

August 5, 2016

The National Stock Exchange of India Ltd.
Exchange Plaza,
Bandra Kurla Complex, Bandra (E)
Mumbai – 400 051

Dear Sir,

We wish to inform you that the 38th Annual General Meeting ('AGM') of the Company will be held on **Tuesday, August 30, 2016 at 11.30 a.m.** at the Registered Office at Bhartiagram, Gajraula, District Amroha - 244 223, U.P. In this regard, we enclose a copy of the Notice of the 38th AGM (alongwith Annual Report for the financial year 2015-16), being despatched to the shareholders of the Company.

In terms of Regulation 42 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 91 of the Companies Act, 2013 including rules made thereunder, the Register of Members / Share Transfer Books of the Company will remain closed from Saturday, August 20, 2016 to Tuesday, August 30, 2016 (both days inclusive), for the purpose of AGM and determining eligibility of shareholders for dividend, subject to the approval of members at the AGM.

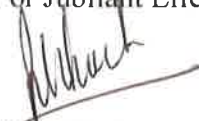
The Dividend on equity shares @ Rs.3 per equity share of Re.1 each, as recommended by the Board of Directors, if declared at the AGM, will be paid on or before Wednesday, September 28, 2016 to those members whose names appear as:

- (a) Beneficial Owners as at the end of business hours on Friday, August 19, 2016 in the list of Beneficial Owners to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited ; and
- (b) Members in the Register of Members of the Company after giving effect to valid share transfers in physical form lodged with the Company on or before Friday, August 19, 2016.

Kindly take the same on record.

Thanking you,

Yours faithfully,
For Jubilant Life Sciences Limited


Rajiv Shah
Company Secretary



Encl.: as above

A Jubilant Bhartia Company

OUR VALUES



Jubilant Life Sciences Limited
1-A, Sector 16-A,
Noida-201 301, UP, India
Tel: +91 120 4361000
Fax: +91 120 4234895-96
www.jubl.com

Regd Office:
Bhartiagram, Gajraula
Distt. Amroha - 244 223,
UP, India
CIN : L24116UP1978PLC004624



JUBILANT LIFE SCIENCES LIMITED

(CIN: L24116UP1978PLC004624)

Registered Office: Bhartiagram, Gajraula,
District Amroha - 244 223,
Uttar Pradesh, India

E-mail: investors@jubl.com

Website: www.jubl.com

Phone : + 91-5924-252351-56, 58-60

NOTICE

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

DAY : TUESDAY
DATE : AUGUST 30, 2016
TIME : 11:30 A.M.
VENUE : REGISTERED OFFICE:
BHARTIAGRAM, GAJRAULA
DISTRICT AMROHA - 244 223
UTTAR PRADESH, INDIA

to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the Audited Financial Statements (including Audited Consolidated Financial Statements) of the Company for the Financial Year ended March 31, 2016 and the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend for the year ended March 31, 2016.
3. To appoint a Director in place of Mr. Shyam S Bhartia [DIN: 00010484], who retires by rotation and, being eligible, offers himself for re-appointment.
4. To ratify appointment of the Auditors and to authorise the Board of Directors of the Company to fix their remuneration and for that purpose, to consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force), appointment of M/s B S R & Co. LLP, Chartered Accountants, (Registration Number 101248W/W-100022 with the Institute of Chartered Accountants of India) be and is hereby ratified as the Auditors of the Company from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as may be mutually determined between the said Auditors and Board of Directors of the Company.”

SPECIAL BUSINESS

5. To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, 203 and rules made thereunder read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) (hereinafter referred to as the ‘Act’), the Appointment and Remuneration Policy and the Articles of Association of the Company and subject to such approvals, consents, permissions and sanctions

of concerned authorities as may be necessary and subject to such other conditions and modifications as may be prescribed, imposed or suggested by such concerned authorities while granting such approvals, consents, permissions and sanctions and as agreed to by the Board of Directors of the Company (hereinafter referred to as ‘the Board’ which term shall be deemed to include any Committee which the Board may have constituted or herein after constitute to exercise the powers conferred by this resolution) without any further approval of the members of the Company, approval of members of the Company be and is hereby accorded to the re-appointment of Mr. Hari S Bhartia [DIN: 00010499] as Co-Chairman and Managing Director of the Company (‘CCMD’) for a period of five years, effective from April 1, 2017, on the following terms and conditions including remuneration:

I. Salary, Allowances, Perquisites and Retiral Benefits

- a. Annual gross remuneration including Salary, House Rent Allowance / Company Leased Accommodation, Allowances, Perquisites and Retiral Benefits not exceeding Rs. 6.00 Crore with such break-up as may be requested by CCMD.
- b. Fringe benefits and amenities stated below:
 - i. Conveyance Facilities: Suitable conveyance facilities as may be required by CCMD.
 - ii. Communication Facilities: Telephone, fax and other communication facilities at the residence of CCMD.
 - iii. Club Fees: Reimbursement of membership fees for clubs in India and / or abroad including admission and life membership fees.
 - iv. Miscellaneous: Reimbursement of entertainment and other expenses incurred in the course of business of the Company and other benefits and amenities as per rules of the Company.

II. Commission

CCMD shall also be entitled to receive commission annually not exceeding 1.25% of the net profits of the Company.

III. Others

- The above remuneration payable to CCMD may exceed 5% of net profits of the Company but the aggregate remuneration paid to all Managing Director(s) and Whole-time Director(s) shall not exceed 10% or such higher percentage of net profits of the Company as may be permitted from time to time, calculated in accordance with the provisions of Section 198 of the Act or any amendment thereto or any other provisions as may be applicable.

- In the event of absence or inadequacy of profits in any financial year, CCMD shall be paid the above salary and perquisites subject to the limits and conditions specified under Section 197 read with Schedule V to the Act or as may be approved by the Central Government.

RESOLVED FURTHER THAT the terms and conditions of appointment including remuneration stated above may be altered and varied by the Board of Directors of the Company, from time to time, so as not to exceed the limits specified in Section 197 read with Schedule V to the Act, including any statutory modification or re-enactment thereof, for the time being in force.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts and deeds as it may consider necessary, expedient or desirable, in order to give effect to the foregoing resolution or otherwise as considered by the Board of Directors to be in the best interest of the Company."

6. To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force), M/s J. K. Kabra & Co., Cost Accountants, (Registration Number: 9 with the Institute of Cost Accountants of India) appointed by the Board of Directors of the Company as the Cost Auditors to conduct audit of the cost records of the Company for the Financial Year ending March 31, 2017, be paid remuneration of Rs. 4,00,000 (Rupees Four Lac only) in addition to applicable taxes and reimbursement of out of pocket expenses, if any."

By **Order of the Board**
For Jubilant Life Sciences Limited

Rajiv Shah
Company Secretary

May 24, 2016

NOTES:

1. The Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013 (the 'Act'), in respect of the Special Business to be transacted at the 38th Annual General Meeting ('AGM' or the 'Meeting') is annexed.
2. Brief profiles and other information of Directors proposed to be appointed / re-appointed are annexed hereto.
3. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND TO VOTE ON POLL INSTEAD OF HIMSELF/ HERSELF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

THE INSTRUMENT APPOINTING THE PROXY, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY, DULY COMPLETED AND SIGNED, NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING. MEMBERS/ PROXIES SHOULD FILL THE ATTENDANCE SLIP FOR ATTENDING THE MEETING.

A person can act as proxy on behalf of members not exceeding fifty (50) in number and holding, in aggregate, not more than ten percent of the total share capital of the Company carrying voting rights. However, a member holding more than ten percent of the total share capital of the Company carrying voting rights, may appoint a single person as proxy and such person shall not act as proxy for another person or member.

4. Corporate members intending to send their authorised representative(s) to attend the Meeting are requested to send a certified copy of the Board Resolution authorising their representative(s) to attend and vote on their behalf at the Meeting.
5. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, August 20, 2016 to Tuesday, August 30, 2016 (both days inclusive) for the purpose of determining eligibility for payment of dividend.

The dividend, as recommended by the Board of Directors of the Company (Rs. 3 per equity share of Re. 1 each), if declared at the Meeting, will be paid on or before Wednesday, September 28, 2016 to those members or their mandates:

- whose names appear as Beneficial Owners as at the end of business hours on Friday, August 19, 2016 in the lists of Beneficial Owners furnished by National Securities Depository Limited ('NSDL') and Central Depository Services (India) Limited ('CDSL') in respect of the shares held in electronic form; and
- whose names appear as members in the Register of Members of the Company after giving effect to valid share transfers in physical form lodged with the Company on or before Friday, August 19, 2016.

6. Change of Address or Other Particulars

Members are requested to intimate change, if any, in their address (with PIN Code), E-mail ID, nominations, bank details, mandate instructions, National Electronic Clearing Service ('NECS') mandates, etc. under the signature of the registered holder(s) to:

- The Registrar and Transfer Agent ('RTA') of the Company in respect of shares held in physical form at the address mentioned below; and
- The Depository Participants in respect of shares held in electronic form.

7. Pursuant to Section 72 of the Act, member(s) of the Company may nominate a person in whom the shares held by him/ them shall vest in the event of his/ their unfortunate death. Accordingly, members holding shares in physical form, desirous of availing this facility may submit nomination in Form SH-13 to RTA of the Company. In respect of shares held in dematerialised form, the nomination form may be filed with the concerned Depository Participant.

8. Payment of Dividend Electronically

Dividend will be paid, preferably through NECS, wherever such facility is available, under intimation to the members. In case dividend cannot be paid through NECS, it will be paid through dividend warrants/ demand drafts.

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

For those members who have not provided NECS details/ bank account details, the Company shall print the registered address of the members on the dividend warrant.

9. Bank Mandate

Members who hold shares in physical form are requested to intimate the Company's RTA under the signature of the Sole/ First holder, the following information relating to their bank accounts to be incorporated in the dividend warrants:

- Bank account number;
- Account type, whether savings or current;
- Name of the Bank and complete address of the branch with PIN Code;
- MICR and IFSC Codes; and
- Name of Sole/ First holder.

10. Dividends pertaining to the Financial Years upto and including 1993-94, remaining unpaid/ unclaimed, have been transferred to the General Revenue Account of the Central Government. No claims shall lie against the Company for the amounts transferred as above. Members having valid claims of unpaid/ unclaimed dividend for any of those Financial Years may approach the Registrar of Companies, U.P. and Uttarakhand or authority to be constituted by the Central Government.

Dividends pertaining to the Financial Years 1994-95 to 2007-08, remaining unpaid/ unclaimed, have been transferred to the Investor Education and Protection Fund ('the Fund'). No claims shall lie against the Company for the amounts transferred as above. Members having valid claims of unpaid/ unclaimed dividend for any of those financial years may approach the authority to be constituted by the Central Government.

Members may kindly note that unpaid/ unclaimed dividend for the year 2008-09 is due for transfer to the Fund, in October, 2016. Members are, therefore, requested to lodge their claims with RTA, well in advance to avoid any hardship. Once transferred, Members having valid claims of unpaid/unclaimed dividend for the year 2008-09 may approach the authority to be constituted by the Central Government. No claims shall lie against the Company for the amounts transferred to the Fund.

Members who hold shares in physical form in multiple folios with identical names are requested to send the share certificates to the Company's RTA for consolidation into a single folio.

11. The Company has a dedicated E-mail address investors@jubl.com for members to mail their queries or lodge complaints, if any. We will endeavour to reply to your queries at the earliest.

The Company's website www.jubl.com has a dedicated section on Investors. It also answers your Frequently Asked Questions (FAQs).

12. Certificates from Auditors of the Company that the Stock Option Plans have been implemented in accordance with the SEBI (Share Based Employee Benefits) Regulations, 2014, will be placed at the AGM.

13. SEBI has placed the Company's shares under compulsory demat i.e. transactions in the Company's shares are required to be done only in the demat form. Further, considering the advantages of scripless trading like exemption from stamp duty, elimination of bad deliveries, reduction in transaction costs, improved liquidity, etc., members are requested to consider dematerialisation of their shareholding, if not already done, to avoid inconvenience in future.

14. The Company had sub-divided each equity share of Rs.5 into five equity shares of Re.1 each w.e.f. March 24, 2006. Many members had not surrendered their old Rs.10 denominated share certificates of Ramganga Fertilizers Limited/ Vam Organic Chemicals Limited/ Jubilant Organosys Limited or Rs. 5 denominated share certificates of Jubilant Organosys Limited, for exchange with new Re.1 denominated share certificates.

Pursuant to Clause 5A of the erstwhile Listing Agreement with the Stock Exchanges, members who had not claimed share certificates as above were sent three reminder letters to claim their equity shares. Thereafter, in terms of the Listing Agreement, 27,31,320 equity shares pertaining to 4,845 members, which remained unclaimed, were transferred during the year 2011-12 to *JLL-Unclaimed Suspense Account*. During the year 2015-16, 37,295 equity shares pertaining to 52 members were transferred to the respective members. The voting rights on the remaining shares lying in this Account will remain frozen till the rightful owners of such shares claim the shares. Members may approach RTA to get their shares released from this Account.

15. Queries on the Annual Report and operations of the Company, if any, may please be sent to the Company at least seven days prior to the date of the AGM so that answers may be provided at the Meeting.

16. All share and dividend related correspondence may be sent to RTA at the following address:

Alankit Assignments Limited

(Unit: Jubilant Life Sciences Limited)

1E/ 13, Alankit Heights,

Jhandewalan Extension,

New Delhi - 110 055, India

Phone : +91-11-2354 1234/4254 1234

Fax : +91-11-4154 3474

E-mail : rta@alankit.com

In all correspondence, please quote your DP ID & Client ID or Folio Number.

17. Your feedback/ comments on various services for further improvement are welcome. You may fill up and submit the Feedback Form online on our website www.jubl.com.

18. **Green Initiative** – Members who are yet to register/update their email addresses with the Company or with the Depository Participants are once again requested to register/update the same for receiving the Notices, Annual Reports and other documents through electronic mode.

Members holding shares in physical form may get their email addresses registered/ updated by providing their Name, Folio Number, E-mail ID and consent to receive the Notices, Annual Reports and other documents through electronic mode, by sending an email at rta@alankit.com or investors@jubl.com

Members holding shares in dematerialised form may get email address registered / updated by providing E-mail ID to their Depository Participant(s).

19. Notice of the AGM (along with Attendance Slip, Proxy Form and Route Map for AGM Venue) and the Annual Report for the Financial Year 2015-16 are being sent electronically to the members whose E-mail IDs are registered with the Company/Depository Participant(s) unless any member has requested for a physical copy of the same. For members who have requested for physical copy or who have not registered their email address, physical copies of the Notice and Annual Report are being sent through permitted mode.

20. The Notice of the AGM and the Annual Report for the Financial Year 2015-16 are also available on the Company's website www.jubl.com. The Notice is also available on www.evoting.nsdl.com.

21. All the documents referred to in the Notice are open for inspection at the Registered Office and Corporate Office of the Company on all working days between 11:00 a.m. and 1:00 p.m. upto the date of the AGM and also at the venue of the AGM.

22. Voting Options:

The business set out in the Notice of the AGM may be transacted through electronic voting system or Polling Paper. The Company is providing facility for voting by electronic means. Information relating to e-Voting facility and voting at the AGM is given below:

(1) Voting through electronic means

- I. In compliance with the provisions of Section 108 and other applicable provisions, if any, of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations'), the Company is pleased to provide facility to the members to exercise their right to vote on resolutions proposed to be considered at AGM by electronic means and the items of business given in the Notice of the AGM may be transacted through e-Voting services. Facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ('remote e-Voting') will be provided by NSDL.
- II. The facility for voting through Polling Paper ('Poll') shall also be made available at the AGM and the members attending the Meeting who have not cast their vote by remote e-Voting shall be able to exercise their right to vote at the Meeting through Poll at the AGM.
- III. Members who have cast their vote by remote e-Voting prior to the Meeting may also attend the AGM but shall not be entitled to cast their vote again.
- IV. The remote e-Voting period commences at 9:00 a.m. (IST) on Saturday, August 27, 2016 and ends at 5:00 p.m. (IST) on Monday, August 29, 2016. During this period, members of the Company holding shares either in physical form or in dematerialized form, as on the Cut-off date of Tuesday, August 23, 2016 ('Cut-off date'), may cast their vote by remote e-Voting. No remote e-Voting shall be allowed beyond the aforesaid date and time and remote e-Voting module shall be disabled by NSDL upon expiry of the aforesaid period. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- V. The instructions for remote e-Voting are as under:

A. In case of members receiving an e-mail from NSDL

- (i) Open e-mail and open PDF file viz.; 'Remote e-Voting.pdf' with your Client ID or Folio No. as password. The said PDF file contains your User ID and Password for remote e-Voting. Please note that the password is an initial password.
- (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
- (iii) Click on Shareholder - Login
- (iv) Put User ID and Password as initial password/ PIN noted in step (i) above. Click Login.
- (v) The Password change menu appears on your screen. Change the Password with new Password of your choice with minimum 8

digits/ characters or combination thereof. Note the new Password. It is strongly recommended not to share your Password with any other person and take utmost care to keep your Password confidential.

- (vi) Home page of remote e-Voting opens, click on remote e-Voting > Active Voting Cycles.
- (vii) Select Electronic Voting Event Number ('EVEN') of Jubilant Life Sciences Limited as given in the body of e-mail.
- (viii) Now you are ready for remote e-Voting as Cast Vote page opens.
- (ix) Cast your vote by selecting appropriate option and click on 'Submit' and also 'Confirm' when prompted.
- (x) Upon confirmation, the message 'Vote cast successfully' will be displayed.
- (xi) Once the votes on the resolutions are cast, the member shall not be allowed to change these subsequently or to cast vote again.
- (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter, etc. together with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer through e-mail at contact@cssanjaygrover.in or JLL_agm2016@jubl.com with a copy marked to evoting@nsdl.co.in.

B. In case of members receiving physical copies of the Notice of the AGM

- (i) Initial Password, along with User ID and EVEN is provided at the bottom of Attendance Slip.
- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

(2) Voting at AGM

The members who have not cast their vote by remote e-Voting can exercise their voting rights at the AGM. The Company will make necessary arrangements of Polling Papers at the AGM venue.

(3) Other Instructions

- I. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and remote e-Voting user manual for Shareholders available at the Downloads section of www.evoting.nsdl.com or call at toll free no.: 1800-222-990.
- II. If you are already registered with NSDL for remote e-Voting, you can use your existing User ID and Password for casting your vote.
- III. You can also update your mobile number and Email ID in the user profile details of the folio which may be used for sending future communication(s).
- IV. Voting rights (for voting through remote e-Voting as well as Polling Paper) shall be reckoned on the paid up value of the shares registered in the name of the members of the Company as on Cut-off date i.e. August 23, 2016.

- V. Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the Notice of the AGM and holding shares as of the Cut-off date i.e. August 23, 2016, may obtain the User ID and Password by sending a request (alongwith Name, Folio No./ DP ID & Client ID, as the case may be and shareholding) at evoting@nsdl.co.in or to RTA at rta@alankit.com.

However, if you are already registered with NSDL for remote e-Voting then you can use your existing User ID and Password for casting your vote. If you forgot your Password, you can reset your Password by using 'Forgot User Details/ Password' option available on www.evoting.nsdl.com or contact NSDL on toll free no.: 1800-222-990.

In case of any queries or grievances connected with voting by electronic means, you may contact Mr. Amit Vishal, Senior Manager, NSDL through e-mail at evoting@nsdl.co.in / amitv@nsdl.co.in or on Toll Free No.: 1800-222-990 / Telephone No.: 022-24994360 or Mr. J.K. Singla, Senior Manager, M/s Alankit Assignments Limited through email at rta@alankit.com or on Telephone No.: 011-4254 1234.

- VI. A member may participate in the AGM even after exercising his right to vote through remote e-Voting but shall not be allowed to vote again at the AGM.
- VII. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the Cut-off date only shall be entitled to avail the facility of remote e-Voting or voting at the AGM through Polling Paper.
- A person who is not a member as on the Cut-off date should treat this Notice for information purpose only.
- VIII. Mr. Sanjay Grover, a Practicing Company Secretary (FCS No. 4223, C.P. No.: 3850) of M/s Sanjay Grover & Associates, Company Secretaries, has been appointed as 'Scrutinizer' to scrutinize the remote e-Voting and Poll process in a fair and transparent manner and he has communicated his willingness to be appointed and will be available at the AGM for the same.
- IX. The Chairman shall, at the end of discussion on the resolutions placed at the AGM on which voting is to be held, allow voting with the assistance of the Scrutinizer, by use of Polling Paper for all those members/ proxies who are present at the AGM but have not cast their votes by availing the remote e-Voting facility.
- X. Please note that the members who have exercised their right to vote through electronic means as above shall not be eligible to vote by way of Polling Paper at the AGM. Votes cast under Poll taken together with the votes cast through remote e-Voting shall be counted for the purpose of passing of resolution(s). No voting by show of hands will be allowed at the AGM.

- XI. The Scrutinizer, after scrutinizing the votes cast at the AGM and through remote e-Voting, will, make a consolidated Scrutinizer's Report and submit the same to the Chairman or a person authorised by him in writing within the time prescribed under the Listing Regulations and/or the Act.

- XII. The results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.jubl.com and on the website of NSDL immediately after declaration of result by the Chairman or a Director so authorised and the results shall also be communicated to the Stock Exchanges. The results shall be displayed at the Registered Office at Bhartiagram, Gajraula, District Amroha-244 223, Uttar Pradesh and the Corporate Office at 1A, Sector 16A, Noida-201 301, Uttar Pradesh.

- XIII. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed at the 38th AGM scheduled to be held on Tuesday, August 30, 2016.

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 IN RESPECT OF ITEM NOS. 5 AND 6

ITEM NO. 5

The members of the Company had, at the 34th Annual General Meeting held on August 28, 2012, approved the re-appointment of Mr. Hari S Bhartia as the Co-Chairman and Managing Director of the Company for a period of 5 years ending on March 31, 2017.

Mr. Hari S Bhartia has rich and varied experience in the industry and has been involved in the operations of the Company for a long period of time. Keeping in view his contribution to the growth of the Company, it would be in the interest of the Company to re-appoint Mr. Hari S Bhartia as the Co-Chairman and Managing Director.

In terms of the Appointment and Remuneration Policy of the Company and pursuant to the recommendation of the Nomination, Remuneration and Compensation Committee, the Board of Directors has, at its meeting held on May 24, 2016, approved the re-appointment of Mr. Hari S Bhartia as the Co-Chairman and Managing Director of the Company for a period of five years with effect from April 1, 2017 on the terms and conditions including remuneration set out in the Notice. This is subject to the applicable provisions of the Companies Act, 2013, the rules made thereunder (hereinafter referred to as the 'Act') and the approval of the members.

The Board of Directors recommends the resolution for re-appointment of Co-Chairman and Managing Director for approval of the members of the Company by way of a Special Resolution.

Memorandum setting out the terms and conditions of re-appointment including remuneration is available for inspection at the Registered Office and the Corporate Office of the Company on all working days between 11:00 a.m. and 1:00 p.m. upto the date of the AGM and also at the venue of the AGM.

The disclosures prescribed under Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the provisions of the Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India ('SS-2') are provided in Annexure-A of the Notice.

Except Mr. Hari S Bhartia, Mr. Shyam S Bhartia and their relatives, none of the Directors, Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 5.

ITEM NO. 6

The Board of Directors has, at its meeting held on May 24, 2016, on recommendation of the Audit Committee, approved the appointment of M/s J. K. Kabra & Co., Cost Accountants, as the Cost Auditors to conduct audit of the cost records of the Company

for the Financial Year ending March 31, 2017, pursuant to the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 including any statutory modification or re-enactment thereof for the time being in force.

The appointment has been made at a remuneration of Rs. 4,00,000 (Rupees Four Lac only) in addition to applicable taxes and reimbursement of out of pocket expenses, if any.

Pursuant to the above referred provisions, remuneration payable to the Cost Auditors needs to be ratified by the members of the Company.

Accordingly, the Board of Directors recommends the resolution for ratification of remuneration of M/s J. K. Kabra & Co., Cost Auditors for the Financial Year ending March 31, 2017 by way of an Ordinary Resolution.

None of the Directors, Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 6.

Annexure-A

Information pursuant to Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the provisions of the Secretarial Standard on General Meetings ('SS-2') issued by the Institute of Company Secretaries of India regarding the Directors proposed to be appointed/re-appointed

1. Mr. Shyam S Bhartia

Mr. Shyam S Bhartia, aged 63 years, is the Chairman of Jubilant Life Sciences Limited. He holds a Bachelor's degree in Commerce from St. Xavier's College, University of Calcutta. He is a qualified Cost Accountant and a fellow member of the Institute of Cost Accountants of India.

A leading industrialist of India, he has a rich industrial experience of over 37 years in the pharmaceuticals and specialty chemicals, food, oil and gas (exploration and production) and aerospace sectors and has been instrumental in developing strategic alliances and affiliations with leading global companies.

He has been associated with various institutions and has served as a member of the Board of Governors, Indian Institute of Technology, Mumbai and Indian Institute of Management, Ahmedabad. He has also been Chairman of the Chemicals Committee of Federation of Indian Chamber of Commerce & Industry ('FICCI'). He was also on the Board of Air India.

He was a member of the Executive Committee of FICCI, Confederation of Indian Industry and the Task Force on Chemicals appointed by the Government of India.

His immense contributions have been recognized by various awards. He, along with Mr. Hari S Bhartia, was felicitated with the Entrepreneur of the Year Award at the prestigious AIMA Managing India Awards 2013, presented by the President of India. He also shared with Mr. Hari S Bhartia, Ernst & Young Entrepreneur of the Year Award 2010 for Life Sciences & Consumer Products category.

He is on the Board of the Company since June 21, 1978 and holds 13,99,935 equity shares of the Company. He also holds directorships in the following companies/bodies corporate:

Indian Companies / Bodies Corporate:

Jubilant FoodWorks Limited
Chambal Fertilisers and Chemicals Limited
GeoEnpro Petroleum Limited
Vam Holdings Limited
Jubilant Bhartia Foundation
Jubilant Capital Private Limited
SPB Trustee Company Private Limited
SSP Trustee Company Private Limited
SSB Consultants & Management Services Private Limited
SS Trustee Company Private Limited
SBS Trustee Company Private Limited
SSBSB Realty Trustee Company Private Limited
SHS Realty Trustee Company Private Limited
SBSSB Realty Trustee Company Private Limited
SBSB Realty Trustee Company Private Limited
Jubilant Enpro Private Limited

Foreign Companies / Bodies Corporate:

Jubilant Pharma Limited
Putney Inc.
CFCL Technologies Limited
CFCL Venture Limited
Safe Foods Corporation
Jubilant Cadista Pharmaceuticals Inc.
Cadista Holdings Inc.
Jubilant Life Sciences NV
DAHI Animal Health (UK) Limited
Jubilant Life Sciences (BVI) Limited
Jubilant Biosys (BVI) Limited
Jubilant Innovation (BVI) Limited
Jubilant Drug Discovery & Development Services Inc.
Jubilant Pharma Holdings Inc.
HSL Holdings Inc.
Draximage LLC.
Deprenyl Inc., USA
Draxis Pharma LLC
Jubilant Discovery Services Inc.
Jubilant Innovation (USA) Inc.
Jubilant Life Sciences International Pte Limited
Jubilant Biosys (Singapore) Pte Limited
Jubilant Drug Development Pte Limited
Jubilant Innovation Pte Limited
Drug Discovery and Development Solutions Limited
Jubilant FoodWorks Lanka Private Limited

Details of his Chairmanship/membership of the Indian public companies are given below:

Sr. No.	Name of Company	Name of Committee	Chairman/Member
1	Jubilant Life Sciences Limited	Stakeholders Relationship Committee	Member
		Sustainability & CSR Committee	Member
		Nomination, Remuneration & Compensation Committee	Member
		Finance Committee	Chairman
		Capital Issue Committee	Chairman
		Fund Raising Committee	Chairman
2	Jubilant FoodWorks Limited	Nomination, Remuneration & Compensation Committee	Member
		Regulatory & Finance Committee	Chairman
3	Vam Holdings Limited	Stakeholders Relationship Committee	Member
4	Chambal Fertilisers and Chemicals Limited	Banking & Finance Committee	Chairman
		Corporate Social Responsibility Committee	Chairman
		Risk Management Committee	Chairman
		Strategy Committee	Member

During the Financial Year ended March 31, 2016, Mr. Shyam S Bhartia attended four meetings of Board of Directors of the Company held on May 12, 2015, August 11, 2015, October 29, 2015 and February 9, 2016.

