ANDAs.

38. Other operating income is in the nature of scrap sales, and licensing income etc.

39. Excise Duty under manufacturing expenses denotes provision on stock differential and other claims/ payments.

40. During the year, the company has changed useful life of dies and punches, used for manufacturing of dosages formulations from five years to "one to two years", Accordingly the depreciation for the year is higher by ₹ 17.09 million.

41. Donation includes ₹ 10.00 million (Previous year ₹ 15.02 million) payments made to General Electoral Trust during the year.

42. Prior period items for the year ₹ 37.33 million (Previous year ₹ 4.23 million).

43. Interest expenses are net of settlement received under interest rate swap as per Note 51.

44. Employee Stock Option Scheme

The Company has two stock option plans in place namely:

- Jubilant Employees Stock Option Plan, 2005 ("Plan 2005")
- JLL Employees Stock Option Plan, 2011 ("Plan 2011")

The Board of Directors had constituted a Compensation Committee ('Committee') comprising a majority of Independent Directors for administration and supervision of the Stock Option Plans.

Under Plan 2005, as amended, and under Plan 2011, up to 1,100,000 Stock Options and up to 5,352,000 Stock Options, respectively, can be issued to eligible directors (other than promoter directors) and other specified categories of employees of the Company/ Subsidiaries. Options are to be granted at market price. As per the SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 ('Guidelines'), the market price is taken as the closing price on the day preceding the date of grant of options, on the stock exchange where the trading volume is the highest. Under Plan 2005, each option, upon vesting, shall entitle the holder to acquire five equity shares of ₹ 1 each. Options granted up to 28th August 2009 will vest entirely within two years from the grant date, with certain lock-in provisions. Options granted after 28th August 2009 will vest gradually over a period of 5 years from the grant date, without any lock-in provisions.

Under Plan 2011, each option, upon vesting, shall entitle the holder to acquire one equity share of ₹ 1 each. Options granted will vest gradually over a period of 3 years from the grant date. Vesting of options is a function of achievement of performance criteria or any other criteria, as specified by the Committee and communicated in the Grant Letter.

Summary of vesting & lock in provisions is given below:

S. No.	PLAN 2005						PLAN 2011		
	Vesting Schedule (With lock in) Applicable for grants made up to 28 th August, 2009			Vesting Schedule (Without lock in) Applicable for grants made after 28 th August, 2009			Vesting Schedule		
	% of Options scheduled to vest	Vesting Date	Lock-in Period	% of Options scheduled to vest	Vesting Date	Lock-in Period	% of Options scheduled to vest	Vesting Date	Lock-in Period
1.	10	1 year from grant date	Nil	10	1 year from grant date	Nil	20	1 year from grant date	Nil
2.	15	2 years from grant date	Nil	15	2 years from grant date	Nil	30	2 years from grant date	Nil
3.	20	2 years from grant date	1 year from vesting date	20	3 years from grant date	Nil	50	3 years from grant date	Nil
4.	25	2 years from grant date	2 years from vesting date	25	4 years from grant date	Nil			
5.	30	2 years from grant date	3 years from vesting date	30	5 years from grant date	Nil			

In 2008-09, members approved constitution of Jubilant Employees Welfare Trust ('Trust') for the purpose of acquisition of equity shares of the Company from the Secondary market or subscription of shares from the Company, to hold the shares and to allocate/transfer these shares to eligible employees of the Company/subsidiaries from time to time on the terms and conditions specified under respective Plans. The members authorised grant of loan(s) from time to time to the Trust in one or more tranches, up to ₹ 1,000 million either free of interest or at interest agreed between the Board and the Trust. The outstanding loan to the Trust as at 31st March, 2013 is ₹ 439.39 million (Previous year ₹ 453.89 million).

Upto 31st March, 2013, the Trust has purchased 6,363,506 equity shares of the Company from the open market, out of interest free loan provided by the Company, of which 1,530,010 shares were transferred to the employees on exercise of options. The Trust has also been issued 192,086 equity shares of Jubilant Industries Limited in accordance with the Scheme of Amalgamation & Demerger amongst the Company, Jubilant Industries Ltd. & others.

The movement in the stock options under both the Plans, during the year, is set out below:

Under Plan 2005:

Particulars	2012-13		2011-12	
	Number of Options	Weighted Average Exercise Price (₹)	Number of Options	Weighted Average Exercise Price (₹)
Options outstanding at the beginning of the year	164,562	226.89	182,013	228.95
Granted during the year*	-	-	-	-
Expired during the year	-	-	-	-
Options forfeited during the year	(19,119)	225.67	(17,451)	248.38
Exercised during the year	-	-	-	-
Options outstanding at the end of the year	145,443	227.05	164,562	226.89

*The Board has decided that no further grants will be made under Plan 2005.

Under Plan 2011:

Particulars	2012-13		2011-12	
	Number of Options	Weighted Average Exercise Price (₹)	Number of Options	Weighted Average Exercise Price (₹)
Options outstanding at the beginning of the year	860,580	199.20	-	-
Granted during the year	918,351	219.01	891,383	199.23
Expired during the year	-	-	-	-
Options forfeited during the year	(193,876)	200.96	(30,803)	200.05
Exercised during the year	-	-	-	-
Options outstanding at the end of the year	1,585,055	210.47	860,580	199.20

Since the Trust is holding sufficient number of equity shares of the Company, it is envisaged to transfer the shares from the Trust to beneficiaries under Plan 2005 & Plan 2011 upon exercise. As such, there would be no fresh issue of shares by the Company and hence no dilution of capital. SEBI vide their circular dated 17th January 2013 has inserted Clause 35 C in the listing agreement which provides for dealing with the shares held by Employee Benefit Trusts.

On the basis of legal advice received, the Company believes that the aforesaid position of non dilution would not change on account of the above circular.

The Company has opted for intrinsic value method of accounting for Employee Stock Options. As market price of the options is equal to the exercise price on the date of grant, intrinsic value is ₹ Nil. Hence, there is no cost charged to Statement of Profit and Loss on account of options granted to employees under the Employee Stock Option Plans of the Company. Had the Company opted for fair value accounting of Employee Stock options, Profit after tax for the financial year would have been lower by ₹ 25.03 million (Previous Year ₹ 12.78 million).

45. Leases:

- The Company's significant operating lease arrangements are in respect of premises (residential, offices, godown etc.). These leasing arrangements, which are cancellable, range between 11 months and 3 years generally and are usually renewable by mutual agreeable terms. The aggregate lease rentals payable are charged as expenses.
- Also, the Company has significant operating lease arrangements which are non-cancellable for a fixed period of 25 years. The lease rental is subject to escalation whereby the Lessor is entitled to increase the lease rental by 10% of the average lease rental of preceding three years (blocked period).

The schedule of future minimum lease rental payments in respect of non-cancellable operating leases is set out below:

(₹ in million)

As at 31st March,	Minimum Lease Payments	
	2013	2012
Not later than one year	14.84	14.22
Later than one year but not later than five years	63.69	61.91
Later than five years	378.03	394.64

- Assets acquired under finance lease:

The Company has taken vehicles under finance lease. Future minimum lease payments and their present values under finance leases are as follows:

(₹ in million)

As at 31st March,	Minimum Lease Payments		Present Value of Minimum Lease Payments		Future Interest	
	2013	2012	2013	2012	2013	2012
Not later than one year	17.13	15.21	13.06	10.90	4.07	4.31
Later than one year but not later than five years	28.16	33.41	24.29	28.14	3.87	5.27
Later than five years	-	-	-	-	-	-

There is no element of contingent rent or sub lease payments. Company has option to purchase the assets at the end of the lease term. There are no restrictions imposed by these lease arrangements regarding dividend, additional debt and further leasing.

46. In line with the applicable Accounting Standards, during the year, interest amounting to ₹ 223.65 million (Previous year ₹ 253.51 million) and expenditure incurred on start up and commissioning of the project and /or substantial expansion and development, including the expenditure incurred on trial runs (Net of trial run receipts, if any) up to the date of capitalisation amounting to ₹ 406.34 million (Previous year ₹ 286.55 million) have been capitalised. The said expenditure (net of trial run receipts), so capitalised are accumulated as Capital work in progress to be allocated to fixed assets on capitalisation.
47. The carrying value of internally generated intangible asset – product development and other intangibles under progress has been reviewed and based on financial and technical assessment, carrying value of certain internally generated intangible assets/other intangibles under development of ₹ 55.56 million (Previous year ₹ 197.37 million) have been charged to the Statement of Profit and Loss.
48. Current Tax includes ₹ Nil (Previous year ₹ (7.45) million) related to previous years.
49. **Disclosure required by Accounting Standard 29 (AS-29) "Provisions, contingent liabilities and contingent assets".**

Movement in provisions:

(₹ in million)

Sr. No.	Particulars of disclosure	Class of Provisions				
		Provision for Bad and Doubtful Debts	Excise Duty	Premium on redemption of FCCBs	Provision for MTM Losses	Other Provisions
1	Balance as at 1st April, 2012	1.38 (0.66)	100.13 (33.49)	- (2,605.06)	1,198.42 (36.77)	89.61 (31.02)
2	Additional provision during 2012-13	14.93 (1.38)	109.30 (100.13)	- (-)	832.70 (1,198.42)	126.94 (89.61)
3	Provision used during 2012-13	1.38 (0.66)	100.13 (33.49)	- (2,605.06)	- (36.77)	89.61 (31.02)
4	Balance as at 31st March, 2013	14.93 (1.38)	109.30 (100.13)	- (-)	2,031.12 (1,198.42)	126.94 (89.61)

Provision for excise duty represents the excise duty on closing stock of finished goods.

50. The Company has opted for accounting the exchange difference arising on reporting of long term foreign currency monetary items in line with Para 46A of Accounting Standard 11 (AS-11) – "The Effects of Changes in Foreign Exchange Rates" notified by the Ministry Of Corporate Affairs on 29th December, 2011. Accordingly during 2012-13, the Company has capitalised exchange difference amounting to ₹ 170.75 million (Previous Year ₹ (-) 47.12 million) to the cost of fixed assets and ₹ 579.64 million (Previous Year ₹ 1,132.47 million) to foreign currency monetary item translation difference account (FCMITDA). During the year ₹ 631.61 million (Previous Year ₹ 405.05 million) has been amortised to Statement of Profit and Loss in terms of the said notification and balance of ₹ 675.45 million (Previous Year ₹ 727.42 million) is carried in Balance Sheet as on 31st March, 2013.
51. **Hedging and Derivatives:**
- i) The Company uses various derivative instruments such as foreign exchange forward contracts, interest rate swaps and currency swaps to selectively hedge its exposures to movement in foreign exchange rates and interest rates. These derivatives are not used for speculative or trading purposes.

The following are the outstanding derivative contracts entered into by the Company:

Category	Currency	Cross Currency	Amount (in million)	Buy/Sell	Purpose
As at 31st March 2013:					
Forward Contracts	USD	INR	USD 320.00	Sell	Hedging
Forward Contracts	USD	INR	USD 62.60	Buy	Hedging
Currency Swap (Loan of JPY 842.42 million)	JPY	USD	USD 8.30		Hedging
Currency and Interest Swap	INR	USD	USD 201.90		Hedging
As at 31st March 2012:					
Forward Contracts	USD	INR	USD 281.00	Sell	Hedging
Forward Contracts	USD	INR	USD 61.50	Buy	Hedging
Currency Swap (Loan of JPY 2,306.31 million)	JPY	USD	USD 22.72		Hedging
Currency and Interest Swap	INR	USD	USD 201.90		Hedging

ii) **Foreign currency exposure not hedged by derivative instrument:**

As at 31st March,	Amount (foreign currency in millions)			
	2013		2012	
Amount receivable on account of sale of goods & services and loans & advances.	USD	62.73	USD	53.90
	EURO	12.36	EURO	9.35
	GBP	0.20	GBP	0.24
	CAD	1.59	CAD	1.49
	CHF	0.01	CHF	-
Amount payable on account of purchase of goods & services and loans etc.	USD	264.91	USD	286.13
	JPY	0.03	JPY	2.43
	EURO	1.92	EURO	0.05
	GBP	-	GBP	0.05
	CHF	-	CHF	0.09
	CAD	0.10	CAD	-
Amount outstanding as deposits with banks	USD	5.11	USD	1.83

- iii) Mark to market losses in respect of currency and interest rate swaps contracts amounting to ₹ 832.70 million (Previous year ₹ 1,198.42 million) has been charged to the Statement of Profit and Loss.
- iv) The company has opted for hedge accounting in respect of certain transactions including forward contracts under Accounting Standard 30 issued by the Institute of Chartered Accountants of India. Accordingly during the year:
- An amount of ₹ 536.47 million has been credited to Hedge Reserve Account on account of outstanding forward contracts of US\$ 258 million for which highly probable forecast sale of US\$ 258 million is expected to occur between April 2013 and May 2014.
 - An amount of ₹ 181.03 million has been transferred from Hedge Reserve Account to Statement of Profit and Loss under sales on occurrence of highly probable forecast transaction.
 - A gain of ₹ 6.24 million has been transferred from Hedge Reserve Account to Statement of Profit and Loss under exceptional items on account of forecasted transaction not expected to occur.

52. Employee Benefits have been calculated as under:

(A) Defined Contribution Plans

- Provident fund*
- Superannuation fund

During the year the Company has contributed following amounts to:

(₹ in million)

For the year ended 31st March,	2013	2012
Employers contribution to provident fund	6.63	5.61
Employers contribution to employee's pension scheme 1995	22.67	20.64
Employers contribution to superannuation fund	14.09	14.88

*For certain employees where provident fund is deposited with Government authorities e.g. Regional Provident Fund Commissioner.

c. State plans

During the year the Company has contributed following amounts to:

(₹ in million)

For the year ended 31st March,	2013	2012
Employers contribution to employee state insurance	3.57	3.91

(B) Defined benefit plans**i. Compensated absences and gratuity**

In accordance with Accounting Standard 15(AS 15)-“Employee Benefits (Revised 2005)”, an actuarial valuation has been carried out in respect of gratuity and compensated absences. The discount rate assumed is 8% which is determined by reference to market yield at the Balance Sheet date on Government bonds. The retirement age has been considered at 58 years and mortality table is as per LIC (1994-96).

The estimates of future salary increases, considered in actuarial valuation is 5%, taking into account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Reconciliation of opening and closing balances of the present value of the defined benefit obligation:

(₹ in million)

	Gratuity*		Leave Encashment	
	2013	2012	2013	2012
Present value of obligation at the beginning of the year	247.35	216.68	155.80	133.97
Current service cost	27.56	26.06	29.35	30.85
Interest cost	19.79	18.57	12.46	11.48
Actuarial (gain)/loss	32.62	14.88	(10.07)	0.31
Benefits paid	(30.91)	(28.84)	(26.36)	(20.81)
Present value of obligation at the end of the year	296.41	247.35	161.18	155.80

Reconciliation of the present value of defined benefit obligation and the fair value of the plan assets:

(₹ in million)

	Gratuity*		Leave Encashment	
	2013	2012	2013	2012
Present value of obligation at the end of the year	296.41	247.35	161.18	155.80
Fair value of plan assets at period end	-	-	-	-
Assets/(Liabilities) recognised in the Balance Sheet	(296.41)	(247.35)	(161.18)	(155.80)

*Excluding for certain employees of Nanjangud & Ambarnath Unit.

Cost recognised for the period (included under salaries, wages, allowances, bonus and gratuity):

(₹ in million)

	Gratuity*		Leave Encashment	
	2013	2012	2013	2012
Current service cost	27.56	26.06	29.35	30.85
Interest cost	19.79	18.57	12.46	11.48
Actuarial (gain)/loss	32.62	14.88	(10.07)	0.31
Net cost recognised during the year	79.97	59.51	31.74	42.64

*Excluding for certain employees of Nanjangud & Ambarnath Unit.

Reconciliation of opening and closing balances of the present value of the defined benefit obligation:**

(₹ in million)

	Gratuity	
	2013	2012
Present value of obligation at the beginning of the year	27.58	22.44
Current service cost	4.68	4.72
Interest cost	2.21	1.92
Actuarial (gain)/loss	(4.26)	0.62
Benefits paid	(1.10)	(2.12)
Present value of obligation at the end of the year	29.11	27.58

Reconciliation of the present value of defined benefit obligation and the fair value of the plan assets:**

(₹ in million)

	Gratuity	
	2013	2012
Present value of obligation at the end of the year	29.11	27.58
Fair value of plan assets at period end	14.07	10.49
Funded status excess of actual over estimated	-	-
Assets/(Liabilities) recognised in the Balance Sheet	(15.04)	(17.09)

Cost recognised for the period (included under salaries, wages, allowances, bonus and gratuity) :**

(₹ in million)

	Gratuity	
	2013	2012
Current service cost	4.68	4.72
Interest cost	2.21	1.92
Actuarial (gain)/loss	(3.24)	1.39
Expected return on plan assets	(1.02)	(0.77)
Net cost recognised during the year	2.63	7.26

** In respect of certain employees of Nanjangud Unit.

Reconciliation of opening and closing balances of the present value of the defined benefit obligation*:**

(₹ in million)

	Gratuity	
	2013	2012
Present value of obligation at the beginning of the year	2.77	2.51
Current service cost	0.97	0.98
Interest cost	0.22	0.21
Actuarial (gain)/loss	(0.39)	(0.52)
Benefits paid	(0.05)	(0.41)
Present value of obligation at the end of the year	3.52	2.77

Reconciliation of the present value of defined benefit obligation and the fair value of the plan assets*:**

(₹ in million)

	Gratuity	
	2013	2012
Present value of obligation at the end of the year	3.52	2.77
Fair value of plan assets at period end	3.84	2.15
Funded status excess of actual over estimated	-	-
Assets/(Liabilities) recognised in the Balance Sheet	0.32	(0.62)

*** In respect of certain employees of Ambarnath Unit.

Cost recognised for the period (included under salaries, wages, allowances, bonus and gratuity)* :**

(₹ in million)

	Gratuity	
	2013	2012
Current service cost	0.97	0.98
Interest cost	0.22	0.21
Actuarial (gain)/loss	(0.36)	(0.40)
Expected return on plan assets	(0.19)	(0.12)
Net cost recognised during the year	0.64	0.67

*** In respect of certain employees of Ambarnath Unit.

Experience Adjustment**a) Gratuity**

(₹ in million)

	2013	2012	2011	2010	2009
Defined benefit obligation	329.04	277.70	241.63	241.89	235.39
Plan assets	17.91	12.64	9.96	8.15	5.32
Surplus/(Deficit)	(311.13)	(265.06)	(231.67)	(233.74)	(230.07)
Experience adjustment of plan liabilities-(loss)/gain	(26.39)	(20.33)	34.81	(5.08)	(15.74)
Experience adjustment on plan assets-(loss)/gain	(0.85)	(0.90)	0.17	0.24	(0.39)

b) Leave Encashment

(₹ in million)

	2013	2012	2011	2010	2009
Defined benefit obligation	161.18	155.80	133.97	115.07	102.88
Surplus/(Deficit)	(161.18)	(155.80)	(133.97)	(115.07)	(102.88)
Experience adjustment of plan liabilities-(loss)/gain	10.95	(3.24)	7.08	(3.67)	(12.66)
Experience adjustment on plan assets -(loss)/gain	-	-	-	-	-

ii. Provident Fund:

The Guidance on implementation of AS 15, Employee Benefits (Revised 2005) issued by Accounting Standard Board (ASB) states that benefits involving provident funds, which require interest shortfall to be compensated, are to be considered as defined benefit plans. The actuary has worked out a liability of ₹ 9.67 million (Previous year ₹ 8.04 million) likely to arise towards interest guarantee. The trust is managing common corpus of some of the group companies. The total liability of ₹ 9.67 million (Previous year ₹ 8.04 million) as worked out by the actuary has been allocated to each entity based on the corpus value of each entity as on 31st March, 2013. Accordingly, liability of ₹ 8.40 million (Previous year ₹ 7.13 million) has been allocated to Company and ₹ 1.26 million (Previous year ₹ 1.33 million) has been charged to Statement of Profit and Loss during the year. The Company has contributed ₹ 104.16 million to Provident Fund (Previous year ₹ 86.77 million) for the year.