On re-appointment, Mr. Shyam S Bhartia shall be liable to retire by rotation. He is related to Mr. Hari S Bhartia, Co-Chairman and Managing Director of the Company, being his brother. He is not related to any other Director or Key Managerial Personnel of the Company.

2. Mr. Hari S Bhartia

Mr. Hari S Bhartia, aged 59 years, is the Co-Chairman and Managing Director of Jubilant Life Sciences Limited. He holds Bachelors' degree in Chemical Engineering from the Indian Institute of Technology, Delhi.

He was awarded the Distinguished Alumni Award from the Indian Institute of Technology, Delhi in 2000. He has rich industrial experience of over 31 years in the pharmaceuticals and specialty chemicals, food, oil and gas (exploration and production) and aerospace sectors and has been instrumental in developing strategic alliances and affiliations with leading

global companies. He has been associated in various capacities with the IIT system and with the Ministry of Human Resource Development, Government of India.

He is a former President of the Confederation of Indian Industry (CII) and a member of several educational, scientific and technological programmes of the Government of India. He is the former Chairman of the Board of Governors of the Indian Institute of Management (IIM), Raipur and currently a member of the International Advisory Board of McGill University, Canada. Recently, he was asked to head the newest IIM, Vishakhapatnam.

He is also a member of India-USA CEO Forum and India-France CEO Forum. He is a regular participant at the World Economic Forum Annual Meeting in Davos and is a member of the World Economic Forum's International Business Council and the Health Governors.

His immense contributions have been recognized by various awards. He, along with Mr. Shyam S Bhartia, was felicitated with the Entrepreneur of the Year Award at the prestigious AIMA Managing India Awards 2013, presented by the President of India. He also shared with Mr. Shyam S Bhartia, Ernst & Young Entrepreneur of the Year Award 2010 for Life Sciences & Consumer Products category.

He is on the Board of the Company since November 1, 1983. He holds 360,885 equity shares of the Company. He also holds directorships in the following companies/bodies corporate:

Jubilant FoodWorks Limited
 Jubilant Industries Limited
 Shriram Pistons & Rings Limited
 Jubilant Generics Limited
 GeoEnpro Petroleum Limited
 Jubilant Bhartia Foundation
 Jubilant Pharma Limited
 Jaytee Private Limited
 Jubilant Securities Private Limited
 BT Telecom India Private Limited
 HSB Trustee Company Private Limited
 HKB Trustee Company Private Limited
 HS Trustee Company Private Limited
 KHB Trustee Company Private Limited
 Jubilant Enpro Private Limited
 HSB Corporate Consultants Private Limited
 KB Trustee Company Private Limited
 Jubilant Offshore Private Limited

Details of his Chairmanship/membership of the Indian public companies are given below:

Sr. No.	Name of Company	Name of Committee	Chairman/Member
1	Jubilant Life Sciences Limited	Sustainability & CSR Committee	Member
		Finance Committee	Member
		Capital Issue Committee	Member
		Fund Raising Committee	Member
2	Jubilant Food Works Limited	Nomination, Remuneration & Compensation Committee	Member
		Regulatory & Finance Committee	Member
3	Jubilant Industries Limited	Finance Committee	Chairman
		Sustainability & CSR Committee	Chairman
		Restructuring Committee	Chairman
4	Jubilant Generics Limited	Allotment Committee	Chairman
		Finance Committee	Chairman
		Nomination & Remuneration Committee	Member

During the Financial Year ended March 31, 2016, Mr. Hari S Bhartia attended four meetings of Board of Directors of the Company held on May 12, 2015, August 11, 2015, October 29, 2015 and February 9, 2016.

The terms and conditions relating to re-appointment of Mr. Hari S Bhartia as Co-Chairman and Managing Director of the Company are given in the Notice of the Annual General Meeting. During the Financial Year 2012-13, Mr. Hari S Bhartia was paid remuneration of Rs. 5.75 Crore including commission. No remuneration has been paid to him by the Company during the Financial Years 2013-14, 2014-15 and 2015-16.

He is related to Mr. Shyam S Bhartia, Chairman of the Company, being his brother. He is not related to any other Director or Key Managerial Personnel of the Company.

By **Order of the Board**
For Jubilant Life Sciences Limited

Rajiv Shah
Company Secretary

May 24, 2016



JUBILANT LIFE SCIENCES LIMITED

(CIN: L24116UP1978PLC004624)

Registered Office: Bhartiagram, Gajraula,

District Amroha - 244 223,

Uttar Pradesh, India

E-mail: investors@jubl.com

Website: www.jubl.com

Phone : +91-5924-252351-56, 58-60

PROXY FORM: AGM 2016

[FORM MGT – 11]

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of member(s):

Registered Address:

E-mail ID:

Folio No./DP ID*/Client ID No.* :

I/We, being the member(s) holding shares of JUBILANT LIFE SCIENCES LIMITED, hereby appoint:

1. Name : Address :
E-mail ID : Signature :
or failing him
2. Name : Address :
E-mail ID : Signature :
or failing him
3. Name : Address :
E-mail ID : Signature :

as my/ our proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the 38th ANNUAL GENERAL MEETING of the Company, to be held on Tuesday, August 30, 2016 at 11:30 a.m. at Bhartiagram, Gajraula - 244 223, District Amroha, Uttar Pradesh, India and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution(s)	Vote (Optional, see Note 4) (Please mention no. of shares)		
		For	Against	Abstain
Ordinary Business				
1	To consider and adopt the Audited Financial Statements (including Audited Consolidated Financial Statements) of the Company for the financial year ended March 31, 2016 and the Reports of the Board of Directors and Auditors thereon.			
2	Declaration of Dividend on Equity Shares			
3	Re-appointment of Mr. Shyam S Bhartia (DIN: 00010484), who retires by rotation			
4	Ratification of appointment of B S R & Co. LLP, Chartered Accountants as the Auditors of the Company			
Special Business				
5	Re-appointment of Mr. Hari S Bhartia (DIN: 00010499) as the Co-Chairman and Managing Director			
6	Approval of remuneration of Cost Auditors - M/s J. K. Kabra & Co., Cost Accountants for the financial year ending March 31, 2017			

Signed this day of 2016



.....
Signature of proxy holder(s)

.....
(Signature of Member)

- Notes:**
1. This form of proxy, in order to be effective, should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.
 2. A member entitled to attend and vote is entitled to appoint a proxy to attend and on poll, to vote instead of himself/ herself. A proxy need not be a member.
 3. Signature of member should be across a Revenue stamp of Re.1.
 4. It is optional to indicate your preference. If you leave the 'For', 'Against' or 'Abstain' columns blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/ she may deem appropriate.
 5. *Applicable for members holding shares in dematerialised form.



JUBILANT LIFE SCIENCES LIMITED

(CIN: L24116UP1978PLC004624)

Registered Office: Bhartiagram, Gajraula, District Amroha- 244 223, Uttar Pradesh, India
E-mail: investors@jubl.com; Website: www.jubl.com; Phone : +91-5924-252351-56, 58-60

ATTENDANCE SLIP: AGM 2016

PLEASE FILL IN THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE

Name of person attending: _____

Capacity: Member Proxy Authorised Representative

(Please ✓ appropriate box)

I hereby record my presence at the 38th Annual General Meeting being held on Tuesday, August 30, 2016 at 11:30 a.m. at the Registered Office of the Company.

Member's / Proxy's Signature

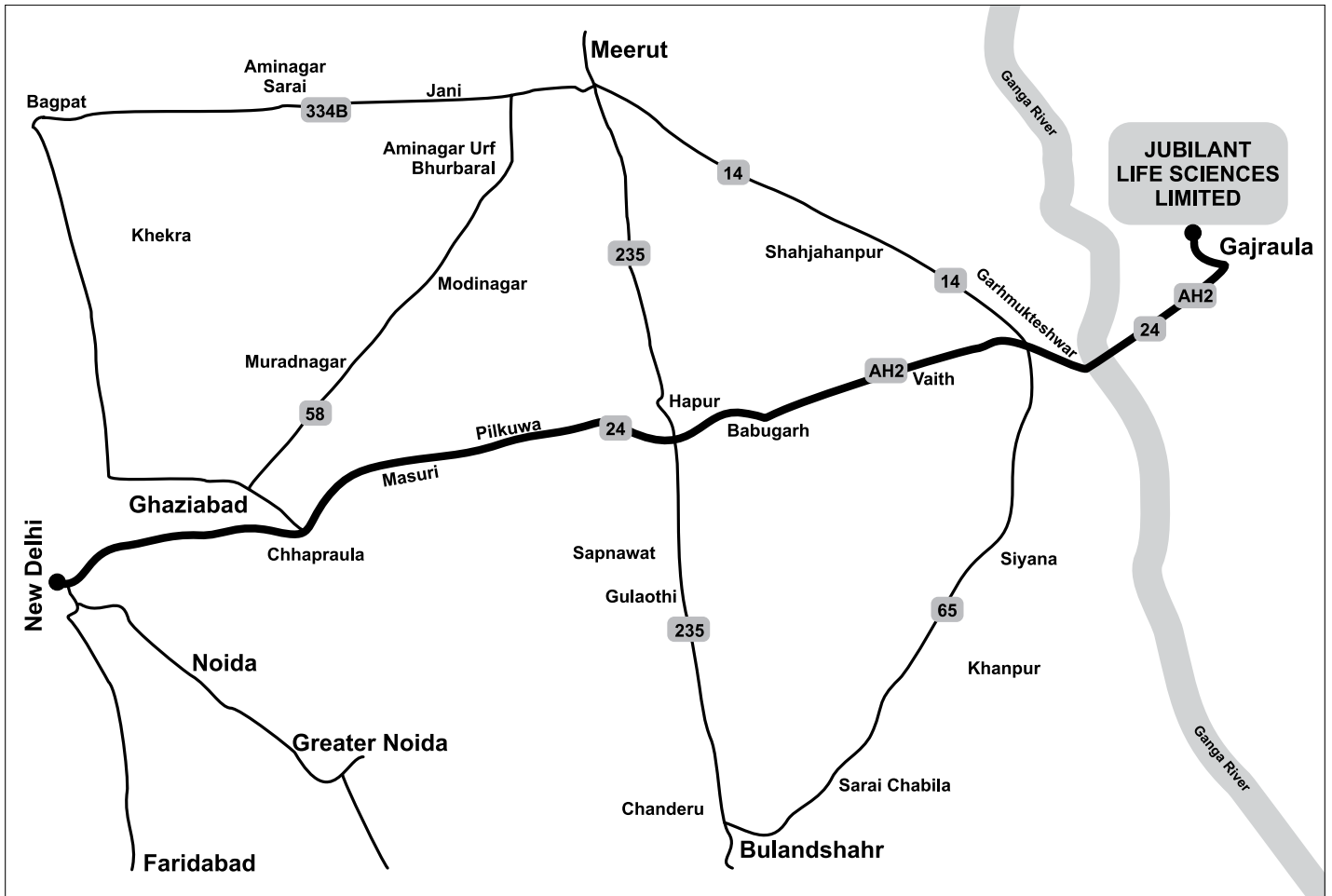


ELECTRONIC VOTING PARTICULARS

EVEN (Electronic Voting Event Number)	USER ID	PASSWORD

Jubilant Life Sciences Limited
Route Map of the venue of the 38th Annual General Meeting

Day : Tuesday
Date : August 30, 2016
Time : 11:30 A.M.
Venue : **Registered Office**
Bhartiagram, Gajraula,
District Amroha - 244 223,
Uttar Pradesh





continuing the...

Growth Momentum
ANNUAL REPORT 2015-16

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Board of Directors



Sudha Pillai
Director

Hari S Bhartia
*Co-Chairman
& Managing Director*

Shyam S Bhartia
Chairman

Shyamsundar Bang
Executive Director

Dr. Ashok Misra
Director

S Sridhar
Director

Senior Leadership Team



Shyam S Bhartia
Chairman



Hari S Bhartia
Co-Chairman &
Managing Director



R Sankaraiah
Executive Director
Finance



Shyamsundar Bang
Executive Director
Manufacturing & Supply Chain



Rajesh K Srivastava
Co-CEO
Life Science Ingredients



Pramod Yadav
Co-CEO
Life Science Ingredients



G P Singh
CEO
Jubilant Pharma

Chairmen's Message



Hari S Bhartia
Co-Chairman & Managing Director

Shyam S Bhartia
Chairman

Dear Fellow Shareholders,

The country witnessed a turnaround in Fiscal 2016 on the back of a pickup in economic growth. India has emerged as one of the few markets to buck the subdued global scenario, highlighting its strong fundamental base. The Indian economy is expected to grow by 7.6% in FY 2016-17 and further by 7.7% in FY 2017-18 as per projections of The World Bank.

The global pharmaceutical industry is expected to see good growth over the next year with robust fundamentals mitigating the adverse effect of a strong US Dollar and increasing regulation of drug prices. According to Business Monitor International, the global pharmaceutical market could be worth nearly US\$ 1.6 trillion by 2020. Within this, it is expected that companies focusing on complex therapeutic areas should see higher growth.

Business Objectives

Jubilant Life Sciences is an integrated global pharmaceutical and life sciences Company supplying products and services to customers in over 100 countries. In Life Sciences, we enjoy leadership positions across our key products at a global level. We are present across the entire Pharmaceutical ecosystem and see ourselves as a one-stop-shop in the global Pharmaceutical and Life Sciences industry. We cater to 19 of top 20 pharmaceutical companies and 7 of top 10 leading global agrochemical companies.

The Company has developed a successful integrated business model offering products and solutions across the entire value chain. This model brings in vertical integration aiding cost efficiencies and also reduces dependence on external suppliers. We have a R&D team of 988 people who strive for product innovation. In FY 2016 our spending on R&D stood at 6% of our Pharmaceuticals segment revenues.

Our diversified businesses are segmented in two major verticals namely Pharmaceuticals and Life Science Ingredients to streamline efficiencies and promote ease of conducting business. Both these business segments are professionally managed by separate management teams.

The Company has shown a turnaround in performance during the year with business related concerns successfully resolved. We will endeavor to maintain the growth momentum and also improve margins and profitability while maintaining prudent financial policies to deleverage the company. We will continue to increase focus towards specialised pharmaceutical solutions. We are also committed to safeguard the environment and maintain safety limit having a triple bottom line approach delivering an enhanced social, environmental and economic performance.

Performance Review

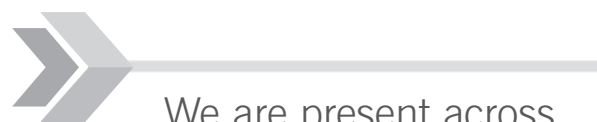
Income from Operations in FY 2016 stood at ₹ 58,023 million. Earnings before Interest, Taxes and Depreciation & Amortisation improved by 76% to ₹ 12,915 million translating to an EBITDA margin of 22.3%. Profit after Tax was at ₹ 4,315 million translated to an EPS of ₹ 27.09 per share for the year.

International revenues accounted for 73% of the revenue mix at ₹ 42,595 million. This is primarily driven by revenues from North America, Europe and Japan. The Company continues to expand its presence globally with its products and services reaching out to customers in over 100 countries across the globe.

In FY 2016, revenues from the Pharmaceuticals segment were at ₹ 30,548 million and contributed 53% to the overall Income from Operations. This was on account of healthy growth in our Radiopharmaceuticals and APIs businesses.

In Solid Dosage Formulations business, we witnessed pricing pressures on account of supply chain consolidation and also delays in ANDA (Abbreviated New Drug Application) approvals by the USFDA in our main target market of USA. However, the ROW (Rest of the World) market has shown a good improvement both in top line and bottom line.

All our facilities were successfully inspected by USFDA during the year. The Radiopharmaceuticals business reported robust performance on account of established portfolio of products and relationships with radiopharmacies. The CMO of Sterile Injectables business is delivering expected traction on the back of higher capacity utilisation levels after clearing the USFDA warning letters in about a year's time.



We are present across the entire Pharmaceutical ecosystem and see ourselves as a one-stop-shop in the global Pharmaceutical and Life Sciences industry.

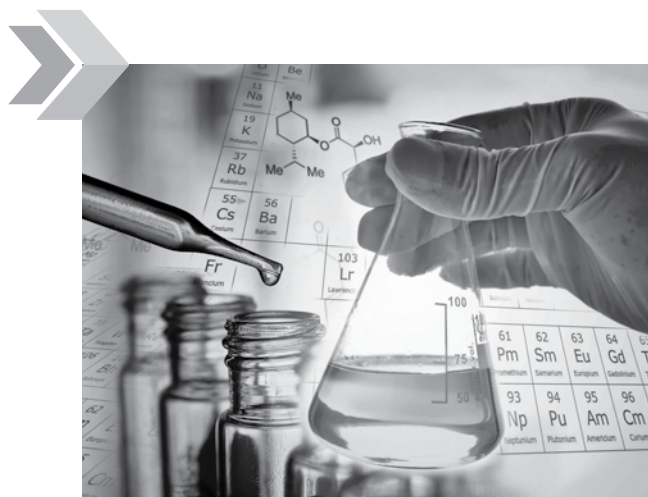
In FY 2016, Life Science Ingredients segment revenue stood at ₹ 27,475 million and contributed 47% to the overall Income from Operations. Life Science Chemicals performance was impacted mainly due to lower input prices from crude resulting in decrease in prices of finished products and lower demand. We witnessed lower demand of some of the end use products in the Specialty Intermediates and Nutritional Products business. Profitability has, however, increased significantly due to higher value added sales in Fine Ingredients products and various cost cutting initiatives and process efficiencies achieved in the segment. We are also implementing various strategic initiatives to increase capacity utilisation specifically in the Specialty Intermediates business.

Dividend

The Board has proposed a dividend of 300% per equity share of ₹ 1 face value for the year which will result in a cash outgo of ₹ 575 million including tax.

Outlook

In FY 2017, we expect to continue the growth momentum of the Company. Revenue growth in Pharmaceuticals segment is expected to be driven by new product launches in Generics and Radiopharmaceuticals, growth in Rest of the World business and ramp up of operations in CMO of Sterile Injectables. Our Life Science Ingredients segment margins are expected to improve driven by strategic initiatives of retrofitting existing plants which will improve the product mix for the segment from the second half of the year and also cost reduction initiatives. Our R&D strategy will be guided by our core competence in



differentiated filings in Radiopharmaceuticals and Solid Dosage Formulations and also increased filings in ROW markets. Our endeavor to strengthen the balance sheet will continue. We will continue to focus on generating operating cash flow in order to reduce the debt and also meet our growth plans.

We thank our stakeholders which include our customers, vendors, bankers and shareholders for continuing their support and maintaining their confidence and trust. We take this opportunity to thank Mr. Shardul S. Shroff, who resigned from our Board for his invaluable contribution. We would also like to express our earnest appreciation to our employees across geographies for their contribution and commitment towards achieving the organisational goals.

Wishing you all Very Best for the coming year!

Shyam S. Bhartia

Shyam S Bhartia

Chairman

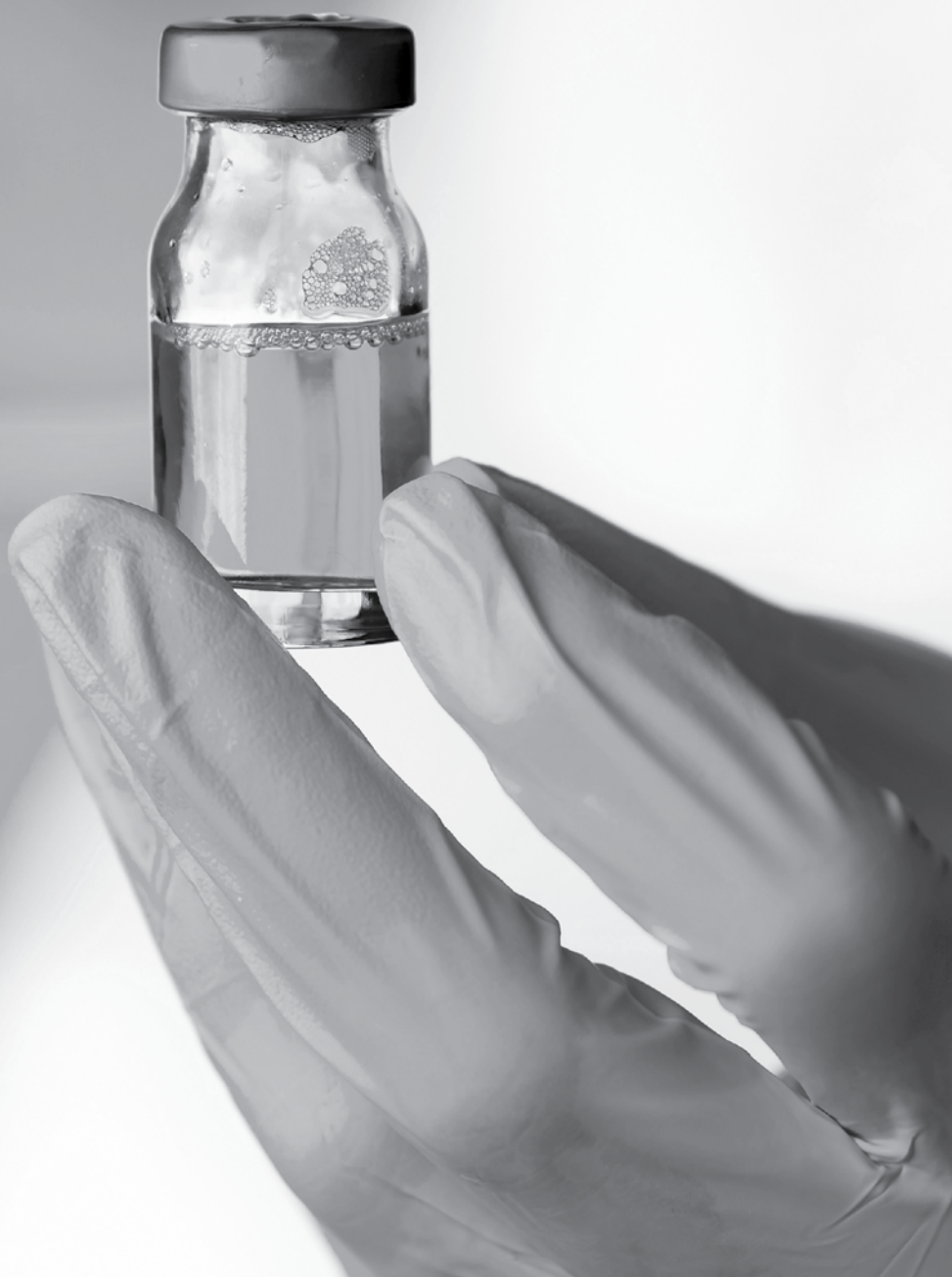
June 15, 2016

Hari S. Bhartia

Hari S Bhartia

Co-Chairman & Managing Director

Management Discussion & Analysis



Cautionary Statement

Statements in the Annual Report, particularly those which relate to Management Discussion & Analysis, describing the Company's objectives, projections, estimates and expectations, may constitute forward looking statements within the meaning of applicable laws and regulations. Although the expectations are based on reasonable assumptions, the actual results might differ significantly.

Key Economic and Industry Trends

India is firmly on the path to impressive GDP growth in the coming years against the backdrop of favorable macro-economic conditions. Whereas inflation and the fiscal deficit are in check, the country's current account balance is showing signs of marked improvement. The government has announced a slew of policy reforms and the monsoon outlook is also good for the year. All this is expected to put the country on a high growth trajectory.

According to a report by Business Monitor International, the global pharmaceuticals market could be worth US\$ 1.6 trillion by 2020. Patent expiries are expected to result in reduced spending on branded products with a large segment of medicines expected to be dispensed as generics. Indian companies are expected to continue to benefit, building on the expansion promised by higher usage of generics in the developed countries.

Our Business Strategy

Our core business strategy is our positioning as an integrated global pharmaceutical and life sciences company.

In Pharmaceuticals, we have a unique US led business model, supplemented with leadership positions in our niche focus areas, which makes us stand out amongst Indian pharmaceuticals companies:

- **Strength in North America** – With substantial revenues coming from US, we enjoy leadership positions in products across niche businesses such as Radiopharmaceuticals and Allergy Therapy Products. We are amongst the most profitable and fastest growing generics players with prized manufacturing assets in North America.
- **Diversified Low Risk Business Model** – We enjoy market leadership in stable, niche specialty segments with high entry barriers. Our diversified customer base, product lines and product sourcing minimise concentration risk.
- **Strong Linkages between Businesses** – Vertical integration in our business provides cost advantage, resulting in high margins. APIs from our manufacturing facilities are used for formulations in the Solid Dosage Formulations business while our CMO business also manufactures some of our key Radiopharmaceuticals products. Our R&D capabilities support product launches in Solid Dosage Formulations, Radiopharmaceuticals and Allergy Therapy Products. We plan to leverage our CMO business for filing new products in injectable and oral liquid areas.



In Pharmaceuticals, we have a unique US led business model, supplemented with leadership positions in our niche focus areas, which makes us stand out amongst Indian pharmaceutical companies.

- **Deep R&D Capabilities** – We strive for continuous innovation for new products with complex and niche product filings in Generics and Specialty businesses.
- **Unique mix of Capabilities** – We have strong technological capabilities in manufacturing of APIs, oral solids as well as sterile products. In North America, we enjoy strong relationships with retailers, wholesalers, doctors, radio-pharmacies & large pharmaceutical companies. In ROW, we have strong business-to-business partnerships in multiple markets and front-end presence in Europe.

In our Life Science Ingredients segment, we have global scale in Life Science Chemicals and global leadership in Specialty areas:

- **Leading position in Key Business Products** – We are among the top players in Pyridine, Vitamin B3, Acetic Anhydride and a few key Fine Ingredients products.
- **Strong R&D** – Our business is characterised by in-house development of superior catalysts and processes and a strong pipeline of Fine Ingredients products.
- **Strategic Client Relationship** – We have strong and established business relationship with our clients across Pharmaceuticals, Personal Care, Paints, Agrochemicals and Specialty Ingredients industries.
- **Maximised Asset Returns** – We are focused on increased capacity utilisation of our multipurpose plants by retrofitting and debottlenecking existing plants. Six sigma and lean initiatives programme will continue to further improve our operations.
- **Integrated Value Chain** – Intermediates produced by our Advanced Intermediates and Ethanol businesses are used as feedstock by downstream business units.