(C) Other long term benefits

(₹ in million)

	2013	2012
Present value of obligation at the end of the year	11.43	8.69

53. Segment Reporting :

i) Based on the guiding principles given in Accounting Standard 17 (AS-17) on “Segment Reporting”, the Company’s Primary Business Segments were organised around customers on industry and product lines as under:

a. **Pharmaceuticals :**

i) Generics, comprising Active Pharmaceuticals Ingredients (APIs) and Solid Dosage Formulations

b. **Life Sciences Ingredients :**

i) Proprietary Products and Exclusive Synthesis

ii) Life Sciences Chemicals

iii) Nutrition Ingredients

ii) In respect of Secondary Segment information, the Company has identified its Geographical segments as:

(i) Within India

(ii) Outside India.

iii) **Inter Segment Transfer Pricing**

Inter Segment Transfer prices are based on market prices.

iv) The Financial information about the primary business segments is presented in the table given below:

(₹ in million)

	Particulars	Pharmaceuticals		Life Sciences Ingredients		Total	
		2013	2012	2013	2012	2013	2012
1)	Segment Revenue	7,641.40	5,716.38	25,049.02	21,645.94	32,690.42	27,362.32
	Less: Inter Segment Revenue	–	–	26.85	30.62	26.85	30.62
	Less: Excise Duty on Sales	76.78	35.29	1,123.76	885.74	1,200.54	921.03
	Revenue from operations (Net)	7,564.62	5,681.09	23,898.41	20,729.58	31,463.03	26,410.67
2)	Segment results	1,524.81	1,003.19	2,475.57	2,561.24	4,000.38	3,564.43
	Less : Interest (Finance Cost)					1,711.66	1,544.21
	Other un-allocable expenditure (net of un-allocable income)					2,416.81	2,479.68
	Total Profit Before Tax	1,524.81	1,003.19	2,475.57	2,561.24	(128.09)	(459.46)
3)	Capital Employed (Segment Assets - Segment Liabilities)						
	Segment Assets	11,546.11	10,483.18	23,658.42	23,622.73	35,204.53	34,105.91
	Add: Common Assets					29,712.46	27,635.89
	Total Assets	11,546.11	10,483.18	23,658.42	23,622.73	64,916.99	61,741.80
	Segment Liabilities	1,677.71	1,435.66	10,759.69	7,416.83	12,437.40	8,852.49
	Add: Common Liabilities					3,341.99	2,241.22
	Total Liabilities	1,677.71	1,435.66	10,759.69	7,416.83	15,779.39	11,093.71
	Segment Capital Employed	9,868.40	9,047.52	12,898.73	16,205.90	22,767.13	25,253.42
	Add: Common Capital Employed					26,370.47	25,394.67
	Total Capital Employed	9,868.40	9,047.52	12,898.73	16,205.90	49,137.60	50,648.09
4)	Segment Capital Expenditure	1,271.65	1,478.26	1,368.15	3,004.00	2,639.80	4,482.26
	Add: Common Capital Expenditure					367.72	79.53
	Total Capital Expenditure	1,271.65	1,478.26	1,368.15	3,004.00	3,007.52	4,561.79
5)	Depreciation & Amortisation(Net)	604.43	475.74	887.04	802.71	1,491.47	1,278.45
	Add: Common Depreciation					30.20	41.58
	Total Depreciation & Amortisation	604.43	475.74	887.04	802.71	1,521.67	1,320.03

v) Secondary Segments (Geographical Segments):

Particulars	(₹ in million)	
	2013	2012
a) Revenue from operations by geographic locations of customers (Net of excise duty)		
Within India	13,063.59	12,429.15
Outside India	18,399.44	13,981.52
Total	31,463.03	26,410.67
b) Carrying amount of segment assets		
Within India	43,137.85	41,166.09
Outside India	21,779.14	20,575.71
Total	64,916.99	61,741.80
c) Capital Expenditure		
Within India	3,007.52	4,561.79
Outside India	-	-
Total	3,007.52	4,561.79
d) Revenue from operations by geographic markets		
India	13,063.59	12,429.15
Americas & Europe	11,096.27	8,470.54
China	3,499.11	2,676.21
Asia & Others	3,804.06	2,834.77
Total	31,463.03	26,410.67

Notes:

- 1) The Company has disclosed Business Segment as the Primary Segment.
- 2) Segments have been identified and reported taking into account the nature of products and services, the differing risk and returns, the organisation structure and the internal financial reporting systems.
- 3) The Segment revenue, results, assets and liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.

54. Related Party Disclosures**1. Related parties where control exists:****a) Subsidiaries including Step-down subsidiaries:**

Jubilant Pharma Pte Ltd, Draximage Limited, Cyprus, Draximage Limited, Ireland, Draximage LLC, Jubilant DraxImage (USA) Inc., Deprenyl Inc., USA, Jubilant DraxImage Inc., 6963196 Canada Inc., 6981364 Canada Inc. DAHI Animal Health (UK) Ltd., Draximage (UK) Ltd., Jubilant Life Sciences Holdings Inc., Jubilant Clinsys Inc., Cadista Holdings Inc., Jubilant Cadista Pharmaceuticals Inc., Jubilant Life Sciences International Pte. Ltd., HSL Holdings Inc., Jubilant HollisterStier LLC, Jubilant Life Sciences (Shanghai) Ltd., Jubilant Pharma NV, Jubilant Pharmaceuticals NV, PSI Supply NV, Jubilant Life Sciences (USA) Inc., Jubilant Life Sciences (BVI) Ltd., Jubilant Biosys (BVI) Limited, Jubilant Biosys (Singapore) Pte. Ltd., Jubilant Biosys Ltd., Jubilant Discovery Services, Inc., Jubilant Drug Development Pte. Ltd., Jubilant Chemsys Ltd., Jubilant Clinsys Ltd., Jubilant Infrastructure Ltd., Jubilant First Trust Healthcare Ltd., Asia Healthcare Development Ltd., Jubilant Innovation (BVI) Ltd., Jubilant Innovation Pte. Limited, Jubilant DraxImage Ltd. India, Jubilant Innovation (India) Ltd., Jubilant Innovation (USA) Inc, Jubilant HollisterStier Inc., Draxis Pharma LLC, Generic Pharmaceuticals Holdings, Inc., Jubilant Life Sciences (Switzerland) AG, First Trust Medicare Pvt. Ltd, Jubilant Drug Discovery & Development Services Inc., Vanthys Pharmaceutical Development Pvt. Ltd.

b) Other Entities:

Jubilant HollisterStier General Partnership Canada, Draximage General Partnership Canada (controlled through subsidiaries/step down subsidiaries).

2. Other Related parties with whom transactions have taken place during the year.**a) Enterprise over which certain key management personnel have significant influence:**

Jubilant Enpro Pvt. Ltd., Jubilant Oil & Gas Pvt. Ltd., Jubilant FoodWorks Ltd., Tower Promoters Pvt. Ltd., B&M Hot Breads Pvt. Ltd, Jubilant Industries Ltd., Jubilant Agri and Consumer Products Ltd., Jubilant Motors Pvt. Ltd., Jubilant Aeronautics Pvt. Ltd, Sankur Chalets Pvt. Ltd.

b) Key management personnel:

Mr. Shyam S. Bhartia, Mr. Hari S. Bhartia , Mr. Shyamsundar Bang, Mr. R. Sankaraiah, Mr. Pramod Yadav, Mr. Rajesh Srivastava, Mr. Neeraj Agrawal, Mr. Chandan Singh.

c) Others:

Vam Employees Provident Fund Trust, Jubilant Employee Welfare Trust, Jubilant Bhartia Foundation, Vam Officers Superannuation Fund.

3. Transactions with related parties during the year:

(₹ in million)

S. No.	Particulars	Subsidiaries	Enterprise over which certain key management personnel have significant influence	Key management personnel & relatives	Others
1.	Sales of goods & services	7,687.05 (4,473.06)	426.39 (394.95)		
2.	Interest on loans granted	153.80 (152.35)			
3.	Purchase of goods & services	1,034.63 (662.37)	94.87 (83.84)		
4.	Recovery of expenses & utilities charges	184.67 (140.44)	88.77 (87.73)		
5.	Reimbursement of expenses	124.98 (46.93)	0.28 (0.23)		
6.	Remuneration and related expenses			242.76 (172.94)	
7.	Company's contribution to PF Trust				104.16 (86.77)
8.	Company's contribution to superannuation fund				14.09 (14.88)
9.	Rent expenses		56.39 (45.48)	- (5.98)	
10.	Donation				24.61 (19.80)
11.	Sharing of licensing fees	58.07 (90.78)			
12.	R&D services rendered	13.35 (-)			
13.	Professional services-fees				- (2.14)
14.	Lease rental expenses	14.22 (16.38)			
15.	Development charges expenses	- (141.79)			
16.	Purchase of tangible /intangible assets	13.90 (-)	6.15 (-)		
17.	Investments in equity share capital	307.82 (974.70)			
18.	Interest paid on loans	11.64 (1.13)			
19.	Redemption of optionally convertible non-cumulative redeemable preference shares	120.00 (48.00)			
20.	Loans given	409.98 (182.63)			- (183.99)
21.	Loans received back	- (445.95)			14.50 (-)
22.	Loans taken	530.20 (120.00)			
23.	Loans repaid	73.00 (55.00)			
24.	Advance from customer	2,568.06 (-)			

(₹ in million)					
S. No.	Particulars	Subsidiaries	Enterprise over which certain key management personnel have significant influence	Key management personnel & relatives	Others
Balance as at 31st March , 2013					
25.	Loans payable	522.20 (65.00)			
26.	Interest payable on loan	10.27 (1.02)			
27.	Trade and other payables	331.49 (470.41)	21.29 (15.31)		- (0.19)
28.	Loans recoverable (including interest accrued thereon)	2,159.38 (1,803.55)			439.39 (453.89)
29.	Trade Receivables	1,740.47 (1,690.24)	47.05 (44.32)		
30.	Deposits recoverable		21.00 (21.00)		
31.	Other recoverables	219.63 (129.92)	86.52 (36.67)	25.00 (25.00)	
32.	Advance from customer payable	1,554.84 (-)			
33.	Financial guarantees on behalf of subsidiaries/ step down subsidiaries and outstanding at the end of the year.	2,098.11 (2,234.09)			

Note:

- (1) Figures in () indicates in respect of previous year.
- (2) Related party relationship is as identified by the Company and relied upon by the Auditors.
- (3) No amount has been written off/provided for in respect of dues from or to any related party.

Disclosure in respect of material related party transactions during the year:

1. Sales of goods & services include to Jubilant Life Sciences (Shanghai) Limited ₹ 1,801.44 million (P.Y ₹ 2,221.87 million), Jubilant Life Sciences (USA) Inc. ₹ 2,082.96 million (P.Y ₹ 1,284.04 million), PSI Supply NV ₹ 126.02 million (P.Y. ₹ 92.35 million), Jubilant Cadista Pharmaceuticals Inc. ₹ 828.80 million (P.Y ₹ 367.03 million), Jubilant Clinsys Inc ₹ Nil (P.Y ₹ 3.76 million), Jubilant Pharmaceuticals NV ₹ 1,769.94 million (P.Y ₹ 497.92 million), Jubilant Chemsys Ltd ₹ 38.91 million (P.Y ₹ 6.09 million), Jubilant Industries Ltd ₹ Nil (P.Y ₹ 380.26 million) and Jubilant Agri and Consumer Products Ltd ₹ 426.39 million (P.Y ₹ 14.69 million), Jubilant Infrastructure Ltd ₹ 1.28 million (P.Y ₹ Nil), Jubilant Life Sciences International Pte. Ltd ₹ 1,037.70 million (P.Y ₹ Nil).
2. Interest on loan charged to Jubilant Biosys Ltd. ₹ 153.80 million (P.Y ₹ 152.35 million).
3. Purchases of goods & services include from Jubilant Clinsys Ltd. ₹ 141.10 million (P.Y ₹ 207.03 million), Jubilant Pharmaceuticals NV ₹ 39.34 million (P.Y ₹ 85.73 million), Jubilant Infrastructure Limited ₹ 852.90 million (P.Y ₹ 350.82 million), Jubilant Chemsys Ltd ₹ 0.62 million (P.Y ₹ 2.03 million), PSI Supply NV Belgium. ₹ 0.67 million (P.Y ₹ Nil), Jubilant Life Sciences (Switzerland) AG ₹ Nil (P.Y ₹ 16.76 million), Jubilant Industries Ltd ₹ Nil (P.Y ₹ 9.58 million) and Jubilant Agri and Consumer Products Ltd ₹ 94.87 million (P.Y ₹ 74.26 million).
4. Recovery of expenses & utilities charges includes from Jubilant Chemsys Ltd. ₹ 19.06 million (P.Y ₹ 17.08 million), PSI Supply NV ₹ Nil (P.Y ₹ 0.86 million), Jubilant Cadista Pharmaceuticals Inc ₹ 12.69 million (P.Y ₹ 5.20 million), Jubilant HollisterStier LLC ₹ 40.57 million (P.Y ₹ 25.77 million), Jubilant Life Sciences USA Inc ₹ Nil (P.Y ₹ 4.15 million), Jubilant DraxImage Inc. ₹ 13.29 million (P.Y ₹ 5.21 million), Jubilant DraxImage Ltd. ₹ 0.05 million (P.Y ₹ 0.19 million), Jubilant HollisterStier General Partnership ₹ 12.25 million (P.Y ₹ 5.37 million), Jubilant Clinsys Inc ₹ 1.51 million (P.Y ₹ 2.18 million), Asia Healthcare Development Ltd ₹ Nil (P.Y ₹ 0.14 million), Jubilant Drug Discovery Services Inc ₹ Nil (P.Y ₹ 0.27 million), Jubilant Life Sciences (Switzerland) AG ₹ Nil (P.Y ₹ 0.75 million), Jubilant Innovation (USA) Inc. ₹ Nil million (P.Y ₹ 0.26 million), HSL Holdings Inc ₹ Nil (P.Y ₹ 0.26 million), Jubilant Life Sciences Holdings Inc. ₹ Nil (P.Y ₹ 0.26 million), Jubilant Infrastructure Ltd. ₹ 80.10 million (P.Y ₹ 72.48 million), Jubilant First Trust Healthcare Ltd. ₹ Nil (P.Y ₹ 0.01 million), Jubilant Enpro Pvt. Ltd. ₹ 8.21 million (P.Y ₹ 7.87 million), Jubilant Oil & Gas Pvt. Ltd. ₹ 4.23 million (P.Y ₹ 2.39 million), Jubilant FoodWorks Ltd. ₹ 5.97 million (P.Y ₹ 3.38 million), Jubilant Industries Ltd. ₹ 0.18 million (P.Y ₹ 66.50 million), Jubilant Agri and Consumer Products Ltd. ₹ 69.43 million (P.Y ₹ 7.07 million), B&M Hot Breads Pvt. Ltd. ₹ 0.59 million (P.Y ₹ 0.52 million), Jubilant Aeronautics

- Pvt. Ltd. ₹ 0.16 million (P.Y ₹ Nil), Jubilant Biosys Ltd. ₹ 5.12 million (P.Y ₹ Nil) , Jubilant Innovation Pte. Ltd. Singapore ₹ 0.03 million (P.Y ₹ Nil).
5. Reimbursement of expenses to Jubilant Pharmaceuticals NV ₹ 109.20 million (P.Y ₹ 39.86 million), Jubilant Biosys Ltd. ₹ 0.44 million (P.Y ₹ 1.35 million), Jubilant Infrastructure Ltd. ₹ 0.16 million (P.Y ₹ 0.50 million), PSI Supply NV Belgium. ₹ 2.46 million (P.Y ₹ Nil), Jubilant DraxImage Inc ₹ 2.69 million (P.Y ₹ 0.94 million), Jubilant HollisterStier LLC ₹ 2.13 million (P.Y ₹ 3.45 million), Jubilant Cadista Pharmaceuticals Inc ₹ 7.80 million (P.Y ₹ 0.83 million), Jubilant HollisterStier General Partnership ₹ 0.10 million (P.Y ₹ Nil) and Jubilant Oil & Gas Pvt Ltd ₹ 0.28 million (P.Y ₹ 0.23 million).
 6. Remuneration and related expenses to Mr. Shyam S Bhartia ₹ 57.50 million (P.Y ₹ 23.80 million), Mr. Hari S Bhartia ₹ 57.50 million (P.Y ₹ 22.99 million), Mr. Shyamsundar Bang ₹ 21.31 million (P.Y ₹ 18.68 million), (Late) Dr J M Khanna ₹ Nil (P.Y ₹ 19.51 million), Mr. R Sankaraiah ₹ 36.17 million (P.Y ₹ 28.06 million), Mr Pramod Yadav ₹ 18.57 million (P.Y ₹ 16.71 million), Mr Rajesh Srivastava ₹ 18.91 million (P.Y ₹ 16.56 million), Mr. Chandan Singh ₹ 11.08 million (P.Y ₹ 10.02 million), Mr Neeraj Agrawal ₹ 21.72 million (P.Y ₹ 16.61 million).
 7. Company's contribution to PF Trust to Vam Employees Provident Fund Trust ₹ 104.16 million (P.Y ₹ 86.77 million).
 8. Company's contribution to Superannuation Fund to Vam Officers Superannuation Fund ₹ 14.09 million (P.Y ₹ 14.88 million).
 9. Rent expenses paid to Jubilant Enpro Pvt. Ltd. ₹ 2.59 million (P.Y ₹ 2.54 million), Jubilant Oil & Gas Pvt. Ltd. ₹ Nil (P.Y ₹ 0.94 million), Tower Promoters Pvt. Ltd. ₹ 52.00 million (P.Y ₹ 42.00 million), Ms Asha Khanna (wife of (Late) Dr. J .M. Khanna) ₹ Nil (P.Y ₹ 0.82 million), Ms Shobha Bang(wife of Mr. Shyamsundar Bang) ₹ Nil (P.Y ₹ 5.16 million), Sankur Chalets Pvt. Ltd. ₹ 1.80 million (P.Y ₹ Nil)
 10. Donation to Jubilant Bhartia Foundation ₹ 24.61 million (P.Y ₹ 19.80 million).
 11. Sharing of licensing fees with Jubilant Pharmaceuticals NV ₹ 58.07 million (P.Y ₹ 90.78 million).
 12. R&D services rendered to Jubilant Cadista Pharmaceuticals Inc. ₹ 13.35 (P.Y ₹ Nil).
 13. Professional services-fees paid to Amarchand & Mangaldas & Suresh A. Shroff & Co. ₹ - (P.Y ₹ 2.14 million).
 14. Lease rental paid to Jubilant Infrastructure Ltd. ₹ 14.22 million (P.Y ₹ 16.38 million).
 15. Development charges paid to Jubilant Infrastructure Ltd. ₹ Nil (P.Y ₹ 141.79 million).
 16. Purchase of tangible/intangible assets from Jubilant Pharmaceuticals NV ₹ 13.90 million (P.Y ₹ Nil) and Jubilant Motors Pvt Ltd ₹ 6.15 million (P.Y ₹ Nil)
 17. Investments in equity share capital include to Jubilant Pharma Pte Ltd. ₹ 307.82 million (P.Y ₹ 205.60 million), Jubilant Infrastructure Ltd. ₹ Nil (P.Y ₹ 495.00 million) and Jubilant First Trust Healthcare Ltd. ₹ Nil (P.Y ₹ 274.10 million).
 18. Interest paid on loan from Jubilant Infrastructure Ltd. ₹ 0.78 million (P.Y ₹ 1.13 million), Jubilant Clinsys Ltd. ₹ 0.94 million (P.Y ₹ Nil), Jubilant First Trust Healthcare Ltd. ₹ 8.75 million (P.Y ₹ Nil), Asia Healthcare Development Ltd. ₹ 0.36 million (P.Y ₹ Nil) and Vanthys Pharmaceutical Development Pvt. Ltd ₹ 0.81 million (P.Y ₹ Nil).
 19. Redemption of optionally convertible non-cumulative redeemable preference shares by Jubilant Chemsys Ltd. ₹ 120.00 million (P.Y ₹ 48.00 million).
 20. Loans given to Jubilant Pharma Pte Ltd. ₹ 409.98 million (P.Y ₹ 152.63 million), Jubilant Biosys Ltd ₹ Nil (P.Y ₹ 30.00 million) and Jubilant Employee Welfare Trust ₹ Nil (P.Y ₹ 183.99 million).
 21. Loans received back from Jubilant Pharma Pte Ltd. ₹ Nil (P.Y ₹ 445.95 million) and Jubilant Employee Welfare Trust ₹ 14.50 million (P.Y ₹ Nil).

22. Loans taken from Jubilant Infrastructure Ltd. ₹ 227.50 million (P.Y ₹ 120.00 million), Jubilant Clinsys Ltd. ₹ 60.00 million (P.Y ₹ Nil), Jubilant First Trust Healthcare Ltd. ₹ 209.20 million (P.Y ₹ Nil), Asia Healthcare Development Ltd. ₹ 8.50 million (P.Y ₹ Nil) and Vanthys Pharmaceutical Development Pvt. Ltd ₹ 25.00 million (P.Y ₹ Nil),
23. Loans repaid to Jubilant Infrastructure Ltd. ₹ 65.00 million (P.Y ₹ 55.00 million) and Jubilant First Trust Healthcare Ltd. ₹ 8.00 million (P.Y ₹ Nil) .
24. Advance from customer Jubilant Life Sciences International Pte Ltd ₹ 2,568.06 million (P.Y ₹ Nil)
25. Loans payable to Jubilant Infrastructure Ltd. ₹ 227.50 million(P.Y ₹ 65.00 million), Jubilant Clinsys Ltd. ₹ 60.00 million (P.Y ₹ Nil), Jubilant First Trust Healthcare Ltd. ₹ 201.20 million (P.Y ₹ Nil), Asia Healthcare Development Ltd. ₹ 8.50 million (P.Y ₹ Nil) and Vanthys Pharmaceutical Development Pvt. Ltd ₹ 25.00 million (P.Y ₹ Nil).
26. Interest payable on loans from Jubilant Infrastructure Ltd. ₹ 0.51 million (P.Y ₹ 1.02million), Jubilant Clinsys Ltd. ₹ 0.84 million (P.Y ₹ Nil), Jubilant First Trust Healthcare Ltd. ₹ 7.86 million (P.Y ₹ Nil), Asia Healthcare Development Ltd. ₹ 0.33 million (P.Y ₹ Nil) and Vanthys Pharmaceutical Development Pvt. Ltd ₹ 0.73 million (P.Y ₹ Nil).
27. Trade and other payables include to Jubilant Clinsys Ltd to ₹ 14.19 million(P.Y ₹ 36.72 million), Jubilant Pharmaceuticals NV ₹ 154.92 million(P.Y ₹ 122.42 million), Jubilant Life Sciences USA Inc ₹ 9.67 million(P.Y ₹ 9.07 million), Jubilant Cadista Pharmaceuticals Inc ₹ Nil (P.Y ₹ 26.71 million), Jubilant Infrastructure Ltd ₹ 147.64 million(P.Y ₹ 270.60 million), Jubilant Life Sciences (Switzerland) AG ₹ Nil (P.Y ₹ 4.89 million) , Amarchand & Mangaldas & Suresh A. Shroff & Co ₹ - (P.Y ₹ 0.19 million), Jubilant Industries Ltd. ₹ Nil (P.Y ₹ 1.91 million), Jubilant Agri and Consumer Products Ltd ₹ 21.29 million(P.Y ₹ 13.40 million),PSI Supply NV Belgium ₹ 2.34 million (P.Y ₹ Nil), Jubilant Draximage Inc ₹ 2.63 million (P.Y ₹ Nil), Jubilant Holister Stier General Partnership ₹ 0.10 million (P.Y ₹ Nil).
28. Loans recoverable from Jubilant Pharma Pte Ltd ₹ 570.05 million (P.Y ₹ 152.63 million) and Jubilant Biosys Ltd ₹ 1,589.33 million (P.Y ₹ 1,650.92 million), Jubilant Employee Welfare Trust ₹ 439.39 million(P.Y ₹ 453.89 million).
29. Trade receivables include from Jubilant Pharmaceuticals N.V ₹ 649.42 million (P.Y ₹ 413.34 million), PSI Supply NV ₹ 49.08 million(P.Y ₹ 44.81 million), Jubilant Life Sciences (USA) Inc ₹ 563.49 million(P.Y ₹ 401.17 million), Jubilant Life Sciences (Shanghai) Ltd ₹ 383.25 million(P.Y ₹ 652.27 million), Jubilant Cadista Pharmaceuticals Inc ₹ 93.69 million(P.Y ₹ 174.83 million), Jubilant Clinsys Inc. ₹ Nil (P.Y ₹ 3.82 million), Jubilant Industries Ltd. ₹ Nil (P.Y ₹ 35.29 million), Jubilant Agri and Consumer Products Ltd ₹ 47.05 million (P.Y ₹ 9.03 million), Jubilant Chemsys Limited ₹ 1.54 million (P.Y ₹ Nil).
30. Deposit recoverable from Tower Promoters Pvt. Ltd. ₹ 21.00 million (P.Y ₹ 21.00 million).
31. Other recoverable include from PSI Supply NV ₹ Nil (P.Y ₹ 0.10 million), Jubilant Cadista Pharmaceuticals Inc ₹ 6.85 million (P.Y ₹ Nil), Jubilant HollisterStier LLC ₹ 94.51 million(P.Y ₹ 52.65 million), Jubilant Clinsys Inc ₹ 10.15 million(P.Y ₹ 8.13 million), Jubilant HollisterStier General Partnership ₹ 54.29 million(P.Y ₹ 40.15 million), Jubilant DraxImage Inc ₹ 39.83 million(P.Y ₹ 25.44 million), Jubilant Draximage Ltd ₹ 6.31 million(P.Y ₹ 2.26 million), Jubilant Chemsys Ltd ₹ 2.26 million(P.Y ₹ 0.53 million), Jubilant Infrastructure Ltd. ₹ Nil (P.Y ₹ 0.41 million), Jubilant Innovation (USA) Inc. ₹ Nil (P.Y ₹ 0.25 million), Mr. R. Sankaraiah ₹ 25.00 million (P.Y ₹ 25.00 million), Jubilant Oil & Gas Pvt. Ltd. ₹ Nil (P.Y ₹ 0.18 million), Jubilant Industries Ltd. ₹ 17.17 million (P.Y ₹ 21.19 million), Jubilant Agri and Consumer Products Ltd ₹ 63.98 million (P.Y ₹ 15.26 million), B&M Hot Breads Pvt Ltd. ₹ Nil(P.Y ₹ 0.04 million),Jubilant Biosys Limited ₹ 4.68 million (P.Y ₹ Nil), Jubilant Life Sciences (Switzerland) AG Schaffhausen ₹ 0.75 million (P.Y ₹ Nil), Jubilant FoodWorks Ltd ₹ 5.37 million (P.Y ₹ Nil)
32. Advance from customer payable to Jubilant Life Sciences International Pte Ltd ₹ 1,554.84 million (P.Y ₹ Nil).
33. Financial guarantees given on behalf of subsidiaries include for HSL Holdings Inc ₹ Nil (PY ₹ 317.97 million), Jubilant HollisterStier Inc. ₹ 1,136.45 million (PY ₹ 1,916.12 million), Jubilant Life Sciences International Pte. Ltd. ₹ 961.66 million (PY ₹ Nil).

(₹ in million)

For the year ended 31st March,	2013	2012
55. (a) Expenditure in foreign currency (on remittance basis)		
- Legal, professional & consultancy Charges	32.17	69.48
- Travel/entertainment expenses	42.48	38.67
- Commission on export sales	30.48	34.79
- Interest	680.14	387.29
- Premium on redemption of FCCB	-	2,718.10
- Product development expenses	183.11	91.92
- Others	155.99	96.16
(b) Value of Imports on C.I.F. basis		
- Raw materials	5,649.48	4,761.49
- Traded goods	1,153.16	1,729.25
- Stores, spares, chemicals & packing material	335.10	129.34
- Capital goods	99.61	227.10
(c) Remittance in foreign currency on account of final dividend		
a) Amount of dividend remitted	16.71	11.14
b) Number of Non-Resident Shareholders	3	3
c) Number of equity shares held by Non-Resident Shareholders*	5,570,445	5,570,445
d) The year to which dividend related	2011-12	2010-11
*excluding where dividend has been paid in Indian currency		
(d) Earnings in foreign exchange		
- Export Sales-Net of returns (FOB Value)	18,008.46	13,576.02
- Towards Services including Interest Income	77.63	103.34

56. EARNINGS PER SHARE (EPS)

(₹ in million)

For the year ended 31st March,		2013	2012
I. Profit for Basic & Diluted Earnings Per Share of ₹ 1 each	₹ in million	(433.23)	(809.15)
II. Weighted average number of equity shares for Earnings Per Share computation			
A) For Basic Earnings Per Share	Nos	159,281,139	159,281,139
B) For Diluted Earnings Per Share:			
No. of shares for Basic EPS as per II A	Nos	159,281,139	159,281,139
Add: Weighted average outstanding options related to employee stock options. (Note 1)	Nos	Nil	Nil
No. of shares for Diluted Earnings Per Share	Nos	159,281,139	159,281,139
III. Earnings Per Share (face value of ₹ 1 each)			
Basic	Rupees	(2.72)	(5.08)
Diluted	Rupees	(2.72)	(5.08)

Note :

- 1) The shares held by Jubilant Employee Welfare Trust are in excess of employee stock option granted and outstanding. Therefore, the effect of outstanding employee stock options is Nil on computation of diluted EPS. (Refer Note 44)

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

Signatures to Notes "1" to "57" forming part of the Balance Sheet and Statement of Profit and Loss.

In terms of our report of even date attached.

For and on behalf of the Board

for **K.N. Gutgutia & Co.**

Firm Registration Number : 304153E

Chartered Accountants

B.R. Goyal

Partner

Membership No. 12172

Shyam S. Bhartia

Chairman & Managing Director

Place: Noida

Lalit Jain

Company Secretary

R. Sankaraiyah

Executive Director - Finance

Hari S. Bhartia

Co-Chairman & Managing Director

Date : 7th May, 2013

CONSOLIDATED INDEPENDENT AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF JUBILANT LIFE SCIENCES LIMITED

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of JUBILANT LIFE SCIENCES LIMITED ("the Company") and its subsidiaries (collectively referred to as "the Group") which comprise the Consolidated Balance Sheet as at 31st March, 2013, and the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the Consolidated Financial Statements

2. Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments; the auditor considers internal control relevant to the Group's

preparation and fair presentation of the consolidated financial statements that give a true and fair view in order to design the audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

6. We report that the consolidated financial statements have been prepared by the Company's Management in accordance with requirements of Accounting Standard (AS) 21 - Consolidated Financial Statements notified under section 211 (3C) of the Companies Act, 1956.
7. In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of our report on the financial statements of the parent and the subsidiaries, the consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) In the case of the Consolidated Balance Sheet, of the state of affairs of the "Group" as at 31st March, 2013;
 - (ii) In the case of the Consolidated Statement of Profit and Loss, of the Profit of the "Group" for the year ended on that date; and
 - (iii) In the case of Consolidated Cash Flow Statement, of the cash flows of the "Group" for the year ended on that date.

For K.N. Gutgutia & Co.

Firm Registration Number: 304153E
Chartered Accountants

B.R. Goyal

Partner

Membership No. 12172

Place : Noida

Date : 7th May, 2013

CONSOLIDATED BALANCE SHEET

(₹ in million)

As at 31st March,	Note No.	2013	2012
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	2	159.30	159.30
Reserves & surplus	3	24,784.21	22,411.01
		24,943.51	22,570.31
Minority interest		1,115.41	689.52
Non-current liabilities			
Long-term borrowings	4	24,688.05	28,399.17
Deferred tax liabilities (Net)	5	3,240.72	2,240.32
Other long term liabilities	6	8.14	7.63
Long-term provisions	7	2,379.64	1,696.96
		30,316.55	32,344.08
Current liabilities			
Short-term borrowings	8	9,187.96	7,670.67
Trade payables	9	10,562.23	8,369.83
Other current liabilities	10	6,736.72	4,995.53
Short-term provisions	11	1,457.29	1,091.83
		27,944.20	22,127.86
Total		84,319.67	77,731.77
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	12	31,288.51	27,427.16
Intangible assets	13	18,386.10	17,174.59
Capital work-in-progress	12	1,394.79	3,730.76
Intangible assets under development	13	2,974.11	3,124.72
Non-current investments	14	256.12	192.00
Deferred tax assets (Net)	5	500.83	102.84
Long-term loans and advances	15	2,939.19	2,996.80
Other non-current assets	16	8.77	9.72
		57,748.42	54,758.59
Current assets			
Inventories	17	11,149.14	10,202.22
Trade receivables	18	7,100.25	6,526.86
Cash & bank balances	19	3,560.48	2,668.16
Short-term loans and advances	20	3,525.16	3,126.05
Other current assets	21	1,236.22	449.89
		26,571.25	22,973.18
Total		84,319.67	77,731.77
Statement of significant accounting policies & Notes to the Financial Statements	1-54		

In terms of our report of even date attached.

For and on behalf of the Board

for **K.N. Gutgutia & Co.**

Firm Registration Number : 304153E

Chartered Accountants

B.R. Goyal

Partner

Membership No. 12172

Shyam S. Bhartia

Chairman & Managing Director

Place: Noida

Date : 7th May, 2013

Lalit Jain

Company Secretary

R. Sankaraiah

Executive Director - Finance

Hari S. Bhartia

Co-Chairman & Managing Director

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

		(₹ in million)			
For the year ended 31st March,	Note No.	2013		2012	
REVENUE					
Revenue from operations (gross)	22	52,810.06		43,952.29	
Less:excise duty		(1,200.54)		(921.03)	
Revenue from operations (net)			51,609.52		43,031.26
Other income	23		175.45		152.90
Total revenue			51,784.97		43,184.16
EXPENSES					
Cost of materials consumed	24		18,069.11		14,946.94
Purchase of traded goods	25		3,006.39		3,053.40
Change in inventories of finished goods, work-in-progress and traded goods	26		(575.04)		(1,885.15)
Other manufacturing expenses	27		6,824.13		6,202.37
Employee benefits expenses	28		9,621.83		8,363.64
Finance costs	29		2,301.58		2,095.94
Depreciation & amortisation expense	12&13		2,537.95		2,206.51
Other expenses	30		4,290.59		3,572.64
Total expenses			46,076.54		38,556.29
Profit before exceptional items and tax			5,708.43		4,627.87
Exceptional items	31		2,297.05		3,486.80
Profit before tax			3,411.38		1,141.07
Tax expenses	45				
- Current tax			976.34		561.08
- MAT credit entitlement			(37.33)		(42.52)
- Deferred tax charge/(credit)			584.59		165.58
			1,523.60		684.14
Profit for the year (before adjustment for minority interest)			1,887.78		456.93
Minority interest			360.51		311.32
Profit for the year (after adjustment for minority interest)			1,527.27		145.61
Basic earnings per share of ₹ 1 each (In Rupees)	52		9.59		0.91
Diluted earnings per share of ₹ 1 each (In Rupees)	52		9.59		0.91
Statement of significant accounting policies & Notes to the Financial Statements	1-54				

In terms of our report of even date attached.

For and on behalf of the Board

for **K.N. Gutgutia & Co.**

Firm Registration Number : 304153E

Chartered Accountants

B.R. Goyal

Partner

Membership No. 12172

Shyam S. Bhartia

Chairman & Managing Director

Place: Noida

Date : 7th May, 2013

Lalit Jain

Company Secretary

R. Sankaraiah

Executive Director - Finance

Hari S. Bhartia

Co-Chairman & Managing Director

CONSOLIDATED CASH FLOW STATEMENT

	(₹ in million)	
For the year ended 31st March,	2013	2012
A. Cash flow arising from operating activities :		
Net profit before tax	3,411.38	1,141.07
Adjustments for:		
Depreciation & amortisation	2,537.95	2,206.51
Loss/(Gain) on sale/disposal/discard of Fixed Assets/Intangibles	558.94	208.75
Finance costs	2,301.58	2,095.94
Provision for diminution in the value of Investments	-	166.29
Provision for loss on impairment of goodwill	-	1,505.75
Amortisation of FCMITDA	631.61	405.05
Provision for doubtful debts	62.65	23.22
Provision for employee benefits	109.61	121.80
Bad debts/irrecoverable advances written off (net off write-in)	12.69	18.97
Unrealised (gain)/loss on exchange (including mark-to-market on currency and interest rate swaps)	864.23	1,215.55
One time write down of Inventory	108.06	-
Income from current investment (non trade) - dividend	-	(13.44)
	7,187.32	7,954.39
Operating profit before working capital changes	10,598.70	9,095.46
Adjustments for :		
(Increase)/Decrease in trade and other receivables	(931.88)	(976.99)
(Increase)/Decrease in inventories	(770.80)	(2,824.24)
Increase/(Decrease) in trade and other payables	1,999.45	2,432.13
Cash generated from operations	10,895.47	7,726.36
Direct taxes paid (net of refunds)	(1,195.63)	(654.66)
Net cash inflow/(outflow) in course of operating activities	9,699.84	7,071.70
B. Cash flow arising from investing activities :		
Acquisition/purchase of fixed assets/CWIP (including capital advances)	(4,641.19)	(6,145.61)
Sale proceeds of fixed assets	264.26	12.87
(Purchase)/sale of investments (net)	(54.35)	(10.25)
Payment for acquisition of subsidiaries	-	(41.64)
Movement in other bank balances	(728.16)	5.89
Interest received	161.38	222.22
Dividend received	-	13.44
Net cash inflow/(outflow) in course of investing activities	(4,998.06)	(5,943.08)
C. Cash flow arising from financing activities :		
Proceeds from long term & short term borrowings	5,578.21	9,181.42
Repayment of long term & short term borrowings	(7,143.82)	(6,096.89)
Repayment of FCCB (including premium on redemption of FCCB)	-	(9,442.01)
Dividend paid (including dividend distribution tax)	(548.30)	(368.08)
Finance costs paid	(2,383.73)	(2,162.60)
Net cash inflow/(outflow) in course of financing activities	(4,497.64)	(8,888.16)
D. Foreign currency translation difference arising on consolidation	(38.47)	(40.84)
Net increase in cash & cash equivalents (A+B+C+D)	165.67	(7,800.38)
Add: cash & cash equivalents at the beginning of year (including balance in dividend accounts)	2,630.80	10,411.55
Add: cash & cash equivalents on consolidation of subsidiaries acquired during the year	-	19.63
Cash & cash equivalents at the close of the year (including balance in dividend accounts)	2,796.47	2,630.80

Notes:

- Cash Flow Statement has been prepared under the indirect method as set out in the Accounting Standard 3 (AS-3)-"Cash Flow Statements".
- Purchase/acquisition of fixed assets includes movement of CWIP during the year.
- Closing cash & bank balances includes ₹ 2,103.09 million (Previous Year ₹ 1,804.66 million) which has restricted use - (Refer Note 19).

In terms of our report of even date attached.

For and on behalf of the Board

for **K.N. Gutgutia & Co.**

Firm Registration Number : 304153E

Chartered Accountants

B.R. Goyal

Partner

Membership No. 12172

Shyam S. Bhartia

Chairman & Managing Director

Place: Noida

Lalit Jain

Date : 7th May, 2013

Company Secretary

R. Sankaraiah

Executive Director - Finance

Hari S. Bhartia

Co-Chairman & Managing Director

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Corporate Information

Jubilant Life Sciences Limited (the Company) is a public limited company domiciled in India and incorporated under the provisions of Companies Act, 1956. Its shares are listed on Bombay Stock Exchange and National Stock Exchange of India. The consolidated financial statements of the Company as at and for the year ended on 31st March, 2013 comprise the Company and its subsidiaries (together referred to as "the Group"). The group is a global Pharmaceutical and Life Sciences player engaged in manufacture and supply of Generics (including Active Pharmaceutical Ingredients (APIs) and Solid Dosage Formulations), Specialty Pharmaceuticals [including Radiopharmaceuticals, Allergy Therapy Products and Sterile Injectables & Ointment, Creams and Liquids (OCL)], Life Science Ingredients (including Proprietary Products and Exclusive Synthesis, Nutrition Ingredients and Life Sciences Chemicals). It also provides Drug Discovery and Development Solutions (DDDS) and other Healthcare Services. The group's strength lies in its unique offerings of Pharmaceuticals and Life Sciences products and services across the value chain. It is well recognised as a 'Partner of Choice' by leading pharmaceuticals and life sciences companies globally.

A. Basis of Preparation and presentation of Financial Statements

The accounts of the Group 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 mandatory accounting standards notified under the Companies (Accounting Standards) Rules, 2006 as amended and the relevant provisions of the Companies Act, 1956. The consolidated financial statements are presented in Indian rupees rounded off to the nearest million.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of financial statements and the results of operations

during the reporting periods. Examples of such estimate include future obligations under employee benefit plans, income taxes, useful lives of tangible assets and intangible assets, impairment of assets, provision for doubtful debts etc. Management believes that the estimates used in the preparation of the consolidated financial statements are prudent and reasonable. Actual results could vary from these estimates. 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 in the period in which such results are known/materialised. Effect of material changes is disclosed in the notes to the financial statements.

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

B. Principles of Consolidation

The consolidated financial statements have been prepared on the following basis:

- i. The financial statements of the Company and its Subsidiary Companies have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, incomes and expenses, after eliminating intra-group balances, intra-group transactions and unrealised profits.
- ii. The Consolidated Financial Statements have been prepared in accordance with the Accounting Standard 21 (AS-21), "Consolidated Financial Statements" and using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements.

The subsidiaries considered in the consolidated financial statements are as under:

S. No	Name	Country of Incorporation	Name of Parent	Nature of Business	Percentage of ownership
1	Jubilant Pharma Pte. Limited	Singapore	Jubilant Life Sciences Limited	Investment	100%
2	Draximage Limited, Cyprus	Cyprus	Jubilant Pharma Pte. Limited	Investment	100%
3	Draximage Limited, Ireland	Ireland	Draximage Limited, Cyprus	Sale/Purchase of Radiopharmaceuticals Products	100%
4	Draximage LLC	USA	Draximage Limited, Cyprus	Sale/Purchase of Radiopharmaceuticals Products	100%
5	Jubilant DraxImage (USA) Inc.	USA	Draximage Limited, Cyprus	Sale/Purchase of Radiopharmaceuticals Products	100%
6	Deprenyl Inc., USA	USA	Draximage Limited, Cyprus	Investment	100%
7	Jubilant DraxImage Inc.	Canada	Jubilant Pharma Pte. Limited	Manufacture of Radiopharmaceuticals Products	100%
8	6963196 Canada Inc.	Canada	Jubilant DraxImage Inc.	Investment	100%
9	6981364 Canada Inc.	Canada	Jubilant DraxImage Inc.	Investment	100%
10	DAHI Animal Health (UK) Limited	UK	Jubilant DraxImage Inc.	Presently non operating	100%
11	Draximage (UK) Limited	UK	Jubilant DraxImage Inc.	Sale of Radiopharmaceutical Products	100%
12	Jubilant Life Sciences Holdings Inc.	USA	Jubilant Pharma Pte. Limited Jubilant Life Sciences Limited	Investment	82% 18%
13	Jubilant Clinsys Inc.	USA	Jubilant Life Sciences Holdings Inc.	Clinical Research	100%
14	Cadista Holdings Inc.	USA	Generic Pharmaceuticals Holdings, Inc.	Investment	82.38%
15	Jubilant Cadista Pharmaceuticals Inc.	USA	Cadista Holdings Inc.	Generic-Pharmaceuticals & Dosage Forms	100%
16	Jubilant Life Sciences International Pte. Limited	Singapore	Jubilant Pharma Pte. Limited	Sale/Purchase of Chemicals, APIs, Speciality Chemicals, Advance Intermediates and formulations	100%
17	HSL Holdings Inc.	USA	Jubilant Life Sciences Holdings Inc.	Investment	100%
18	Jubilant HollisterStier LLC	USA	HSL Holdings Inc.	Manufacture of Allergenic Extracts & Sterile Injectables Vials	100%
19	Jubilant Life Sciences (Shanghai) Limited	China	Jubilant Pharma Pte. Limited	Trading	100%
20	Jubilant Pharma NV	Belgium	Jubilant Life Sciences Limited Jubilant Pharma Pte. Limited	Investment	77.65% 22.35%
21	Jubilant Pharmaceuticals NV	Belgium	Jubilant Pharma NV Jubilant Pharma Pte. Limited	Licensing & Regulatory Services	99.81% 0.19%
22	PSI Supply NV	Belgium	Jubilant Pharma NV Jubilant Pharma Pte. Limited	Supply of Dosage Forms	99.50% 0.50%
23	Jubilant Life Sciences (USA) Inc.	USA	Jubilant Life Sciences Limited	Trading	100%
24	Jubilant Life Sciences (BVI) Limited	BVI	Jubilant Pharma Pte. Limited	Investment	100%
25	Jubilant Biosys (BVI) Limited	BVI	Jubilant Life Sciences (BVI) Limited	Investment	100%