Pyridine and Beta produced by Advanced Intermediates are used by Fine Ingredients, Crop Science Ingredients and Vitamins.

In Drug Discovery Solutions, our business model includes drug discovery services on a partnership and collaborative model, proprietary in-house innovation with an intent to out-license molecules and strategic investments in venture funds investing in early stage discovery companies.

Financials

Consolidated Income Statement

Consolidated Income Statement (₹ million)	FY 2015	FY 2016
Income from Operations	58,262	58,023
Other Income	425	137
Total Income	58,687	58,160
Material Cost	26,617	21,175
Power and Fuel Cost	3,930	3,667
Employee Cost	10,903	11,267
Other Expenditure	9,920	9,136
Earnings Before Interest, Taxes, Depreciation and Amortisation	7,317	12,915
Depreciation	2,880	3,460
Finance Costs	3,553	3,786
Profit Before Tax and Exceptional Items	884	5,669
Exceptional Items	481	-175
Tax Expenses	805	1,529
Minority Interest	176	-
Profit After Tax	-578	4,315
Normalised Net Profit after Tax	-97	4,140

Revenue

Income from operations during the year stood at ₹ 58,023 million as compared to ₹ 58,262 million in FY 2015. Revenue from Pharmaceuticals segment grew 14% year-on-year at ₹ 30,548 million and contributing 53% to overall revenue. Revenue from Life Science Ingredients segment stood at ₹ 27,475 million in the year contributing 47% of the total revenue.

Total Expenditure

Total Expenditure stood at ₹ 45,245 million in the fiscal year ended March 31, 2016 from ₹ 51,370 million in the fiscal year ended March 31, 2015. Materials cost decreased by 20% to ₹ 21,175 million in the fiscal year ended March 31, 2016 from ₹ 26,617 million in the fiscal year ended March 31, 2015, primarily due to better operational efficiencies, price realisations, lower input prices and sales mix. Power and Fuel cost decreased 7% to ₹ 3,667 million from ₹ 3,930 million, mainly due to operational efficiency and lower energy costs. Employee benefit expenses increased marginally to ₹ 11,267

million in the fiscal year ended March 31, 2016 from ₹ 10,903 million in the fiscal year ended March 31, 2015. Other expenses stood at ₹ 9,136 million during the year decreasing 8% from ₹ 9,920 million in FY 2015. Exceptional item of ₹ 175 million includes profit of ₹ 412 million on account of sale of investments.

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

The overall EBITDA in FY 2016 grew by 76% year-on-year to ₹ 12,915 million translating to EBITDA margin of 22.3%. The EBITDA of Pharmaceuticals segment doubled to ₹ 8,895 million as against ₹ 4,447 million in FY 2015 with margins of 29.1% as against 16.6% in FY 2015. The EBITDA for Life Science Ingredients segment stood at ₹ 4,467 million as compared to ₹ 3,220 million in FY 2015, an increase of 39% year-on-year and translating to EBITDA margin of 16.3% compared to 10.2% in FY 2015.

Finance Cost and Depreciation

The depreciation and amortisation in FY 2016 was higher at ₹ 3,460 million compared to ₹ 2,880 million in FY 2015 due to amortisation of product development expenditure of ₹ 589 million. The finance cost in FY 2016 stood at ₹ 3,786 million as against ₹ 3,553 million in the corresponding period last year mainly due to dollar loan converted into rupee loan to avoid FOREX translation losses. The blended interest rate for the borrowing stood at 7.6% in FY 2016 as against 6.5% in FY 2015 with the rupee rate of borrowing at 11.6% and the foreign currency borrowing at 4.9%.

Profit Before Tax

Profit before Tax for the fiscal year ended March 31, 2016 stood at ₹ 5,669 million.

Tax Expenses

Tax expenses increased to ₹ 1,529 million in the fiscal year ended March 31, 2016 from ₹ 805 million in the fiscal year ended March 31, 2015. The tax rate for the year stood at 27%.



Profit After Tax

The profit after tax stood at ₹ 4,315 million with an EPS (Earnings Per Share) of ₹ 27.09 per equity share of ₹ 1 each.

Indebtedness

During the year, the Company has generated net cash of ₹ 3,676 million which has been used to reduce the debt level to ₹ 40,285 million on a constant currency basis as against ₹ 43,961 million as on 31st March 2015. The net debt stood at ₹ 41,693 million comprising of long-term debt of ₹ 31,035 million and working capital debt of ₹ 10,658 million.

Capital Expenditure

For FY 2016, capital expenditure stood at ₹ 2,563 million in addition to ₹ 1,067 million of product development.

Review of Operations

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

Our Pharmaceuticals segment includes following businesses

(i) **Generics**, comprising Active Pharmaceutical Ingredients (APIs), Solid Dosage Formulations and India Branded Pharmaceuticals



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

Life Science Ingredients segment includes following businesses

(i) **Specialty Intermediates and Nutritional Products**

(ii) **Life Science Chemicals**

Segment wise Revenue (₹ Mn)		FY 15	FY16	YoY	Mix
A.	Pharmaceuticals	26,820	30,548	14%	53%
	i) Generics	13,989	14,410	3%	25%
	Active Pharmaceutical Ingredients	5,140	5,822	13%	10%
	Solid Dosage Formulations	8,780	8,470	-4%	15%
	India Branded Pharmaceuticals	68	118	72%	0%
	ii) Specialty Pharmaceuticals (Sterile Products)	12,832	16,138	26%	28%
	CMO of Sterile Injectables	4,476	5,696	27%	10%
	Radiopharmaceuticals	5,246	7,129	36%	12%
	Allergy Therapy Products	1,875	2,036	9%	4%
	Drug Discovery Solutions	1,235	1,277	3%	2%
B.	Life Science Ingredients	31,442	27,475	-13%	47%
	i) Specialty Intermediates and Nutritional Products	16,645	15,493	-7%	27%
	Specialty Intermediates	11,785	10,563	-10%	18%
	Nutritional Products	4,860	4,930	1%	8%
	ii) Life Science Chemicals	14,797	11,983	-19%	21%
	Total Revenue	58,262	58,023	0%	100%

PHARMACEUTICALS SEGMENT

Jubilant Life Sciences is an aspiring global pharmaceutical company, which develops, licenses, manufactures, markets and distributes generics and specialty pharmaceuticals.

We offer a unique US led business model with leadership position in our niche focus areas with products in multiple therapeutic segments and specialties ranging from oral generics to Radioactive products with customers across diverse countries and territories. We operate a global, high quality, vertically integrated manufacturing platform, which includes 6 manufacturing and 5 Research and Development facilities around the globe.

Revenue contribution from our Pharmaceuticals segment stands at 53% of our total Income from Operations. Revenue from this segment has improved 14% YoY to ₹ 30,548 million from ₹ 26,820 million last year.

Generics

The Generics vertical includes Active Pharmaceutical Ingredients, Solid Dosage Formulations and India Branded Pharmaceuticals businesses. Total revenue from this vertical was higher at ₹ 14,410 million in FY 2016 as compared to ₹ 13,989 million in FY 2015.

Active Pharmaceutical Ingredients (APIs)

The key competitive advantages of our APIs business include product selection, selection of customers, strong focus on R&D and forward integration. We are primarily focused on lifestyle driven therapeutic areas including Cardiovascular System (CVS) and Central Nervous System (CNS) with a strategy of large capacities and dedicated lines for high volume molecules. We also have a strong focus on regulated markets targeting customers with high pricing power.

Revenue from this business stood at ₹ 5,822 million in FY 2016 from ₹ 5,140 million in FY 2015 following improvement in volumes and benefits realised from cost

rationalisation initiatives. We have commercialised 38 products as on March 31, 2016. During the year we filed 4 new Drug Master Files (DMFs) in the US, made 1 filing in Canada and 2 filings in Japan and 2 CEPs (Certificates of suitability to the monographs of the European Pharmacopoeia) in Europe. Our facility at Nanjangud, Karnataka, India is approved by key regulators including USFDA, AFSSAPS France, PMDA Japan and ANVISA Brazil, KFDA Korean, Cofepris Mexico, TGA Australia.

Our expansion in this segment is based on new product launches and increase in share of our existing products. We have several enablers in place to ensure sustainable growth, including a well differentiated strategy of products and markets, strong set of capabilities focused on product selection and cost optimisation and a highly capable team with proven track record. Our forward integration with our Solid Dosage Formulations also ensures high capacity utilisation.

Solid Dosage Formulations

Solid Dosage Formulations business comprises of manufacturing, selling and distribution of our generic formulations. We are a US focused leading formulations player with capabilities in multiple dosage forms, leveraging our backward integration in APIs for key products. We have a strong portfolio with market leadership in many of the molecules and are focused on large and growing segments of CVS, CNS and Anti-Allergy.

Revenue in this business stood at ₹ 8,470 million in FY 2016 as compared to ₹ 8,780 million in FY 2015. We have manufacturing facilities at Salisbury, Maryland in the US and Roorkee, Uttarakhand in India. Our Maryland facility is approved by the USFDA and Roorkee facility is approved by the USFDA, UK MHRA, ANVISA Brazil and PMDA Japan, TGA Australia and MCC South Africa.

As of March 31, 2016, we have 51 commercialised products which include over 25 in the US, 9 in Canada, 29 in Europe and 27 in the Rest of the World. Overall we have filed a total of 72 ANDA filings in the US, 90 filings in Europe, 22 filings in Canada and over 650 filings in other countries so far. As on March 31, 2016 we have received 39 ANDA approvals in the US, 16 approvals in Canada and 86 filings in Europe.

Our strategy to grow the top line and continue to be a preferred supplier is based on various strategic imperatives. Our spending on R&D is growing and we expect to increase our ANDA filings and approvals. We have a clear strategy to increase our product offerings not only in the oral solid segment but also niche opportunities in steriles and other products. We are also diversifying our businesses geographically with a fast growing ROW business. Our focus is also on cost leadership with increased vertical integration in our portfolio mix.

We have adopted a country specific marketing and distribution strategy balancing the market needs and our capabilities. In the US, our key market, we expect our business to grow due to new launches and increased share



Jubilant Life Sciences is an aspiring global pharmaceutical company, which develops, licenses, manufactures, markets and distributes generics and specialty pharmaceuticals.

for our existing products. In Japan we are aggressively pursuing product specific partnership with local players supported by our in-house Japan specific product development. Australia has developed as a key market for us and we are strengthening our pipeline and distribution partnerships. In Asia and Middle East, we have brought strategic focus on promoting Jubilant brands and are also reaching out to leading local players for out licensing. Growth in Africa would be primarily driven by launch of our products in South Africa this year. In the Latin American market, growth will be driven by new launches and filings in Brazil and other growing markets.

India Branded Pharmaceuticals (IBP)

IBP is our first venture into the Indian Pharmaceuticals Market (IPM). This presents a good opportunity as the market is worth about ₹ 1 trillion with a CAGR in healthy double digits over last 5 years. As an organisation, we are focusing in the chronic specialty segments, as these are the long-term drivers of the market in the current scenario. The focus of IPM is shifting towards the chronic market as high awareness, larger life expectancy, better purchasing power and changing lifestyles contribute to high growth of these markets. The Cardiology & Diabetology markets are the fastest growing markets in the IPM. We have initiated our foray through the launch of Cardiology & Diabetology portfolio.

Jubilant CVD division has launched its products in the Dyslipidemia, Antihypertensive and Anti-diabetic categories. Our focus has been on creating a product portfolio with all high growth molecules, like Rosuvastatin, Telmisartan, Glimepride combinations etc. We are also working on establishing newer molecules like Cilnidipine, Teneligliptin & launching contemporary molecule like Azilsartan. We have set-up a robust infrastructure to support the Indian operations, and have our stockist network reaching out to most parts of the country.

Revenue in FY 2016 improved to ₹ 118 million as compared to ₹ 68 million in previous year. Our products are currently available at more than 10,000 retail pharmacies across the country. Our over 210 strong field force currently covers more than 25,000 key specialists (Cardiologists, Diabetologists, Nephrologist, Neurologist & Consulting Physicians in India. Patient awareness camps are being conducted across the country emphasising the need for treating chronic diseases.

Going forward we see good opportunity for growth in this business and we look forward to leveraging our strengths into other promising therapy areas. We are also strengthening our Cardiology & Diabetology portfolios by evaluating newer portfolios and geographies.

Specialty Pharmaceuticals (Sterile Products)

Our Specialty Pharmaceuticals (Sterile Products) vertical includes Contract Manufacturing Operations (CMO) of Sterile Injectables & Non-sterile products businesses,



Radiopharmaceuticals, Allergy Therapy Products and Drug Discovery Solutions. Our total revenue from this vertical increased to ₹ 16,138 million in the fiscal year ended March 31, 2016 from ₹ 12,832 million last year.

CMO of Sterile Injectables

We are a fully integrated leading CMO and offers sterile manufacturing services for Phase I through Commercial liquid and lyophilized products in vials and ampoules, as well as ophthalmic and otic solutions. We also offer non-sterile manufacturing services for ointment, cream and liquid products in bottles, tubes, jars, suppositories and applicators. Manufacturing facilities are present at strategic locations in North America (Spokane, Washington, USA and Kirkland, Montreal, Canada) which help us directly service customers in this geography.

We are confident of leveraging our sites for enhanced business as the industry dynamics are very favorable in this business. This is led by a high proportion of injectable dominated new launches by innovators as well as a shortage of capacity for high quality manufacturing sites, especially in steriles.

Business performance is back on track post the successful resolution of prior USFDA related issues. The business reported revenue of ₹ 5,696 million in FY 2016, up from ₹ 4,476 million in FY 2015.

Due to consolidation activities across the CMO space and our compliant regulatory status, we have seen an influx of new clients at both sites. We are confident to continue to grow the CMO business at a growth rate higher than the industry. With continued focus on compliance, efficient / lean operations and first time right quality products, we have seen improvement in business and expansion in margins. Compared to our peers, we are on a strong footing by the virtue of our full integration encompassing R&D and API capabilities, strong relationships with many global pharmaceuticals majors, positioning among top players for outsourcing approvals and ability to be our own customer.

We are on our way to being a top quality cost effective CMO by enhancing and expanding capacity, delivering operational excellence, acquiring new customers and extending our own portfolio.

Radiopharmaceuticals

We develop, manufacture and market radiopharmaceutical products under Jubilant DraxImage Inc. These products are used in the diagnosis, treatment and monitoring of various diseases. We specialise in cardiac, lung, thyroid, kidney and bone imaging as well as thyroid disease therapy.

We are very favorably placed in the key US market in nuclear medicine, poised across the growing therapeutic segments of Neurology and Cardiology in this business. We operate in high-value niche segments which is backed by a robust pipeline of products across the key segments. Our high quality and reliable specialty products cater to hospital based customers (Nuclear Medicine Physicians and Radiologists) and commercial radiopharmacies which prepare individual patient doses. Our integrated organisation includes a dedicated research and development team, specialised manufacturing facility, best in class regulatory affairs, sales and marketing operations.

Revenues improved to ₹ 7,129 million in FY 2016 as against ₹ 5,246 million in FY 2015 on account of improved performance from our product portfolio. Overall this business has grown at 51% CAGR (Compound Annual Growth Rate) over the last three years.

We continue to develop new products, and increase the number of nuclear medicine procedures to create a strong pipeline of product portfolio. Broadening the portfolio that we offer is aligned with our goal of being the leading manufacturer of nuclear medicine products in North America. At the same time the strategy also involves expanding into newer markets such as Latin America, Europe, Japan and Asia. Through collaboration and contractual arrangements with partners and the establishment of new distribution channels we will drive growth both in our current and future products.

With well-honed R&D capabilities the business is continually engaged in the development of new products that have yielded a rich pipeline of candidates that can be introduced in the future. RUBY-FILL®Sr82/Rb82 our most promising product, an infuser device used for heart imaging is currently under active FDA review. In addition to RUBY-FILL®, we have a robust pipeline of multiple products to expand and strengthen our portfolio. Our business will continue to deliver strong performance and we expect future growth to be driven by market penetration, new product launches and geographic expansion across emerging markets.

Allergy Therapy Products

We are a leading allergy immunotherapy player in the US with a strong presence across product segments.

We have taken a partnership approach towards allergy management for both physicians and patients. We are focused on providing high quality bulk extracts directly to physician offices to aid diagnostic testing and delivering immunotherapy.

Currently the business is comprised of over 200 allergenic extracts and mixes, along with specialised skin test diagnostic devices. The business lays special emphasis on innovation towards introducing new products to treat and cure allergies. We strive to maintain a quality standard that meets both our expectations and those of our customers. We are constantly working to streamline our processes and improve our products. Our quality standards are getting rigorous each day and we are investing heavily to improve our supply chain capabilities.

The business revenues stood at ₹ 2,036 million in FY 2016 as compared to ₹ 1,875 million in FY 2015, up 9% YoY and contributing 4% to overall revenues.

Our key competitive advantages include a strong presence across product segments, differentiated product portfolio, strong brand name (HollisterStier Allergy), broad sales reach and strong in-house parental manufacturing capabilities. We are keen to build on our leadership in the North American market and at the same time deepen penetration in Canada, New Zealand, France, South Korea and Australia. We are also exploring possibilities to expand into Latin America.

Drug Discovery Solutions

We operate across three functional subsidiaries viz. Jubilant Biosys, Jubilant Chemsys and JDS Malvern which are engaged in discovering new molecules and platforms across therapeutic areas. We collaborate with pharmaceutical & biotechnology companies and academia for preclinical discovery across several disease areas, including Oncology, Metabolic Disorders, CNS, and Pain & Inflammation.

Our focus remains integrated drug discovery programmes - Oncology, Metabolic Disorder, Pain & Inflammation, CNS.



We are also focusing on functional services in Structural Biology, DMPK (Drug Metabolism and Pharmacokinetics), Toxicology and Chemistry.

Revenue in FY 2016 stood at ₹ 1,277 million as compared to ₹ 1,235 million in FY 2015.

Our strategy is to expand our customer base and develop long term relationships by aligning our platforms and business models to our client's therapeutic and business strategies. We have a special focus of target identification and validation of drugs, which is a highly desirable area in pharmaceutical research. We also partner with our customers and leverage our capabilities in emerging markets to deliver outcomes on a global scale, thereby accelerating drug discovery efforts for our collaborators by keeping in mind an efficient and cost effective structure. We have in place a state-of-the art cGMP Scale up facility to cater the multi kilogram manufacturing to support the pre-clinical and clinical stages of drug development with a major investment.

The Company has been making some specific strategic investments in well-known venture funds investing in early stage discovery companies. In addition, the business vertical is pursuing proprietary drug discovery of small molecules with an intent to out-license/partner the same for upfront payments and phased milestone payments/royalties. These programmes also serve as a catalyst for acquiring new clients for integrated drug discovery services.

We will continue to aggressively look at increasing market penetration in the US and European Union (EU) region with higher focus on business development activity. The plan involves engaging into long term relationship with the existing customers in order to drive our service offering.

LIFE SCIENCE INGREDIENTS SEGMENT

Life Science Ingredients segment revenue contributed 47% to our total Income from Operations. Revenue in this segment stood at ₹ 27,475 million for the year ended March 31, 2016 as compared to ₹ 31,442 million in FY 2015. The revenue was mainly impacted due to lower input prices from crude resulting in decrease in prices of finished products and lower demand.

Specialty Intermediates

Our Specialty Intermediates business deals in more than 60 commercial products viz. Pyridines, Picolines, Cyanopyridines and their value added derivatives (Fine Ingredients & Crop Science Ingredients), having applications in pharmaceutical, agrochemical, personal care, and many other life science industries globally. For more than 30 years, we have been working toward adding many chemistries using our in-house R&D to expand our technological capabilities and thereby adding several value added products for life science industry. We have achieved



Our Specialty

Intermediates business deals in more than 60 commercial products viz. Pyridines, Picolines, Cyanopyridines and their value added derivatives (Fine Ingredients & Crop Science Ingredients), having applications in pharmaceutical, agrochemical, personal care, and many other life science industries globally.

global leadership positions in 12 products (Pyridine, Beta Picoline, Lutidines, Collidines and other value added derivatives) through forward integration coupled with world class manufacturing facilities & customer centric approach.

Revenue from this business was at ₹ 10,563 million during the year as against ₹ 11,785 million in FY 2015. Demand from Pyridines was subdued but Fine Ingredients showed improved performance aided by enhancement in pricing and volumes.

In a significant development the Ministry of Commerce of the People's Republic of China (MOFCOM) has reduced the anti-dumping duty on Pyridines to 17.6% from 24.6% based on the review petition filed by Company. We shall continue to evaluate market conditions of Pyridine to get benefit of this reduced duty going forward. However, the demand of Pyridine from China continues to remain uncertain due to ban on Paraquat manufacturing in aqueous form for domestic use and weak agro market in Asia. On the other hand, demand of Fine Ingredients products in China has slightly grown over last year and it continues to be at positive side.

In view of reduced demand of some of our products we have taken strategic initiatives to convert some of our existing product specific plants to multipurpose plants,

which will help us to manufacture various other products where we are seeing good demand. We are confident that the retrofitting and debottlenecking initiatives undertaken will lead to better utilisation levels and result in an improved performance for this segment.

During the year we undertook capacity de-bottlenecking of our key Fine Ingredients products which has resulted into cost optimisation and better productivity. We have improvised our process for various products to make them more environment friendly by establishing re-cyclability of process waste water and effluent. Demand for our Exclusive Synthesis products from pharmaceutical & agrochemical customers have been consistent and we are also working on new projects to grow our exclusive synthesis business in future.

In Fine Ingredients and Crop Science Ingredients, we are also working closely with various large Pharmaceuticals and Agrochemicals customers globally to develop value added derivatives for them. We have developed long term relationship with these customers for confirmed supply and better profitability.

Our business has strong enablers in place to ensure successful execution, including differentiated strategy, scale, cost effectiveness, strategic tie-ups, and an experienced and dedicated team.

Nutritional Products

We primarily manufacture and market Vitamin B3 (Niacinamide and Niacin) in this segment. Vitamin B3 finds applications in food, animal feed, pharmaceuticals and personal care. We are the second largest manufacturers of Vitamin B3 (Niacinamide and Niacin) globally. Our product quality and consistency have ensured a growing and dedicated customer base for us. Currently Jubilant's Niacinamide is being sold in more than 80 countries. We have competitive edge in the market from being able to control our own supply of major raw material Beta-Picoline (which is a precursor to Vitamin B3 and manufactured by our Specialty Ingredients business).



Along with Vitamin B3 product range, we are the largest manufacturer of Vitamin B4 (Choline Chloride) in India and catering to different application like Feed, Food, Pharma, Dye Manufacturing, & Shale Stabilisation. We also offer specialty feed additives to farmers across many countries, mainly Feed Emulsifier, Encapsulated Butyrates, Organic & Inorganic Trace Mineral Premix, Feed Acidifiers, Mould Inhibitors, Mycotoxin Binders, Chromium based Growth Promoter, and Liver Nourishment Products.

Revenue from this business was at ₹ 4,930 million during the year as against ₹ 4,860 million in FY 2015.

Globally, Jubilant Life Sciences enjoys a strong position of trust and reliability with customers. Our facilities are in compliance with the prominent best practices and possess ISO, cGMP, FAMI-QS, FSSC: 2200, Kosher & Halal certifications. We are associated with globally renowned analytical equipment manufacturers for providing nutritional services to our customers.

Vertically integrated value chain and low cost manufacturing are our key competitive advantages. The green route production with delivery of high quality product will help us increase our market share in better margin segments such as Food, Cosmetics & Pharmaceuticals.

Life Science Chemicals

Life Science Chemicals business deals in Acetyl range of organic intermediates viz. Acetic Anhydride, Ethyl Acetate, Monochloroacetic Acid and Sodium Monochloroacetate. We have optimised the manufacturing process over a period of time, and thereby achieved optimum cost to remain competitive in the market place. This has also resulted in making us the largest producers of these products in India since last few decades thereby helping us to maintain global scale.

Revenue for FY 2016 stood at ₹ 11,983 million as compared to ₹ 14,797 million in the previous year. While realisations were stable, the lower revenue was on account of change in crude oil prices & exchange rate (especially Euro to US Dollar) and also due to tepid demand from global agrochemical customers.

Acetic Anhydride as an intermediate finds use globally in various different usage like Pharmaceutical Agrochemical, Wood Acetylation etc. The demand of Acetic Anhydride has been growing consistently on the back of our strategy of focusing on international markets and also exploring new applications of the product. We have strong enablers to succeed, with competitive advantages such as backward integration, reliable customer base and strong cost control from continuous capacity debottlenecking. Our strategy is to export key Acetyl products to Europe and Emerging Markets along with entry into the US market.

BUSINESS ENABLERS

Research & Development and Intellectual Property

Research & Development (R&D) is the lynchpin of innovation and plays a vital role in developing and adopting new technologies in the technologically intensive pharmaceutical industry.

In Jubilant, a team consisting of 988 well qualified and experienced professionals in R&D centers spread across multiple locations is specialised across the value chain of pharmaceutical and chemical research. Our R&D Centers conform to International Standards and are well equipped with world-class infrastructure managed by best-in-class manpower. Each R&D Centre has dedicated unit integrated with relevant business.

All multi-located dedicated R&D Centers are diversified but internally integrated to leverage knowledge and innovation in allied scientific domains. Our R&D performance hinges on the coherence and cohesiveness among multi-located R&D Centers where rapid exchange of knowledge takes place to keep pace with competition and to develop disruptive technologies for future. The R&D team focuses on generics research including APIs & across Dosage Forms, Radiopharmaceuticals, chemistry/process development of Advanced Intermediates, Fine Ingredients, Contract Research, Analytical Research and biological support including Pharmacokinetics and Clinical Research. R&D supports the activities of various businesses through new product, process development, process intensification, absorption of technologies and establishing technologies at commercial scale.

Jubilant has designed a very successful R&D which continues to ensure delivery of a sustainable pipeline of high-value drug products. The Company's R&D strategy is centered on improving the speed and yield of generic products. We have always demonstrated our commitment to support humanitarian efforts by bringing quality and affordable generic medicines in the market.

Regarding APIs, focus continued to be on developing commercially competitive, intellectual property compliant, robust and eco-friendly technologies with appropriate PolyState selection of APIs which are eligible for Day 1/181 launch through innovative R&D approaches. We are also putting efforts to move up in value chain on the technology curve and have developed various environment friendly technologies wherein batch processes have been replaced by continuous processes and chemical processes with enzymatic/chemo catalysis processes maintaining focus on optimum productivity and lowest effluent per unit volume of equipment.

In Radiopharmaceuticals, the focus of our R&D is two pronged. Firstly, we are focused on increasing productivity by increasing the number of projects in development. Also, the focus is on increasing predictability so that projects are delivered on time and in budget. With well-honed



R&D capabilities the business is continually engaged in the development of new products that have yielded a rich pipeline of candidates that can be introduced in the future. RUBY-FILL@Sr82/Rb82 our most promising product, an infuser device used for heart imaging is currently under active FDA review.