S. No	Name	Country of Incorporation	Name of Parent	Nature of Business	Percentage of ownership
26	Jubilant Biosys (Singapore) Pte. Limited	Singapore	Jubilant Biosys (BVI) Limited	Investment	100%
27	Jubilant Biosys Limited	India	Jubilant Biosys (Singapore) Pte. Limited	Drug Discovery & Development Services	66.98%
28	Jubilant Discovery Services, Inc.	USA	Jubilant Biosys Limited	Drug Discovery and Development Services	100%
29	Jubilant Drug Development Pte. Limited	Singapore	Jubilant Life Sciences (BVI) Limited	Investment	100%
30	Jubilant Chemsys Limited	India	Jubilant Drug Development Pte. Limited	Medicinal Chemistry Services	100%
31	Jubilant Clinsys Limited	India	Jubilant Drug Development Pte. Limited	Clinical Research	100%
32	Jubilant Infrastructure Limited	India	Jubilant Life Sciences Limited	Developer of Special Economic Zone(s)	100%
33	Jubilant First Trust Healthcare Limited	India	Jubilant Life Sciences Limited First Trust Medicare Pvt. Limited	Healthcare	95.84% 4.16%
34	Asia Healthcare Development Limited	India	Jubilant First Trust Healthcare Limited	Healthcare	100%
35	Jubilant Innovation (BVI) Limited	BVI	Jubilant Pharma Pte. Limited	Drug Discovery and Development Services	100%
36	Jubilant Innovation Pte. Limited	Singapore	Jubilant Innovation (BVI) Limited	Investment	100%
37	Jubilant DraxImage Limited	India	Draximage Limited, Cyprus	Sale/Purchase of Radiopharmaceuticals Products	100%
38	Jubilant Innovation (India) Limited	India	Jubilant Innovation (BVI) Limited	Drug Discovery and Development Services	100%
39	Jubilant Innovation (USA) Inc.	USA	Jubilant Innovation (BVI) Limited	Drug Discovery and Development Services	100%
40	Jubilant HollisterStier Inc.	USA	HSL Holdings Inc.	Investment	100%
41	Draxis Pharma LLC	USA	Jubilant HollisterStier Inc.	Presently non operating	100%
42	Generic Pharmaceuticals Holdings, Inc.	USA	Jubilant Life Sciences Holdings Inc.	Presently non operating	100%
43	Jubilant Life Sciences (Switzerland) AG, Schaffhausen	Switzerland	Jubilant Pharma Pte. Limited	Presently non operating	100%
44	First Trust Medicare Pvt. Limited	India	Jubilant Life Sciences Limited	Investment	100%
45	Jubilant Drug Discovery & Development Services Inc.	Canada	Jubilant Innovation Pte. Limited	Drug Discovery and Development Services	100%
46	Jubilant HollisterStier General Partnership	Canada	Jubilant HollisterStier Inc. Draxis Pharma LLC	Contract Manufacturing for Sterile and Non Sterile Products	99.99% 0.01%
47	Draximage General Partnership	Canada	Jubilant Draximage Inc 6981364 Canada Inc.	Drug Discovery and Development Services	90% 10%
48.	Vanths Pharmaceutical Development Pvt. Limited	India	Jubilant Innovation Pte. Limited	Drug Discovery and Development Services	100%

- iii. For the purpose of Consolidation of accounts of foreign subsidiaries, considered non-integral foreign operations, average rate of currencies have been applied for revenue items and the year-end rates have been applied for Balance Sheet items as per Accounting Standard 11 (AS-11) – “The Effects of Changes in Foreign Exchange Rates”. The net exchange difference on translation of financial statements of non-integral foreign operations is recognised as foreign currency translation reserve.
- iv. The excess of cost to the Company of its investments in the subsidiary Company over its share of the equity of the subsidiary Company, at the date on which the investment in the subsidiary Company is made, is recognised as ‘goodwill’ in the consolidated financial statement. The parent company’s portion of equity in the subsidiary is determined on the basis of the book value of assets and liabilities as per the financial statements of the subsidiary on the date of investment.
- v. Goodwill in the Balance Sheet represents goodwill arising on consolidation of subsidiaries. Goodwill on consolidation is tested for impairment at each Balance Sheet date and the impairment loss, if any, is provided for.

- vi. Minority Interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the Company in the subsidiary companies and further movements in their share in the equity, subsequent to the dates of investments as stated above. The excess of loss over the minority interest in the equity is adjusted against General Reserve of the Company.
- vii. The accounts of Jubilant Employee Welfare Trust have not been consolidated in line with the Guidance Note on "Accounting for Employee Share-based Payment" issued by the Institute of Chartered Accountants of India.

C. Tangible and Intangible Fixed Assets

Fixed Assets are stated at cost net of tax/duty credits availed, if any, less accumulated depreciation/amortisation / impairment losses. The cost of fixed assets includes effect of exchange differences on long term foreign currency borrowings, other incidental expenses related to the acquisition and installation of the respective assets and borrowing costs directly attributable to fixed assets which necessarily take a substantial period of time to get ready for their intended use. In case of fixed assets acquired at the time of amalgamation of certain entities with Company, the same are recognised at book value in case of amalgamation in the nature of merger and at book value / fair value in case of amalgamation in the nature of purchase in line with Accounting Standard 14 (AS 14)- "Accounting for Amalgamations". Insurance spares/ standby equipments are capitalised as part of the mother asset and are depreciated at applicable rates, over the remaining useful life of the mother assets.

Cost incurred for product development leading to Product Registration / Market Authorisation is recognised as intangible asset when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Expenditure for acquisition and implementation of software systems is recognised as part of the intangible assets.

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

D. Depreciation and Amortisation

Depreciation is provided on straight line method at rates mentioned and in the manner specified in Schedule XIV to the Companies Act, 1956 (as amended), and read with the statement as mentioned hereunder, on the original cost/ acquisition cost of assets or other amounts substituted for cost. Certain plants were classified as continuous process plants from the financial year ended 31st March, 2000 on technical assessment, (relied upon by the auditor being a technical matter) and depreciation on such assets has been provided accordingly.

Depreciation, in respect of assets added/installed up to December 15, 1993, is provided at the rates applicable at the time of additions/installations of the assets as per the Companies Act, 1956 and depreciation, in respect of assets added/installed during the subsequent period, is provided at the rates, mentioned in Schedule XIV to the Companies Act, 1956 read with Notification dated 16th December, 1993 issued by Department of Company Affairs, Government of India except for the following classes of fixed assets which are depreciated over the useful life estimated as under;

- a. R&D related equipments & machineries: ten years.
- b. Dies and punches for manufacture of dosage formulations: one to two years.
- c. Motor vehicles: five years.
- d. Motor vehicles under finance lease: tenure of lease or five years whichever is shorter.
- e. Computer & information technology related assets: three to five years.
- f. Certain employee perquisite related assets: five years, being the period of the perquisite scheme.

Depreciation rates so arrived at are not lower than the rates prescribed in Schedule XIV to the Companies Act, 1956.

Depreciation on assets added/disposed off during the year has been provided on pro-rata basis with reference to the date of addition/disposal. Depreciation on assets added/disposed off during the year, in case of some of overseas subsidiaries, is provided on pro rata basis with reference to the month of addition/disposal.

Depreciation on exchange fluctuation capitalised is charged over the remaining useful life of assets in view of the option exercised by the Company for accounting the exchange differences arising on reporting of long term foreign currency monetary items in line with Para 46 and 46A of Accounting Standard 11 (AS-11) – "The Effects of Changes in Foreign Exchange Rates". Also refer Note 47.

Depreciation in respect to assets of overseas subsidiaries is provided over the estimated useful life by using the Straight Line Method (SLM). The estimated useful life is considered in overseas subsidiary companies in the following range:

- Building: 30 years
- Plant & Machinery: 3 to 20 years
- Dies and punches: 1 to 2 years
- Furniture and office equipments: 3 to 15 years
- Intangibles: 5 to 10 years
- Computer & information technology related assets: 3 to 5 years

The said rates of depreciation in respect of overseas subsidiaries are not lower than the rates prescribed vide Schedule XIV to the Companies Act, 1956.

Leasehold land is amortised over the lease period on a straight line method.

Intangible assets in the nature of Product registrations/ Market authorisations (Products) are amortised on a straight-line basis over a period of five years in case of internally developed products(intangibles) and 10 years in case of bought out product(intangibles), from the date of

regulatory approval or the date of product going off-patent whichever is later. Software systems are being amortised over a period of five years being their useful life. Rights are amortised over the useful life.

E. Leases

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

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease payments under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis.

F. Valuation of Inventories

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

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

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

Cost includes all direct costs, cost of conversion and appropriate portion of variable and fixed production overheads and such other costs incurred as to bring the inventory to its present location and condition inclusive of excise duty wherever applicable.

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

G. 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 non current investments. Current investments are carried at cost or fair value, whichever is lower. Non current investments are carried at cost. However, provision for diminution is made to recognise a decline, other than temporary, in the

value of the investments, such reduction being determined and made for each investment individually.

H. Income Tax

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 provisions of the relevant applicable Income Tax Laws in force in the respective countries of incorporation and judicial interpretations thereof as at the Balance Sheet date and takes into consideration various deductions and exemptions to which the Company is entitled to as well as the reliance placed by the Company on the legal advices received by it. Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on net basis.

Deferred Tax

Deferred tax charge or credit reflects the tax effects of timing differences between accounting income and taxable income for the current year and reversal of the timing differences of the earlier years. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carry forward of losses, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed at each Balance Sheet date and are written-down or written-up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realised. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

Minimum Alternate Tax

Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which MAT credit becomes eligible to be recognised as an asset in accordance with the recommendation contained in the Guidance Note on "Accounting for Credit Available in respect of Minimum Alternative Tax under The Income Tax Act, 1961" issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period.

I. Foreign Currency Conversions/Translations

i) **Initial Recognition:** 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.

- ii) **Conversion:** Foreign currency monetary items are reported using the closing rate or at the spot rate at the inception of forward contract where forward cover for the specific monetary item has been taken. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.
- iii) **Exchange Differences:** All monetary assets and liabilities in foreign currency are restated at period end exchange rate. The Company has opted para 46A of Accounting Standard 11 (AS-11) – “The Effects of Changes in Foreign Exchange Rates” for accounting of exchange differences arising on reporting of long term foreign currency monetary items. Accordingly, foreign exchange difference attributable to depreciable asset is adjusted in the cost of the depreciable asset, which would be depreciated over the balance life of the asset. In other cases, the foreign exchange difference is accumulated in a Foreign Currency Monetary Item Translation Difference Account (FCMITDA), and amortised over the balance period of such long term asset/ liability. A monetary asset or liability is termed as a long-term foreign currency monetary item, if the asset or liability is expressed in a foreign currency and has a term of 12 months or more at the date of origination of the asset or liability.

Exchange differences arising on the settlement of monetary items not covered above, or on reporting 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 recognised as income or as expenses in the year in which they arise.
- iv) **Foreign Exchange Forward Contracts:** The premium or discount arising at the inception of forward exchange contracts entered into to hedge an existing monetary item, is amortised as expense or income over the life of the contract. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognised as income or as an expense for the period.

J. Derivative contracts

The Company enters into derivative contracts in the nature of foreign currency swaps, forward contracts, interest rate swaps etc. with an intention to hedge its existing assets and liabilities, firm commitments and highly probable forecast transactions.

Derivative contracts which are closely linked to the existing assets and liabilities are accounted as per the policy stated for Foreign currency conversions/translations.

All other derivative contracts (except those derivative contracts which are designated as a hedging instrument for highly probable forecast transactions) are marked-to-market and losses are recognised in the Statement of Profit and Loss. Gains arising on the same are not recognised until realised as a matter of prudence.

K. Hedge Accounting

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

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

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

L. Provisions, Contingent Liabilities and Contingent Assets

The Company recognises a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. Contingent liabilities are disclosed in respect of possible obligations that may arise from past events but their existence is confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognised/ disclosed. Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet Date.

M. Research & Development

Research costs are expensed as incurred and presented under the natural heads of expenditure.

Development cost including regulatory cost and legal expenses leading to Product Registration / Market Authorisation relating to the new and/or improved product and/or process development is recognised as an intangible asset to the extent that it is expected, that such asset will generate future economic benefits, adequate technical, financial and other resources required to complete the development and to use or sell the asset are available and the expenditure attributable to the asset during its development can be measured reliably.

N. Employee Benefits

i) In respect of parent company including Indian subsidiaries:

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

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

a) Gratuity and Leave encashment

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

b) Superannuation

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

c) Provident Fund

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

Certain other entities of the Group make contribution to the statutory provident fund in accordance with the Employees

Provident Fund and Miscellaneous Provisions Act, 1952 which is a defined contribution plan and contribution paid or Payable is recognised as an expense in the period in which the services are rendered.

d) Other Long Term Employee Benefits:

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

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

ii) In respect of Foreign Subsidiaries:

a. Short term employee benefits are recognised as expense on accrual basis at the undiscounted amount in the Statement of Profit and Loss.

b. Foreign subsidiaries make contribution to various social security plans and insurance schemes as per local requirements and generally accepted practices in their respective country of incorporation. Such contributions are charged to Statement of Profit and Loss on accrual basis in the year in which liability to pay arise.

c. Liability for Long Term employee benefit is determined by independent actuarial valuation at the end of each Balance Sheet date and actuarial gains/losses are recognised in the statement of Statement of Profit and Loss in the year in which they arise.

O. Borrowing Costs

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

P. Revenue Recognition

Revenue from sale of products is recognised when the significant risks and rewards of ownership of the products have been transferred to the buyer, recovery of the consideration is probable and the amount of revenue can be measured reliably. Revenues include excise duty

and are shown net of sales tax, value added tax and chargeback, if any.

Goods sold on consignment are recorded as Inventory until goods are sold by the consignee to the end customer.

Revenue from time and material contracts is recognised as hours are incurred, multiplied by contractual billing rates. Revenue from unit-based contracts is recognised as units are completed. Revenue from fixed-price contracts are recorded on a proportional completion basis.

Sale of utility is recognised on delivery of the same to the consumers and when no significant uncertainty exists as to its realisation.

Revenue related to contract manufacturing arrangements and development contracts is recognised when performance obligations are substantially fulfilled.

Revenue from licensing & regulatory services is recognised when performance obligations are fulfilled.

Refundable fees are deferred and recognised as revenue in the period in which all contractual obligations are met and the contingency is resolved.

In respect of outsourcing contracts for drug development with third party CRO's, revenue is recognised on the basis of actual cost incurred plus mark up as agreed with the customer under each agreement.

Revenue from rendering of medical services is recognised upon completion/performance of such services. Revenue from ongoing medical services on cut off date is recognised on proportionate completion method.

Export incentives/ benefits are accounted for on accrual basis in the year in which exports are made and where recovery is probable.

Royalty revenue is recognised on an accrual basis in accordance with contractual agreements when all significant contractual obligations have been fulfilled, the amounts are determinable and collection is reasonably assured.

Dividend income is recognised when the unconditional right to receive the income is established. Income from interest on deposits, loans and interest bearing securities is recognised on time proportionate method.

Q. Segment Reporting

The accounting policies adopted for segment reporting are in line with accounting policies of the Company. Revenues, expenses, assets and liabilities have been identified to segments on the basis of their relationship to operating activities of the segments (taking into account the nature of products and services and risks & rewards associated with them) and internal management information systems and the same is reviewed from time to time to realign the same to conform to the business units of the Company. Revenues, expenses, assets and liabilities, which are common to the enterprise as a whole and are not allocable to segments on a reasonable basis, have been treated as "Common Revenues/Expenses/

Assets/Liabilities", as the case may be.

R. Earnings Per share

The basic earnings per share is calculated by dividing the net profit after tax for the year by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, net profit after tax during the year and the weighted average number of shares outstanding during the year are adjusted for the effect of all dilutive potential equity shares. The dilutive potential equity shares are deemed converted as of the beginning of the year unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Anti dilutive effect of any potential equity shares is ignored in calculation of earnings per share.

S. Impairment of Fixed Assets

The Group assesses at each Balance Sheet date whether there is any indication that an asset/ cash generating unit may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset/ cash generating unit. If such recoverable amount of the asset or the recoverable amount of the cash generating unit is less than the carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss.

An assessment is also done at each Balance Sheet date whether there is any indication that an impairment loss recognised for an asset/ cash generating unit in prior accounting periods may no longer exist or may have decreased. If any such indication exists, the asset's/ cash generating unit's recoverable amount is estimated. The carrying amount of the fixed asset/ cash generating unit is increased to the revised estimate of its recoverable amount but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous periods. A reversal of impairment loss is recognised in the Statement of Profit and Loss.

T. Employee Stock Option Schemes

Equity settled stock options granted to the employees are accounted for as per the accounting treatment prescribed by Employee Stock Option Scheme and Employee Stock Purchase Guidelines, 1999, issued by Securities and Exchange Board of India and the Guidance Note on Accounting for Employee Share-based Payments issued by the Institute of Chartered Accountants of India. The intrinsic value of the option being excess of market value of the underlying share immediately prior to date of grant over its exercise price is recognised as deferred employee compensation with a credit to employee stock option outstanding account. The deferred employee compensation is charged to Statement of Profit and Loss on straight line basis over the vesting period of the option. The options that lapse are reversed by a credit to employee compensation expense, equal to the amortised portion of value of lapsed portion and credit to deferred employee compensation expense equal to the unamortised portion.

As at 31st March,	(₹ in million)	
	2013	2012
2. SHARE CAPITAL		
Authorised		
655,000,000 equity shares of ₹ 1 each (Previous Year 655,000,000 equity shares of ₹ 1 each)	655.00	655.00
	655.00	655.00
Issued & Subscribed		
159,313,139 equity shares of ₹ 1 each (Previous Year 159,313,139 equity shares of ₹ 1 each)	159.31	159.31
	159.31	159.31
Paid up		
159,281,139 equity shares of ₹ 1 each (Previous Year 159,281,139 equity shares of ₹ 1 each)	159.28	159.28
Add: equity shares forfeited (paid up)	0.02	0.02
	159.30	159.30

Notes :

- 2.1 Paid up capital includes, 501,364, equity shares of ₹ 1 allotted and issued pursuant to the Scheme of Amalgamation and Demerger, to the shareholders of erstwhile Pace Marketing Specialities Limited for consideration other than cash during the year 2010-11.
- 2.2 The Company has only one class of shares referred to as equity shares having par value of ₹ 1. Each holder of equity shares is entitled to one vote per share.
- 2.3 The details of shareholders holding more than 5% shares is set out below:

Name of the shareholder	As at 31st March, 2013		As at 31st March, 2012	
	No of shares	% held	No of shares	% held
Jubilant Stock Holding Pvt Ltd	21,740,992	13.65%	21,740,992	13.65%
SSB Consultants & Management Services Pvt Ltd	21,007,665	13.19%	-	-
HSB Corporate Consultants Pvt Ltd	15,824,979	9.94%	-	-
Jubilant Capital Pvt Ltd	-	-	21,007,665	13.19%
Jubilant Securities Pvt Ltd	-	-	18,698,979	11.74%
GA Global Investments Ltd	11,707,200	7.35%	11,707,200	7.35%

- 2.4 The reconciliation of the number of shares outstanding is set out below:

Particulars	As at 31st March, 2013		As at 31st March, 2012	
	No	₹ in million	No	₹ in million
Numbers of shares at the beginning	159,281,139	159.28	159,281,139	159.28
Numbers of shares at the end	159,281,139	159.28	159,281,139	159.28

- 2.5 a) 114,835, equity shares of ₹ 1 each allotted on exercise of the vested stock options in accordance with the terms of exercise under the "Jubilant Employees Stock Option Plan" (Refer Note 41).
- b) Under the Jubilant Employees Stock Option 2005 Plan, as at 31st March, 2013 - 145,443 options are outstanding convertible into 727,215 shares.
- c) Under the Jubilant Employees Stock Option 2011 Plan, as at 31st March, 2013 - 1,585,055 options are outstanding convertible into 1,585,055 shares.
- 2.6 In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.
- 2.7 The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

	(₹ in million)	
As at 31st March,	2013	2012
3. RESERVES AND SURPLUS		
Capital Reserve		
As per last Balance Sheet	95.53	80.10
Add: On acquisition of stake of JV Partner	-	15.43
	95.53	95.53
Capital Redemption Reserve		
As per last Balance Sheet	278.36	230.36
Add: Transferred from surplus	120.00	48.00
	398.36	278.36
Securities Premium Account		
As per last Balance Sheet	5,878.41	6,170.33
Less: Premium on redemption of FCCB's [Net of Tax of ₹ Nil - (PY ₹ 140.20 million)]	-	(291.92)
	5,878.41	5,878.41
Amalgamation Reserve		
As per last Balance Sheet	13.21	13.21
General Reserve		
As per last Balance Sheet	5,602.86	5,549.24
Add/(less): (Loss)/reversal of loss attributable to minority	(19.52)	53.62
	5,583.34	5,602.86
Legal Reserve		
As per last Balance Sheet	6.40	2.84
Add: Transferred from Surplus	10.10	3.73
Less: Utilised during the year	(0.77)	(0.17)
	15.73	6.40
Hedging Reserve (Refer Note 48(iv))		
As per last Balance Sheet	151.50	-
Addition/(deduction) during the year	396.36	151.50
	547.86	151.50
Foreign currency monetary item translation difference account (Refer Note 47)		
As per last Balance Sheet	(727.42)	-
(Addition)/amortisation during the year	51.97	(727.42)
	(675.45)	(727.42)
Foreign Currency Translation Reserve		
As per last Balance Sheet	2,305.98	249.62
Addition/(deduction) during the year	976.94	2,056.36
	3,282.92	2,305.98
Surplus		
As per last Balance Sheet	8,806.18	9,267.66
Add: Net Profit after tax transferred from Statement of Profit and Loss	1,527.27	145.61
Amount available for appropriation	10,333.45	9,413.27
Less: Appropriations		
Proposed dividend on equity shares	477.84	477.84
Distribution tax on proposed equity dividend	81.21	77.52
Amount transferred to legal reserve	10.10	3.73
Amount transferred to capital redemption reserve	120.00	48.00
	9,644.30	8,806.18
	24,784.21	22,411.01

For the year ended 31st March, 2013, dividend of 300% (Previous year 300%) i.e. ₹ 3 (Previous year ₹ 3) per fully paid up equity share has been recognised as distributions to equity shareholders.

As at 31st March,	(₹ in million)	
	2013	2012
4. LONG TERM BORROWINGS		
Term loans		
From Banks		
- Indian rupee loans (secured)	9,744.44	13,400.00
- Foreign currency loans (secured)	7,313.69	7,588.75
- Foreign currency loans (unsecured)	-	0.73
From other parties		
- Indian rupee loans (unsecured)	3.26	3.76
- Foreign currency loans (secured)	7,600.60	7,376.88
Long-term maturities of finance lease obligations		
- Finance lease obligations (secured)	26.06	29.05
	(1) 24,688.05	28,399.17
The above amount includes		
Secured borrowings	24,684.79	28,394.68
Unsecured borrowings	3.26	4.49
	24,688.05	28,399.17

(1) Refer Note 10 for Current maturities of long term debts.

4. Nature of security of long term borrowings and other terms of repayment:

- 4.1 Rupee term loans amounting to ₹ 9,100.00 million from Corporation Bank, Axis Bank Limited, Central Bank of India and external commercial borrowings amounting to ₹ 3,165.09 million from Citibank N.A., London and DBS Bank Limited, Singapore and other term loan in foreign currency amounting to ₹ 2,714.50 million from Export Import Bank of India are secured by a first pari-passu charge amongst the lenders by way of: -
- Mortgage of the immovable fixed assets both present and future situate at Bhartiagram, District Jyotiba Phoolay Nagar, Uttar Pradesh and immovable fixed assets situate at Village Samlaya, Taluka Savli, District Vadodara, Gujarat, and
 - Hypothecation on the entire movable fixed assets, both present and future of the company.
- 4.2 Other term loan in foreign currency amounting to ₹ 5,157.55 million from Housing Development Finance Corporation Limited is secured by first mortgage by way of deposit of original title deeds of specified land and buildings situated at Noida, Greater Noida, Nanjangud, Nira, Roorkee, Ambarnath and also at Bharuch owned by one of the subsidiaries of the Company. Land mortgaged at Chittorgarh demerged into a group company consequent upon the Scheme of demerger is under process of release.
- 4.3 Rupee term loan amounting to ₹ 1,600.00 million from Indian Bank is secured by fixed deposits.
- 4.4 Rupee term loans amounting to ₹ 2,700.00 million and ₹ 1,000.00 million from Corporation Bank is repayable in two equal yearly installments commencing from February, 2015 and March, 2015 respectively.
- 4.5 Rupee term loan amounting to ₹ 3,000.00 million from Axis Bank Limited is repayable in four equal half yearly installments commencing from September, 2014.
- 4.6 Rupee term loan amounting to ₹ 2,400.00 million from Central Bank of India is repayable in three yearly installments commencing from March, 2014.
- 4.7 Rupee term loan amounting to ₹ 1,600.00 million from Indian Bank is repayable in four yearly installments commencing from March, 2014.
- 4.8 External commercial borrowing amounting to ₹ 450.59 million from Citibank N.A., London. Entire amount is repaid in April, 2013.
- 4.9 External commercial borrowing amounting to ₹ 2,714.50 million from DBS Bank Limited, Singapore is repayable in four yearly installments commencing from December, 2014.
- 4.10 Other term loan in foreign currency amounting to ₹ 2,714.50 million from Export Import Bank of India is repayable in four yearly installments starting from May, 2013.
- 4.11 Other term loan in foreign currency amounting to ₹ 5,157.55 million from Housing Development Finance Corporation Limited is repayable in single installment in July, 2014.
- 4.12 Revolving facility of USD 64.76 million (₹ 3,516.07 million) as on 31st March 2013 to Jubilant HollistierStier LLC from Bank of America N.A. are secured by way of:
- Security interest in the receivable inventory, equipments and fixtures, deposit accounts and all general intangibles, including patents, trademarks, computer software etc., books and records pertain to the collateral more particularly described in the security interest agreement date 31st May, 2007.

- ii. Deed of trust dated 31st May, 2007 irrevocable & unconditional security interest in the parcel or parcels of real property located in Spokane County, State of Washington, USA.

Revolving facility is repayable in single installment in September, 2016.

4.13 Term loan of NIL as on 31st March, 2013 (Previous Year USD 18.75 million (₹ 953.97 million)) under construction loan facility to Jubilant HollisterStier LLC from Bank of America N.A. was secured by way of :

- i. Security interest in the receivable inventory, equipments and fixtures, deposit accounts and all general intangibles, including patents, trademarks, computer software etc., books and records pertain to the collateral more particularly described in the security interest agreement date 31st May, 2007.
- ii. Deed of trust dated 31st May, 2007 irrevocable & unconditional security interest in the parcel or parcels of real property located in Spokane County, State of Washington, USA.

4.14 Term loans of USD 2.99 million (₹ 162.58 million) as on 31st March, 2013 [Previous Year USD 15.05 million (₹ 765.42 million)] under Facility A to Jubilant HollisterStier Inc. from ICICI Bank, Canada as the arranger and the agent is secured by way of:

- i. Irrevocable and unconditional corporate guarantee from Jubilant HollisterStier Inc. and its subsidiaries.
- ii. Pledge over all the fully paid up equity shares of:
 - a. Jubilant HollisterStier Inc. and its subsidiaries.
 - b. Draximage Limited, Cyprus
- iii. First and exclusive charge over the fixed assets and current assets of Jubilant HollisterStier Inc. and its subsidiaries.

Balance amount of Facility A is repayable in one installment in May, 2013.

4.15 Term loans of USD 2.99 million (₹ 162.58 million) as on 31st March, 2013 (Previous Year USD 15.05 million (₹ 765.42 million)) and USD 20.93 million (₹ 1,136.45 million) as on 31st March, 2013 (Previous Year USD 37.66 million (₹ 1,916.12 million)) under Facility A and Facility C to Jubilant HollisterStier Inc. from ICICI Bank Canada as the arranger and the agent is secured by way of:

- i. Pledge over the entire fully paid up equity shares, present and future, of :
 - a. Jubilant HollisterStier Inc.
 - b. Draximage Limited, Cyprus
- ii. First and exclusive charge over the assets of Jubilant HollisterStier Inc.

Balance amount of Facility A is repayable in one installment in May, 2013 as mentioned in 4.14 above.

Balance amount of Facility C is repayable in five quarterly installments from May, 2013.

4.16 Term loan of USD 20.93 million (₹ 1,136.45 million) as on 31st March, 2013 (Previous Year USD 37.66 million (₹ 1,916.12 million)) under Facility C to Jubilant HollisterStier Inc. from ICICI Bank Canada as the arranger and the agent is secured by way of irrevocable and unconditional corporate guarantee from ultimate parent company guaranteeing all outstanding obligations of the borrower under the facility. Total guaranteed amount as on 31st March, 2013 is ₹ 1,136.45 million. Balance amount of loan is repayable in five quarterly installments from May, 2013 as mentioned in 4.15 above.

4.17 Term loan of CAD 40 million (₹ 2,137.40 million) as on 31st March, 2013 (Previous Year CAD 40 million (₹ 2,041.60 million)) under Facility B to Jubilant DraxImage Inc. from ICICI Bank, Canada as the arranger and the agent is secured by way of:

- i. Irrevocable and unconditional corporate guarantee from Jubilant Draximage Inc. and its subsidiaries.
- ii. Pledge over the entire fully paid up equity shares, present and future, of:
 - a. Jubilant Draximage Inc. and its subsidiaries.
 - b. Draximage Limited, Cyprus
- iii. First and exclusive charge over the fixed assets and current assets of Jubilant Draximage Inc. and its subsidiaries.

Balance amount of Facility B is repayable in five equal quarterly installments from August, 2013.

4.18 Unsecured term loan of Euro 0.01 million (₹ 0.75 million) as on 31st March, 2013 (Previous Year Euro 0.03 million (₹ 2.20 million)) to PSI Supply NV from KBC Bank. Balance amount is repayable in six equal monthly installments from April, 2013.

4.19 Unsecured term loan of ₹ 4.06 million as on 31st March, 2013 (Previous Year ₹ 4.36 million) to Jubilant First Trust Healthcare Ltd. Balance amount is repayable in five yearly installments from March, 2014.

4.20 Finance lease obligations are secured by hypothecation of specific assets taken under such lease. The same are repayable as per the terms of agreement.

		(₹ in million)	
As at 31st March,		2013	2012
5. DEFERRED TAX LIABILITIES (NET)			
Deferred tax liabilities (Net)		3,240.72	2,240.32
Deferred tax assets (Net) (Refer Note 45)		500.83	102.84
		2,739.89	2,137.48

		(₹ in million)	
As at 31st March,		2013	2012
6. OTHER LONG TERM LIABILITIES			
Other liabilities		8.14	7.63
		8.14	7.63

		(₹ in million)	
As at 31st March,		2013	2012
7. LONG TERM PROVISIONS			
Employee benefits		427.72	432.87
Mark-to market losses on derivative contracts (Refer Note 48(iii))		1,951.92	1,264.09
		2,379.64	1,696.96

		(₹ in million)	
As at 31st March,		2013	2012
8. SHORT TERM BORROWINGS			
Loans repayable on demand			
From Banks			
- Cash credit/working capital demand loans (secured)		4,997.39	4,497.78
Other working capital loans			
From Banks (secured)		2,404.15	-
From Banks (unsecured)		1,514.97	2,572.89
From other parties (secured)		271.45	-
Commercial papers(unsecured)		-	600.00
		9,187.96	7,670.67
The above amount includes			
Secured borrowings		7,672.99	4,497.78
Unsecured borrowings		1,514.97	3,172.89
		9,187.96	7,670.67

8. Nature of security of short term borrowings and other terms of repayment:

- 8.1 Working capital facilities sanctioned by Consortium of Banks and notified Financial Institutions comprising of ICICI Bank Limited, Corporation Bank, Punjab National Bank, State Bank of India, The Hongkong and Shanghai Banking Corporation Limited, ING Vysya Bank Ltd., Central Bank of India, Yes Bank Limited and Export Import Bank of India, are secured by a first charge by way of hypothecation, ranking pari passu inter-se Banks, of the entire book debts and receivables and inventories both present and future, of the Company wherever the same may be or be held. The working capital sanctioned limits also include commercial paper programme of ₹ 3,000 million as sublimit carved out from the funded limits, against which the balance outstanding as at 31st March, 2013 ₹ NIL million. Maximum balance of commercial paper outstanding during the year at any time was ₹ 600 million. Other working capital loans are repayable as per terms of agreement within one year.
- 8.2 Line of Credit of NIL as on 31st March, 2013 (Previous Year USD 46.74 million (₹ 2,378.15 million)) to Jubilant HollistierStier LLC from Bank of America N.A. was secured by way of :
- Security interest in the receivable inventory, equipments and fixtures, deposit accounts and all general intangibles, including patents, trademarks, computer software etc., books and records pertain to the collateral more particularly described in the security interest agreement dated 31st May, 2007.
 - Deed of Trust dated 31st May, 2007 irrevocable & unconditional security interest in the parcel or parcels of real property located in Spokane County, State of Washington, USA.

- 8.3 Revolving credit facility of CAD 14.87 million (₹ 794.43 million) as on 31st March, 2013 (Previous Year CAD 6.00 million (₹ 306.17 million)) under Facility D1 to Jubilant HollisterStier Inc. from ICICI Bank, Canada as the arranger and the agent is secured by way of:
- Irrevocable and unconditional corporate guarantee from Jubilant HollisterStier Inc. and its subsidiaries.
 - Pledge over all the fully paid up equity shares of Jubilant HollisterStier Inc. and its subsidiaries.
 - First and exclusive charge over the fixed assets and current assets of Jubilant HollisterStier Inc. and its subsidiaries.
- 8.4 Revolving credit facility of CAD 14.87 million (₹ 794.43 million) as on 31st March, 2013 (Previous Year CAD 6.00 million (₹ 306.17 million)) under Facility D1 to Jubilant HollisterStier Inc. from ICICI Bank Canada as the arranger and the agent is secured by way of:
- Pledge over the entire fully paid up equity shares (present and future of Jubilant HollisterStier Inc.)
 - First and exclusive charge over the assets of Jubilant HollisterStier Inc.
- 8.5 Revolving credit facility of CAD 3.48 million (₹ 185.95 million) as on 31st March, 2013 (Previous Year CAD 4.00 million (₹ 204.03 million)) under Facility D to Jubilant DraxImage Inc. from ICICI Bank, Canada as the arranger and the agent is secured by way of:
- Irrevocable and unconditional corporate guarantee from Jubilant DraxImage Inc. and its subsidiaries.
 - Pledge over all the fully paid up equity shares of Jubilant DraxImage Inc. and its subsidiaries.
 - First and exclusive charge over the fixed assets and current assets of Jubilant DraxImage Inc. and its subsidiaries.
- 8.6 Revolving credit facility of CAD 3.48 million (₹ 185.95 million) as on 31st March, 2013 [Previous Year CAD 4.00 million (₹ 204.03 million)] being Facility D to Jubilant DraxImage Inc. from ICICI Bank Canada as the arranger and the agent is secured by way of:
- Pledge over the entire fully paid up equity shares (present and future of Jubilant DraxImage Inc.)
 - First and exclusive charge over the assets of Jubilant DraxImage Inc.
- 8.7 Facility of SGD 55.00 million (₹ 2,404.15 million) as on 31st March, 2013 to Jubilant Life Sciences International Pte Limited from ICICI Bank Ltd., Singapore is secured by way of:
- unconditional corporate guarantee to the extent of
 - 40% of the facility amount from Jubilant Life Sciences Limited. Guaranteed amount as on 31st March, 2013 is ₹ 961.66 million.
 - 60% of the facility amount from Jubilant Pharma Pte Limited. Guaranteed amount as on 31st March, 2013 is ₹ 1,442.49 million.
 - first charge on current assets of Jubilant Life Sciences International Pte Limited.
- 8.8 Working capital facilities granted to Jubilant Chemsys Ltd. by ING Vysya Bank are secured by way of First Charge by way of hypothecation of entire current assets (receivables & inventory) of Jubilant Chemsys Ltd.
- 8.9 Working capital facilities granted to Jubilant Clinsys Ltd. by ING Vysya Bank are secured by way of First Charge by way of hypothecation of entire current assets (receivables & inventory) of Jubilant Clinsys Limited.

		(₹ in million)	
As at 31st March,		2013	2012
9. TRADE PAYABLES			
Trade payables - due to micro, small and medium enterprises under MSMED Act, 2006		8.92	15.79
Trade payables - others		6,023.25	4,399.04
Acceptances		4,530.06	3,955.00
		10,562.23	8,369.83

		(₹ in million)	
As at 31st March,		2013	2012
10. OTHER CURRENT LIABILITIES			
Current maturities of long term debt		4,032.45	2,108.13
Current maturities of finance lease obligations		13.45	11.07
Trade deposits & advances		135.34	157.17
Interest accrued but not due on borrowings		234.60	191.35
Income received in advance/unearned revenue		477.88	570.26
Unpaid matured deposits and interest accrued thereon		0.31	0.94
Unpaid dividends		21.49	14.43
Creditors for capital supplies & services		294.18	555.64
Other payables		1,527.02	1,386.54
		6,736.72	4,995.53

		(₹ in million)	
As at 31st March,		2013	2012
11. SHORT-TERM PROVISIONS			
Employee benefits		323.96	241.51
Dividends on equity shares (Including dividend distribution tax)		559.05	555.36
Income tax & wealth tax		162.62	103.22
Mark-to market losses on derivative contracts		175.42	2.00
Provision for Excise Duty (Refer Note 46)		109.30	100.13
Other provisions (Refer Note 46)		126.94	89.61
		1,457.29	1,091.83

12. TANGIBLE ASSETS

Description	GROSS BLOCK - COST / BOOK VALUE					DEPRECIATION / AMORTISATION / IMPAIRMENT					NET BLOCK			
	Total as at 31st March 2012	Additions/ of consequent acquisition	Additions/ adjustments during the year	Deductions/ adjustments during the year	Currency translation adjustment	Total as at 31st March 2012	of consequent acquisition	Provided during the year	Deductions/ adjustments during the year	Impairment	Currency translation adjustment	Total as at 31st March 2013	As at 31st March 2013	As at 31st March 2012
Tangible Assets:														
Land														
(a) Freehold	802.67	-	71.96	162.28	10.30	722.65	-	-	-	-	-	-	722.65	802.67
(b) Leasehold	756.23	-	8.72	-	-	764.95	86.36	8.06	-	-	94.42	670.53	670.53	669.87
Buildings														
(a) Factory	4,889.68	-	788.27	(30.56)	197.79	5,906.30	1,063.69	165.04	(5.33)	-	50.06	1,284.12	4,622.18	3,825.99
(b) Others (1)	1,141.66	-	908.08	-	-	2,049.74	148.21	20.81	-	-	-	169.02	1,880.72	993.45
Plant & equipment	30,265.33	-	3,635.55	77.89	414.52	34,237.51	10,268.64	1,698.87	28.79	-	174.57	12,113.29	22,124.22	19,996.69
Furniture & fixtures	1,250.39	-	65.98	8.78	28.78	1,336.37	602.51	89.88	0.56	-	16.30	708.13	628.24	647.88
Vehicles	76.10	-	3.25	23.25	0.09	56.19	55.89	6.96	20.77	-	0.07	42.15	14.04	20.21
Vehicles-leased	47.47	-	17.19	7.75	-	56.91	9.82	14.52	3.20	-	21.14	35.77	37.65	37.65
Office equipments	1,049.28	-	255.46	51.91	31.75	1,284.58	752.99	83.72	42.48	-	28.17	822.40	462.18	296.29
Railway sidings	159.38	-	-	-	-	159.38	22.92	8.48	-	-	31.40	127.98	127.98	136.46
TOTAL	40,438.19	-	5,754.46	301.30	683.23	46,574.58	13,011.03	2,096.34	90.47	-	269.17	15,286.07	31,288.51	27,427.16
Previous Year	33,659.96	2.64	5,534.81	44.52	1,285.30	40,438.19	10,587.66	1.62	1,944.35	-	499.19	13,011.03	1,394.79	3,730.76
Capital Work in Progress (CWIP)													32,683.30	31,157.92

Notes:

- (1) Building includes ₹ 500 being cost of share in Co-operative Housing Society.
- (2) Title Deeds pertaining to land at Gajraula purchased during the year 2007-08, measuring 2.80 acres are yet to be registered in the name of Company.
- (3) Buildings and Plant & Machinery includes capitalised value of lease assets amounting to ₹ 16.99 million located at West Bengal.
- (4) Addition to fixed assets (including movement in CWIP) includes ₹ 170.75 million (Previous year (-) ₹ 47.12 million) on account of exchange loss/(gain) in respect of parent company. (Refer Note 47)

(₹ in million)

As at 31st March,			2013	2012
14. NON-CURRENT INVESTMENTS (At cost)				
Number	Face value per unit	All unquoted unless otherwise specified		
		Non Trade Investments		
		Investment in equity instruments (fully paid up equity shares)		
4,550,000 (4,550,000)	₹ 10	Forum I Aviation Limited	45.50	45.50
50,000 (50,000)	₹ 10	Jubilant Industries Ltd (quoted)	0.41	0.41
510,771 (510,771)	USD 0.01	Safe Foods Corporation USA - Common Stock Less: Provision for diminution in value	271.45 (153.45)	254.37 (143.80)
			118.00	110.57
		Investment in preference shares		
166,667 (166,667)	USD 0.001	Putney Inc. (USA) - Convertible Preferred Stock Less: Provision for diminution in value	54.29 (24.97)	50.87 (23.40)
			29.32	27.47
		Investment in Debentures/Bonds		
		Muroplex Therapeutics, Inc. - Convertible Notes & Warrants Less: Provision for diminution in value	14.58 (14.58)	13.66 (13.66)
			-	-
		Other investments		
		Putney Inc. (USA) - Subordinated Convertible Promissory Notes (Including Interest Accrued)	8.60	8.05
		Healthcare Ventures IX, L.P. - Investment Less: Provision for diminution in value	74.65 (20.36)	19.08 (19.08)
			54.29	-
		Total non-current investments	256.12	192.00
		Aggregate amount of quoted investments:		
		- Cost	0.41	0.41
		- Market Value	5.14	14.95
		Aggregate amount of unquoted investments	469.07	391.53
		Aggregate provision for diminution in value of investments	213.36	199.94

Notes :

(1) Figures in () are in respect of previous year.

(₹ in million)

As at 31st March,	2013	2012
15. LONG TERM LOANS AND ADVANCES		
Capital advances (unsecured, considered good)	88.08	134.07
Security deposits (unsecured, considered good)	128.99	130.59
Loans to related parties (unsecured, considered good)	439.39	453.89
Advances recoverable in cash or kind (unsecured, considered good)		
- From related parties (Refer Note 50)	25.00	25.00
- Others	33.33	67.64
Other loans & advances (unsecured considered good)	-	0.72
MAT credit entitlement	2,224.40	2,184.89
	2,939.19	2,996.80

(₹ in million)

As at 31st March,	2013	2012
16. OTHER NON-CURRENT ASSETS		
Non-Current bank balances		
- Deposits with original maturity of more than 12 months	3.74	1.78
- Margin money deposit	5.03	6.12
Other long-term receivables (unsecured considered good)	-	1.82
	8.77	9.72

As at 31st March,	(₹ in million)	
	2013	2012
17. INVENTORIES		
Raw materials (includes in transit ₹ 164.39 million (PY ₹ 229.30 million))	4,378.85	4,317.81
Work-in-progress	1,800.59	1,887.55
Finished goods	3,578.33	2,932.59
Traded goods	217.28	200.20
Stores and spares	717.44	447.40
Others - process chemicals, fuels & packing material etc. (includes in transit ₹ 176.93 million)	456.65	416.67
	11,149.14	10,202.22

(Refer Note 1 (F) on valuation of inventory)

As at 31st March,	(₹ in million)	
	2013	2012
18. TRADE RECEIVABLES		
Outstanding for period exceeding six months from the date they are due for payment		
Unsecured, considered good	131.87	162.75
Doubtful	140.49	77.05
	272.36	239.80
Provision for doubtful receivables	140.49	77.05
	(A) 131.87	162.75
Other receivables		
Unsecured, considered good	6,968.38	6,364.11
Doubtful	0.32	0.48
	6,968.70	6,364.59
Provision for doubtful receivables	0.32	0.48
	(B) 6,968.38	6,364.11
	Total (A+B) (1) 7,100.25	6,526.86

(1) - Net [Refer Note 33 (C) (i)]

As at 31st March,	(₹ in million)	
	2013	2012
19. CASH AND BANK BALANCES		
Cash and cash equivalents		
Balances with banks:		
- On current accounts	1,331.53	773.73
- On dividend accounts	21.49	14.43
- Deposits with original maturity upto three months	1,321.50	1,773.72
Cash on hand	1.86	2.59
Cheques/Drafts on hand	5.38	17.69
Others		
- Funds in transit	113.46	47.85
- Imprest & gift/meal vouchers	1.25	0.79
	2,796.47	2,630.80
Other bank balances:		
- Deposits with original maturity of more than three months upto twelve months	731.52	20.35
- As margin money	32.49	17.01
	(1) 3,560.48	2,668.16

(1) ₹ 1,600 million (PY ₹ Nil) as security against loan & ₹ 503.09 million (PY ₹ 1,804.66 million) has restricted use.