Jubilant's R&D has developed various environmentally friendly technologies using green chemistry wherein some batch processes have been replaced by continuous processes, recovery & recycling of solvents/reagents, removal/substitution/minimisation of hazardous chemicals and replacing chemical processes with enzymatic/chemo catalysis processes.

We have a dedicated IP (Intellectual Property) team of techno-legal experts, who are technically well qualified (Postdoc, Ph.D., M. Pharm and M.Sc.) and at the same time having formal training of IP and Law. Some of the team members are also patent agents and patent attorneys. Our team is well quipped to file and prosecute the patent applications by ourselves and also ensures IP compliance of our products and technologies all over the world. IP team is an integral part of all the projects starting from strategy to marketing.

Our R&D innovative efforts have helped us in developing IP compliant technologies avoiding any costly intellectual property litigations by identifying newer innovative opportunities and also in creating our own intellectual property which is well protected in defined geographies of our business interests. We also keep our options open to licence-in/licence-out technologies/know-how to accelerate businesses of interest.

Manufacturing

Taking forward the initiatives of previous year and identifying new initiatives throughout the year in capacity enhancements, capability improvements, costs, production efficiencies & Environment, Health and Safety (EHS), manufacturing has been pivotal in contributing to the EBITDA growth of the organisation in a volatile world market. Manufacturing strategy driven Process Innovation,

Manufacturing Excellence and intensive focus on EHS and Resource Conservation has enabled the Company to save on operating costs and improve the overall statutory and regulatory compliances. Energy conservation efforts have been intensified during the year and will be carried forward more aggressively in the coming years.

With the active support of Manufacturing, many of our businesses saw a reasonable EBITDA improvement, led by enhancement of capacities, reduction of ingredient and energy consumptions and better yields across all the plants. Ingredients Norms reduction has yielded considerable cost savings in all the manufacturing locations. Manufacturing & Engineering excellence initiatives have resulted in improvement of the OPE (Overall Performance Efficiency) and asset reliability, mainly MTBF (Mean Time Between Failure) and MTTR (Mean Time To Repair) improvements.

The environmental norms in India are becoming more and more stringent but Jubilant Life Sciences Limited has matched the pace and has set the industry benchmarks for due care to the environment. As a part of the overall initiative, the company has started its march towards a Sustainable Environment by aggressively working towards achieving a coveted Responsible Care RC14001 certification for Gajraula, Uttar Pradesh, India plant and ISO 50001 certification for Energy Management Systems in Bharuch, Gujarat, India plant.

Reduction in Steam, Power & fuel consumption has been the focus area throughout the year for the continuous process plants including reduction in generation of waste and recycling of industrial and sewage effluents. Social initiatives have been focused in and around environmental improvement. Plants are equipped with adequate energy measurement systems, energy saving equipment / devices like VFDs' etc. Other measures related to environment protection and energy conservation initiatives include Bio-composting & Bioremediation initiatives have been aggressively pursued.

Jubilant is committed to improving the health and quality of people's lives worldwide. Maintaining high and uniform quality standards across our facilities, with emphasis on compliance to regulations, GXP's (Good Practices) and continuous improvement are key drivers for ensuring consistent manufacturing of quality pharmaceutical products. At Jubilant, senior leadership and all employees at all levels are committed to maintaining quality throughout our organisation. Quality is the responsibility of every team member. Jubilant ensures compliance by continuous assessment and review of quality systems, and compliance with industry guidelines and regulations.

In the financial year 2016 all the six manufacturing facilities in our Pharmaceuticals segment i.e. two in India and four in North America were successfully audited by the USFDA. The USFDA audit of our APIs facility in India did not receive any form 483 observation from an inspection covering the approval of new products and compliance to cGMP's. The other manufacturing facilities also did not

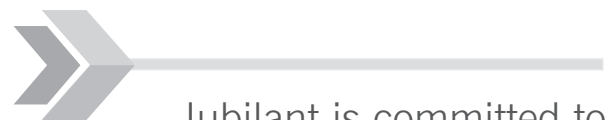
receive any major observations and all observations were addressed in a timely manner and most of Establishment Inspection Reports (EIR's) were received, indicating successful closure of these inspections.

In addition, Jubilant's manufacturing facilities have undergone successful audits by various regulatory agencies from Health Canada, UKMHRA and PMDA Japan and TGA Australia, Brazil, Mexico etc. The inspections have confirmed that Jubilant's facilities are compliant with the expected regulatory standards to ensure consistent supply of quality pharmaceutical products across advanced regulated markets.

Jubilant has invested significantly in electronic quality, manufacturing and training systems with the objective of embracing the latest technology for harmonisation of key global quality systems and skill up-gradation of its' employees. This is backed by the strong belief that "People are our number one asset", skill up gradation, talent succession and career planning, which has a sustained & focused effort at the manufacturing locations. Productivity improvement tools and techniques have been implemented at all locations. Leadership development programmes have been provided from premier management institutes to take Jubilant to another benchmark level.

To achieve greater heights and deliver right quality product in time, Manufacturing continues to act as a support and catalyst for the organisation.

As always, awards and accolades have been a measure of the recognition of our efforts. We won the following awards:



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- 16th Annual Greentech Environment Award 2015 (Gold Category), conferred under the Chemicals and Pharmaceutical sector category - Gajraula plant, India
- Gold Award in Ankleshwar Chapter Convention on Quality Concepts 2015 (ACCQC) competition organised by Quality Circle Forum of India (QCFI), Ankleshwar presented to our Bharuch plant, India
- Golden Peacock National Quality Award for Quality, Training, Business Excellence and Innovative Product / Service 2015, presented at Dubai Global Convention, organised by the Institute of Directors
- Safety Innovation Award from the Institution of Engineers (India), Delhi Chapter for implementing Innovative Safety Management Systems at Nanjangud Plant, India
- Uththama Suraksha Puraskara from National Safety Council, Karnataka Chapter - Nanjangud Plant, India



Supply Chain

The year 2015-16 was the year of consolidation & lean management for Supply Chain. In Life Science Ingredients, we made the supply chain organisation leaner while empowering the team with added responsibilities. We also worked on consolidation of logistics spend across the globe and MRO (Maintenance, Repair and Operations) spends across all plant sites. All this led to significant savings to the business. Our focus on the implementation of Green Supply Chain has paid with increased movement of our goods through rail, use of reverse logistics, defensive driver training programme etc. This year, we further increased use of technology to deliver faster and better to our customers.

In year 2015-16, we witnessed turbulent crude oil prices leading to a lot of volatility in the commodity price and freights. It was our endeavor to strategise our buying policies to take advantage of the market scenarios and reduce the negative impact of this turbulence on the Supply Chain cost. Our efforts ensured that we reduced our variable cost significantly over the previous year. Going forward, we will continue to focus on cost reduction in the area of raw material and logistic & ensuring continuity of supplies to end customer.

Business Excellence

Business Excellence strives to create a culture of excellence in the organisation by continuously seeking to enhance Jubilant's People, Processes and System capabilities. It uses the latest transformation methodologies to continuously improve the competitive advantage of the organisation.

Over the past years a very strong foundation of using these improvement techniques in operations has been made. Projects dealing with productivity and quality improvements, capacity enhancements have significantly added to the bottom-line of the company.

While sustaining and enhancement of these gains are

being done in operations, we have extended Business Excellence initiatives to Supply Chain and other functions as well. This includes Inventory and Cost Optimisation projects in Supply Chain, Process lead time reductions and standardisation in HR, IT, Finance, R&D, Procurement processes. We are also engaging in Business Development, looking for opportunities in areas like Pricing and Cash Flow improvements. The Business Excellence organisation is being reorganised to improve effectiveness by inclusion of relevant SMEs.

At the same time, we continue to build Continuous Improvement DNA in the organisation through Lean Six Sigma Certifications and the 'Sankalp' initiative. Both these initiatives contribute significantly to improvement projects at the sites. The Certification programme has been extended to include Champion and Black Belt Certifications so as to include top management participation. The Sankalp initiative has been extended vigorously to all Sites. Plans are there to introduce Sankalp at the Corporate Office as well.

Continuous calibration is essential. Business Excellence is building comprehensive plans for sharing of Best Practices, Benchmarking and participation in Competitions – both internal and external.

Our vision is to build a world class Business Excellence Management system to create value for the organisation through a culture of Continuous Improvement.

Human Resource Management

The Company takes extreme pride in its greatest resource and asset - the employees. Our employee base has been the backbone of the Company, in contributing towards the success of the Company and sustaining the same over the years. As on 31st March, 2016 we provide employment to 6183 employees across various businesses and functions globally.

We foster a work environment and culture that is based upon our core values of **Inspire Confidence, Nurture**

Innovation, Always Stretch, and Excellent Quality. We stand by Our Promise of Caring, Sharing, Growing and it is our constant endeavour to make Jubilant Life Sciences one of the best places to work at.

The Company believes in open and transparent culture and in order to have the same, we regularly listen to the voice of our people through engagement surveys, town halls and open houses. We have a well-defined robust leadership competency framework that inculcates and reinforces a common leadership culture across the organisation. The leadership competencies are instrumental to our Talent management philosophy and our leadership development initiatives like Development Centres & 360 degree surveys are based on these competencies. These development programmes are designed in order to prepare our leaders to adapt to fast paced changes in the industry and manage growth.

Today's fast paced business changes make it imperative to focus on forward looking and futuristic systems and applications. As a step towards this, we have implemented PeopleSoft based Human Resource Information Systems (HRIS) across all our locations and entities. The HRIS system is designed to cover all key HR processes – Performance Management, Recruitment, Training & Development, Profile & Position Management, Career & Succession Planning, and Compensation & Benefits, and we continue to make improvements in this system.

Our constant endeavours have been towards encouraging a culture of employee recognition & motivation and we are able to achieve this through well designed policies & processes like Rewards & Recognition and other various employee benefit schemes.

We ensure that there is full adherence to the code of business conduct and fair business practices. We believe that equal opportunity in employment for all sections of society is a component of our growth and competitiveness.



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INTERNAL CONTROL SYSTEMS AND RISK MANAGEMENT

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

Internal Financial Control Framework

Section 134(5)(e) of the Companies Act, 2013 requires a company to lay down Internal Financial Controls system (IFC) and to ensure that these are adequate and operating effectively. Internal financial controls, here, means the policy and procedure adopted by the company for ensuring the orderly and efficient conduct of its business including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information.

The above requirement has the following elements:

1. Orderly and efficient conduct of business
2. Safeguarding of its assets
3. Adherence to company's policies
4. Prevention and detection of frauds and errors
5. Accuracy and completeness of the accounting records and timely preparation of reliable financial information

At Jubilant Life Sciences Limited, the internal financial controls system is in place and incorporates all the five elements as mentioned above. In addition, the Company has a transparent framework for periodic evaluation of the internal financial controls in the form of internal audit exercise carried out through the year and online controls self-assessment through Controls Manager Software, thereby reinforcing the commitment to adopt best corporate governance practices.

Policy and procedure adopted by Jubilant Life Sciences to adhere to IFC elements is given below:

Orderly and Efficient Conduct of Business

The Company has a well laid down organisational structure which defines the authority-responsibility relationship. The Company has a formal financial planning and budgeting system in place encompassing short term as well as long term planning. In order to ensure that decisions are made and action taken at an appropriate level, the Board of Directors of the Company has formulated the Delegation of Authority which has been designed to ensure that there is judicious balance of authority and responsibility. The adherence to Delegation of Authority is part of Internal Audit Plan. The Company also has the risk management framework in place which has been discussed under the heading "Our Vision on Risk Management".

Compliance with respect to various statutes, rules and regulations applicable to the Company is managed by Secretarial Department. Status of compliance is governed through an intranet based application 'Statutory Compliance Reporting System' (SCRS). Respective control owners certify the compliances on a quarterly basis in SCRS and a compliance report is prepared through SCRS. The objective of the SCRS certification is to ensure that the compliances are effectively managed and controlled and that they support the Company's business objectives and corporate policy requirements.

Safeguarding of its Assets

The Company has taken an all industrial risk policy for all of its plants as well as corporate office to safeguard its assets. The Company also carries out a physical verification of its assets.

Adherence to the Company's Policies

The Company has two tier policies and procedures viz. Entity Level Controls and Process Level Controls. The entity level controls include a comprehensive Code of Conduct and Code of Ethics. The Company also has a Whistle Blower Policy in place and any employee of the Company can directly write to the Ombudsman office. We also have process level controls which cover a wide range of key operating financial and compliance related areas like Accounting, Order to Cash, Procurement to Payment, Inventory and Production, Treasury, Legal, Forex, Fixed Assets, Direct and Indirect Tax, R&D, ITGC etc.

Self-assessment certification of controls is being done by the Control Owners through a verifiable and transparent process and such certification is reinforced by Activity and Location Owners, as they give in-principle approval to the self-assessment by the Control Owners. Result of Controls Manager certification is prepared and presented to the audit committee every quarter by the CFO for exception review.

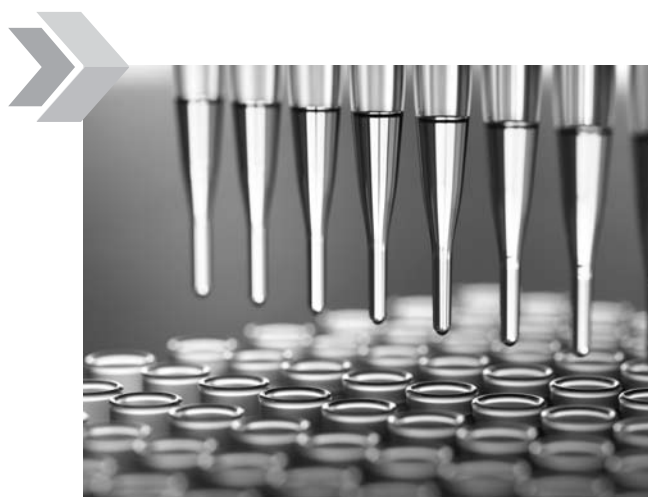
Controls certification is also being validated by the in-house team through review of the assertions certified by the Control Owners on sample basis regularly across business units, plants, branches and corporate office and validation results of Controls Manager certification are prepared and presented annually to the audit committee.

The above policies are periodically reviewed and refreshed in line with the changes in business and regulatory requirements.

The Audit Committee, on a quarterly and annual basis, reviews the adequacy and effectiveness of the internal controls being exercised by various business and support functions.

Prevention and Detection of Frauds and Errors

Due to the presence of strong Code of Ethics and Whistle Blower Policy, it is generally expected that serious frauds will not take place. In order to prevent and detect frauds and errors, perpetual internal audit activity is carried out by Ernst & Young LLP. Action points and suggestions made



by them are discussed in Sub-Audit Committee meeting before presenting the same to the Audit Committee. Subsequently, follow-up audits are also carried out by in-house internal audit team to ensure implementation of the suggestions. In addition, special audits are carried out by the in-house audit team in areas that may be vulnerable to fraud.

Accuracy and Completeness of the Accounting Records and Timely Preparation of Reliable Financial Information

The Company has a very well documented and updated Accounting Manual based on the existing Indian Generally Accepted Accounting Principles. The Accounting Manual contains detailed guidelines on all aspects of accounting applicable to the Company and has been prepared in line with all applicable accounting standards, guidance notes and expert opinions. This helps in ensuring that the accounts and finance team is well updated on the applicable accounting requirements. Financial consolidation is carried out through an Enterprise Resource Planning system called Hyperion thereby minimising the chances of manual errors. The financial information is verified by the statutory auditors on a periodic basis as per the requirements of Companies Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations'), ICAI guidelines, etc. The Company provides structured training to the accounts and finance team on a wide range of topics covering Indian GAAP (Generally Accepted Accounting Principles), Ind AS (Indian Accounting Standards), IFRS (International Financial Reporting Standards), Companies Act, 2013, Direct & Indirect taxes, etc. through in-house & outside experts.

Implementation of Internal Financial Controls

To compete globally, world class Corporate Governance and Financial Control over operations are a must for Jubilant. The Internal Financial Controls as mandated by the Act, not only require a certification by the CEO-CFO but also put an obligation on the Board of Directors to ensure that

the Internal Financial Controls are adequate and operating effectively. Besides, the Statutory Auditors are also required to give an opinion on the adequacy and effectiveness of Internal Controls for Financial Reporting ('ICFR').

To make the internal financial control framework robust in Jubilant, we have worked on three lines of defense strategy which is as under:

- First Line of Defense: Build internal controls into operating processes – To this end, we have ensured that a detailed Delegation of Authority is issued, SOPs for the processes are created, financial decision making is made through Committees, IT controls are built into the processes, Segregation of Duties are made, strong budgetary control framework exists, the Entity level controls including Code of Conduct, Code of Ethics, Ombudsman Office are put in place, etc.
- Second Line of Defense: Create an efficient review mechanism – We created a review mechanism under which all the business units and functions are reviewed for performance at least once in a month by the respective CEOs and once in a quarter, by the Corporate team. The formats for these reviews are detailed and finalized with the help of global consulting firms.
- Third Line of Defense: Independent assurance – We have appointed a Big Four firm as our internal auditors and which are doing systematic independent audit of every aspect of the business to provide independent assurance on the effectiveness of the internal controls and highlight the gaps for continuous improvement.

We have implemented a programme under which more than 2000 financial controls are established and confirmation that such controls are being exercised is made every quarter by the relevant process owners before the financial results are closed for the quarter. This confirmation of control mechanism called 'Control Manager' is run through a work flow based IT tool and it forms the backbone of the CEO-CFO certification stipulated by Clause 49 of the Listing Agreement [corresponding to Regulation 17(8) read with Part B of Schedule II to the Listing Regulations in India].

During FY 2015-16, we also started another journey for review and strengthening of Internal Financial Controls under which the entire control library and Risk and Control Matrix were reviewed and re-written. The entire exercise of review and re-writing of controls was conducted by an in-house team of professionals with the help of a Big Four firm. The revised control framework after such review was tested for design effectiveness and operational effectiveness by the Statutory Auditors and they have given an affirmative opinion about the adequacy and effectiveness of Internal Controls for Financial Reporting in the Company.

The Company has two main business segments namely Pharmaceuticals and Life Science Ingredients. Each segment has a complete management set up with CEO,

CFO and other functional heads who are responsible for running the operations and report to the Chairman/ Co-Chairman and Managing Director and the Corporate Committee.

To improve the controls in operations, we have established, for each line of business, the concept of financial decision making through operational committees. The entire purchase, Credit control and capex decision are taken jointly in committees. The key role of these business committees are as under:

- a) Purchase Committee to monitor good quality purchases at very economical cost and to maintain Long-term relationship with suppliers and continue to make purchases from reliable and reputed Suppliers. This committee meets minimum twice a week. Constitution of this committee includes: CEO, CFO, Head of Supply Chain and the relevant SBU (Strategic Business Unit) / Functional head.
- b) Capex Committee, since a lot of money is invested for the growth of the Company. This Committee monitor time and cost overruns, ensure maximum cost reduction and proper negotiations. This committee meets minimum once a week. Constitution of this committee includes: CEO, CFO, Head of Project and the relevant SBU/ Functional head.
- c) Credit Committee: Evaluate the credit risk and accordingly approve the maximum credit which can be provided to a customer. This committee approves the credit limits at the beginning of the year and approves the changes required on need base as and when required. Constitution of this committee includes: CFO and CEO and the head of SBU.
- d) Business Performance Committee: This committee reviews the business performance on a monthly basis. Constitution of this committee includes CEO, CFO, Functional heads and the relevant SBU head.

In addition to the above to provide the corporate control and guidance we have constricted a structured corporate meeting every Monday between the corporate team and the Business leadership team. Through this meeting the corporate team keeps itself abreast of the latest business development and guides the business team to take mid-course corrections if required. This meeting also provides a forum for obtaining the relevant approvals required from the corporate team as per DOA. Participants to this meeting are Chairman/ CCMD/ Executive Directors/ CSO from Corporate side and CEO and CFO from the Business side.

Further every quarter a detailed review of the Business performance with the Chairman/CCMD and the corporate committee is organised to identify the gaps of performance over plan and do midcourse corrections.

Our 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

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

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

Risk Management Structure

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

The Audit Committee, Executive Directors, CEOs, CFOs and Head of Management Assurance act as a governing body to monitor the effectiveness of the Internal Financial Controls framework.

Risk Mitigation Methodology

The Company has 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.

Each SBU Head updates the risk register and identifies top 3 to 5 risks for the business. The CEOs then consolidate top 10 risks of the Life Science Ingredients segment and report the same on a periodic basis to the Board of Directors along with mitigation plan.

The Company has a quarterly certification process wherein, the concerned control/ process owners certify the correctness of entity level and process level controls. The certification process has been in operation for the last 10 years and covers about 2,000 controls. The process



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level controls cover a wide variety of key operating, financial and compliance related areas while entity level controls cover integrity and ethical values, adequacy of audit and control mechanism and effectiveness of internal and external communication, thereby, strengthening the internal financial control systems and processes with clear documentation on key control points. This has made our internal controls and processes stronger and also serves as the basis for compliance with the provisions of the Listing Regulations.

Management's Assessment of Risk

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

Competition, Cost Competitiveness & Pricing

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

Manufacturers in China, who gain from economies of scale, favorable policies, and lower cost along with other advantages, may adversely affect the Company's ability to maintain its market leadership, achieving its planned growth and generating planned margins.

Additional risk of competition exists in the form of certain competitors being suppliers of core raw materials for Life Science Chemicals business, new entrants resorting to

penetration pricing to make inroads, dumping strategy by Chinese manufacturers to initiate price wars with local players amongst others and excess capacity which can force a decrease in prices and consequently affect margins.

In Pyridine, which is a part of Advance Intermediates business, the Company has been facing competition from China due to new entrants and excess capacity.

However, at the same time, the environmental regulation in China has become more stringent due to government policies, leading to an increase in effluent treatment costs and manpower costs for the competitors in Fine Ingredients business. Further, due to decreasing Pyridine prices, the derivatives of pyridine have become more cost effective and can be better positioned in the market. This has led to securing of margins with improved market share of Fine Ingredient products for the Company and has worked to partly mitigate the risks due to competition faced by the Advance Intermediates business.

In future, it is likely that Fine Ingredients business will face considerable competition from China, which will be the outcome of increased Pyridine production capacity in China. The Company has taken a pro-active approach to mitigate this risk by working on achieving manufacturing excellence and by introducing new products in Pyridine Chemistry and also in Non-Pyridine Chemistry. This has been made possible by deploying our various technological capabilities and by utilising exclusive contract manufacturing opportunities.

In Vitamin B3 market, capacity far exceeds demand and there has been emergence of new vertically integrated competitors. This could result in downward pressure on Vitamin B3 pricing if these players resort to aggressive pricing to gain market share, however their capacity utilisation will be restricted to availability of critical raw material Beta Picoline. Risk mitigation is planned by focusing business efforts towards more profitable market applications which are also less price sensitive.

As this is a 100% export oriented business, there is risk to profitability if the Indian rupee appreciates against US Dollar or Euro. The Company manages its Foreign Exchange Risks through a hedging strategy.

In Animal Nutrition business, the Company sold its products at higher prices in comparison to last financial year. However, stiff competition and over supply continued to exert downward pressure on prices of broiler and eggs, leading to unpredictable price trends in domestic poultry market during the year. Introducing more innovative performance enhancer products and diversification to other species' feed markets such as Dairy and Aqua are primary risk mitigation measures being undertaken.

The Company has encountered stiff competition in Crop Science Ingredients business as global agrochemicals market is in a downturn, which has resulted in lower demand and lower prices of our products. In order to mitigate the risk, we have decided to strategically manufacture new value added products and expand the exclusive synthesis

product portfolio for global agrochemical customers.

In its Pharmaceuticals segment, dependency on Chinese suppliers for import of raw materials may lead to import disruptions, short supplies and production bottlenecks due to unforeseen changes in government regulations and economic policies of China.

The Company is making efforts to create newer alternative sources of raw material supplies. Continuous tracking of market trends is done by the procurement team for keeping adequate inventory levels to avoid any shortages.

The Company faces intense competition from other pharmaceutical companies in North America and in India and introduction of new products by competitors may impair the Company's competitive advantage and lead to decline in revenue and profit.

Like most other companies, in its Pharmaceuticals business, the Company is subject to pressures on pricing. Prices are a function of demand and supply. The Company faces nearly perfect competition in the generic drugs industry. Prices change in response to supply and competitive pressures. Domestic pricing is influenced by global trends in both availability and prices of imported Active Pharmaceutical Ingredients (APIs).

The US market is undergoing structural changes with supply chain consolidation and delay in ANDA approvals affecting the industry. We have adopted a multi-pronged approach to grow our business in this market. Apart from our regular filings of Oral Solid Products, we are planning to file more Complex Products including Injectables, Ophthalmics, leveraging our strength in Sterile manufacturing. Some pharmaceutical companies with noticeable presence in particular segments which are in greater demand are able to differentiate themselves as they offer a higher value proposition.

In order to combat the risk of rising competition and to ensure that cost competitiveness is maintained, the company continues to explore all options viz.

- Increasing penetration in other geographies and strengthening our supply position with our existing strategic customers through competitive offering to achieve a higher share of customers' business. 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.
- Building long term relationships with key customers by offering improved quality and service experience. Passing on the increase in raw material prices to customers on the strength of excellent customer relationships and sales & distribution network.
- Building economies of scale in manufacturing, distribution channel and procurement to maintain cost advantage and sustained entry barrier.
- Introducing cost improvement initiatives and manufacturing efficiency improvement plans at plant

by undertaking projects under Business Excellence programme and by applying many tools and techniques like Lean, Six Sigma and Total Productive Maintenance (TPM) etc. Developing economical alternatives and re-engineering costs to counter increase in input cost. Cost optimisation helps in countering international competition.

- Significant R&D has been done to improve raw material and utility consumption and increase manufacturing efficiency.
- In its Pharmaceuticals business, new products continue to get launched by experienced and talented R&D teams which work to deliver on the marketing strategy by developing new cost effective processes/products to meet customer demand and build market share.
- For some of its generic formulations, the Company has captive manufacturing of APIs to ensure timely material availability and effective cost control to focus on improving profit margins.
- In its Pharmaceuticals segment, the Company is able to manage pricing pressures and focus on quality assurance to minimise the possibilities of commoditisation. The in-house R&D is striving to develop cost effective products by redefining the production process.
- Developing external manufacturing facilities to make the products expeditiously and at lower cost.
- Developing new suppliers to mitigate the risk of higher input prices and non-availability of raw material in time. Micro level planning of inventory also places focus on handling inventory costs.

Foreign Currency and Interest Rate Exposures

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

To mitigate foreign currency related risks, the Company has a strategy in place to take measured risks through hedges and forward covers. The Company has a Foreign Exchange Risk Management Team which includes top management. This team formulates the foreign exchange risk management approach and reviews it dynamically to align it with developments in the external environment and business requirements. Further, if required, currency and interest rate swaps are taken on loans and interest rate exposures. A quarterly update on foreign exchange exposures, outstanding forward contracts and derivatives



The Company has developed a dedicated external manufacturing team which can help to outsource some capacities and capabilities in order to ensure quicker response to unforeseen market demand.

is placed before the Board. The Company also actively pursues opportunities for reduction in borrowing costs.

Capacity Planning and Optimisation

There is a risk that available production capacity is not aligned with market demand. Insufficient capacity threatens the Company's ability to meet demand and to be competitive, or excess capacity threatens the organisation's ability to generate competitive profit margins.