	(₹ in million)	
As at 31st March,	2013	2012
20. SHORT TERM LOANS AND ADVANCES		
Deposits (unsecured, considered good)	40.53	21.21
Deposits/balances with excise / sales tax authorities	858.91	1,082.03
Advance payment of income tax / wealth tax (including TDS)	961.09	674.97
Advances recoverable in cash or kind (unsecured, considered good)		
- From related parties (Refer Note 34 & 50)	86.52	36.67
- Claims recoverable	744.74	559.02
- Others	820.01	500.11
Other short term loans and advances	13.36	252.04
	3,525.16	3,126.05

	(₹ in million)	
As at 31st March,	2013	2012
21. OTHER CURRENT ASSETS		
Other current assets	1,236.22	449.89
[Including mark to market recoverable ₹ 586.80 million (PY ₹ 154.55 million)] [Refer Note 48(iv)]		
	1,236.22	449.89

	(₹ in million)	
For the year ended 31st March,	2013	2012
22. REVENUE FROM OPERATIONS		
Sales of products	42,915.68	34,612.19
Sales of services	9,714.76	8,848.32
Other operating revenue	179.62	491.78
Revenue from operations (gross)	52,810.06	43,952.29
Less: excise duty	(1,200.54)	(921.03)
Revenue from operations (net)	51,609.52	43,031.26
(Refer Note 35)		

	(₹ in million)	
For the year ended 31st March,	2013	2012
23. OTHER INCOME		
Income from current investments (Non-Trade) - Dividend	-	13.44
Other non-operating income	175.45	139.46
	175.45	152.90

	(₹ in million)	
For the year ended 31st March,	2013	2012
24. COST OF MATERIALS CONSUMED		
Raw & process materials consumed	18,069.11	14,946.94
	18,069.11	14,946.94

	(₹ in million)	
For the year ended 31st March,	2013	2012
25. PURCHASE OF TRADED GOODS		
Purchase of traded goods	3,006.39	3,053.40
	3,006.39	3,053.40

	(₹ in million)	
For the year ended 31st March,	2013	2012
26. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND TRADED GOODS		
(Increase)/Decrease in inventories of finished goods, work-in-progress and traded goods	(575.04)	(1,885.15)

	(₹ in million)	
For the year ended 31st March,	2013	2012
27. OTHER MANUFACTURING EXPENSES		
Power and fuel	3,585.53	2,868.90
Stores, spares, chemicals & packing materials consumed	2,140.42	2,279.35
Processing charges	212.18	221.22
Repairs to plant & machinery	683.69	664.44
Repairs to building	182.34	94.94
Excise duty	19.97	73.52
(Refer Note 36)	6,824.13	6,202.37

	(₹ in million)	
For the year ended 31st March,	2013	2012
28. EMPLOYEE BENEFITS EXPENSES		
Salaries, wages, bonus, gratuity & allowances	8,070.78	7,112.63
Contribution to provident & superannuation fund	749.66	605.94
Staff welfare expenses	801.39	645.07
	9,621.83	8,363.64

	(₹ in million)	
For the year ended 31st March,	2013	2012
29. FINANCE COSTS		
Interest expense	2,355.36	2,214.74
Other borrowings cost	59.27	43.15
	2,414.63	2,257.89
Less: Interest Income	(113.05)	(161.95)
	2,301.58	2,095.94
(Refer Note 40 & 43)		

	(₹ in million)	
For the year ended 31st March,	2013	2012
30. OTHER EXPENSES		
Rent	268.72	249.32
Rates & taxes	330.89	292.99
Insurance	137.43	121.38
Advertisement, publicity & sales promotion	155.34	119.23
Travelling & other incidental expenses	436.62	375.35
Repairs & Maintenance-Others	335.14	287.95
Vehicle running & maintenance	32.85	37.52
Printing & stationery	76.95	61.61
Communication expenses	140.47	136.10
Staff recruitment & training	115.12	102.60
Donation (Refer Note 38)	41.58	39.53
Auditors Remuneration - As Auditors	3.27	2.90
- For taxation matters	1.98	1.44
- For other services	4.23	4.77
- Out of pocket expenses	0.54	0.40
Legal, professional & consultancy charges	524.50	366.25
Freight & forwarding (including ocean freight)	607.27	566.37
Directors' sitting fees	2.09	1.69
Directors' commission	40.69	2.50
Miscellaneous expenses	102.51	94.07
Bank Charges	122.37	124.39
Foreign exchange fluctuation loss/(gain)-(Net)	260.22	97.43
Discounts & claims to customers and other selling expenses	336.47	332.66
Commission on sales	133.74	100.21
Loss/(Gain) on sale/disposal/discard of fixed assets	3.98	11.38
Loss/(Gain) on sale of raw materials	0.28	0.41
Provision/write off Bad Debts/ Irrecoverable advances (Net)	75.34	42.19
	4,290.59	3,572.64

	(₹ in million)	
For the year ended 31st March,	2013	2012
31. EXCEPTIONAL ITEMS		
Amortisation of foreign currency monetary item translation difference account(FCMITDA)	631.61	405.05
Mark to market in respect of currency & interest rate swap contracts and forward covers outstanding (Refer Note 48(iii) & 48(iv-c))	839.10	1,212.34
Provision for diminution in value of investment	-	166.29
Provision for impairment of goodwill	-	1,505.75
Write off intangible assets(Refer Note 44)	626.55	197.37
One time write down of inventory	108.06	-
One time profit on sale/discard of asset(net)	(71.59)	-
Others-Litigation etc.	163.32	-
	2,297.05	3,486.80

32. Commitments

a) Capital Commitments:

Estimated amount of contracts remaining to be executed on capital account (Net of advances) ₹ 478.75 million (Previous year ₹ 1,000.20 million) [Advances ₹ 88.08 million (Previous year ₹ 134.07 million)]

b) Other Commitments:

- i) Exports obligation undertaken by the Company under EPCG scheme to be completed over a period of five/eight years on account of import of Capital Goods at concessional import duty and remaining outstanding is ₹ 6.60 million (Previous year ₹ 189.78 million). Similarly export obligation under Advance License Scheme/DFIA scheme on duty free import of specific raw materials, remaining outstanding is ₹ 4,550.88 million (Previous year ₹ 3,539.28 million).
- ii) For lease commitments refer Note 42.

33. Contingent liabilities to the extent not provided for:

A. Guarantees:

Outstanding guarantees furnished by Banks on behalf of the Group/by the Group including in respect of letters of credits is ₹ 2,907.93 million (Previous year ₹ 2,144.13 million).

B. Claims against Company, disputed by the Company, not acknowledged as debt:

(₹ in million)

As at 31st March,	2013	2012
Central Excise	514.46	397.97
Customs	31.63	12.59
Sales Tax	7.08	45.54
Income Tax	604.29	434.44
Service Tax	269.05	114.49
Others	97.86	91.97

Excluding demands in respect of business transferred in earlier year to Jubilant Industries Limited in terms of the scheme of demerger though the demands may be continuing in the name of Jubilant Life Sciences Limited.

Future cash outflows in respect of the above matters as well as for matters listed under 33(C) below are determinable only on receipt of judgments/decisions pending at various stages/forums.

C. Other contingent liabilities:

- i. Liability in respect of Bills discounted with Banks is ₹ 1,050 million (Previous year ₹ 500.00 million).

- ii. The Parent Company's writ petition against the levy of transport fee by the State of Maharashtra on consumption of rectified spirit and molasses within Nira factory has been allowed by the Hon'ble Bombay High Court with consequential refund. The Parent Company has filed a refund claim for an amount of ₹ 2.51 million deposited during the period when the dispute was pending before the High Court. The total amount of disputed transport fee is ₹ 171.66 million. The State of Maharashtra has filed a special leave petition in the Supreme Court and has sought a stay on the operation of the High Court order.

- iii. The Parent Company has challenged before the Hon'ble Allahabad High Court, the increase in denaturing fee by the State of Uttar Pradesh w.e.f 1st April, 2004 on denaturing of rectified spirit in the Gajraula factory and the writ petition has been admitted by the court. The Company has deposited ₹ 22.52 million under protest which is shown as deposits.

- iv. Zila Panchayat at J.P. Nagar (in respect of the Company's Gajraula plant) served a notice demanding a compensation of ₹ 277.40 million allegedly for, percolation of poisonous water stored in lagoons and flowing through the land of Zila Panchayat resulting in loss of crops and cattle of the farmers and for putting poisonous fly ash on national highway which caused loss to the health and damages to eyes and skin of people.

District Magistrate issued a recovery certificate along with 10% collection charges inflating the demand to ₹ 305.14 million. In the opinion of the Company, the Zila Panchayat has no jurisdiction in raising this demand. The demand was challenged in Hon'ble Allahabad High Court and the court stayed the demand till further orders.

- v. The Parent Company has challenged before the Hon'ble Allahabad High Court, the levy of license fees of ₹ 2.87 million by State of Uttar Pradesh, for grant of PD-2 license for manufacture of ethyl alcohol for industrial use. The writ petition has been admitted and is being listed for final hearing. Though the amount has been deposited and shown as such, no provision against this has been made as the issue is covered by the earlier favorable judgment of the Hon'ble Supreme Court of India.
- vi. The State of Uttar Pradesh (UP) has imposed levy on import of denatured spirit into the State of Uttar Pradesh (UP). The Parent Company has

imported denatured spirit into the State of Uttar Pradesh and has challenged levy amounting to ₹ 90 million before Hon'ble Allahabad High Court. The writ petition has been allowed by the High Court in favour of the Parent Company. The State of Uttar Pradesh filed a Special Leave Petition (SLP) with Hon'ble Supreme Court. The SLP has been admitted but the Hon'ble Supreme Court has declined the request of the State of Uttar Pradesh (UP) to stay the operation of High Court Order.

- vii. The Hon'ble Supreme Court has quashed the levy of license fee by State of Uttar Pradesh on captive consumption of denatured spirit in the Gajraula factory, and has ordered the refund of the fee paid during the period of dispute subject to condition that the amount has not been collected from the Company's customers. Further the Court has directed the State to investigate whether the Company has collected the disputed fee from its customers to the extent bank guarantees were furnished.

The Parent Company is entitled to a refund of ₹ 84.06 million as the amount paid during the period of dispute or secured by bank guarantees was not collected from its customers. Accordingly the Company has approached the State of Uttar Pradesh for the refund of the said amount. The amount paid has been shown as deposit.

- viii. The State of Uttar Pradesh (UP) has also levied trade tax (VAT) in addition to the administrative fee on sale of molasses within the State. The Hon'ble Allahabad High Court had struck down the levy of VAT on grounds that once an administrative fee, in the form of tax, has already been charged under a Special Act, no Trade Tax or VAT can be charged under a general act. The Hon'ble Supreme Court (SC) has also declined to grant stay in SLP filed by the State of UP and the VAT authorities are currently treating molasses as goods not subject to VAT. The Parent Company discontinued paying VAT on molasses purchased during FY 2011- FY 2013. The issue of applicability of VAT on sale of molasses is pending before the Hon'ble S.C and in case it is decided in favour of the State of UP, VAT amounting to ₹ 228.40 million would become payable on molasses purchased till FY 2013 and the net liability would be ₹ 24.70 million after adjustment of VAT credit to the extent of ₹ 203.70 million.

34. Balance outstanding recoverable from following Companies in which Directors are interested:

(₹ in million)

Particulars	Outstanding amount as at 31st March,	
	2013	2012
B & M Hot Breads Pvt. Ltd.	NIL	0.04
Jubilant Oil & Gas Pvt. Ltd.	NIL	0.18

The above amounts are included in the note number 20: Advances recoverable in cash or kind.

35. Other operating income is in the nature of scrap sales, and licensing Income/royalty income etc.
36. Excise Duty under manufacturing expenses denotes provision on stock differential and other claims/ payments.
37. During the year, the company has changed useful life of dies and punches, used for manufacturing of dosages formulations from five years to "one year to two years". Accordingly depreciation for the year is higher by ₹ 39.55 million.
38. Donation includes ₹ 10.00 million (Previous year ₹ 15.02 million) payments made to General Electoral Trust during the year.
39. Prior period items for the year ₹ 38.49 million (Previous year ₹ 5.13 million).
40. Interest expenses are net of settlement received under interest rate swap as per Note 48.

41. Employee Stock Option Scheme

The Company has two stock option plans in place namely:

- Jubilant Employees Stock Option Plan, 2005 ("Plan 2005")
- JLL Employees Stock Option Plan, 2011 ("Plan 2011")

The Board of Directors had constituted a Compensation Committee ('Committee') comprising a majority of Independent Directors for administration and supervision of the Stock Option Plans.

Under Plan 2005, as amended, and under Plan 2011, up to 1,100,000 Stock Options and up to 5,352,000 Stock Options, respectively, can be issued to eligible directors (other than promoter directors) and other specified categories of employees of the Company/ Subsidiaries. Options are to be granted at market price. As per the SEBI (Employees Stock Option Scheme and Employees

Stock Purchase Scheme) Guidelines, 1999 ('Guidelines'), the market price is taken as the closing price on the day preceding the date of grant of options, on the stock exchange where the trading volume is the highest. Under Plan 2005, each option, upon vesting, shall entitle the holder to acquire five equity shares of ₹ 1 each. Options granted up to 28th August 2009 will vest entirely within two years from the grant date, with certain lock-in provisions. Options granted after 28th August 2009 will vest gradually over a period of 5 years from the grant date, without any lock-in provisions.

Under Plan 2011, each option, upon vesting, shall entitle the holder to acquire one equity share of ₹ 1 each. Options granted will vest gradually over a period of 3 years from the grant date. Vesting of options is a function of achievement of performance criteria or any other criteria, as specified by the Committee and communicated in the Grant Letter.

Summary of vesting & lock in provisions is given below:

S. No.	PLAN 2005						PLAN 2011		
	Vesting Schedule (With lock in) Applicable for grants made up to 28 th August, 2009			Vesting Schedule (Without lock in) Applicable for grants made after 28 th August, 2009			Vesting Schedule		
	% of Options scheduled to vest	Vesting Date	Lock-in Period	% of Options scheduled to vest	Vesting Date	Lock-in Period	% of Options scheduled to vest	Vesting Date	Lock-in Period
1.	10	1 year from grant date	Nil	10	1 year from grant date	Nil	20	1 year from grant date	Nil
2.	15	2 years from grant date	Nil	15	2 years from grant date	Nil	30	2 years from grant date	Nil
3.	20	2 years from grant date	1 year from vesting date	20	3 years from grant date	Nil	50	3 years from grant date	Nil
4.	25	2 years from grant date	2 years from vesting date	25	4 years from grant date	Nil			
5.	30	2 years from grant date	3 years from vesting date	30	5 years from grant date	Nil			

In 2008-09, members approved constitution of Jubilant Employees Welfare Trust ('Trust') for the purpose of acquisition of equity shares of the Company from the Secondary market or subscription of shares from the Company, to hold the shares and to allocate/transfer these shares to eligible employees of the Company/subsidiaries from time to time on the terms and conditions specified under respective Plans. The members authorised grant of loan(s) from time to time to the Trust in one or more tranches, up to ₹ 1,000 million either free of interest or at interest agreed between the Board and the Trust. The outstanding loan to the Trust as at 31st March, 2013 is ₹ 439.39 million (Previous year ₹ 453.89 million).

Up to 31st March, 2013, the Trust has purchased 6,363,506 equity shares of the Company from the open market, out of interest free loan provided by the Company, of which 1,530,010 shares were transferred to the employees on exercise of options. The Trust has also been issued 192,086 equity shares of Jubilant Industries Limited in accordance with the Scheme of Amalgamation & Demerger amongst the Company, Jubilant Industries Ltd. & others.

The movement in the stock options under both the Plans, during the year, is set out below:

Under Plan 2005:

Particulars	2012-13		2011-12	
	Number of Options	Weighted Average Exercise Price (₹)	Number of Options	Weighted Average Exercise Price (₹)
Options outstanding at the beginning of the year	164,562	226.89	182,013	228.95
Granted during the year*	-	-	-	-
Expired during the year	-	-	-	-
Options forfeited during the year	(19,119)	225.67	(17,451)	248.38
Exercised during the year	-	-	-	-
Options outstanding at the end of the year	145,443	227.05	164,562	226.89

*The Board has decided that no further grants will be made under Plan 2005.

Under Plan 2011:

Particulars	2012-13		2011-12	
	Number of Options	Weighted Average Exercise Price (₹)	Number of Options	Weighted Average Exercise Price (₹)
Options outstanding at the beginning of the year	860,580	199.20	-	-
Granted during the year	918,351	219.01	891,383	199.23
Expired during the year	-	-	-	-
Options forfeited during the year	(193,876)	200.96	(30,803)	200.05
Exercised during the year	-	-	-	-
Options outstanding at the end of the year	1,585,055	210.47	860,580	199.20

Since the Trust is holding sufficient number of equity shares of the Company, it is envisaged to transfer the shares from the Trust to beneficiaries under Plan 2005 & Plan 2011 upon exercise. As such, there would be no fresh issue of shares by the Company and hence no dilution of capital. SEBI vide their circular dated 17th January, 2013 has inserted Clause 35 C in the listing agreement which provides for dealing with the shares held by Employee Benefit Trusts.

On the basis of legal advice received, the Company believes that the aforesaid position of non dilution would not change on account of the above circular.

The Company has opted for intrinsic value method of accounting for Employee Stock Options. As market price of the options is equal to the exercise price on the date of grant, intrinsic value is ₹ Nil. Hence, there is no cost charged to Statement of Profit and Loss on account of options granted to employees under the Employee Stock Option Plans of the Company. Had the Company opted for fair value accounting of Employee Stock options, Profit after tax for the financial year would have been lower by ₹ 25.03 million (Previous Year ₹ 12.78 million).

42. Leases:

- The Group's significant operating lease arrangements are in respect of premises (residential, offices, godown etc.). These leasing arrangements, which are cancellable, range between 11 months and 3 years generally and are usually renewable by mutual agreeable terms. The aggregate lease rentals payable are charged as expenses.
- Assets acquired under Finance Lease:

The Company has taken vehicles under finance lease. Future minimum lease payments and their present values under finance leases are as follows:

(₹ in million)

As at 31st March,	Minimum Lease Payments		Present Value of Minimum Lease Payments		Future Interest	
	2013	2012	2013	2012	2013	2012
Not later than one year	17.77	15.52	13.45	11.07	4.32	4.45
Later than one year but not later than five years	30.37	34.58	26.06	29.05	4.31	5.53
Later than five years	-	-	-	-	-	-

There is no element of contingent rent or sub lease payments. Company has option to purchase the assets at the end of the lease term. There are no restrictions imposed by these lease arrangements regarding dividend, additional debt and further leasing.

43. In line with the applicable Accounting Standards, during the year, interest amounting to ₹ 227.57 million (Previous year ₹ 257.40 million) and expenditure incurred on start up and commissioning of the project and /or substantial expansion and development, including the expenditure incurred on trial runs (Net of trial run receipts, if any) up to the date of capitalisation amounting to ₹ 518.25 million (Previous year ₹ 389.70 million) have been capitalised. The said expenditure (net of trial run receipts), so capitalised are accumulated as Capital work in progress to be allocated to fixed assets on capitalisation.
44. The carrying value of internally generated intangible asset – product development and other intangibles including intangibles under progress has been reviewed and based on technical and financial assessment, carrying value of certain internally generated intangible assets/other intangibles under developments of ₹ 626.55 million (Previous year ₹ 197.37 million) have been charged to the Statement of Profit and Loss.
45. a) **Deferred Tax Assets and Liabilities are attributable to the following items:**

		(₹ in million)	
As at 31st March,		2013	2012
Deferred Tax Assets			
Provision for leave encashment and gratuity		168.07	136.55
Amount disallowed u/s 43 B		96.11	77.40
Accumulated losses as per tax laws		1,044.40	998.12
Others		286.85	78.73
		1,595.43	1,290.80
Deferred Tax Liabilities			
Accelerated depreciation/amortisation		3,730.40	2,911.47
Difference in value of CWIP/Intangibles		598.30	512.39
Others		6.62	4.42
		4,335.32	3,428.28
Deferred Tax Liabilities (Net)		2,739.89	2,137.48

Deferred Tax Assets and Liabilities have been worked out on legal entity basis and have been set-off with each other, where the company has a legally enforceable right to set-off and such Deferred Tax Assets & Liabilities relates to taxes on income levied by same governing taxation laws. Accordingly, after the set-off, the Net Deferred Tax Assets & Liabilities are as under:

		(₹ in million)	
As at 31st March,		2013	2012
Deferred Tax Assets (Net)		500.83	102.84
Deferred Tax Liabilities (Net)		3,240.72	2,240.32
		2,739.89	2,137.48

- b) Current Tax includes ₹ (7.17) million (Previous year ₹ (7.31) million) related to previous year.

46. **Disclosure required by Accounting Standard 29 (AS-29) “Provisions, contingent liabilities and contingent assets”.**

Movement in provisions:

		(₹ in million)				
Sr. No.	Particulars of disclosure	Class of Provisions				
		Provision for Bad and Doubtful Debts	Excise Duty	Premium on redemption of FCCBs	Provision for MTM Losses	Other Provisions
1	Balance as at 1st April, 2012	77.53	100.13	-	1,266.09	89.61
		(55.03)	(33.49)	(2,605.06)	(83.30)	(31.57)
2	Additional provision during 2012-13	70.01	109.30	-	873.77	126.94
		(28.91)	(100.13)	(-)	(1,231.46)	(89.61)
3	Provision used during 2012-13	6.61	100.13	-	2.18	89.61
		(0.66)	(33.49)	(2,605.06)	(36.77)	(31.57)
4	Provision reversed during 2012-13	0.12	-	-	10.34	-
		(5.75)	(-)	(-)	(11.90)	(-)
5	Balance as at 31st March, 2013	140.81	109.30	-	2,127.34	126.94
		(77.53)	(100.13)	(-)	(1,266.09)	(89.61)

Provision for excise duty represents the excise duty on closing stock of finished goods.

47. The Group has opted for accounting the exchange difference arising on reporting of long term foreign currency monetary items in line with Para 46A of Accounting Standard 11 (AS-11) – “The Effects of Changes in Foreign Exchange Rates” notified by the Ministry of Corporate Affairs on 29th December, 2011. Accordingly during 2012-13, the Company has capitalised exchange difference amounting to ₹ 170.75 million (Previous year ₹ (-) 47.12 million) to the cost of fixed assets and ₹ 579.64 million (Previous Year ₹ 1,132.47 million) to foreign currency monetary item translation difference account (FCMITDA) . During the year ₹ 631.61 million (Previous Year ₹ 405.05 million) has been amortised to Statement of Profit and Loss in terms of the said notification and balance of ₹ 675.45 million (Previous Year ₹ 727.42 million) is carried in balance sheet as on 31st March, 2013.

48. Hedging and Derivatives:

- i) The Group uses various derivative instruments such as foreign exchange forward contracts, interest rate swaps and currency swaps to selectively hedge its exposures to movement in foreign exchange rates and interest rates. These derivatives are not used for speculative or trading purposes.

The following are the outstanding derivative contracts entered into by the group:

Category	Currency	Cross Currency	Amount (in million)	Buy/Sell	Purpose
As at 31st March 2013:					
Forward Contracts	USD	INR	USD 332.00	Sell	Hedging
Forward Contracts	USD	INR	USD 62.60	Buy	Hedging
Forward Contracts	SGD	USD	USD 45.08	Buy	Hedging
Currency Swap (Loan of JPY 842.42 million)	JPY	USD	USD 8.30		Hedging
Currency and Interest Swap	INR	USD	USD 201.90		Hedging
Interest rate swap	USD LIBOR		USD 17.94		Hedging
As at 31st March 2012:					
Forward Contracts	USD	INR	USD 303.03	Sell	Hedging
Forward Contracts	USD	INR	USD 61.50	Buy	Hedging
Currency Swap (Loan of JPY 2,306.31 million)	JPY	USD	USD 22.72		Hedging
Currency and Interest Swap	INR	USD	USD 201.90		Hedging
Interest rate swap	USD LIBOR		USD 25.00		Hedging

ii) Foreign currency exposure not hedged by derivative instrument:

As at 31st March,	Amount (foreign currency in millions)			
	2013		2012	
Amount receivable on account of sale of goods & services and loans & advances.	USD	83.56	USD	77.42
	EURO	12.49	EURO	9.82
	GBP	0.24	GBP	0.26
	CAD	1.59	CAD	1.49
	MAD	0.13	MAD	0.16
	SEK	0.06	SEK	-
	DKK	0.25	DKK	-
	CHF	0.01	CHF	-
Amount payable on account of purchase of goods & services and loans etc.	USD	293.67	USD	305.88
	JPY	2.56	JPY	2.43
	EURO	2.08	EURO	0.18
	GBP	0.22	GBP	0.31
	CHF	0.20	CHF	0.09
	DKK	0.07	DKK	0.08
	PLN	-	PLN	0.01
	CAD	0.10	CAD	-
Amount outstanding as deposits with Banks	USD	8.43	USD	4.02
	GBP	0.13	GBP	0.02
	Euro	0.07	Euro	0.14
	CAD	0.01	CAD	0.10
	DKK	0.02	DKK	-
	SGD	0.46	SGD	-

- iii) Mark to market losses in respect of currency and interest rate swaps contracts amounting to ₹ 858.87 million (Previous year ₹ 1,212.34 million) has been charged to the Statement of Profit and Loss.

- iv) The company has opted for hedge accounting in respect of certain transactions including forward contracts under Accounting Standard 30 issued by the Institute of Chartered Accountants of India. Accordingly during the year:
- An amount of ₹ 547.86 million has been credited to Hedging Reserve Account on account of outstanding forward contracts of US\$ 263 million for which highly probable forecast sale of US\$ 263 million is expected to occur between April 2013 and May 2014.
 - An amount of ₹ 212.07 million has been transferred from Hedging Reserve Account to Statement of Profit and Loss under sales on occurrence of highly probable forecast transaction.
 - A gain of ₹ 19.77 million has been transferred from Hedging Reserve Account to Statement of Profit and Loss under exceptional items on account of forecasted transaction not expected to occur.

49. Employee Benefits in respect of Parent Company including Indian Subsidiaries have been calculated as under:

(A) Defined Contribution Plans

- Provident fund*
- Superannuation fund

During the year the Company has contributed following amounts to:

(₹ in million)

For the year ended 31st March,	2013	2012
Employers contribution to provident fund	31.68	29.10
Employers contribution to employee's pension scheme 1995	30.16	28.25
Employers contribution to superannuation fund	14.09	14.88

*For certain employees where Provident Fund is deposited with Government authority like Regional Provident Fund Commissioner.

- State plans

During the year the Company has contributed following amounts to:

(₹ in million)

For the year ended 31st March,	2013	2012
Employers contribution to employee state insurance	4.99	6.66

(B) Defined benefit plans

i. Compensated absences and gratuity

In accordance with Accounting Standard 15 (AS 15) - "Employee Benefits (Revised 2005)", an actuarial valuation has been carried out in respect of gratuity and compensated absences. The discount rate assumed is 8% which is determined by reference to market yield at the Balance Sheet date on Government bonds. The retirement age has been considered at 58 years and mortality table is as per LIC (1994-96).

The estimates of future salary increases, considered in actuarial valuation is 5%, taking into account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Reconciliation of opening and closing balances of the present value of the defined benefit obligation:

(₹ in million)

	Gratuity*		Leave Encashment	
	2013	2012	2013	2012
Present value of obligation at the beginning of the year	272.31	242.79	181.91	160.89
Current service cost	34.59	33.52	36.71	39.45
Interest cost	21.70	20.91	14.45	13.91
Actuarial (gain)/loss	36.39	11.04	(10.01)	(3.39)
Benefits paid	(43.33)	(35.95)	(38.08)	(28.95)
Present value of obligation at the end of the year	321.66	272.31	184.98	181.91

* Excluding for certain employees of Nanjangud & Ambernath Unit.

Reconciliation of the present value of defined benefit obligation and the fair value of the plan assets:

(₹ in million)

	Gratuity*		Leave Encashment	
	2013	2012	2013	2012
Present value of obligation at the end of the year	321.66	272.31	184.98	181.91
Fair value of plan assets at period end	-	-	-	-
Assets/(Liabilities) recognised in the Balance Sheet	(321.66)	(272.31)	(184.98)	(181.91)

*Excluding for certain employees of Nanjangud & Ambernath Unit.

Cost recognised for the period (included under salaries, wages, allowances, bonus and gratuity):

(₹ in million)

	Gratuity*		Leave Encashment	
	2013	2012	2013	2012
Current service cost	34.59	33.52	36.71	39.45
Interest cost	21.70	20.91	14.45	13.91
Actuarial (gain)/loss	36.39	11.04	(10.01)	(3.39)
Net cost recognised during the year	92.68	65.47	41.15	49.97

*Excluding for certain employees of Nanjangud & Ambernath Unit.

Reconciliation of opening and closing balances of the present value of the defined benefit obligation:**

(₹ in million)

	Gratuity	
	2013	2012
Present value of obligation at the beginning of the year	27.58	22.44
Current service cost	4.68	4.72
Interest cost	2.21	1.92
Actuarial (gain)/loss	(4.26)	0.62
Benefits paid	(1.10)	(2.12)
Present value of obligation at the end of the year	29.11	27.58

Reconciliation of the present value of defined benefit obligation and the fair value of the plan assets:**

(₹ in million)

	Gratuity	
	2013	2012
Present value of obligation at the end of the year	29.11	27.58
Fair value of plan assets at period end	14.07	10.49
Funded status excess of actual over estimated	-	-
Assets/(Liabilities) recognised in the Balance Sheet	(15.04)	(17.09)

Cost recognised for the period (included under salaries, wages, allowances, bonus and gratuity) :**

(₹ in million)

	Gratuity	
	2013	2012
Current service cost	4.68	4.72
Interest cost	2.21	1.92
Actuarial (gain)/loss	(3.24)	1.39
Expected return on plan assets	(1.02)	(0.77)
Net cost recognised during the year	2.63	7.26

** In respect of certain employees of Nanjangud Unit.

Reconciliation of opening and closing balances of the present value of the defined benefit obligation*:**

(₹ in million)

	Gratuity	
	2013	2012
Present value of obligation at the beginning of the year	2.77	2.51
Current service cost	0.97	0.98
Interest cost	0.22	0.21
Actuarial (gain)/loss	(0.39)	(0.52)
Benefits paid	(0.05)	(0.41)
Present value of obligation at the end of the year	3.52	2.77

Reconciliation of the present value of defined benefit obligation and the fair value of the plan assets*:**

(₹ in million)

	Gratuity	
	2013	2012
Present value of obligation at the end of the year	3.52	2.77
Fair value of plan assets at period end	3.84	2.15
Funded status excess of actual over estimated	-	-
Assets/(Liabilities) recognised in the Balance Sheet	0.32	(0.62)

Cost recognised for the period (included under salaries, wages, allowances, bonus and gratuity)* :**

(₹ in million)

	Gratuity	
	2013	2012
Current service cost	0.97	0.98
Interest cost	0.22	0.21
Actuarial (gain)/loss	(0.36)	(0.40)
Expected return on plan assets	(0.19)	(0.12)
Net cost recognised during the year	0.64	0.67

*** In respect of certain employees of Ambernath Unit.

Experience Adjustment**a) Gratuity**

(₹ in million)

	2013	2012	2011	2010	2009
Defined benefit obligation	354.29	302.66	267.74	265.22	254.65
Plan assets	17.91	12.64	9.96	8.15	5.32
Surplus/(Deficit)	(336.38)	(290.02)	(257.78)	(257.07)	(249.33)
Experience adjustment of plan liabilities-(loss)/gain	(29.98)	(15.90)	34.01	(4.10)	(15.29)
Experience adjustment on plan assets-(loss)/gain	(0.85)	(0.90)	0.17	0.24	(0.39)

b) Leave Encashment

(₹ in million)

	2013	2012	2011	2010	2009
Defined benefit obligation	184.98	181.91	160.89	144.10	124.20
Surplus/(Deficit)	(184.98)	(181.91)	(160.89)	(144.10)	(124.20)
Experience adjustment of plan liabilities-(loss)/gain	11.04	1.30	11.48	(6.14)	(11.74)
Experience adjustment on plan assets -(loss)/gain	-	-	-	-	-

ii. Provident Fund:

The Guidance on implementation of AS 15, Employee Benefits (Revised 2005) issued by Accounting Standard Board (ASB) states that benefits involving provident funds, which require interest shortfall to be compensated, are to be considered as defined benefit plans. The actuary has worked out a liability of ₹ 9.67 million (Previous year ₹ 8.04 million) likely to arise towards interest guarantee. The trust is managing common corpus of some of the group companies. The total liability of ₹ 9.67 million (Previous year ₹ 8.04 million) as worked out by the actuary has been allocated to each entity based on the corpus value of each entity as on 31st March, 2013. Accordingly, liability of ₹ 8.41 million (Previous year ₹ 7.15 million) has been allocated to Company and ₹ 1.26 million (Previous year ₹ 1.34 million) has been charged to Statement of Profit and Loss during the year. The Company has contributed ₹ 104.42 million to Provident Fund (Previous year ₹ 87.05 million) for the year.

(C) Other long term benefits

(₹ in million)

	2013	2012
Present value of obligation at the end of the year	16.45	14.36

50. Related Party Disclosures**1. Related parties with whom transactions have taken place during the year.****a) Enterprise over which certain key management personnel have significant influence:**

Jubilant Enpro Pvt. Ltd., Jubilant Oil & Gas Pvt. Ltd., Jubilant FoodWorks Ltd., Tower Promoters Pvt. Ltd., B & M Hot Breads Pvt. Ltd., Jubilant Industries Ltd., Jubilant Agri and Consumer Products Ltd, Sankur Chalets Pvt. Ltd, Jubilant Motors Pvt. Ltd., Jubilant Aeronautics Pvt. Ltd.

b) Key management personnel:

Mr. Shyam S. Bhartia, Mr. Hari S. Bhartia , Mr. Shyamsundar Bang, Mr. R. Sankaraiah, Mr. Pramod Yadav, Mr. Rajesh Srivastava, Mr. Neeraj Agrawal, Mr. Chandan Singh, Mr. Sridhar Mosur**, Mr. Marcelo Morales, Mr. Scott Delaney, Mr. William Francis Abbott, Mr. Kevin Garrity, Mr.Subir Kumar Basak**, Mr. Martyn Coombs**.

c) Others:

Vam Employees Provident Fund Trust, Jubilant Employee Welfare Trust , Jubilant Bhartia Foundation, Vam Officers Superannuation Fund.

** for part of the year

2. Transactions with related parties during the year:

(₹ in million)

S. No.	Particulars	Enterprise over which certain key management personnel have significant influence	Key management personnel & relatives	Others
1.	Sales of goods & services	426.39 (394.95)		
2.	Purchases of goods & services	556.10 (361.69)		
3.	Recovery of expenses & utilities charges	88.77 (87.73)		
4.	Reimbursement of expenses	0.28 (0.23)		
5.	Remuneration and related expenses		415.64 (288.86)	
6.	Company's contribution to PF Trust			104.42 (87.05)
7.	Company's contribution to superannuation fund			14.09 (14.88)
8.	Rent expenses	56.39 (45.48)	- (5.98)	
9.	Donation			24.61 (19.80)
10.	Professional services-fees			- (2.14)
11.	Purchase of tangible/intangible assets	6.15 (-)		
12.	Loans given			- (183.99)
13.	Loans received back			14.50 (-)
Balance as at 31st March , 2013				
14.	Trade and other payables	200.15 (213.49)		- (0.19)
15.	Loans recoverable (including interest accrued thereon)			439.39 (453.89)
16.	Trade Receivables	47.05 (44.32)		
17.	Deposits recoverable	21.00 (21.00)		
18.	Other recoverable	86.52 (36.67)	25.00 (25.00)	

Note:

- (1) Figures in () indicates in respect of previous year.
- (2) Related party relationship is as identified by the Company and relied upon by the Auditors.
- (3) No amount has been written off/provided for in respect of dues from or to any related party.

3. Disclosure in respect of material related party transactions during the year:

1. Sales of goods & services include Jubilant Industries Ltd ₹ Nil (P.Y ₹ 380.26 million) and Jubilant Agri and Consumer Products Ltd ₹ 426.39 million (P.Y ₹ 14.69 million).
2. Purchases of goods & services include Jubilant Industries Ltd ₹ Nil (P.Y ₹ 287.43 million) and Jubilant Agri and Consumer Products Ltd ₹ 556.10 million (P.Y ₹ 74.26 million).
3. Recovery of expenses & utilities charges includes Jubilant Enpro Pvt. Ltd. ₹ 8.21 million (P.Y ₹ 7.87 million), Jubilant Oil & Gas Pvt. Ltd. ₹ 4.23 million (P.Y ₹ 2.39 million), Jubilant FoodWorks Ltd. ₹ 5.97 million (P.Y ₹ 3.38 million), Jubilant Industries Ltd. ₹ 0.18 million (P.Y ₹ 66.50 million), Jubilant Agri and Consumer Products Ltd ₹ 69.43 million (P.Y ₹ 7.07 million), B&M Hot Breads Pvt Ltd. ₹ 0.59 million (P.Y ₹ 0.52 million), Jubilant Aeronautics Pvt Ltd. ₹ 0.16 million (P.Y ₹ Nil).
4. Reimbursement of expenses include to Jubilant Oil & Gas Pvt Ltd ₹ 0.28 million (P.Y ₹ 0.23 million).

5. Remuneration and related expenses to Mr. Shyam S Bhartia ₹ 57.50 million (P.Y ₹ 23.80 million), Mr. Hari S Bhartia ₹ 57.50 million (P.Y ₹ 22.99 million), Mr. Shyamsundar Bang ₹ 21.31 million (P.Y ₹ 18.68 million), (Late) Dr J M Khanna ₹ Nil (P.Y ₹ 19.51 million), Mr. R Sankaraiah ₹ 36.17 million (P.Y ₹ 28.06 million), Mr. Pramod Yadav ₹ 18.57 million (P.Y ₹ 16.71 million), Mr. Rajesh Srivastava ₹ 18.91 million (P.Y ₹ 16.56 million), Mr. Chandan Singh ₹ 11.08 million (P.Y ₹ 10.02 million), Mr. Neeraj Agrawal ₹ 21.72 million (P.Y ₹ 16.61 million), Mr. Sridhar Mosur ₹ 29.32 million (P.Y ₹ 22.56 million), Mr. Marcelo Morales ₹ 46.16 million (P.Y ₹ 27.73 million), Mr. Scott Delaney ₹ 41.72 million (P.Y ₹ 26.42 million), Mr. William Francis Abbott ₹ Nil (P.Y ₹ 26.22 million), Mr. Kevin Garrity ₹ 27.46 million (P.Y ₹ 12.99 million), , Mr. Subir Kumar Basak ₹ 13.56 million (P.Y ₹ Nil), Mr. Martyn Coombs ₹ 14.66 million (P.Y ₹ Nil).
6. Company's contribution to PF Trust to Vam Employee Provident Fund Trust ₹ 104.42 million (P.Y ₹ 87.05 million).
7. Company's contribution to superannuation fund to Vam Officers Superannuation Fund ₹ 14.09 million (P.Y ₹ 14.88 million).
8. Rent expenses paid to include Jubilant Enpro Pvt. Ltd. ₹ 2.59 million (P.Y ₹ 2.54 million), Tower Promoters Pvt. Ltd. ₹ 52.00 million (P.Y ₹ 42.00 million), Ms Asha Khanna (wife of (Late) Dr. J .M. Khanna) ₹ Nil (P.Y ₹ 0.82 million), Ms. Shobha Bang (wife of Mr. Shyamsundar Bang) ₹ Nil (P.Y ₹ 5.16 million), Sankur Chalets Pvt Ltd ₹ 1.80 million (P.Y ₹ Nil) Jubilant Oil & Gas Pvt Ltd ₹ Nil (P.Y ₹ 0.94 million) .
9. Donation to Jubilant Bhartia Foundation ₹ 24.61 million (P.Y ₹ 19.80 million).
10. Professional services-fees paid to Amarchand & Mangaldas & Suresh A. Shroff & Co. ₹ - (P.Y ₹ 2.14 million).
11. Purchase of tangible/intangible assets include Jubilant Motors Pvt. Ltd ₹ 6.15 million (P.Y ₹ Nil).
12. Loan given to Jubilant Employee Welfare Trust ₹ Nil (P.Y ₹ 183.99 million).
13. Loan received back from Jubilant Employee Welfare Trust ₹ 14.50 million (P.Y ₹ Nil).
14. Trade and other payables include to Jubilant Industries Ltd. ₹ Nil (P.Y ₹ 200.09 million), Jubilant Agri and Consumer Products Ltd ₹ 200.15 million (P.Y ₹ 13.40 million), Amarchand & Mangaldas & Suresh A. Shroff & Co. ₹ - (P.Y ₹ 0.19 million).
15. Loans recoverable from Jubilant Employee Welfare Trust ₹ 439.39 million (P.Y ₹ 453.89 million).
16. Trade receivables include from Jubilant Industries Ltd. ₹ Nil (P.Y ₹ 35.29 million), Jubilant Agri and Consumer Products Ltd ₹ 47.05 million (P.Y ₹ 9.03 million).
17. Deposit recoverable from Tower Promoters Pvt. Ltd. ₹ 21.00 million (P.Y ₹ 21.00 million).
18. Other recoverable include from Jubilant Oil & Gas Pvt. Ltd. ₹ Nil (P.Y ₹ 0.18 million), Jubilant Industries Ltd. ₹ 17.17 million (P.Y ₹ 21.19 million), Jubilant Agri and Consumer Products Ltd ₹ 63.98 million (P.Y ₹ 15.26 million), Mr. R Sankaraiah ₹ 25.00 million (P.Y ₹ 25.00 million), B&M Hot Breads Pvt Ltd. ₹ Nil (P.Y ₹ 0.04 million), Jubilant FoodWorks Ltd ₹ 5.37 million (P.Y ₹ Nil).