The Company ensures that capacities are well planned and optimised to respond to market realities in the following ways -

- The business teams regularly track the trends for each product to ensure that there is sufficient capacity to meet demand. The Company has robust processes in place to continuously monitor plant capacities and utilisation, drive improvements aligned with good manufacturing practices such as preventive maintenance schedules and modify 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 to build additional capacities without committing significant capital outlay thereby generating better return on investment.
- The Company has developed a dedicated external manufacturing team which can help to outsource some capacities and capabilities in order to ensure quicker response to unforeseen market demand.
- To mitigate excess capacity situations or lower asset utilisation, the Company continuously evaluates manufacturing of new intermediates by using existing assets thereby making the plants multi-purpose, thus improving flexibility.

Manufacturing Operations

- One of the key strengths of the company is its excellence in carrying out manufacturing activities with utmost efficiency. Hence, any risk that challenges the manufacturing operations would be a cause of concern. The Company has made an effort to identify such risks and be prepared to mitigate the same.
- Commitment to improving the processes by means of automation, regular trainings to workers, establishing clear SOPs (Standard Operating Procedures) and process guidelines will lead to reduction in cycle time and improvement in productivity.
- Any inconsistency in the availability of water may pose a threat to our manufacturing operations in India. As a proactive approach, operations team has been working on maximising the recycling of water from effluent streams and reduction of water intake at source.
- In its Pharmaceuticals segment, manufacturing problems could cause inventory shortages and delay product shipments and regulatory approvals, which may adversely affect the results of our operations. In order to generate revenue from our products, we must be able to produce sufficient quantities of our products to satisfy demand. Many of our products are the result of complex manufacturing processes. We may have to write-off the costs of manufacturing any batch that fails to pass quality inspection or meet regulatory approval. The manufacturing process for pharmaceutical products is also highly regulated and regulators may shut down manufacturing facilities that they believe do not comply with regulations. To mitigate these risks, the Company has put in place necessary quality systems and control measures have been implemented to ensure that the quality is maintained by process design. Continuous monitoring is being done by QC/ QA team to deliver highest quality products.

R&D Effectiveness

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

The Company has an effective strategy in place to mitigate these risks with earmarked budgets and investments in R&D commensurate with the business plans. R&D set up at various plant locations continuously works on cost reduction of existing products and development of new products using the same assets. Further, the focus is on development of processes within deadlines at optimum cost. The Company has institutionalised robust processes and proven R&D methodologies to ensure successful commercialisation and avoid unpleasant 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

The Company has committed substantial resources to acquire, retain and develop talent, given the competition for qualified and experienced human resources. Job enrichment is provided to employees at all levels. To execute its growth and diversification plans, while on one hand the Company continues to hire new, highly-skilled scientific and technical personnel staff, on the other hand employees get rewarded under Reward and Recognition Programme based on performance.

The Company realises that an insufficient focus on human resources processes (e.g. recruiting, talent management, labour management, development and training) threatens the ability of the Company to recruit and/or hold the qualified personnel required to maintain desired operational standards. Further, given the Company's dependence on R&D activity, it is imperative that it recruits and retains high quality R&D specialists. Lack of credible successors or effective knowledge transition mechanism may adversely affect the Company's position in case of unexpected departures from key positions.

As a part of our Strategic Talent & Succession Management Process, the leadership invests valuable time in identifying high potential and succession candidates for critical positions and planning their development for the next higher



role. Leadership Development programme and 360-degree feedback are conducted for these employees based on the Leadership Competency Framework of the organisation, helping the Human Resources department perform GAP analysis followed by capability development activities.

The GAP analysis is used to create individual development programme to develop the next line of managers. In certain businesses, sales trainees, recruited from campuses, are being groomed for future sales positions. The Company also recruits management trainees and graduate engineer trainees to build a strong talent pipeline.

Talent development is imperative for the success of businesses and therefore, training need identification is done during annual performance appraisal. This is included in the Company's training calendar and courses are designed to help employees perform their roles at their highest potential. Senior management employees at critical positions are also sent for customised general management programmes at premier institutes to prepare them for larger roles and also build cross-functional capability in the organisation.

The Company also understands the need to create a culture of high employee engagement as a method to retain talent in the organisation. Regular communication forums are organised in the form of Town Hall, Skip Meeting and New Joiner Assimilation programme to understand employee concerns and a structured mitigation process is developed for effective redressal.

Compliance and Regulatory

Regulatory affairs play a vital role in the development of all businesses. Due to constantly increasing regulatory obligations, new requirements as well as globalisation of market, the demands and responsibilities of business in terms of regulatory readiness are becoming stringent. We have REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals) regulations in 28 member countries of European Union and REACH like regulation in all major countries like China, Korea, Japan, Malaysia, Taiwan, Turkey etc. These regulations require registration and extensive data submission without which we cannot enter the market. There are also other major challenges in terms of meeting the requirements of other compliances like United Nations GHS (Globally Harmonised System), CLP (Classification, Labelling and Packaging) and other country specific GHS requirements.

Besides, there are other specific regulatory requirements that pertain to end use applications like biocides, pesticides, food and feed applications etc. which have various parameters depending upon the geography. These are being complied with for all businesses proactively.

Over the last few years, various regulators and law enforcing agencies are adopting a zero tolerance approach towards non-compliance. The Company needs to comply with a broad range of regulatory controls on testing, manufacturing and marketing of our products in the pharmaceuticals and life sciences space. Besides, there

are laws of many countries that the Company needs to comply with. In some countries, including the U.S, 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 for new products can mean that we do not recoup our R&D investment through the sale of final products. Any change in regulations or reassessment of safety and efficacy of products based on new scientific knowledge or other factors could result in the amendment or withdrawal of existing approvals to market our products, which in turn could result in revenue loss. This may occur even if regulators take action falling short of actual withdrawal.

The Company has adopted measures to address these stricter regulations by increasing the efficiency of our R&D process, reducing the impact of extended testing, timely submission of dossiers and ensuring timely product availability. The Company is proactively following-up with regulatory authorities regarding pending approvals and queries raised by authorities are addressed promptly. Further, estimation of risks on account of failure/ delay in obtaining approvals is duly considered while designing business plans. The Company has also put in place a compliance management system to ensure compliance with all applicable laws and regulations. The Company has a dedicated team of experts whose knowledge ensures that the global regulatory compliances are met and we can build competitive advantage. The Company also undertakes training and orientation programmes to keep the relevant process owners updated on new regulations and changes in the existing laws.

The Company is subject to Good Manufacturing Practices (GMP), which are extensive regulations governing manufacturing processes, stability testing, record keeping and quality standards as defined by USFDA.

In the Pharmaceuticals business, the Company always strives to conform to regulatory and compliance standards to meet stringent requirement of customers to ensure the medicines provide health care and wellness for the consumers. The Company's facilities are audited by multiple regulatory authorities on a periodic basis. Observations and recommendations based on such statutory audits serve as a means of communication regarding potential areas of corrective actions. Non-compliance with such observations could lead to further regulatory actions, to the detriment of our business. The Company has put in place necessary systems to prevent any violations or deviations.

Environment, Health and Safety (EHS)

The Company is aware of the rapid changes in the business environment such as increased global competition; more rigorous customer and societal demands; and extensive investor pressure. To face these challenges and ensure sustainability, excellence in Cost, Quality, Services, and Environment, Health and Safety is of paramount importance. The Company is committed to protecting

the environment and ensuring the health and safety of its employees, customers, and the public. It takes pride in managing its operations with a high concern for EHS.

Over the years, EHS excellence has been extensively promoted as a part of the Company's culture. It is also clearly reflected in the Company's policies on Sustainability, EHS, Responsible Care, Climate Change and Green supply chain. The Company does the "right things right" so that the employees, the community at large, and the environment, including natural resources, are protected. Leaving minimal environmental footprints is integral to the Company's EHS philosophy. On the road to achieving EHS excellence, the Company has adopted a top down approach and has been enhancing EHS initiatives by making it a line function responsibility through active employee consultation and participation.

Caring for the Environment is a core corporate promise and as a part of this commitment, high capital expenditure is being incurred on process improvements as well as up-gradation of environmental management facilities using the latest technologies that have helped to reduce environmental footprint. While end-of-the-pipe solutions are implemented, we are also making progress on initiatives for reduction of waste at source. Efforts to process more by-products and waste to make them reusable are paying off in terms of ecological and economic impact.

Investments were made for the up-gradation of process safety & enhanced process controls at our sites. Safety culture in terms of safe behavior is being aggressively promoted and propagated at workplace through 'Sanchetna' – a platform for encouraging identification and 360-degree correction of unsafe acts and conditions. Safety knowledge of the technical personnel is constantly updated through various external and in-house training programmes, including special training programmes by external experts & consultants.

All sites are equipped with an Occupational Health Centre (OHC) run by Occupational Health Physician. The sites run a comprehensive health assessment programme wherein the occupational health of the employees is assessed on a periodic basis. The OHC provides curative, advisory and health promotion services to the employees.

The Company proactively takes lead by actively engaging with government, industry forums and academia to support creation of responsible and practicable EHS regulations.

The Company has a full-fledged EHS team which is continuously addressing the issues of environmental safeguards by conducting periodical safety audits and training programmes.

Protecting Intellectual Property Rights (IPR)

Our efforts have helped us avoid any intellectual property issues by developing designed around research strategies, better understanding of emerging challenges, identifying newer opportunities and creating intellectual property which is well protected in defined geographies of our business interests. Our efforts have fructified and our intellectual properties have grown over the years.

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

The Company has a dedicated team of scientists whose primary task is to ensure that the products are manufactured using only non-infringing processes and compliance requirements are met by reviewing and monitoring IPR issues continuously.

Information technology (IT)

Information Technology today has become the backbone of any business. Robust IT strategy that includes adequate IT infrastructure, integrity, data confidentiality and data availability at all times is key for achieving business objectives of the company. Occurrence of any unforeseen threats to information technology systems could have adverse impact on data availability and continuity of business operations.

The Company has an information security framework based on the ISO/IEC 27001 standards that ensures all the information assets are adequately safeguarded. There is Information security steering committee at the apex level which gives directions and resources to manage information security of the company.

Most of the information technology assets are hosted in the data centres which are subject to appropriate physical and logical access controls. Various components of information technology like network, operating system, firewall, software license compliance, applications controls etc. are covered under the annual audit plans and appropriate corrective and preventive actions are taken based on audit findings.

Since employee awareness is an integral part of managing information security risk, company provides structured training to the employees through internal & external training programmes. The Company also publishes monthly Information Security newsletter to create end user awareness about information security risks and mitigation strategies.

Directors' Report

Your Directors are happy in presenting the Thirty Eighth Annual Report together with the Audited Standalone and Consolidated Financial Statements for the year ended March 31, 2016.

OVERVIEW

Jubilant Life Sciences Limited ('the Company' or 'Jubilant') is an integrated global Pharmaceutical and Life Sciences company engaged in manufacture and supply of Active Pharmaceutical Ingredients, Solid Dosage Formulations, Radiopharmaceuticals, Allergy Therapy Products and Life Sciences Ingredients. It also provides services in Contract Manufacturing of Sterile Products and Drug Discovery Solutions. The Company's strength lies in its unique offerings of Pharmaceutical and Life Sciences products and services across the value chain. With 11 world-class manufacturing facilities in India, US and Canada and a team of about 6,200 multicultural people across the globe, the Company is committed to deliver value to its customers spread across over 100 countries. The Company is well recognized as a 'Partner of Choice' by leading pharmaceuticals and life sciences companies globally. For more information, please visit the Company's website www.jubl.com.

RESULTS OF OPERATIONS AND STATE OF COMPANY'S AFFAIRS

(i) Standalone Financials

Income from Operations

In the Financial Year 2015-16, on standalone basis, the Company recorded income from operations of ₹ 26,562 million.

International Revenues

International business contributed 46% to the Net Revenue from operations at ₹ 12,339 million.

EBITDA

For the year ended March 31, 2016, Earnings before Interest, Taxes, Depreciation and Amortization ('EBITDA') stood at ₹ 4,026 million with EBITDA margins at 15%.

Reported Net Profit/ Loss after Tax and EPS

Reported Net Profit after Tax was ₹ 791 million in the Financial Year 2015-16. Basic Earnings Per Share ('EPS') stood at ₹ 4.96. However, Normalised Net Profit after Tax stood at ₹ 1,010 million after adjusting exceptional loss of ₹ 219 million, mainly on account of Foreign Currency Monetary Item Translation Difference Account ('FCMITDA') amortisation of ₹ 252 million on account of unrealised foreign exchange loss amortised over the tenure of the loan as per Indian Accounting Standards, foreign exchange gain of ₹ 37 million and mark-to-market book loss of ₹ 4 million on forward covers outstanding. Normalised EPS stood at ₹ 6.34 for the Financial Year 2015-16.

FINANCIAL RESULTS (STANDALONE)

(₹ /million)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Income from Operations	26,075	31,406
Other Operating Income	487	357
Total Income from Operations	26,562	31,763
Total Expenditure	23,153	29,001
Operating Profit	3,409	2,762
Other Income	617	1,064
EBITDA including Other Income	4,026	3,826
Depreciation	869	1,074
Finance Cost	2,024	2,271
Profit after Depreciation and Finance Cost but before Exceptional Items	1,133	481
Exceptional Item - (Gain)/ Loss	219	(1,982)
Tax Expenses	123	412
Reported Net Profit/ (Loss) After Tax	791	2,051
Profit brought forward from previous year	7,711	6,388
Adjustment on account of (deconsolidation)/ consolidation of Jubilant Employees Welfare Trust	-	(67)
Adjustment on account of revised useful life of fixed assets	-	(86)
PROFIT AVAILABLE FOR APPROPRIATION	8,502	8,286
Which the Directors have appropriated as follows:		
- Proposed Dividend on Equity Shares	478	478
- Tax on Dividend on Equity Shares*	37	97
- Transfer to General Reserve	-	-
Balance to be carried forward	7,987	7,711

*After reversal of dividend distribution tax provided on the proposed dividend for the year ended March 31, 2015 amounting to ₹ 60.21 million on dividend received from a subsidiary company during the year ended March 31, 2016.

(ii) Consolidated Financials

The Consolidated Financial Statements, prepared in accordance with the provisions of the Companies Act, 2013 (the 'Act'), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations') and Accounting Standard-21 on Consolidated Financial Statements (AS-21), form part of the Annual Report.

Income from Operations

In the Financial Year 2015-16, income from operations was ₹ 58,023 million, down from ₹ 58,262 million in the previous year.

International business contributed 73% to the Revenue from Operations at ₹ 42,595 million. Sales from key developed markets were at ₹ 35,432 million contributing 61% to the Revenue of the Company. Revenues from domestic market stood at ₹ 15,428 million, contributing 27% to overall revenues.

Pharmaceuticals Segment

This segment includes revenue lines of (i) Generics comprising Active Pharmaceutical Ingredients ('APIs') and Solid Dosage Formulations (ii) Specialty Pharmaceuticals (sterile products) comprising Radiopharmaceuticals, Allergy Therapy Products and CMO of Sterile Injectables (iii) Indian Branded Pharmaceuticals and (iv) Drug Discovery Solutions. In the Financial Year 2015-16, Income from Operations from this segment was ₹ 30,548 million contributing 53% to the total revenue and a growth of 14% for the Company. EBITDA stood at ₹ 8,895 million with margins being 29%, up from ₹ 4,447 million with 17% margin in the previous year.

Life Science Ingredients Segment

This segment comprises our Speciality Intermediates, Nutritional Products and Life Science Chemicals businesses. In the Financial Year 2015-16, income from operations from this segment stood at ₹ 27,475 million, down from ₹ 31,442 million in the previous year, contributing 47% to our overall revenues. EBITDA stood at ₹ 4,467 million with 16% margins for the year as compared to ₹ 3,220 million with 10% margins in the previous year. The segment performance was driven by better price realization in Nutritional Products and better performance in Fine Ingredients. The segment also witnessed volume reduction in Advance Intermediates due to lower demand of agrochemicals and increased competition in China. The Life Sciences Chemicals revenue were lower due to price led competition from crude derived substitutes and lower demand.

EBITDA and Net Profit

For the year ended March 31, 2016, EBITDA stood at ₹ 12,914 million with EBITDA margins at 22.3% compared to EBITDA of ₹ 7,317 million with margin of 12.6% in the previous year.

Net Profit after Tax was ₹ 4,315 million in the Financial Year 2015-16 with EPS of ₹ 27.09 for ₹ 1 paid-up share.

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, 2016. Total dividend payout of ₹ 514.91 million includes tax on dividend of ₹ 37 million (net of reversal of dividend distribution tax of ₹ 60.21 million for the year ended March 31, 2015, on account of dividend received during the year from a subsidiary company). The payment of dividend is subject to approval of the shareholders at the forthcoming Annual General Meeting ('AGM') of the Company.

CAPITAL STRUCTURE

(a) 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, 2016, the paid-up share capital stood at ₹ 159,281,139 comprising of 159,281,139 equity shares of ₹ 1 each.

(b) Employees Stock Option Plans (ESOPs)

The Company has two employees stock option plans namely Jubilant Employees Stock Option Plan 2005 ('Plan 2005') and JLL Employees Stock Option Plan 2011 ('Plan 2011'). During the year, there was no material change in Plan 2005 and Plan 2011 and both the plans are in compliance with SEBI (Share Based Employee Benefits) Regulations, 2014 (the 'SEBI ESOP Regulations').

Plan 2005: During the year, 81,178 options were exercised by the option holders. As on March 31, 2016, 8,467 Options were outstanding under the Plan 2005. Each Option entitles the holder to acquire five equity shares of ₹ 1 each of the Company at the exercise price fixed at the time of grant being the market value as per the erstwhile SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (the 'SEBI Guidelines').

Plan 2011: During the year, 523,080 Options were exercised by the option holders. As on March 31, 2016, 431,256 Options were outstanding under the Plan 2011. Each Option entitles the holder to acquire one equity share of ₹ 1 of the Company at the exercise price fixed at the time of grant being the market value as per the SEBI Guidelines.

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

The details pursuant to the SEBI ESOP Regulations have been placed on the website of the Company and weblink of the same is http://jubl.com/Uploads/image/177imguf_ESOP_Disclosure.pdf.

SUBSIDIARIES

As on March 31, 2016, the Company had 47 subsidiaries. Brief particulars of the principal subsidiaries are given below:

Jubilant Pharma Limited

Jubilant Pharma Limited, Singapore ('Jubilant Pharma') is the wholly-owned subsidiary of your Company. Jubilant Pharma holds the global pharmaceutical business of the Company through its subsidiaries in USA, Canada, Europe, India and rest of the world. These subsidiaries of Jubilant Pharma are engaged in manufacturing and marketing of various pharmaceutical products and services like APIs, oral dosage forms (tablets and capsules), contract manufacturing of sterile injectables, ointment, creams and liquids, allergy therapy products and radiopharmaceutical products.

Jubilant Generics Limited

Jubilant Generics Limited ('JGL') is a wholly-owned subsidiary of the Company through Jubilant Pharma. JGL owns two manufacturing locations; one at Nanjangud, Karnataka and another at Roorkee, Uttarakhand which are engaged in APIs and Dosage Forms business, respectively.

Jubilant Pharma Trading Inc.

This corporation incorporated in Delaware, USA is a wholly-owned subsidiary of Jubilant Pharma. It undertakes sales and distribution of APIs in the USA.

Cadista Holdings Inc. and Jubilant Cadista Pharmaceuticals Inc.

- i) Cadista Holdings Inc. ('Cadista'), a corporation incorporated in Delaware, USA, is a wholly-owned subsidiary of Jubilant Pharma Holdings Inc.
- ii) Jubilant Cadista Pharmaceuticals Inc., a corporation incorporated in Delaware, USA is a wholly-owned subsidiary of Cadista. This company is in the business of manufacturing solid dosage forms of generic pharmaceuticals at its U.S. Food and Drug Administration (USFDA) 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 on March 31, 2016, there were 25 products marketed in the US with focus in the therapeutic areas of CVS, CNS, Anti Allergic, Steroids, etc.

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 engaged in the contract manufacturing of sterile injectables, which includes, lyophilized products, liquid fills, biologics, suspensions, WFI/ diluents. This company provides a complete range of services to support drug manufacturing in the pharmaceutical and biopharmaceutical industries. Additionally, it is an innovator, manufacturer and distributor of allergenic extracts, targeted primarily at treating allergies and asthma.

Its contract manufacturing capabilities include aseptic liquid fill/ finishing and lyophilization of small lot parenterals for commercial and clinical requirements. Its capabilities can be applied to a variety of projects from pre-clinical through commercial scale across a multitude of dosage forms including microspheres, suspensions, WFI/ diluents, biologics

(proteins), lyophilized products and liposomes. Jubilant HollisterStier is approved across global regulated markets including FDA (both CDER and CBER), Europe, Japan, Brazil and Canada. Its contract manufacturing business serves customers including innovators ranging from small biotechnology to large pharmaceutical companies.

With nearly 100 years of leadership in research, extract production and immunotherapy products, the organization is respected worldwide in the field of allergy. Currently, the business is comprised of allergenic extracts and mixes, along with specialized skin test diagnostic devices. The business lays special emphasis on innovation towards introducing new products to treat and cure allergies.

Jubilant DraxImage Inc.

Jubilant DraxImage Inc. ('JDI') is a wholly-owned subsidiary of the Company through Jubilant Pharma. JDI develops, manufactures and markets radiopharmaceuticals used in Nuclear Medicine for the diagnosis, treatment and monitoring of various diseases. It serves hospital-based customers (Nuclear Medicine Physicians and Technologists) in addition to specialized radiopharmacies and through them patients, globally with high quality and reliable specialty products. The business is backed by a dedicated research and development team, specialized manufacturing, strong regulatory affairs and commercial operations. The areas of specialization include cardiac, lung and bone imaging as well as thyroid therapy. JDI employs around 150 skilled professionals and is based in Montreal, Canada, where it operates a manufacturing facility approved by USFDA and Health Canada.

JDI has earned and maintained market leadership in North America for several specialty niche products including I-131 Therapeutic & Diagnostic capsules for thyroid and cancer, Methylene-Diphosphonate (MDP) for bone imaging, Macro-Aggregated Albumin (MAA) for lung imaging, Diethylene Triamine Penta-acetic Acid (DTPA) for renal and brain imaging.

JDI intends to expand the range of product offerings and consolidate its market share for Radiopharmaceuticals in North America. It is also expanding in markets such as Latin America, Europe and Asia through collaboration and contractual arrangements with partners and new distribution channels to drive growth in the current and pipeline products.

Jubilant DraxImage Limited

This is a wholly-owned subsidiary of the Company through DraxImage Limited, Cyprus. It operates under the Jubilant India Branded Pharmaceuticals Banner in India. This company is engaged in marketing of innovative diagnostic imaging, radiopharmaceutical solution and therapeutic radiopharmaceutical products. Presently JDI, India is marketing Lyophilized kits like Sestamibi, DTPA MDP and MAA in India and rest of the world. It is also involved in distribution of wide range of radioisotopes which include Tc-99m Generator (used in the diagnosis of Bone Cancer, Renal Imaging, Cerebral Perfusion Imaging and Myocardial Perfusion Imaging), Thallium-201 and Iodine-131 capsules and solution (for the diagnosis and treatment of Thyroid and its related disease), Lutetium-177 and Gallium-68 generator

via various partnerships across the South Asia. The target customers are Nuclear Medicine physicians, Cardiologists and Oncologists of various hospitals and imaging labs.

Jubilant Pharmaceuticals NV

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

PSI Supply NV

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

Jubilant Life Sciences NV

This is a wholly-owned subsidiary of the Company. 99.99% of its shares are held by the Company and the balance by Jubilant Infrastructure Limited. It is engaged in the supply of bulk chemicals such as ethyl acetate, acetic anhydride, etc. and vitamins (feed and food grade) to the European markets.

Jubilant Pharma NV

This is a wholly-owned subsidiary of the Company through JGL, India and Jubilant Pharma. This company holds shares of Jubilant Pharmaceuticals NV (99.8%) and PSI Supply NV (99.5%) along with Jubilant Pharma which holds the balance shares.

Jubilant Biosys Limited

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

This company provides Drug Discovery Services to global pharmaceutical and biotech companies in:

- Standalone Service Model
 - Functional services in the areas of Discovery Informatics, In Vitro Biology, In Vivo Biology, Structural Biology, Computational Chemistry, DMPK and Toxicology on Full Time Equivalent (FTE) or Fee For Service (FFS) based model
- Collaborative/ Partnership Model
 - Integrated discovery program across a single or a portfolio of molecules
 - Shared risk model
 - Milestone and Hybrid Model
- Research Funding
- Payments for scientific milestones including bonus achieved through Discovery and Development phase
- Royalties on successful commercialization of drug

Jubilant Chemsys Limited

This company is a wholly-owned subsidiary of the Company through Jubilant Drug Development Pte. Ltd., Singapore. This company offers the following services to drug discovery companies of US, Europe and rest of the world on Full Time Equivalent, Fee For Service and Hybrid Model in:

- Synthetic Organic Chemistry
- Combinatorial Chemistry
- Medicinal Chemistry
- Process Research & Development and Manufacturing
- Scale up services and
- GMP Manufacturing-Clinical Supply

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

Jubilant Clinsys Limited

This company is a wholly-owned subsidiary of the Company through Jubilant Drug Development Pte. Ltd., Singapore.

This company is engaged in providing Pharmacovigilance, Medical Writing, Electronic Data Capturing and Staffing Solution services to external and internal customers.

Jubilant Clinsys Inc.

This New Jersey based USA Corporation is a wholly-owned subsidiary of Jubilant Pharma Holdings Inc. This company provides Clinical Research Data Management services through TrialStat platform.

Jubilant Discovery Services Inc.

This Delaware based USA Corporation is a wholly-owned subsidiary of Jubilant Biosys Limited. This company is providing Ion channel screening capabilities using electrophysiology and atomic absorption spectroscopy, Assay development, medium-high-throughput screening, comprehensive cell-culture related capabilities to Mnemosyne, Orion, Jansen Pharmaceutical NV, Adhaere Pharmaceuticals and GSK. Apart from Fee For Services, it also provides sales, marketing and liaising services to Jubilant Biosys Limited and Jubilant Chemsys Limited.

Jubilant Infrastructure Limited

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

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

The Company has set up two units in this SEZ and both the units have commenced commercial production. The finished products of Unit-1 and Unit-2 are fully backward integrated and are using in-house developed innovative technologies.

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

Jubilant First Trust Healthcare Limited

Jubilant First Trust Healthcare Limited ('JFTHL') is a wholly-owned subsidiary of the Company.

During the year, First Trust Medicare Private Limited ('FTMPL'), a wholly-owned subsidiary of the Company, merged into JFTHL effective from September 4, 2015, in accordance with a Scheme of Amalgamation, Compromise and Arrangement ('Scheme') approved by the Hon'ble High Court of Allahabad. Pursuant to the Scheme, paid-up share capital of JFTHL reduced.

Jubilant Life Sciences (USA) Inc.

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

Jubilant Life Sciences (Shanghai) Limited

This wholly-owned subsidiary of the Company is held through Jubilant Pharma. It undertakes sales and distribution of products in China. This company is engaged in trading of advance intermediates (pyridine and its derivatives), specialty ingredients and nutrition products. 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.

Other subsidiaries are mentioned below:

Jubilant Innovation Pte. Limited
Jubilant Biosys (Singapore) Pte. Limited
Jubilant Drug Development Pte. Limited
Drug Discovery and Development Solutions Limited
Jubilant Life Sciences International Pte. Limited
Jubilant Innovation (BVI) Limited
Jubilant Life Sciences (BVI) Limited
Jubilant Biosys (BVI) Limited
Jubilant Innovation (USA) Inc.
Jubilant Pharma 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

6963196 Canada Inc.

6981364 Canada Inc.

DAHI Animal Health (UK) Limited

Draximage (UK) Limited

Jubilant Drug Discovery & Development Services Inc.

Jubilant Life Sciences (Switzerland) AG

Vanths Pharmaceutical Development Private Limited

Jubilant Innovation (India) Limited

First Trust Medicare Private Limited (Merged into Jubilant First Trust Healthcare Limited effective from September 4, 2015.)

PERFORMANCE AND FINANCIAL POSITION OF SUBSIDIARIES

The performance and financial position of the subsidiaries are given in Form AOC-1 attached to the Financial Statements for the year ended March 31, 2016.

PARTNERSHIPS

Jubilant HollisterStier General Partnership

It is a Canada based partnership managed by two subsidiaries of the Company - Jubilant HollisterStier Inc. and Draxis Pharma LLC. This partnership provides contract manufacturing services. It manufactures products in two categories: sterile products and non-sterile products. Sterile products include liquid and freeze-dried (lyophilized) injectables and sterile ointments and creams. Non-sterile products include non-sterile ointments, creams and liquids.

Draximage General Partnership

It is a Canada based partnership managed by two subsidiaries of the Company - Jubilant DraxImage Inc. and 6981364 Canada Inc.

STATUTORY AUDITORS

M/s B S R & Co. LLP, Chartered Accountants ('BSR') was appointed as the Statutory Auditors of the Company at the 36th Annual General Meeting of the Company to hold office until the conclusion of Annual General Meeting to be held in the year 2018, subject to ratification by the members at every Annual General Meeting. BSR has confirmed that ratification of their appointment, if made at the ensuing AGM, shall be in accordance with the conditions specified in the Act.

The Auditors' Reports for the Financial Year 2015-16 do not contain any qualification, reservation, adverse remark or disclaimer.

COST AUDIT

Pursuant to Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014, the Central Government has prescribed audit of cost records for certain products. Accordingly, the Company needs to carry out cost audit of its products. Based on the recommendations of the Audit Committee, the Board of Directors has re-appointed M/s J. K. Kabra & Co., Cost Accountants as Cost Auditors of the Company to conduct cost audit for the Financial Year 2015-16.

SECRETARIAL AUDIT

The Board had appointed M/s Sanjay Grover & Associates, Company Secretaries to conduct Secretarial Audit pursuant to the provisions of Section 204 of the Act for the Financial Year 2015-16. The Report of the Secretarial Auditors is attached as **Annexure-1** to this Report. The Report for the Financial Year 2015-16 does not contain any qualification, reservation, adverse remark or disclaimer.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

The shareholders have approved the appointment of Dr. Ashok Misra as an Independent Director at the 37th AGM of the Company held on September 1, 2015. Mr. Shardul S Shroff has resigned from the Board of Directors of the Company effective from May 24, 2016.

Mr. Shyam S Bhartia retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment. The Board recommends his re-appointment.

The present term of Mr. Hari S Bhartia as Co-Chairman and Managing Director of the Company shall expire on March 31, 2017. The Board recommends re-appointment of Mr. Hari S Bhartia as Co-Chairman and Managing Director of the Company effective from April 1, 2017 for a further term of five years.

MEETINGS OF THE BOARD

Four meetings of the Board of Directors of the Company were held during the Financial Year 2015-16.

DECLARATION OF INDEPENDENT DIRECTORS

All Independent Directors have given declaration that they meet the criteria of independence as provided under Section 149 of the Act and Regulation 16 of the Listing Regulations.

APPOINTMENT AND REMUNERATION POLICY

The Company has implemented an Appointment and Remuneration Policy pursuant to the provisions of Section 178 of the Act read with Clause 49 of the erstwhile Listing Agreement (corresponding to Regulation 19 of the Listing Regulations). The Policy has been disclosed in the Corporate Governance Report attached to this Report.

ANNUAL PERFORMANCE EVALUATION OF THE BOARD

A statement on annual evaluation by the Board of its performance and performance of its Committees as well as individual Directors forms part of the Corporate Governance Report attached to this Report.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) 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, 2016 and of the profits of the Company for the year ended March 31, 2016;

- (iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
 - (iv) the Directors have prepared the annual accounts on a going concern basis;
 - (v) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively.
- Based on the framework of internal financial controls including the Control Manager for financial reporting and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors and the reviews performed by the management and the relevant Board committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the Financial Year 2015-16; and
- (vi) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

COMPOSITION OF AUDIT COMMITTEE

As on date, the Audit Committee comprises of Mr. S. Sridhar, Chairman, Ms. Sudha Pillai and Dr. Ashok Misra. The Board has accepted all the recommendations made by the Audit Committee.

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 disclosed pursuant to Section 134 of the Act read with the Companies (Accounts) Rules, 2014, is given as **Annexure-2** and forms part of this Report.

EMPLOYEES

Particulars of Directors and Employees, as required under Section 197(12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are given as **Annexure-3** and form part of this Report.

RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS

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 financial control systems play a key role in directing and guiding the Company's activities by

continually preventing and managing risks. The Board, Audit Committee and Senior Management team collectively set the overall tone and risk culture of the Company by identifying the risks impacting the Company's business and documenting the process of risk identification, risk minimization and risk optimization as a part of the 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 reviewed on a periodic basis by the Board. Some of the critical risks identified in various businesses of the Company are:

- Competition, Cost Competitiveness and Pricing
- Foreign Currency and Interest Rate Exposures
- Capacity Planning and Optimization
- Manufacturing Operations
- R&D Effectiveness
- Human Resources- Acquire and Retain Talent
- Compliance and Regulatory
- Environment, Health and Safety
- Protecting Intellectual Property Rights
- Information Technology

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.

Implementation of Internal Financial Controls

To compete globally, world class Corporate Governance and Financial Control over operations are a must for Jubilant. The Internal Financial Controls as mandated by the Companies Act, 2013, not only require a certification by the CEO-CFO but also put an obligation on the Board of Directors to ensure that the Internal Financial Controls are adequate and operating effectively. Besides, the Statutory Auditors are also required to give an opinion on the adequacy and effectiveness of Internal Controls for Financial Reporting ('ICFR').

To make the internal financial control framework robust in Jubilant, we have worked on three lines of defense strategy which is as under:

- First Line of Defense: Build internal controls into operating processes - To this end, we have ensured that a detailed Delegation of Authority is issued, SOPs for the processes are created, financial decision making is made through Committees, IT controls are built into the processes, Segregation of Duties are made, strong budgetary control framework exists, the Entity level controls including Code of Conduct, Code of Ethics, Ombudsman Office are put in place, etc.
- Second Line of Defense: Create an efficient review mechanism - We created a review mechanism under which all the business units and functions are reviewed

for performance at least once in a month by the respective CEOs and once in a quarter, by the Corporate team. The formats for these reviews are detailed and finalized with the help of global consulting firms.

- Third Line of Defense: Independent assurance – We have appointed a Big Four firm as our internal auditors and which are doing systematic independent audit of every aspect of the business to provide independent assurance on the effectiveness of the internal controls and highlight the gaps for continuous improvement.

We have implemented a program under which more than 2000 financial controls are established and confirmation that such controls are being exercised is made every quarter by the relevant process owners before the financial results are closed for the quarter. This confirmation of control mechanism called 'Control Manager' is run through a work flow based IT tool and it forms the backbone of the CEO-CFO certification stipulated by Clause 49 of the Listing Agreement [corresponding to Regulation 17(8) read with Part B of Schedule II to the Listing Regulations in India].

During FY 2015-16, we also started another journey for review and strengthening of Internal Financial Controls under which the entire control library and Risk and Control Matrix were reviewed and re-written. The entire exercise of review and re-writing of controls was conducted by an in-house team of professionals with the help of a Big Four firm. The revised control framework after such review was tested for design effectiveness and operational effectiveness by the Statutory Auditors and they have given an affirmative opinion about the adequacy and effectiveness of Internal Controls for Financial Reporting in the Company.

The Company has two main business segments namely Pharmaceuticals and Life Science Ingredients. Each segment has a complete management set up with CEO, CFO and other functional heads who are responsible for running the operations and report to the Chairman/Co-Chairman and Managing Director and the Corporate Committee.

To improve the controls in operations, we have established, for each line of business, the concept of financial decision making through operational committees.

A detailed note on Internal Control Systems and Risk Management is given in the '**Management Discussion and Analysis Report**'.

CERTIFICATIONS

The Company follows several externally developed initiatives in the economic, environmental and social areas. Manufacturing plants at Gajraula, Nira, Savli and Ambarnath are ISO 9001:2008 certified for Quality Management System. Further, plants at Gajraula, Nira and Savli are ISO 14001:2004 certified for Environmental Management System and OHSAS 18001:2007 for Occupational Health and Safety at Work Place. Unit-1 of plant at Bharuch is certified for ISO 9001:2015 for Quality Management System, ISO 14001:2015 for Environmental Management System and OHSAS 18001:2007 for Occupational Health and Safety at Work Place. Plants at Gajraula, Nira, Savli and Bharuch are also certified for IMS (Integrated Management System).

ANU (Animal Nutrition Unit) at Savli is certified for FAMI-QS

Code Version 5.1 in Feed Safety Management System. Vitamins plant at Bharuch is certified for FAMI-QS Code Version 5.1 (in Feed Safety Management System), Kosher, Halal-India, Halal-Malaysia, Halal Indonesia, ISO 22000:2005 (in Food Safety Management System), HACCP (Hazard Analysis and Critical Control Points), GMP (Good Manufacturing Practices) and FSSC 22000 (Global Food Safety) Compliance.

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. Gajraula Carbon Dioxide manufacturing facility has been certified for FSSC 22000:2010 (Food Safety System Certification) for production and dispatch of food grade Carbon Di-oxide for Beverages. Moreover, our Carbon Dioxide product is approved by Food Safety and Standards Authority of India (FSSAI). Gajraula manufacturing facility has been Kosher approved for 9 core products i.e. 2 Acetyl Pyridine, 3 Hydroxyl Methyl Pyridine, Acetic Anhydride, Beta Picoline, Cetyl Pyridinium Chloride, Ethyl Acetate, Glacial Acetic Acid, Niacin and Pyridine. The facility is also Halal Certified for the products Acetic Anhydride, Ethyl Acetate, Cetyl Pyridinium Chloride Monohydrate, 2 Acetyl Pyridine and Pyridine.

Cetyl Pyridinium Chloride Monohydrate has been approved during the year by the Food and Drug Administration (FDA), Government of Uttar Pradesh.

Nira facility is approved by Kosher for Ethyl Acetate, Acetic Anhydride and Ethyl alcohol and is Halal certified for Ethyl Acetate and Acetic Anhydride plants.

HUMAN RESOURCES

Our employees are backbone of the Company's growth strategy and play a vital role in ensuring sustainable business growth and future readiness. The Company has been focusing on strengthening its talent management and employee engagement processes through clear role expectations with specific and well defined Key Performance Indicators for each role. We believe in creating a culture of performance and merit that provides all our employees with opportunities to excel, learn and progress. We have been focusing on attracting the best talent from India's leading campuses to have a steady flow of fresh talent, thereby creating a strong pool of internal talent.

Our well defined Leadership Competency Framework lays tremendous focus on outlining a common leadership culture throughout the organization. We reinforce the leadership values through development initiatives like Development Centres and 360° Feedback. All the initiatives are backed by an action oriented development plan. The development initiatives lay the foundation of our talent pipeline.

With the aim of becoming one of the preferred employers in the industry, the Company also participated in the Great Place to Work survey in the year 2015. The results of the survey will enable us to re-design our practices and address areas that concern our employees.

As on March 31, 2016, a total of 396 employees at our manufacturing plants at Savli, Nira and Gajraula were either members of unions or had collective bargaining capabilities. During the year, we enjoyed cordial relations with our employees and there have been no instances of labour unrest

or disputes at any of the manufacturing sites.

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

A detailed note on Human Resource Management is given in the '**Management Discussion and Analysis Report**'.

INVESTOR SERVICES

With a view to keep its investors well informed of its activities, the Company has taken the following initiatives:

- E-mailing quarterly results and press releases to the shareholders soon after they are sent to the stock exchanges; e-mailing Annual Reports and Corporate Sustainability Reports;
- Maintaining user friendly Investor Section on the website of the Company www.jubl.com;
- A dedicated e-mail address viz. investors@jubl.com for interacting on various matters with respect to share transfer, transmission, dividends and other related issues with the Company Secretary and Compliance Officer;
- Mailing feedback forms to the investors on an annual basis so as to obtain valuable feedback and suggestions for improvement. The Company has also placed an online Investor Feedback form on its website www.jubl.com under the head 'Investor Feedback Form' to facilitate electronic submission of the Form;
- Earnings Presentation and Release detailing the quarterly results are uploaded on the website (www.jubl.com). Earnings call is typically conducted post announcement of results as per the schedule mentioned in the Concall Invite, which is also uploaded on the website of the Company. Earnings calls playback is made available on the link shared in the Concall Invite and transcripts are uploaded on the website of the Company.
- The Company's management also meets investors and analysts from time-to-time at their request.
- The presentation and meeting schedule of Roadshows attended by the Company are uploaded on the website after intimating the same to the Stock Exchanges.

AWARDS AND ACCOLADES

During the year, various awards and accolades were received by the Company like:

- 16th Annual Greentech Environment Award 2015 (Gold Category), conferred under the Chemicals and Pharmaceutical sector category - Gajraula plant, India
- Gold Award in Ankleshwar Chapter Convention on Quality Concepts 2015 (ACCQC) competition organized by Quality Circle Forum of India (QCFI), Ankleshwar presented to our Bharuch plant, India
- Golden Peacock National Quality Award for Quality, Training, Business Excellence and Innovative Product /

Service 2015, presented at Dubai Global Convention, organized by the Institute of Directors

- Safety Innovation Award from the Institution of Engineers (India), Delhi Chapter for implementing Innovative Safety Management Systems at Nanjangud Plant, India
- Uththama Suraksha Puraskara from National Safety Council, Karnataka Chapter - Nanjangud Plant, India
- Two Honors at the 10th Annual CIO100 Awards by CIO Magazine - CIO100 Innovation Architect Special Awards 2015 and Versatile 100 honorees

VIGIL MECHANISM

The details of Vigil Mechanism (Whistle Blower Policy) adopted by the Company have been disclosed in the Corporate Governance Report attached to this Report and form an integral part of this Report.

GREEN INITIATIVES

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

- Conducting paperless Board/ Committee Meetings;
- Uploading the Corporate Sustainability Report on the website of the Company (instead of circulating in paper or CD form) and providing its weblink to the shareholders alongwith the Annual Report; and
- E-mailing Annual Reports to the shareholders whose e-mail addresses are provided by the depositories or who have opted for the electronic version.

CORPORATE SOCIAL RESPONSIBILITY

Jubilant's approach to sustainable development focuses on the triple bottom line of Economic, Environmental and Social performance. Corporate Social Responsibility ('CSR') is an integral part of the social performance of the Company. At Jubilant, CSR is the commitment of the Company to contribute towards inclusive growth. The thrust of CSR initiatives is to create value in the lives of the communities around the area of operations of the Company, which is an important stakeholder. Following are the highlights of CSR at Jubilant:

- During the Financial Year 2015-16, Jubilant continued its CSR initiatives in various sectors.
- Following the approach of 'triple bottom line', Jubilant has been publishing its Corporate Sustainability Report based on the Global Reporting Initiative ('GRI') guidelines, which is externally verified.
- Rated A+ by GRI for Corporate Sustainability Report since 2007 onwards. The report is available on the Company's website www.jubl.com.
- During the year, the Company has initiated the process for obtaining the Responsible Care Certification i.e. RC 14000 which will add value in its sustainability efforts.

CSR initiatives of the Company are conceptualized and implemented through Jubilant Bhartia Foundation ('JBF'), the social wing of Jubilant Bhartia Group, established in 2007 as a not-for-profit organization. JBF works on 4P model (Public-

Private-People-Partnership) for empowering communities and believes that for sustainable social intervention, participation of communities must be ensured in the Company's CSR projects/ programmes. Jubilant's role is to act as a catalyst and facilitate the process. The social initiatives of the Company are in line with the United Nations Millennium Development Goals.

JBF in partnership with Schwab Foundation for Social Entrepreneurship has been conferring Social Entrepreneur of the Year (SEOY) Award in India since the year 2010. The award celebrates mature-stage social entrepreneurs and their organizations that implement innovative, sustainable and large-scale solutions to address poverty, indignity and the lack of basic services and resources in 'Bottom of the Pyramid' and ultra-poor communities. They work in areas as diverse as health, education, job creation, water, clean energy, building identity and entitlements and access to information and technology. Whether they set up social businesses, hybrid social ventures or not-for-profit organizations, the primary focus of social entrepreneurs is large-scale, transformational impact.

SEOY does not fall in the purview of CSR activities pursuant to the provisions of Schedule VII to the Act. We shall, however, continue to confer the SEOY award over and above CSR budget of the Company in view of the social benefits of the award.

JBF's detailed activities are available on its website www.jubilantbhartiafoundation.com. Annual Report on CSR including contents of the CSR Policy is attached as **Annexure-4** to this Report.

Last year, Jubilant Pharma had taken loan from International Finance Corporation ('IFC'). Post the Environmental & Social ('E&S') due diligence of Jubilant Pharma's business, IFC had suggested optimisation through time bound Environmental and Social Action Plan to match Jubilant Pharma's operating system with IFC's Performance Standard requirements. Jubilant Pharma has completed the action plan and ensured compliance with the relevant IFC Performance Standards in a timely manner.

In addition, Jubilant Pharma also submits the Annual Monitoring Report to IFC.

OTHER DISCLOSURES

- Extracts of Annual Return:** Pursuant to the provisions of Section 92 of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014, extract of the Annual Return is attached as **Annexure-5** to this Report.
- Public Deposits:** No deposits have been accepted by the Company during the year from the public. The Company had no outstanding, overdue, unpaid or unclaimed deposits at the beginning and end of the Financial Year 2015-16.
- Loans, Guarantees and Investments:** Details of loans, guarantees/ securities and investments along with the purpose for which the loan, guarantee or security is proposed to be utilised by the recipient have been disclosed in Note nos. 13, 16, 32, 34 and 35 of the Notes to the Standalone Financial Statements.

- iv. Particulars of Contracts or Arrangements with the Related Parties: The Company has formulated a policy on Related Party Transactions ('RPTs'), dealing with the review and approval of RPTs. During the Financial Year 2015-16, the Board of Directors of the Company approved the revised criteria for granting omnibus approval for RPTs by the Audit Committee within the overall framework of the policy on RPTs. Prior omnibus approval is obtained for RPTs which are of repetitive nature. All RPTs are placed before the Audit Committee for review and approval.

All RPTs entered into during the Financial Year 2015-16 were in the ordinary course of business and on arm's length basis. No material RPTs were entered into during the Financial Year 2015-16 by the Company as defined in the Policy of the Company on Materiality of Related Party Transactions. Accordingly, the disclosure of RPTs as required under Section 134(3)(h) of the Act in Form AOC 2 is not applicable. Your Directors draw attention of the members to Note no. 52 to the Standalone Financial Statements which sets out the Related Party disclosures.

- v. Material Changes in Financial Position: No material change or commitment has occurred after the close of the Financial Year 2015-16 till the date of this Report, which affects the financial position of the Company.
- vi. Orders passed by Courts/ Regulators: No significant or material order has been passed by the regulators or courts or tribunals impacting the going concern status of the Company or its future operations.

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 is attached as **Annexure-6** and forms part of this Report. A certificate from a Practising Company Secretary confirming compliance with the conditions of Corporate Governance, as stipulated in

Clause E of Schedule V to the Listing Regulations is attached to the Corporate Governance Report.

The Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for Directors and Senior Management for the year ended March 31, 2016. A certificate from the Co-Chairman & Managing Director confirming the same is attached to the Corporate Governance Report.

A certificate from the CEO and CFO confirming correctness of the financial statements, adequacy of internal control measures, etc. is also attached to the Corporate Governance Report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report on the operations of the Company as provided under the Listing Regulations has been given separately and forms part of this Report.

ACKNOWLEDGMENTS

Your Directors acknowledge with gratitude the co-operation and assistance received from the Central and State Government authorities. Your Directors thank the shareholders, 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 the 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

Shyam S Bhartia

Chairman
(DIN: 00010484)

Hari S Bhartia

Co-Chairman & Managing Director
(DIN: 00010499)

Place: Noida
Date: May 24, 2016

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2016

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Jubilant Life Sciences Limited
(CIN: L24116UP1978PLC004624)
Bhartiagram, Gajraula, District Amroha,
Uttar Pradesh-244223

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Jubilant Life Sciences Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

We report that-

- a) Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- b) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed, provide a reasonable basis for our opinion.
- c) We have not verified the correctness and appropriateness of the financial statements of the Company.
- d) Wherever required, we have obtained the Management representation about the compliances of laws, rules and regulations and happening of events etc.
- e) The compliance of the provisions of the corporate and other applicable laws, rules, regulation and standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
- f) The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2016 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place

to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder/ Companies Act, 1956 (wherever applicable);
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (wherever applicable);
- (v) The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015/ the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014;
 - (e) *The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
 - (g) *The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - (h) *The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and
 - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 applicable w.e.f. December 1, 2015;

* No event took place under these regulations during the Audit period.

We have also examined compliance with the applicable clauses of the following-

- (i) Secretarial Standard on Meetings of the Board of Directors issued by The Institute of Company Secretaries of India applicable w.e.f. July 01, 2015.
- (ii) Listing Agreements (applicable upto November 30, 2015) entered into by the Company with BSE Limited and the National Stock Exchange of India Limited.

During the Audit Period, the Company has complied with the provisions of the Act, Rules, Regulations and Guidelines, to the extent applicable, as mentioned above.

- (vi) The Company's Businesses comprise of products and services across Pharmaceuticals and Life Science Ingredients. The Company has manufacturing facility of ANU (Animal Nutrition Unit) at Savli near Vadodara, Gujarat, Vitamins plant at Bharuch in Gujarat, Pyridine & Picolines manufacturing at Gajraula in Uttar Pradesh, Fine Ingredients manufacturing at Gajraula in Uttar Pradesh and Ambernath in Maharashtra, Ethyl Acetate, Acetic Anhydride and Carbon Dioxide manufacturing facility at Nira in Maharashtra and Gajraula in Uttar Pradesh. As informed by the management, following are some of the laws specifically applicable to the Company:-

- Narcotics Drugs and Psychotropic Substance Act, 1985 and rules made thereunder;
- Legal Metrology Act, 2009 and rules made thereunder;
- Boilers Act, 1923 and rules made thereunder;
- Essential Commodities Act, 1955 and rules made thereunder;

We have checked the compliance management system of the Company to obtain reasonable assurance about the adequacy

of systems in place to ensure compliance of specifically applicable laws and this verification was done on test basis. We believe that the Audit evidence which we have obtained is sufficient and appropriate to provide a basis for our audit opinion. In our opinion and to the best of our information and according to explanations given to us, we believe that the compliance management system of the Company seems adequate to ensure compliance of laws specifically applicable to the Company.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the audit period under review were carried out in compliance with the provisions of the Act.

Adequate notices were given to all directors of the Board Meetings; Agenda and detailed notes on agenda are sent in advance of the meetings and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting for meaningful participation at the meeting.

Board decisions are carried out with unanimous consent and therefore, no dissenting views were required to be captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For Sanjay Grover & Associates
Company Secretaries
Firm Registration No: P2001DE052900

New Delhi
May 24, 2016

Sanjay Grover
Managing Partner
CP No.: 3850

Disclosures under Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014

A. CONSERVATION OF ENERGY

i) Steps taken or impact on conservation of energy

- Reduced Steam Norm in Acetaldehyde plant at Gajraula
- Reduced fuel cost in Acetic Anhydride Plant at Gajraula
- Reduction of Coal Consumption by reducing the fines in Coal at Gajraula
- Reduced steam distribution losses at Gajraula
- Increase in utilization of Extraction Steam in Acetic Anhydride plant at Gajraula
- Improvement in steam consumption norm in distillery plant at Nira
- Cost savings on maximizing imported coal in boilers at Nira
- Reduced power consumption in Chilling Plant at Ambernath
- Minimised Biogas consumption in Acetic Anhydride furnaces by providing Air Preheater at Nira
- Reduction in Steam Norm in Niacinamide at Bharuch.
- Reduction in Power Norm in Thermic Fluid heater at Bharuch

ii) Steps taken by the Company for utilizing alternate sources of energy

The Company recognizes the reality of climate change and its impact. To bring down the carbon foot print, the Company continuously strives to use renewable energy. Biogas and Biomass are the key renewable energy sources in the overall energy mix of the Company. In the Financial Year 2015-16, 4.11% of the total energy consumed in the plants was from renewable sources. This amounts to energy equivalent to 0.36 peta joules.

iii) Capital investment on energy conservation equipments

Capital investment on energy conservation equipments for the Financial Year 2015-16: ₹ 28.7 million.

B. TECHNOLOGY ABSORPTION

i) Efforts made towards technology absorption

At Jubilant, Research & Development is the manifestation of our belief in innovation and quality that fuels our business aspirations. Well-qualified scientists working in multi-location state-of-the-art R&D centres focus on delivering innovative, quality products and platforms across the value chain of pharmaceutical research. The Company focuses on world-class R&D and has, over a period of time, built significant expertise in Drug formulation research, Contract research, Novel Drug Delivery Systems research, Drug Discovery research, Chemical research pertaining to APIs, Radiopharmaceuticals, advance intermediates, fine ingredients and biological support including pharmacokinetics and clinical research.

The R&D team focuses on generics research including APIs and across dosage forms, radiopharma, chemistry/process development of advance intermediates, fine ingredients, contract research, analytical research and biological support including pharmacokinetics and clinical research. R&D supports the activities of various businesses through new product, process development, process intensification, absorption of technologies and establishing technologies at commercial scale. Our R&D thrives on 'green chemistry culture' and has developed various environment friendly technologies wherein many batch processes have been replaced by continuous processes, incorporated optimum atom efficiencies, recycling and reuse of solvents/ reagents/ by-products targeting towards zero discharge of effluents, removal/ substitution/ minimization of hazardous chemicals and replacing chemical processes with enzymatic/chemo catalysis processes.

ii) Benefits derived like product improvement, cost reduction, product development or import substitution

We dedicate considerable resources to R&D in order to develop new as well as improved products and processes, which in turn create value for our customers. Our R&D efforts have helped us in avoiding any intellectual property dispute by identifying newer opportunities, better

understanding of emerging challenges, developing alternative/innovative research strategies and creating intellectual property which is well protected in defined geographies of our business interests. Our efforts have fructified into intellectual properties, which have grown over the years creating a strong position in generic pharma businesses in regulated markets.