51. Segment Reporting :

- i) **Based on the guiding principles given in Accounting Standard 17 (AS-17) on "Segment Reporting", the Group's Primary Business Segments were organised around customers on industry and product lines as under:**

a. Pharmaceuticals :

- i) Generics, comprising Active Pharmaceuticals Ingredients (APIs) and Solid Dosage Formulations
- ii) Specialty Pharmaceuticals, comprising Radiopharmaceuticals, Allergy Therapy Products, Sterile Injectables and Ointment, Creams & Liquids (OCL)
- iii) Drug Discovery and Development Solutions (DDDS)
- iv) Healthcare

b. Life Sciences Ingredients :

- i) Proprietary Products and Exclusive Synthesis
- ii) Life Sciences Chemicals
- iii) Nutrition Ingredients

ii) In respect of Secondary Segment information, the Group has identified its Geographical segments as:

- (i) Within India
- (ii) Outside India.

iii) Inter Segment Transfer Pricing

Inter Segment Transfer prices are based on market prices.

iv) The Financial information about the primary business segments is presented in the table given below:

(₹ in million)

	Particulars	Pharmaceuticals		Life Sciences Ingredients		Total	
		2013	2012	2013	2012	2013	2012
1)	Segment Revenue	26,656.48	22,048.39	26,180.43	21,934.52	52,836.91	43,982.91
	Less: Inter Segment Revenue	-	-	26.85	30.62	26.85	30.62
	Less: Excise Duty on Sales	76.78	35.29	1,123.76	885.74	1,200.54	921.03
	Revenue from operations (Net)	26,579.70	22,013.10	25,029.82	21,018.16	51,609.52	43,031.26
2)	Segment results	5,939.88	4,708.81	2,875.38	2,630.21	8,815.26	7,339.02
	Less : Interest (Finance Cost)					2,301.58	2,095.94
	Other un-allocable expenditure (net of un-allocable income)					3,102.30	4,102.01
	Total Profit Before Tax	5,939.88	4,708.81	2,875.38	2,630.21	3,411.38	1,141.07
3)	Capital Employed (Segment Assets - Segment Liabilities)						
	Segment Assets	49,072.06	45,776.23	26,253.41	25,051.40	75,325.47	70,827.63
	Add: Common Assets					8,493.37	6,801.30
	Total Assets	49,072.06	45,776.23	26,253.41	25,051.40	83,818.84	77,628.93
	Segment Liabilities	4,128.77	4,040.29	9,380.94	7,588.97	13,509.71	11,629.26
	Add: Common Liabilities					3,588.41	2,413.32
	Total Liabilities	4,128.77	4,040.29	9,380.94	7,588.97	17,098.12	14,042.58
	Segment Capital Employed	44,943.29	41,735.94	16,872.47	17,462.43	61,815.76	59,198.37
	Add: Common Capital Employed					4,904.96	4,387.98
	Total Capital Employed	44,943.29	41,735.94	16,872.47	17,462.43	66,720.72	63,586.35
4)	Segment Capital Expenditure	2,805.03	2,721.20	1,488.54	3,380.55	4,293.57	6,101.75
	Add: Common Capital Expenditure					367.72	79.53
	Total Capital Expenditure	2,805.03	2,721.20	1,488.54	3,380.55	4,661.29	6,181.28
5)	Depreciation & Amortisation(Net)	1,563.86	1,323.05	943.89	841.88	2,507.75	2,164.93
	Add: Common Depreciation					30.20	41.58
	Total Depreciation & Amortisation	1,563.86	1,323.05	943.89	841.88	2,537.95	2,206.51

v) Secondary Segments (Geographical Segments):

Particulars	(₹ in million)	
	2013	2012
a) Revenue from operations by geographic locations of customers (Net of excise duty)		
Within India	13,333.55	12,671.30
Outside India	38,275.97	30,359.96
Total	51,609.52	43,031.26
b) Carrying amount of segment assets		
Within India	40,425.68	40,480.78
Outside India	43,393.16	37,148.15
Total	83,818.84	77,628.93
c) Capital Expenditure		
Within India	3,211.68	5,096.63
Outside India	1,449.61	1,084.65
Total	4,661.29	6,181.28
d) Revenue from operations by geographic markets		
India	13,333.55	12,671.30
Americas & Europe	30,348.25	24,381.67
China	3,872.39	2,888.15
Asia & Others	4,055.33	3,090.14
Total	51,609.52	43,031.26

Notes:

- 1) The Company has disclosed Business Segment as the Primary Segment.
- 2) Segments have been identified and reported taking into account the nature of products and services, the differing risk and returns, the organisation structure and the internal financial reporting systems.
- 3) The Segment revenue, results, assets and liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.

52. EARNINGS PER SHARE (EPS)

(₹ in million)

For the year ended 31st March,			2013	2012
I.	Profit for Basic & Diluted Earnings Per Share of ₹ 1 each	₹ in million	1,527.27	145.61
II.	Weighted average number of equity shares for Earnings Per Share computation			
A)	For Basic Earnings Per Share	Nos	159,281,139	159,281,139
B)	For Diluted Earnings Per Share:			
	No. of shares for Basic EPS as per II A	Nos	159,281,139	159,281,139
	Add: Weighted average outstanding options related to employee stock options. (Note 1)	Nos	Nil	Nil
	No. of shares for Diluted Earnings Per Share	Nos	159,281,139	159,281,139
III.	Earnings Per Share (face value of ₹ 1 each)			
	Basic	Rupees	9.59	0.91
	Diluted	Rupees	9.59	0.91

Note :

1) The shares held by Jubilant Employee Welfare Trust are in excess of employee stock option granted and outstanding. Therefore, the effect of outstanding employee stock options is Nil on computation of diluted EPS. (Refer Note 41)

53. Figures pertaining to the Subsidiary Companies, have been reclassified wherever considered necessary to bring them in line with the Company's Financial Statement.

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

Signatures to Notes "1" to "54" forming part of the Consolidated Balance Sheet and Statement of Profit and Loss.

In terms of our report of even date attached.

For and on behalf of the Board

for **K.N. Gutgutia & Co.**

Firm Registration Number : 304153E

Chartered Accountants

B.R. Goyal

Partner

Membership No. 12172

Shyam S. Bhartia

Chairman & Managing Director

Place: Noida

Date : 7th May, 2013

Lalit Jain

Company Secretary

R. Sankaraiah

Executive Director - Finance

Hari S. Bhartia

Co-Chairman & Managing Director

DETAILS OF SUBSIDIARY COMPANIES (2012-13)

	Jubilant Clinsys Ltd.	Jubilant Chemsys Ltd.	Jubilant Biosys Ltd.	Jubilant Infrastructure Ltd.	Jubilant First Trust Healthcare Ltd.	Asia Healthcare Development Ltd.	Jubilant Life Sciences (USA) Inc.		Jubilant Life Sciences (Shanghai) Ltd.	
	₹/million	₹/million	₹/million	₹/million	₹/million	₹/million	USD	₹/million	RMB	₹/million
(a) Capital	290.50	82.00	4.41	344.84	156.13	17.67	375,000	17.11	1,652,837	8.80
(b) Reserve and Surplus (adjusted for debit balance in Profit & Loss Account where applicable)	(23.15)	517.87	(590.07)	1,086.57	370.39	(1.94)	1,547,520	87.26	17,538,868	158.82
(c) Total Assets (Fixed Assets+Current Assets)	362.40	718.63	1,049.44	2,073.02	553.44	23.30	16,016,268	869.52	176,532,071	1,542.05
(d) Total Liabilities (Debts + Current Liabilities)	95.05	118.76	1,751.97	642.02	44.55	7.57	14,093,748	765.15	157,340,366	1,374.43
(e) Details of Investments (except in case of Investment in subsidiaries)	-	-	-	-	-	-	-	-	-	-
(f) Turnover (Including Other Income)	255.52	615.67	994.77	891.03	161.07	43.00	50,591,016	2,749.62	372,862,843	3,226.93
(g) Profit before Taxation	30.72	(25.99)	(37.28)	137.86	82.33	3.02	794,293	43.17	19,427,154	168.13
(h) Provision for Taxation	0.98	(3.76)	(26.41)	58.36	5.95	1.31	272,622	14.82	4,858,224	42.05
(i) Profit after Taxation	29.74	(22.23)	(10.87)	79.50	76.38	1.71	521,671	28.35	14,568,930	126.08
(j) Proposed Dividend	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

DETAILS OF SUBSIDIARY COMPANIES (2012-13) (Contd.)

	Jubilant Pharma NV		Jubilant Pharmaceuticals NV		PSI Supply NV		Jubilant Life Sciences Holdings Inc.		Jubilant Clinsys Inc.	
	EURO	₹/million	EURO	₹/million	EURO	₹/million	USD	₹/million	USD	₹/million
(a) Capital	16,180,000	894.14	1,050,300	63.95	665,000	43.37	213,486,975	9,466.12	31,269,630	1,598.22
(b) Reserve and Surplus (adjusted for debit balance in Profit & Loss Account where applicable)	1,809,440	356.12	309,980	30.59	(170,510)	(9.00)	(68,208,269)	(1,578.94)	(27,572,863)	(1,397.52)
(c) Total Assets (Fixed Assets + Current Assets)	37,878	2.63	12,529,865	870.83	1,647,385	114.49	24,864,173	1,349.88	10,186,275	553.01
(d) Total Liabilities (Debts + Current Liabilities)	9,838	0.68	11,169,585	776.29	1,152,895	80.12	24,708,542	1,341.43	6,489,508	352.31
(e) Details of Investments (except in case of Investment in subsidiaries)	-	-	-	-	-	-	-	-	-	-
(f) Turnover (Including Other Income)	86	0.01	30,710,471	2,149.78	2,913,249	203.93	377	0.02	9,704,175	527.42
(g) Profit before Taxation	(7,819)	(0.55)	573,675	40.16	112,498	7.88	(2,847,597)	(154.77)	(2,914,670)	(158.42)
(h) Provision for Taxation	-	-	190,511	13.34	51,937	3.64	(168,379)	(9.15)	2,786,917	151.47
(i) Profit after Taxation	(7,819)	(0.55)	383,164	26.82	60,561	4.24	(2,679,218)	(145.62)	(5,701,587)	(309.89)
(j) Proposed Dividend	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

DETAILS OF SUBSIDIARY COMPANIES (2012-13) (Contd.)

	HSL Holdings Inc.		Jubilant HollisterStier LLC		Jubilant Pharma Pte. Ltd.		Cadista Holdings Inc.		Jubilant Cadista Pharmaceuticals Inc.	
	USD	₹/million	USD	₹/million	USD	₹/million	USD	₹/million	USD	₹/million
(a) Capital	16	0.00	21,521,278	876.78	322,558,994	14,967.77	117,797	5.40	1	-
(b) Reserve and Surplus (adjusted for debit balance in Profit & Loss Account where applicable)	139,052,615	7,549.17	55,456,845	3,302.36	(4,254,046)	2,313.01	33,513,767	1,820.46	68,411,310	3,714.05
(c) Total Assets (Fixed Assets + Current Assets)	51,807,473	2,812.63	188,579,263	10,237.97	11,004,981	597.46	33,697,650	1,829.45	111,001,783	6,026.28
(d) Total Liabilities (Debts + Current Liabilities)	83,105,707	4,511.80	111,601,140	6,058.83	10,519,708	571.12	66,087	3.59	42,590,472	2,312.23
(e) Details of Investments (except in case of Investment in subsidiaries)	-	-	-	-	2,871,770	155.92	-	-	-	-
(f) Turnover (Including Other Income)	19,655,398	1,068.27	107,592,216	5,847.64	56	0.00	107	0.01	117,955,028	6,410.86
(g) Profit before Taxation	18,991,773	1,032.20	13,664,061	742.64	(11,702,083)	(636.01)	(12,390)	(0.67)	64,026,449	3,479.84
(h) Provision for Taxation	2,326,671	126.45	5,192,343	282.20	-	-	-	-	24,330,051	1,322.34
(i) Profit after Taxation	16,665,102	905.75	8,471,718	460.44	(11,702,083)	(636.01)	(12,390)	(0.67)	39,696,398	2,157.50
(j) Proposed Dividend	Nil	Nil	18,300,000	994.61	Nil	Nil	Nil	Nil	Nil	Nil

DETAILS OF SUBSIDIARY COMPANIES (2012-13) (Contd.)

	Jubilant Biosys (BVI) Ltd.		Jubilant Biosys (Singapore) Pte. Ltd.		Jubilant Discovery Services Inc.		Jubilant Drug Development Pte. Ltd.		Jubilant Life Sciences (BVI) Ltd.	
	USD	₹/million	USD	₹/million	USD	₹/million	USD	₹/million	USD	₹/million
(a) Capital	1,377,501	68.77	1,356,501	67.75	2,485,000	116.87	2,527,001	126.26	3,927,501	196.37
(b) Reserve and Surplus (adjusted for debit balance in Profit & Loss Account where applicable)	(18,350)	5.02	(49,315)	3.21	(2,670,221)	(126.93)	(49,325)	8.26	(19,603)	15.79
(c) Total Assets (Fixed Assets + Current Assets)	3,230	0.18	7,182	0.39	1,578,842	85.71	5,588	0.30	4,385	0.24
(d) Total Liabilities (Debts + Current Liabilities)	580	0.03	6,548	0.36	1,764,063	95.77	6,328	0.33	989	0.05
(e) Details of Investments (except in case of Investment in subsidiaries)	-	-	-	-	-	-	-	-	-	-
(f) Turnover (Including Other Income)	-	-	48	0.00	3,293,063	178.98	48	0.00	-	-
(g) Profit before Taxation	(4,427)	(0.24)	(12,415)	(0.67)	(599,782)	(32.60)	(11,992)	(0.65)	(4,491)	(0.24)
(h) Provision for Taxation	-	-	-	-	301,801	16.40	-	-	-	-
(i) Profit after Taxation	(4,427)	(0.24)	(12,415)	(0.67)	(901,583)	(49.00)	(11,992)	(0.65)	(4,491)	(0.24)
(j) Proposed Dividend	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

DETAILS OF SUBSIDIARY COMPANIES (2012-13) (Contd.)

	Jubilant Life Sciences International Pte. Ltd.		Jubilant Innovation (BV) Ltd.		Jubilant Innovation Pte. Ltd.		Draximage Ltd., Cyprus		Draximage Ltd., Ireland	
	USD	₹/million	USD	₹/million	USD	₹/million	USD	₹/million	USD	₹/million
(a) Capital	437,503	19.99	15,080,000	721.22	2,859,301	134.98	3,290	0.15	700,004	33.48
(b) Reserve and Surplus (adjusted for debit balance in Profit & Loss Account where applicable)	(390,797)	(17.45)	(13,126,766)	(615.18)	(1,995,429)	(88.08)	3,007,382	163.30	(273,427)	(10.32)
(c) Total Assets (Fixed Assets + Current Assets)	47,328,267	2,569.46	6,987	0.38	13,924	0.76	14,292	0.78	436,653	23.71
(d) Total Liabilities (Debts + Current Liabilities)	47,281,561	2,566.92	157,067	8.53	10,513	0.57	6,865	0.37	10,076	0.55
(e) Details of Investments (except in case of Investment in subsidiaries)	-	-	-	-	-	-	-	-	-	-
(f) Turnover (Including Other Income)	20,813,053	1,131.19	-	-	-	-	7,687	0.42	14	0.00
(g) Profit before Taxation	(66,628)	(3.62)	(11,228,208)	(610.25)	(19,506)	(1.06)	(4,020)	(0.22)	(28,092)	(1.53)
(h) Provision for Taxation	-	-	-	-	-	-	-	-	-	-
(i) Profit after Taxation	(66,628)	(3.62)	(11,228,208)	(610.25)	(19,506)	(1.06)	(4,020)	(0.22)	(28,092)	(1.53)
(j) Proposed Dividend	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

DETAILS OF SUBSIDIARY COMPANIES (2012-13) (Contd.)

	Draximage LLC		Jubilant Draximage (USA) Inc.		Deprenyl Inc., USA		Jubilant DraxImage Inc.		6963196 Canada Inc.	
	USD	₹/million	USD	₹/million	USD	₹/million	CAD	₹/million	CAD	₹/million
(a) Capital	65,000	3.05	9	-	15	0.00	130,365,215	5,690	2,500	0.11
(b) Reserve and Surplus (adjusted for debit balance in Profit & Loss Account where applicable)	(49,359)	(2.20)	(611,619)	(33.20)	3,014,678	163.67	13,425,785	1,994	(15,419)	(0.80)
(c) Total Assets (Fixed Assets + Current Assets)	16,422	0.89	279,925	15.20	3,833,781	208.14	201,386,073	10,762	458	0.02
(d) Total Liabilities (Debts + Current Liabilities)	781	0.04	891,535	48.40	819,088	44.47	57,622,100	3,079	13,377	0.71
(e) Details of Investments (except in case of Investment in subsidiaries)	-	-	-	-	-	-	22,025	1	-	-
(f) Turnover (Including Other Income)	-	-	2,000,008	108.70	474,949	25.81	36,571,494	1,987	-	-
(g) Profit before Taxation	(138)	(0.01)	(150,443)	(8.18)	264,209	14.36	4,414,795	240	(1,997)	(0.11)
(h) Provision for Taxation	-	-	6,765	0.37	(19,051)	(1.03)	(5,216,170)	(283)	81	0.00
(i) Profit after Taxation	(138)	(0.01)	(157,208)	(8.55)	283,260	15.39	9,630,965	523	(2,078)	(0.11)
(j) Proposed Dividend	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

DETAILS OF SUBSIDIARY COMPANIES (2012-13) (Contd.)

	6981364 Canada Inc.		DAHI Animal Health (UK) Ltd.		Draximage (UK) Ltd.		Jubilant Innovation (USA) Inc.		Jubilant Innovation (India) Ltd.	Jubilant DraxImage Ltd.
	CAD	₹/million	GBP	₹/million	GBP	₹/million	USD	₹/million	₹/million	₹/million
(a) Capital	2,500	0.11	1	-	1	-	1,110,000	55.22	0.50	0.78
(b) Reserve and Surplus (adjusted for debit balance in Profit & Loss Account where applicable)	(3,645)	(0.17)	(2,207)	(0.18)	-	-	62,130	8.42	3.31	(14.54)
(c) Total Assets (Fixed Assets + Current Assets)	97	0.01	-	-	1	-	348,791	18.94	3.90	19.78
(d) Total Liabilities (Debts + Current Liabilities)	3,689	0.20	2,206	0.18	-	-	176,661	9.59	0.09	33.54
(e) Details of Investments (except in case of Investment in subsidiaries)	2,447	0.13	-	-	-	-	-	-	-	-
(f) Turnover (Including Other Income)	-	-	-	-	-	-	170,758	9.28	-	91.67
(g) Profit before Taxation	(1,686)	(0.09)	-	-	-	-	23,758	1.29	0.04	(11.19)
(h) Provision for Taxation	81	0.00	-	-	-	-	8,078	0.44	0.02	-
(i) Profit after Taxation	(1,767)	(0.09)	-	-	-	-	15,680	0.85	0.02	(11.19)
(j) Proposed Dividend	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

DETAILS OF SUBSIDIARY COMPANIES (2012-13) (Contd.)

	Draxis Pharma LLC		Jubilant HollisterStier Inc.		Generic Pharmaceuticals Holdings, Inc.		Jubilant Life Sciences (Switzerland) AG, Schaffhausen		Jubilant Drug Discovery & Development Services Inc., Canada		First Trust Medicare Pvt. Limited		Vanthys Pharmaceutical Development Pvt. Limited	
	USD	₹/million	USD	₹/million	USD	₹/million	CHF	₹/million	CAD	₹/million	₹/million	₹/million	₹/million	
(a) Capital	250,100	11.64	26,825,600	1,218.22	2	0.00	100,000	4.70	50,000	2.45	1.00	225.00		
(b) Reserve and Surplus (adjusted for debit balance in Profit & Loss Account where applicable)	(352)	1.92	(8,201,983)	(207.14)	33,453,073	1,816.18	(64,792)	(2.69)	52,779	3.04	5.38	(197.63)		
(c) Total Assets (Fixed Assets + Current Assets)	247,403	13.43	6,270,225	340.41	100	0.01	52,464	2.99	245,869	13.14	0.01	31.68		
(d) Total Liabilities (Debits + Current Liabilities)	-	-	99,088,182	5,379.49	-	-	17,256	0.98	143,090	7.65	0.16	4.31		
(e) Details of Investments (except in case of Investment in subsidiaries)	-	-	-	-	-	-	-	-	-	-	-	-		
(f) Turnover (Including Other Income)	-	-	-	-	-	-	665	0.04	729,717	39.66	-	13.07		
(g) Profit before Taxation	(131)	(0.01)	(4,577,184)	(248.77)	-	-	(53,275)	(3.08)	22,273	1.21	(0.11)	(14.69)		
(h) Provision for Taxation	-	-	(4,502,669)	(244.72)	-	-	-	-	7,749	0.42	-	-		
(i) Profit after Taxation	(131)	(0.01)	(74,515)	(4.05)	-	-	(53,275)	(3.08)	14,524	0.79	(0.11)	(14.69)		
(j) Proposed Dividend	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil		

Notes:

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

CORPORATE INFORMATION

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Corporate Office

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Tel. : +91-120-4361000

Statutory Auditors

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11K, Gopala Tower,
25, Rajendra Place,
New Delhi 110 008, India

IFRS Auditors

KPMG
Building No. 10,
8th Floor, Tower B,
DLF Cyber City, Phase-II,
Gurgaon 122 002
Haryana, India

Cost Auditors

J K Kabra & Co.
552/1B, Arjun Street,
Main Vishwas Road,
Vishwas Nagar,
Delhi 110 032, India

Internal Auditors

Ernst & Young Pvt. Ltd.
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18-20, Kasturba Gandhi Marg,
New Delhi 110 001, India

Company Secretary

Lalit Jain

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Bankers

Central Bank of India
Corporation Bank
Export Import Bank of India
ICICI Bank Ltd.
ING Vysya Bank Ltd.
Punjab National Bank
State Bank of India
The Hong Kong & Shanghai Bank Corporation Ltd.
Yes Bank Ltd.

For more information please visit our website www.jubl.com or email us at support@jubl.com



Jubilant Life Sciences Limited

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