We have evolved our production technologies including specialized proprietary know-how over a period of time. We keep our options to licence-in/licence-out technologies/know-how to accelerate business interest.

During the year, the Company has filed a number of unique inventions and patent applications. The Company has been granted patents across Jubilant Pharma and Life Science Ingredients businesses in the areas of APIs, Chemicals, Dosage Forms, Radiopharmaceuticals and Allergy.

We have been conferred with various prestigious awards nationally for R&D work.

iii) Imported Technology

Not Applicable.

iv) Expenditure incurred on Research and Development

(₹ /million)

Sr. No.	Particulars	2015-16	2014-15
(a)	Capital	12.34	288.81
(b)	Recurring	131.16	251.47
Total		143.50	540.28

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

(₹ /million)

Particulars	2015-16	2014-15
Foreign exchange outgo in terms of actual outflows	9,430	11,968
Foreign exchange earned in terms of actual inflows	12,344	15,785

Particulars prescribed under Section 197(12) of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

PART A:

- i) The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the Financial Year 2015-16, the percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary, in the Financial Year 2015-16 and the comparison of the remuneration of each Key Managerial Personnel ('KMP') against the performance of the Company are as under:

Sr. No.	Name and Designation of Director/ KMP	Remuneration during Financial Year 2015-16 (In ₹)	% increase in Remuneration	Ratio of remuneration of each Director to median remuneration of employees	Comparison of the remuneration of the KMP against performance of the Company
1	Mr. Shyam S Bhartia Chairman	–	–	–	
2	Mr. Hari S Bhartia Co-Chairman & Managing Director	–	–	–	Net profit after tax on standalone basis, reduced from ₹ 2,051.1 million in the Financial Year 2014-15 to ₹ 790.7 million in the Financial Year 2015-16. On consolidated basis, the Net profit after tax, increased from ₹ (577.64) million in the Financial Year 2014-15 to ₹ 4,314.85 million in the Financial Year 2015-16.
3	Mr. Shyamsundar Bang Executive Director	–	–	–	
4	Dr. Ashok Misra ¹ Non-Executive Independent Director	450,000	–	1.03	
5	Mr. Shardul S Shroff ² Non-Executive Independent Director	125,000	–	0.29	
6	Mr. S Sridhar Non-Executive Independent Director	495,000	39.44%	1.13	
7	Ms. Sudha Pillai Non-Executive Independent Director	480,000	3.22%	1.10	
8	Mr. R Sankaraiah ³ Chief Financial Officer (Designated as Executive Director - Finance)	60,469,293	51.36%	Not Applicable	Net profit after tax on standalone basis, reduced from ₹ 2,051.1 million in the Financial Year 2014-15 to ₹ 790.7 million in the Financial Year 2015-16. On consolidated basis, the Net profit after tax, increased from ₹ (577.64) million in the Financial Year 2014-15 to ₹ 4,314.85 million in the Financial Year 2015-16.
9	Mr. Rajiv Shah ⁴ Company Secretary	5,614,026	–	Not Applicable	

- Median of Total Cost to Company (CTC) on payable basis has been taken for all on-roll employees as on March 31, 2016. Median salary of all on-roll employees is ₹ 437,947.
- Non-executive Independent Directors have been paid remuneration by way of sitting fees.
- 1. Details of increase in remuneration not given for Dr. Ashok Misra as he was Director only for a part of the Financial Year 2014-15 i.e. effective from September 15, 2014.
- 2. Resigned w.e.f. May 24, 2016.
- 3. Remuneration of Mr. R. Sankaraiah includes ₹ 21,039,773 towards perquisite value of ESOPs exercised.
- 4. Details of increase in remuneration not given for Mr. Rajiv Shah as he was employed only for a part of the Financial Year 2014-15 i.e. effective from February 16, 2015.
- ii) The percentage increase in the median remuneration of employees in the Financial Year 2015-16 was 9.5%.
- iii) 2,435 permanent employees were on the rolls of the Company as on March 31, 2016.
- iv) The explanation on the relationship between average increase in remuneration and Company performance: Average increase in the remuneration was 9.75% in the Financial Year 2015-16 which was in line with the industry trend. Net profit after tax on standalone basis, reduced from ₹ 2,051.1 million in the Financial Year 2014-15 to ₹ 790.7 million in the Financial Year 2015-16. On consolidated basis, the Net profit after tax, increased from ₹ (577.64) million in the Financial Year 2014-15 to ₹ 4,314.85 million in the Financial Year 2015-16.
- v) Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company: Details are given in the table above.
- vi) Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current Financial Year and previous Financial Year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:

Sr. No.	Particulars	As on March 31, 2016	As on March 31, 2015
1	Market Capitalization (in ₹ / million as per NSE)	66,396	24,354
2	Price Earnings Ratio	84.04	11.87
3	Comparison of quoted price and last public offer price	The last public offer was at par value of ₹ 10 per equity share i.e. the face value per share. The equity shares of ₹ 10 each were sub-divided into 2 equity shares of ₹ 5 each, which were further sub-divided into 5 equity shares of ₹ 1 each. Thus, the current face value of each equity share is ₹ 1 and the closing price on March 31, 2016 was ₹ 416.85 on NSE and ₹ 416.35 on BSE.	

- vii) Average percentage increase already made in the salaries of employees other than the managerial personnel in the last Financial Year and its comparison with the percentage increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.
Average increase in the remuneration of employees other than managerial personnel was 9.75% in the Financial Year 2015-16. No remuneration has been paid to managerial personnel during the Financial Year 2015-16.
- viii) The key parameters for any variable component of remuneration availed by the Directors: Remuneration paid to the Directors does not include any variable component.
- ix) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year:

Remuneration of the highest paid Director	₹ 495,000
Highest paid employee who is not a Director	₹ 60,469,293
Ratio	0.01

- x) Affirmation that the remuneration is as per the remuneration policy of the Company:

It is hereby affirmed that the remuneration paid is as per the Appointment and Remuneration Policy for Directors, Key Managerial Personnel and other employees.

PART B:

Sr. No.	Employee Name	Designation & Nature of Duties	Qualification	Total Work Experience (Years)	Date of Commencement of Employment	Age	Remuneration (₹)	Previous Employment held	
								Designation	Name of the Company
A. Employed for full year and in receipt of remuneration for the year which in aggregate was not less than ₹ 6,000,000 per annum									
1.	A P Srivastava	Senior VP - Corporate Affairs	B.A.	43	17-Nov-90	70	16,021,123	Manager	Reliance Industries Limited
2.	Ajay Khanna	Chief-Strategic & Public Affairs	B.Com, LL.B.	35	1-Jun-09	56	27,417,047	Partner	Accenture India Private Limited
3.	Ambuj Jain	VP - Financial Markets	Post Graduate Diploma in Management, B.Com	28	12-Aug-02	47	7,823,783	Senior Manager	Maruti Udyog Limited
4.	Amit Gupta	VP - Operations	B.E. (Mech)	36	23-Jul-03	59	9,278,326	GM-Engineering	Indo Rama Synthetics (I) Limited
5.	Anant Pande	President - Manufacturing	B.E.(Hons)-Chemical, M.Sc.(Hons)-Chemistry	29	12-Apr-10	53	21,718,572	Chief Operating Officer	Indo Greenfuel Private Limited
6.	Anil Gaur	VP - HR	PGDBM, LL.B.	23	19-Mar-13	50	8,856,964	GM HR	Maruti Suzuki India Limited
7.	Anil Khubchandani	Senior VP & GU Head-Fine Chemicals	Bachelor of Technology	24	19-Jul-02	46	11,949,469	Plant Manager-Technical	Duncans Industries Limited
8.	Ashok Kumar Jain	VP - Operations	Bachelor of Engineering	35	3-Dec-97	57	8,816,466	DGM	J.K. Synthetics Limited
9.	Ashok Varma	VP - HR	Post Graduate Diploma in Personal Management, Bachelor of Arts	24	1-Aug-14	49	6,071,577	DGM -SALES HR	Heinz India Private Limited
10.	Ashutosh Agarwal	CSO - Chemicals & Life Science Ingredients	M.Sc., Ph.D.	36	20-Aug-98	58	37,542,025	DGM - Organic Chemical Business	Ballarpur Industries Limited
11.	Ashwani Malhotra	Head - Supply Chain Accounts	C.A, B. Com.	35	1-Dec-86	54	7,817,259	Article Trainee	K.N Gutgutia & Co.
12.	C B Bhardwaj	Senior VP - Manufacturing (Unit Head)	B.E. (Chemical), M.E. (Chemical)	29	15-Oct-10	51	7,812,076	VP-Operations	Bhansali Engg.Polymers Limited
13.	Chandan Singh Sengar	President-Acetyls & Ethanol	B.Sc., MBA	30	13-Jul-88	52	20,043,827	Assistant Officer	J. K. Synthetics Limited
14.	J. Devarajan	VP-Indirect Taxation	CS, CWA	25	1-Sep-14	46	7,521,025	Senior VP	Indiabulls Power Limited

Sr. 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
15.	Mahesh Jain	Associate VP- Divisional Accounts	CA, CS	25	19-May-08	52	6,903,622	General Manager- Accounts	Panacea Biotech Limited
16.	Manish Chandra Nigam	VP & GU Head - ANU	Master of Business Administration, Bachelor of Pharmacy	21	16-Apr-13	44	8,445,379	Business Head	Piramal Healthcare Limited
17.	Neeraj Tiwari	VP - Projects	Bachelor of Technology	27	7-Dec-89	51	10,243,939	Engineer	Hindustan Aluminium Corporation Limited
18.	P K Verma	VP - Fine Chemicals	Diploma Bio-Medical Ph.D. in Chemistry	30	8-May-00	53	7,473,748	GM Technical/ R&D	Armour Chemicals Limited
19.	Prakash Chandra Bisht	CFO (Ingredients) & Senior VP (Group Accounts)	B.Com, CA	29	23-Apr-09	52	15,815,443	Head-Accounts	Apollo Tyres Limited
20.	Pramod Yadav	Co-CEO - Life Science Ingredients	B.Sc. (Tech), MMM	29	4-Sep-95	53	45,046,608	Marketing Manager (North)	Bhansali Engg. Polymers Limited
21.	Prasad Vasant Joglekar	Senior VP - SCM	Master of Business Administration	23	20-Aug-14	47	7,475,292	Sr. GM Purchase	Jindal Polyfilms Limited
22.	Pratul Singh	VP & GU Head - External Manufacturing	M.E., B.E.	24	5-Jun-13	50	7,388,314	Chief Scientific Manager	Syngene International Limited
23.	Praveen Kumar Gupta	Senior VP & Head - Direct Taxation	B.Com, FCA, FCS	19	25-Jan-05	42	10,329,503	DGM Taxation	Ballarpur Industries Limited
24.	R Sankaraiyah	ED - Finance	B.Sc., FCA	32	9-Sep-02	57	60,469,293	GM - Finance	SRF Limited
25.	R. Kumar	VP & GU Head-Advance Intermediates	CWA, MBA	29	3-Feb-14	52	8,534,809	Director	UXL Consultrain
26.	Radheshyam Singh	VP-Production	B.Sc. Engg., I.Sc.	27	22-Feb-06	50	7,037,789	Production Manager	Duncan Industries
27.	Rajesh Kumar Srivastava	Co-CEO - Life Science Ingredients	B. Tech, MMM	29	19-Aug-00	51	31,850,807	Marketing Manager	Ranbaxy Fine Chemicals Limited
28.	Ravi Agrawal	Head - Investor Relations	Post Graduate Diploma in Management, B.Com	11	5-Aug-13	44	7,287,371	Lead Analyst	Standard Chartered Securities Limited

Sr. 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
29.	Ravindra Tiwari	Senior VP & Head Projects-LSI	B.E. (Mechanical), M.E. (Mechanical)	35	17-Apr-08	56	8,891,142	Project Head	Abhishek Industries Ltd.
30.	Sanjay Gupta	VP - Legal	LL.B, CS, CWA	28	25-Nov-14	50	8,032,818	Partner	Hammurabi & Solomon Advocates & Corporate Law Advisors
31.	Sanjay Sapate	VP-Operations	B.E. (Chemical)	27	10-Jul-13	49	6,190,695	VP-Operations	NITCO Limited
32.	Shailendra Kumar Singh	Associate VP- Advance Intermediates & Vitamins	M.Sc., B.Sc.	31	20-Apr-85	51	6,454,529	-	-
33.	Shoubhik Sen	Head- BE & Six Sigma	B.E.-Electrical/Electronic, Certified on Lean Black Belt, Six Sigma Black Belt	30	22-Dec-14	53	8,570,923	Sr. Director, Global Business Excellence	Flextronics Technology Sdn. Bhd
34.	Sumit Das	SBU Head – Vitamins	MBA (Marketing & Sales), B.Sc. (Physics)	18	5-Jun-12	49	6,904,349	GM- INTL MRKG-Business Head	Gujarat Fluorochemicals Limited
35.	Suresh Kumar Sirohi	VP - SCM	Masters in Materials Management, MBA	36	2-Oct-98	53	10,706,897	Manager-Materials	Royal Cushion Product Limited
36.	T. K. Mittal	Associate VP- Maintenance	B.E. (Mechanical), M.Tech (Mechanical)	32	6-Jun-84	58	6,559,248	-	-
37.	Umesh Mehta	CIO-India	B.Sc. (Computer Science), PGLSCM	27	1-Sep-10	50	12,021,975	Vice President	Asia Motor Work Limited
38.	Vimal Deep Kulshrestha	Senior VP & BU Head - Ethanol & Specialty Gases	B.Tech (Chemical Engg.)	29	28-Jun-95	51	15,856,979	Assistant Manager - Poly	Modipon Fibers Company
B. Employed for part of the year and in receipt of remuneration which in aggregate was not less than ₹ 500,000 per month									
1.	Amit Arora	Senior VP - Financial Planning & Analysis	CA, CWA	22	12-Aug-10	45	8,973,747	Vice President - Finance Operations	HSBC Electronic Data Processing India Private Limited
2.	Cecil Prem Treasure	Chief of Human Resources	PG in Personnel Management, LL.B.	26	18-Oct-11	55	16,318,608	Director-HR	Thermo Fisher Scientific Inc.
3.	Ganesh Chandra Tripathy	Chief Sustainability Officer	B.E. (Mech), MBA, APICS-Supply Chain	25	16-May-13	49	6,234,875	VP-EOHS	Hindustan Zinc Limited

Sr. 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
4.	Pramod Sharma	Head - Planning (SCM-Generics)	Masters in International Business	22	7-Nov-08	42	4,132,640	Head - SCM	Delphi Automotives (I) Limited
5.	Sanjeev Singhal	VP - Finance	Ph.D., CA, B.Com	10	1-Oct-10	41	3,093,202	Executive VP	Religare Enterprises Limited
6.	Tarinder Singh Parmar	President-India Branded Pharmaceuticals	Master of Management Studies, B.Sc.	28	19-Aug-13	51	11,140,726	Director	Biochem Pharmaceutical Industries Limited
7.	V P Khare	President -International Sales	B.Sc., Diploma in Export Marketing	41	15-May-98	59	7,067,756	DGM	Rajasthan Petro & Synthetics Limited

Notes:

1. Employment of the above named officials are governed by the rules and regulations of the Company from time to time
2. All above persons are/ were full time employees of the Company
3. None of the above employees is related to any Director of the Company
4. None of the above employees is covered under Rule 5(2)(iii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014
5. Remuneration comprises salary, allowances, perquisites/ taxable value of perquisites etc. including perquisite value of ESOPs exercised

Abbreviations: BU - Business Unit; CEO - Chief Executive Officer; CIO - Chief Information Officer; CSO - Chief Scientific Officer; DGM - Deputy General Manager; ED - Executive Director; GM - General Manager; HR - Human Resources, SCM-Supply Chain Management, VP- Vice President

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES – FINANCIAL YEAR 2015-16

1. A brief outline of the Company's Corporate Social Responsibility Policy ('CSR Policy'), including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs

Corporate Social Responsibility ('CSR') at Jubilant is the commitment of businesses to contribute to sustainable economic development by working with the employees, their families, the local community and the society at large to improve their lives in ways that are good for business and for its development.

CSR segment of the organisation is guided by the Sustainability Mission of the Company. In compliance with the provisions of Section 135 of the Companies Act, 2013 (the 'Act') read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has taken the following steps:

- Adoption of CSR Policy which has been placed on the Company's website www.jubl.com
- Approval by the Sustainability & CSR Committee (the 'Committee') to implement CSR activities through 'Jubilant Bhartia Foundation', a not-for-profit organisation registered under Section 25 of the Companies Act, 1956 (corresponding to Section 8 of the Act)
- While implementing CSR projects, the Company shall give priority to the area around its manufacturing locations in India
- The Committee approved the following CSR activities which are in line with Schedule VII to the Act:
 - **Project Arogya and Swasthya Prahari:** Improving health indices through innovative services and promoting health seeking behavior;
 - **Project Muskaan:** Universalising elementary education and improving quality parameters for primary education through community involvement;
 - **Nayee Disha:** Enhancing employability through vocational training; and
 - **Rural Development:** Supporting the community infrastructure as and when identified in the project area.
- While Social Entrepreneur of the Year Award is not a part of Schedule VII to the Act, the Company shall continue its support to the project over and above the CSR Budget.

2. Composition of the Sustainability & CSR Committee

Composition of the Committee is as under:

Sr. No.	Name of Director	Designation in CSR Committee
1	Dr. Ashok Misra	Chairman
2	Mr. Shyam S Bhartia	Member
3	Mr. Hari S Bhartia	Member
4	Mr. Shyamsundar Bang	Member
5	Ms. Sudha Pillai	Member

3. Average net profit of the Company for last three Financial Years: ₹ 155.90 million**4. Prescribed CSR Expenditure (2% of the amount as in item 3 above): ₹ 3.12 million****5. Details of CSR spent during the Financial Year 2015-16**

- (a) Total amount to be spent as per budget for the Financial Year 2015-16: ₹ 18.77 million
- (b) Amount unspent vis-à-vis prescribed CSR expenditure as per Section 135(5) of the Act: Nil

(c) Manner in which the amount spent during the year is detailed below:

(₹ in million)

(1) Sr. No.	(2) CSR Project or Activity identified	(3) Sector in which the Project is covered	(4) Projects or Programmes		(5) Amount outlay (budget) Project or Programme wise	(6) Amount spent on the Projects or Programmes		(7) Cumulative expenditure upto the reporting period	(8) Amount spent: Direct or through implementing agency ^(Note-b)
			Local area or other ^(Note-a)	State and District where Projects or Programmes were undertaken		Direct expenditure on Projects or Programmes	Overheads		
1	Health (Arogya and Swasthya Prahari)	Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation and making available safe drinking water	Local/ Other	Gajraula (U.P.), Nanjangud (Karnataka), Nira (Maharashtra), Samliaya & Bharuch (Gujarat) and Roorkee (Uttarakhand)	9.51	11.11	-Nil-	11.11	Jubilant Bhartia Foundation
2	Education (Muskaan)	Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly and the differently abled and livelihood enhancement projects	Local/ Other	Gajraula (U.P.), Nanjangud (Karnataka), Nira (Maharashtra), Samliaya & Bharuch (Gujarat) and Roorkee (Uttarakhand)	4.92	4.06	-Nil-	4.06	Jubilant Bhartia Foundation
3	Livelihood (Nayee Disha)	Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly and the differently abled and livelihood enhancement projects	Local/ Other	Gajraula (U.P.), Nanjangud (Karnataka) and Nira (Maharashtra)	4.21	2.65	-Nil-	2.65	Jubilant Bhartia Foundation
4	Rural Development	Rural development projects	Local/ Other	Gajraula (U.P.), Nanjangud (Karnataka) and Nira (Maharashtra)	0.13	-Nil-	-Nil-	-Nil-	Jubilant Bhartia Foundation
Total					18.77	17.82		17.82	

Notes:

- a Plants at Nanjangud (Karnataka) and Roorkee (Uttarakhand) are owned by Jubilant Generics Limited, a wholly owned subsidiary of the Company.
b Jubilant Bhartia Foundation is the implementing agency

- 6. In case the Company has failed to spend 2% of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report:** Not Applicable
- 7. The Sustainability & CSR Committee confirms that the implementation and monitoring of the CSR Policy is in compliance with CSR objectives and Policy of the Company.**

For Jubilant Life Sciences Limited

Hari S Bhartia

Co-Chairman & Managing Director
(DIN: 00010499)

Ashok Misra

Chairman - Sustainability & CSR Committee
(DIN: 00006051)

FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN

as on the Financial Year ended on March 31, 2016

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies
(Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

i)	CIN	L24116UP1978PLC004624
ii)	Registration Date	June 21, 1978
iii)	Name of the Company	Jubilant Life Sciences Limited
iv)	Category/ Sub-Category of the Company	Public Company/ limited by shares
v)	Address of the Registered office and contact details	Bhartiagram, Gajraula, District Amroha-244 223, Uttar Pradesh, India Ph. +91-5924-252351-56/ 58-60
vi)	Whether listed company	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Alankit Assignments Limited (Unit: Jubilant Life Sciences Limited) 1E/ 13, Alankit Heights, Jhandewalan Extension, New Delhi - 110055 Ph.+91-11-42541234/ 23541234

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:

Sr. No.	Name and Description of Main Products/ Services	NIC Code of the Product/ Service	% to Total Turnover of the Company
1	Basic Organic Chemicals	2011	93%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN/ GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section of the Companies Act, 2013
1	Jubilant Clinsys Limited 1A, Sector-16A, Noida-201301, U.P.	U24232UP2004PLC029008	Subsidiary	100% (Through subsidiary)	2(87)
2	Jubilant Biosys Limited 1A, Sector-16A, Noida-201301, U.P.	U24110UP1998PLC029591	Subsidiary	66.98% (Through subsidiary)	2(87)
3	Jubilant Chemsys Limited 1A, Sector-16A, Noida-201301, U.P.	U24232UP2004PLC029009	Subsidiary	100% (Through subsidiary)	2(87)
4	Jubilant First Trust Healthcare Limited 1A, Sector-16A, Noida-201301, U.P.	U85110UP2006PLC035993	Subsidiary	100%	2(87)
5	Jubilant Infrastructure Limited 1A, Sector-16A, Noida-201301, U.P.	U45201UP2006PLC031618	Subsidiary	100%	2(87)
6	Jubilant DraxImage Limited 1A, Sector-16A, Noida-201301, U.P.	U74900UP2009FLC038194	Subsidiary	100% (Through subsidiary)	2(87)

Sr. No.	Name and Address of the Company	CIN/ GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section of the Companies Act, 2013
7	Jubilant Innovation (India) Limited 1A, Sector-16A, Noida-201301, U.P.	U73100UP2007PLC034211	Subsidiary	100% (Through subsidiary)	2(87)
8	First Trust Medicare Private Limited (merged with Jubilant First Trust Healthcare Limited) 1A, Sector-16A, Noida-201301, U.P.	U85110UP2007PTC059859	Subsidiary	100%	2(87)
9	Vanthys Pharmaceutical Development Private Limited 1A, Sector-16A, Noida-201301, U.P.	U73100UP2009PTC037333	Subsidiary	100% (Through subsidiary)	2(87)
10	Jubilant Generics Limited 1A, Sector-16A, Noida-201301, U.P.	U24100UP2013FLC060821	Subsidiary	100% (Through subsidiary)	2(87)
11	Cadista Holdings Inc. 207 Kiley Drive, Salisbury, MD 21801, USA	N.A.	Subsidiary	100% (Through subsidiary)	2(87)
12	Jubilant Cadista Pharmaceuticals Inc. 207 Kiley Drive, Salisbury, MD 21801, USA	N.A.	Subsidiary	100% (Through subsidiary)	2(87)
13	Jubilant Drug Discovery & Development Services Inc. 16751 Trans-Canada Highway Kirkland, Québec H9H 4J4, Canada	N.A.	Subsidiary	100% (Through subsidiary)	2(87)
14	Jubilant Pharma Holdings Inc. 790 Township Line Road Suite 120 Yardley, PA 19067, USA	N.A.	Subsidiary	100% (Through subsidiary)	2(87)
15	Jubilant Clinsys Inc. One Crossroads Drive, Building A, Second Floor, Bedminster, New Jersey 07921, USA	N.A.	Subsidiary	100% (Through subsidiary)	2(87)
16	HSL Holdings Inc. 2711 Centerville Road, Suite 400, City of Wilmington, 19808, County of New Castle, Delaware, USA	N.A.	Subsidiary	100% (Through subsidiary)	2(87)
17	Jubilant HollisterStier LLC 2711 Centerville Road, Suite 400, City of Wilmington, 19808, County of New Castle, Delaware, USA	N.A.	Subsidiary	100% (Through subsidiary)	2(87)
18	Jubilant Life Sciences (USA) Inc. 790 Township Line Road Suite 120 Yardley, PA 19067, USA	N.A.	Subsidiary	100%	2(87)
19	Draximage LLC 1209 Orange Street, Wilmington, New Castle County, Delaware 19801, USA	N.A.	Subsidiary	100% (Through subsidiary)	2(87)

Sr. No.	Name and Address of the Company	CIN/ GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section of the Companies Act, 2013
20	Jubilant DraxImage (USA) Inc. 2711 Centerville Road, Suite 400, City of Wilmington, 19808, County of New Castle, Delaware, USA	N.A.	Subsidiary	100% (Through subsidiary)	2(87)
21	Deprenyl Inc., USA 2711 Centerville Road, Suite 400, City of Wilmington, 19808, County of New Castle, Delaware, USA	N.A.	Subsidiary	100% (Through subsidiary)	2(87)
22	Draxis Pharma LLC 790 Township Line Road Suite 120 Yardley, PA 19067, USA	N.A.	Subsidiary	100% (Through subsidiary)	2(87)
23	Jubilant HollisterStier Inc. 790 Township Line Road Suite 120 Yardley, PA 19067, USA	N.A.	Subsidiary	100% (Through subsidiary)	2(87)
24	Jubilant Discovery Services Inc. 365 Phoenixville pike LLC, Malvern, PA 19355, USA	N.A.	Subsidiary	66.98% (Through subsidiary)	2(87)
25	Jubilant Pharma Trading Inc. 790 Township Line Road Suite 120 Yardley, PA 19067, USA	N.A.	Subsidiary	100% (Through subsidiary)	2(87)
26	DAHI Animal Health (UK) Limited 2nd Floor, 5 Old Bailey London EC4M 7BA United Kingdom	N.A.	Subsidiary	100% (Through subsidiary)	2(87)
27	Draximage (UK) Limited 125 Old Broad Street, 26th Floor, London EC2N 1AR United Kingdom	N.A.	Subsidiary	100% (Through subsidiary)	2(87)
28	Jubilant Pharma Limited 80 Raffles Place #26-01 UOB Plaza 1 Singapore 048624	N.A.	Subsidiary	100%	2(87)
29	Jubilant Life Sciences International Pte. Limited 80 Raffles Place #26-01 UOB Plaza 1 Singapore 048624	N.A.	Subsidiary	100%	2(87)
30	Jubilant Biosys (Singapore) Pte. Limited 80 Raffles Place #26-01 UOB Plaza 1 Singapore 048624	N.A.	Subsidiary	100% (Through subsidiary)	2(87)
31	Jubilant Drug Development Pte. Limited 80 Raffles Place #26-01 UOB Plaza 1 Singapore 048624	N.A.	Subsidiary	100% (Through subsidiary)	2(87)
32	Jubilant Innovation Pte. Limited 80 Raffles Place #26-01 UOB Plaza 1 Singapore 048624	N.A.	Subsidiary	100% (Through subsidiary)	2(87)

Sr. No.	Name and Address of the Company	CIN/ GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section of the Companies Act, 2013
33	Drug Discovery and Development Solutions Limited 80 Raffles Place #26-01 UOB Plaza 1 Singapore 048624	N.A.	Subsidiary	100%	2(87)
34	Jubilant Life Sciences (Shanghai) Limited Room No: 401-A, No. 169, Tiagu Road, Wai Gao Qiao Free Trade Zone, Shanghai-2001317, China	N.A.	Subsidiary	100% (Through subsidiary)	2(87)
35	Draximage Limited, Cyprus Themistokli Dervi, 3, Julia House, P.C. 1066, Nicosia, Cyprus	N.A.	Subsidiary	100% (Through subsidiary)	2(87)
36	Draximage Limited, Ireland 1st Floor, Riverview House, 21/23 City Quay, Dublin 2, Ireland	N.A.	Subsidiary	100% (Through subsidiary)	2(87)
37	Jubilant Pharma NV AXXES BUSINESS PARK, Guldensporenpark 22 - Blok C, B - 9820 Merelbeke, Belgium	N.A.	Subsidiary	100% (Through subsidiary)	2(87)
38	Jubilant Pharmaceuticals NV AXXES BUSINESS PARK, Guldensporenpark 22 - Blok C, B - 9820 Merelbeke, Belgium	N.A.	Subsidiary	100% (Through subsidiary)	2(87)
39	PSI Supply NV AXXES BUSINESS PARK, Guldensporenpark 22 - Blok C, B - 9820 Merelbeke, Belgium	N.A.	Subsidiary	100% (Through subsidiary)	2(87)
40	Jubilant Life Sciences NV AXXES BUSINESS PARK, Guldensporenpark 22 - Blok C, B - 9820 Merelbeke, Belgium	N.A.	Subsidiary	100% (Including through subsidiary)	2(87)
41	Jubilant Innovation (BVI) Ltd. P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands	N.A.	Subsidiary	100% (Through subsidiary)	2(87)
42	Jubilant Life Sciences (BVI) Limited P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands	N.A.	Subsidiary	100% (Through subsidiary)	2(87)
43	Jubilant Biosys (BVI) Limited P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands	N.A.	Subsidiary	100% (Through subsidiary)	2(87)

Sr. No.	Name and Address of the Company	CIN/ GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section of the Companies Act, 2013
44	Jubilant DraxImage Inc. 16751 Trans-Canada Highway Kirkland, Québec H9H 4J4, Canada	N.A.	Subsidiary	100% (Through subsidiary)	2(87)
45	6963196 Canada Inc. 100, King St. West 1 First Canadian Place, #6100 Toronto, Ontario M5X 1B8, Canada	N.A.	Subsidiary	100% (Through subsidiary)	2(87)
46	6981364 Canada Inc. 100, King St. West 1 First Canadian Place, #6100 Toronto, Ontario M5X 1B8, Canada	N.A.	Subsidiary	100% (Through subsidiary)	2(87)
47	Jubilant Innovation (USA) Inc. 365 Phoenixville pike LLC, Malvern, PA 19355, USA	N.A.	Subsidiary	100% (Through subsidiary)	2(87)
48	Jubilant Life Sciences (Switzerland) AG Bei Klauser & Partner AG Muhlentalstrasse 2 8200 Schaffhausen, Switzerland	N.A.	Subsidiary	100% (Through subsidiary)	2(87)

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year (April 1, 2015)			No. of Shares held at the end of the year (March 31, 2016)			% Change during the year
	Demat	Physical	Total	Demat	Physical	Total	
A. Promoters							
(1) Indian							
a) Individual/ HUF	503,500	-	503,500	503,500	-	503,500	0.32
b) Central Govt	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-
d) Bodies Corporate	78,577,176	-	78,577,176	78,577,176	-	78,577,176	49.33
e) Banks/ FI	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-
Sub-total (A) (1):-	79,080,676	-	79,080,676	79,080,676	-	79,080,676	49.65
(2) Foreign							
a) NRIs - Individuals	1,399,935	-	1,399,935	1,399,935	-	1,399,935	0.88
b) Other-Individuals	-	-	-	-	-	-	-
c) Bodies Corporate	5,570,445	-	5,570,445	5,570,445	-	5,570,445	3.50
d) Banks/ FI	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-
Sub-total (A) (2):-	6,970,380	-	6,970,380	6,970,380	-	6,970,380	4.38
Total Shareholding of Promoters (A) = (A)(1) + (A)(2)	86,051,056	-	86,051,056	86,051,056	-	86,051,056	54.02
B. Public Shareholding							
(1) Institutions							
a) Mutual Funds	1,629	-	1,629	24,234	-	24,234	0.02
b) Banks/ FI	1,137,342	600	1,137,942	202,923	600	203,523	0.13
c) Central Govt	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year (April 1, 2015)				No. of Shares held at the end of the year (March 31, 2016)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
g) FIs	24,270,977	-	24,270,977	15.24	17,235,641	-	17,235,641	10.82	(4.42)
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others	-	-	-	-	-	-	-	-	-
(a) Foreign Financial Institutions	10,380,339	-	10,380,339	6.52	-	-	-	-	(6.52)
(b) Foreign Portfolio Investors	5,219,926	-	5,219,926	3.28	26,438,195	-	26,438,195	16.60	13.32
(c) UTI	500	-	500	0.00	-	-	-	-	-
Sub-total (B)(1):-	41,010,713	600	41,011,313	25.75	43,900,993	600	43,901,593	27.56	1.81
(2) Non-Institutions									
a) Bodies Corporate									
i) Indian	10,500,472	3,440	10,503,912	6.59	8,561,665	3,440	8,565,105	5.38	(1.22)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	13,178,493	1,276,983	14,455,476	9.08	12,533,833	1,213,573	13,747,406	8.63	(0.45)
ii) Individual shareholders holding nominal share capital in excess of ₹ 1lakh	508,100	-	508,100	0.32	2,413,477	-	2,413,477	1.52	1.20
c) Others									
i) Qualified Foreign Investors	468,782	-	468,782	0.29	-	-	-	-	(0.29)
ii) Trusts	5,098,545	-	5,098,545	3.20	3,950,035	-	3,950,035	2.48	(0.72)
iii) Non-Resident Individuals	1,134,295	49,660	1,183,955	0.74	605,667	46,800	652,467	0.41	(0.33)
iv) Foreign Portfolio Investors	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	30,888,687	1,330,083	32,218,770	20.23	28,064,677	1,263,813	29,328,490	18.42	(1.81)
Total Public Shareholding (B)=(B)(1)+(B)(2)	71,899,400	1,330,683	73,230,083	45.98	71,965,670	1,264,413	73,230,083	45.98	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	157,950,456	1,330,683	159,281,139	100.00	158,016,726	1,264,413	159,281,139	100.00	-

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (April 1, 2015)			Shareholding at the end of the year (March 31, 2016)			% Change in Share Holding during the Year
		No. of Shares	% of Total Shares of the Company	% of Shares Pledged/ Encumbered to Total Shares	No. of Shares	% of Total Shares of the Company	% of Shares Pledged/ Encumbered to Total Shares	
1	Mr. Shyam S Bhartia	1,399,935	0.88	–	1,399,935	0.88	–	–
2	Mr. Hari S Bhartia	360,885	0.23	–	360,885	0.23	–	–
3	Ms. Kavita Bhartia	10,285	0.01	–	10,285	0.01	–	–
4	Mr. Shamit Bhartia	129,245	0.08	–	129,245	0.08	–	–
5	Mr. Priyavrat Bhartia	3,085	0.00	–	3,085	0.00	–	–
6	Vam Holdings Limited	5,681,400	3.57	–	5,681,400	3.57	–	–
7	Jubilant Stock Holding Private Limited	29,676,992	18.63	6.99	29,676,992	18.63	3.74	–
8	Jaytee Private Limited	7,600	0.00	–	7,600	0.00	–	–
9	HSB Corporate Consultants Private Limited	18,698,979	11.74	–	18,698,979	11.74	–	–
10	SSB Consultants and Management Services Private Limited	21,007,665	13.19	–	21,007,665	13.19	–	–
11	Nikita Resources Private Limited	3,504,540	2.20	–	3,504,540	2.20	–	–
12	Rance Investment Holdings Limited	2,400,000	1.51	–	2,400,000	1.51	–	–
13	Torino Overseas Limited	770,445	0.48	–	770,445	0.48	–	–
14	Cumin Investments Limited	2,400,000	1.51	–	2,400,000	1.51	–	–
	Total	86,051,056	54.02	6.99	86,051,056	54.02	3.74	–

(iii) Change in Promoters' Shareholding

There is no change in the shareholding of the Promoters during the year ended March 31, 2016.

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No	Name	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year (April 1, 2015 to March 31, 2016)	
		No. of shares at the beginning (April 1, 2015)/end of the year (March 31, 2016)	% of total shares of the Company				No. of shares	% of total shares of the Company
1	GA Global Investment Limited*	10,380,339	6.52	1-Apr-15				
				10-Apr-15	-1,440,000	Transfer	8,940,339	5.61
				17-Apr-15	-350,000	Transfer	8,590,339	5.39
				8-May-16	-8,590,339	Transfer	-	-
		-	-	31-Mar-16	-	-	-	-
2	Samena Special Situations Mauritius	7,624,151	4.79	1-Apr-15				
				28-Aug-15	-33,760	Transfer	7,590,391	4.77
				4-Sep-15	-75,133	Transfer	7,515,258	4.72
				2-Oct-15	-948,274	Transfer	6,566,984	4.12
				9-Oct-15	-1,560,165	Transfer	5,006,819	3.14
				16-Oct-15	-233,710	Transfer	4,773,109	3.00
		4,773,109	3.00	31-Mar-16	-	-	4,773,109	3.00
3	Jubilant Employees Welfare Trust	4,833,496	3.03	1-Apr-15				
				28-Aug-15	-211,418	Transfer	4,622,078	2.90
				4-Sep-15	-202,583	Transfer	4,419,495	2.77
				2-Oct-15	-137,916	Transfer	4,281,579	2.69
				9-Oct-15	-4,000	Transfer	4,277,579	2.69
				13-Nov-15	-195,171	Transfer	4,082,408	2.56
				20-Nov-15	-9,535	Transfer	4,072,873	2.56
				25-Dec-15	-87,594	Transfer	3,985,279	2.50
				22-Jan-16	-23,214	Transfer	3,962,065	2.49
				26-Feb-16	-57,539	Transfer	3,904,526	2.45
		3,904,526	2.45	31-Mar-16	-	-	3,904,526	2.45
4	Government Pension Fund Global	4,100,000	2.57	1-Apr-15				
				14-Aug-15	-20,000	Transfer	4,080,000	2.56
				4-Sep-15	-80,000	Transfer	4,000,000	2.51
				2-Oct-15	-50,000	Transfer	3,950,000	2.48
				9-Oct-15	-20,000	Transfer	3,930,000	2.47
				23-Oct-15	-73,000	Transfer	3,857,000	2.42
				30-Oct-15	-194,000	Transfer	3,663,000	2.30
				6-Nov-15	-100,000	Transfer	3,563,000	2.24
				13-Nov-15	-63,000	Transfer	3,500,000	2.20
				4-Dec-15	-100,000	Transfer	3,400,000	2.13
		3,400,000	2.13	31-Mar-16	-	-	3,400,000	2.13

Sr. No	Name	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year (April 1, 2015 to March 31, 2016)	
		No. of shares at the beginning (April 1, 2015)/end of the year (March 31, 2016)	% of total shares of the Company				No. of shares	% of total shares of the Company
5	Deutsche Securities Mauritius Limited	3,861,216	2.42	1-Apr-15				
				23-Oct-15	-757,808	Transfer	3,103,408	1.95
		3,103,408	1.95	31-Mar-16	-	-	3,103,408	1.95
6	GHI LTP Limited	2,712,859	1.70	1-Apr-15				
				24-Apr-15	2,500	Transfer	2,715,359	1.70
				14-Aug-15	-200,000	Transfer	2,515,359	1.58
				21-Aug-15	-228,200	Transfer	2,287,159	1.44
				11-Sep-15	-73,500	Transfer	2,213,659	1.39
				18-Sep-15	-122,500	Transfer	2,091,159	1.31
				25-Sep-15	-31,000	Transfer	2,060,159	1.29
				9-Oct-15	-173,000	Transfer	1,887,159	1.18
				16-Oct-15	-75,000	Transfer	1,812,159	1.14
				23-Oct-15	-50,000	Transfer	1,762,159	1.11
				30-Oct-15	-50,000	Transfer	1,712,159	1.07
				6-Nov-15	-87,500	Transfer	1,624,659	1.02
				13-Nov-15	-85,000	Transfer	1,539,659	0.97
				20-Nov-15	-30,000	Transfer	1,509,659	0.95
				15-Jan-16	-265,532	Transfer	1,244,127	0.78
		31-Mar-16	-	-	1,244,127	0.78		
7	Danske Invest SICAV - SIF- Emerging and Frontier Markets SMID*	2,235,000	1.40	1-Apr-15				
				31-Jul-15	-235,600	Transfer	1,999,400	1.26
				14-Aug-15	-30,000	Transfer	1,969,400	1.24
				21-Aug-15	-80,000	Transfer	1,889,400	1.19
				28-Aug-15	-215,000	Transfer	1,674,400	1.05
				4-Sep-15	-85,000	Transfer	1,589,400	1.00
				11-Sep-15	-32,500	Transfer	1,556,900	0.98
				18-Sep-15	-32,500	Transfer	1,524,400	0.96
				25-Sep-15	-5,350	Transfer	1,519,050	0.95
				2-Oct-15	-140,000	Transfer	1,379,050	0.87
				9-Oct-15	-25,000	Transfer	1,354,050	0.85
				16-Oct-15	-45,000	Transfer	1,309,050	0.82
				23-Oct-15	-50,000	Transfer	1,259,050	0.79
				30-Oct-15	-145,000	Transfer	1,114,050	0.70
				20-Nov-15	-43,000	Transfer	1,071,050	0.67
				27-Nov-15	-55,000	Transfer	1,016,050	0.64
				4-Dec-15	-25,000	Transfer	991,050	0.62
		18-Dec-15	-49,568	Transfer	941,482	0.59		
		25-Dec-15	-17,500	Transfer	923,982	0.58		
		31-Dec-15	-15,000	Transfer	908,982	0.57		
		29-Jan-16	-40,000	Transfer	868,982	0.55		
		5-Feb-16	-10,000	Transfer	858,982	0.54		

Sr. No	Name	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year (April 1, 2015 to March 31, 2016)	
		No. of shares at the beginning (April 1, 2015)/end of the year (March 31, 2016)	% of total shares of the Company				No. of shares	% of total shares of the Company
				25-Mar-16	-20,000	Transfer	838,982	0.53
		838,982	0.53	31-Mar-16	-	-	838,982	0.53
8	Bio Veda Action Research Private Limited	1,548,819	0.97	1-Apr-15	Nil	No movement during the year		
		1,548,819	0.97	31-Mar-16			1,548,819	0.97
9	GHI JBD Limited*	1,161,456	0.73	1-Apr-15				
				14-Aug-15	-100,000	Transfer	1,061,456	0.67
				21-Aug-15	-114,100	Transfer	947,356	0.59
				11-Sep-15	-36,750	Transfer	910,606	0.57
				18-Sep-15	-61,250	Transfer	849,356	0.53
				25-Sep-15	-19,700	Transfer	829,656	0.52
				9-Oct-15	-84,900	Transfer	744,756	0.47
				23-Oct-15	-25,000	Transfer	719,756	0.45
				30-Oct-15	-25,000	Transfer	694,756	0.44
				6-Nov-15	-43,750	Transfer	651,006	0.41
				13-Nov-15	-15,000	Transfer	636,006	0.40
				20-Nov-15	-15,000	Transfer	621,006	0.39
				15-Jan-16	-136,420	Transfer	484,586	0.30
		484,586	0.30	31-Mar-16	-	-	484,586	0.30
10	Kuwait Investment Authority Fund 225*	1,094,804	0.69	1-Apr-15				
				8-May-15	-27,299	Transfer	1,067,505	0.67
				15-May-15	-64,775	Transfer	1,002,730	0.63
				22-May-15	-13,120	Transfer	989,610	0.62
				29-May-15	-49,103	Transfer	940,507	0.59
				5-Jun-15	-17,593	Transfer	922,914	0.58
				12-Jun-15	-13,630	Transfer	909,284	0.57
				19-Jun-15	-267,381	Transfer	641,903	0.40
				26-Jun-15	-306,863	Transfer	335,040	0.21
				10-Jul-15	-179,645	Transfer	155,395	0.10
				17-Jul-15	-39,434	Transfer	115,961	0.07
				24-Jul-15	-23,792	Transfer	92,169	0.06
				14-Aug-15	-92,169	Transfer	-	0.00
		-	-	31-Mar-16	-	-	-	-

Sr. No	Name	Shareholding		Date	Increase/Decrease in Shareholding	Reason	Cumulative Shareholding during the year (April 1, 2015 to March 31, 2016)	
		No. of shares at the beginning (April 1, 2015)/end of the year (March 31, 2016)	% of total shares of the Company				No. of shares	% of total shares of the Company
11	Dimensional Emerging Markets Value Fund***	967,537	0.61	1-Apr-15				
				10-Apr-15	1,501	Transfer	969,038	0.61
				17-Apr-15	7,271	Transfer	976,309	0.61
				26-Jun-15	-20,911	Transfer	955,398	0.60
				3-Jul-15	-8,124	Transfer	947,274	0.59
				31-Dec-15	17,453	Transfer	964,727	0.61
				15-Jan-16	18,364	Transfer	983,091	0.62
				22-Jan-16	6,610	Transfer	989,701	0.62
				29-Jan-16	3,387	Transfer	993,088	0.62
		993,088	0.62	31-Mar-16	-	-	993,088	0.62
12	Atyant Capital India Fund I**	381,228	0.24	1-Apr-15				
				10-Apr-15	1,142,000	Transfer	1,523,228	0.96
				17-Apr-15	427,000	Transfer	1,950,228	1.22
				24-Apr-15	50,000	Transfer	2,000,228	1.26
				14-Aug-15	-75,000	Transfer	1,925,228	1.21
				21-Aug-15	-45,656	Transfer	1,879,572	1.18
				18-Sep-15	-91,000	Transfer	1,788,572	1.12
				25-Sep-15	-140,522	Transfer	1,648,050	1.03
				2-Oct-15	-148,000	Transfer	1,500,050	0.94
				9-Oct-15	-176,187	Transfer	1,323,863	0.83
				16-Oct-15	-98,217	Transfer	1,225,646	0.77
				23-Oct-15	-196,783	Transfer	1,028,863	0.65
				30-Oct-15	-100,000	Transfer	928,863	0.58
				6-Nov-15	-25,000	Transfer	903,863	0.57
		13-Nov-15	-11,250	Transfer	892,613	0.56		
		15-Jan-16	-100,000	Transfer	792,613	0.50		
		792,613	0.50	31-Mar-16	-	-	792,613	0.50
13	East Bridge Capital Master Fund Limited***	-	-	1-Apr-15				
				8-May-15	6,000,000	Transfer	6,000,000	3.77
				26-Jun-15	13,994	Transfer	6,013,994	3.78
				22-Jan-16	9,732	Transfer	6,023,726	3.78
				5-Feb-16	30,386	Transfer	6,054,112	3.80
				4-Mar-16	186,428	Transfer	6,240,540	3.92
				6,240,540	3.92	31-Mar-16	-	-

Sr. No	Name	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year (April 1, 2015 to March 31, 2016)	
		No. of shares at the beginning (April 1, 2015)/end of the year (March 31, 2016)	% of total shares of the Company				No. of shares	% of total shares of the Company
14	Goldman Sachs (Singapore) Pte***	115,592	0.07	1-Apr-15				
				10-Apr-15	14,311	Transfer	129,903	0.08
				24-Apr-15	24,095	Transfer	153,998	0.10
				8-May-15	-20,000	Transfer	133,998	0.08
				15-May-15	22,994	Transfer	156,992	0.10
				22-May-15	95,213	Transfer	252,205	0.16
				29-May-15	47,656	Transfer	299,861	0.19
				5-Jun-15	27,138	Transfer	326,999	0.21
				12-Jun-15	45,392	Transfer	372,391	0.23
				26-Jun-15	-156,992	Transfer	215,399	0.14
				3-Jul-15	-9,434	Transfer	205,965	0.13
				10-Jul-15	40,549	Transfer	246,514	0.15
				17-Jul-15	-40,549	Transfer	205,965	0.13
				24-Jul-15	14,787	Transfer	220,752	0.14
				31-Jul-15	178,188	Transfer	398,940	0.25
				7-Aug-15	156,181	Transfer	555,121	0.35
				14-Aug-15	56,980	Transfer	612,101	0.38
				21-Aug-15	-15,559	Transfer	596,542	0.37
				28-Aug-15	248,453	Transfer	844,995	0.53
				4-Sep-15	118,641	Transfer	963,636	0.60
				18-Sep-15	90,944	Transfer	1,054,580	0.66
				25-Sep-15	150,262	Transfer	1,204,842	0.76
				2-Oct-15	422,795	Transfer	1,627,637	1.02
				9-Oct-15	381,698	Transfer	2,009,335	1.26
				16-Oct-15	209,900	Transfer	2,219,235	1.39
				30-Oct-15	3,425	Transfer	2,222,660	1.40
				6-Nov-15	-17,581	Transfer	2,205,079	1.38
				13-Nov-15	104,493	Transfer	2,309,572	1.45
				20-Nov-15	23,111	Transfer	2,332,683	1.46
				4-Dec-15	51,933	Transfer	2,384,616	1.50
		11-Dec-15	3,122	Transfer	2,387,738	1.50		
		18-Dec-15	63,325	Transfer	2,451,063	1.54		
		25-Dec-15	5	Transfer	2,451,068	1.54		
		31-Dec-15	16,794	Transfer	2,467,862	1.55		
		8-Jan-16	-1,662	Transfer	2,466,200	1.55		
		22-Jan-16	-29,440	Transfer	2,436,760	1.53		
		29-Jan-16	102,677	Transfer	2,539,437	1.59		

Sr. No	Name	Shareholding		Date	Increase/Decrease in Shareholding	Reason	Cumulative Shareholding during the year (April 1, 2015 to March 31, 2016)	
		No. of shares at the beginning (April 1, 2015)/end of the year (March 31, 2016)	% of total shares of the Company				No. of shares	% of total shares of the Company
				5-Feb-16	118,815	Transfer	2,658,252	1.67
				12-Feb-16	-43,771	Transfer	2,614,481	1.64
				19-Feb-16	105,077	Transfer	2,719,558	1.71
				26-Feb-16	83,863	Transfer	2,803,421	1.76
				4-Mar-16	72	Transfer	2,803,493	1.76
				11-Mar-16	-248,935	Transfer	2,554,558	1.60
				18-Mar-16	68,250	Transfer	2,622,808	1.65
				25-Mar-16	-286,427	Transfer	2,336,381	1.47
		2,162,588	1.36	31-Mar-16	-173,793	Transfer	2,162,588	1.36
15	MORGAN STANLEY ASIA (SINGAPORE) PTE.***	-	-	1-Apr-15				
				1-May-15	32,209	Transfer	32,209	0.02
				8-May-15	2,729,573	Transfer	2,761,782	1.73
				15-May-15	15,067	Transfer	2,776,849	1.74
				22-May-15	300,931	Transfer	3,077,780	1.93
				29-May-15	171,294	Transfer	3,249,074	2.04
				5-Jun-15	258,696	Transfer	3,507,770	2.20
				12-Jun-15	41,267	Transfer	3,549,037	2.23
				10-Jul-15	7,509	Transfer	3,556,546	2.23
				17-Jul-15	-62,496	Transfer	3,494,050	2.19
				24-Jul-15	-48,303	Transfer	3,445,747	2.16
				31-Jul-15	18,320	Transfer	3,464,067	2.17
				7-Aug-15	34,843	Transfer	3,498,910	2.20
				14-Aug-15	148,987	Transfer	3,647,897	2.29
				21-Aug-15	70,876	Transfer	3,718,773	2.33
				28-Aug-15	220,019	Transfer	3,938,792	2.47
				4-Sep-15	146,437	Transfer	4,085,229	2.56
				11-Sep-15	-11,390	Transfer	4,073,839	2.56
				25-Sep-15	-3,230	Transfer	4,070,609	2.56
				2-Oct-15	-7,770	Transfer	4,062,839	2.55
				9-Oct-15	6,536	Transfer	4,069,375	2.55
				16-Oct-15	-49,373	Transfer	4,020,002	2.52
				23-Oct-15	-1,071	Transfer	4,018,931	2.52
				30-Oct-15	-10,444	Transfer	4,008,487	2.52
				6-Nov-15	-85,922	Transfer	3,922,565	2.46
				20-Nov-15	2,185	Transfer	3,924,750	2.46
				27-Nov-15	24,965	Transfer	3,949,715	2.48
				4-Dec-15	79,048	Transfer	4,028,763	2.53

Sr. No	Name	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year (April 1, 2015 to March 31, 2016)	
		No. of shares at the beginning (April 1, 2015)/end of the year (March 31, 2016)	% of total shares of the Company				No. of shares	% of total shares of the Company
				11-Dec-15	66,854	Transfer	4,095,617	2.57
				18-Dec-15	41,856	Transfer	4,137,473	2.60
				25-Dec-15	5,443	Transfer	4,142,916	2.60
				31-Dec-15	3,049	Transfer	4,145,965	2.60
				8-Jan-16	-24,766	Transfer	4,121,199	2.59
				15-Jan-16	-36,321	Transfer	4,084,878	2.56
				22-Jan-16	26,039	Transfer	4,110,917	2.58
				5-Feb-16	54,612	Transfer	4,165,529	2.62
				12-Feb-16	-20,226	Transfer	4,145,303	2.60
				19-Feb-16	-549	Transfer	4,144,754	2.60
				26-Feb-16	13,167	Transfer	4,157,921	2.61
				4-Mar-16	-76,311	Transfer	4,081,610	2.56
				11-Mar-16	-48,805	Transfer	4,032,805	2.53
				18-Mar-16	-51,582	Transfer	3,981,223	2.50
				25-Mar-16	-32,238	Transfer	3,948,985	2.48
		3,909,646	2.45	31-Mar-16	-39,339	Transfer	3,909,646	2.45

*Ceased to be in the Top 10 shareholders as on March 31, 2016. The same is reflected above as the shareholder was one of the Top 10 shareholders as on April 1, 2015

**Not in the list of Top 10 shareholders as on April 1, 2015. The same has been reflected above as the shareholder was one of the Top 10 shareholders during the year and ceased to be in the Top 10 shareholders as on March 31, 2016.

***Not in the list of Top 10 shareholders as on April 1, 2015. The same is reflected above since the shareholder was one of the Top 10 shareholders as on March 31, 2016

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name	Shareholding at the beginning of the year (April 1, 2015)		Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity, etc.)	Cumulative Shareholding during the year (2015-16)		At the end of the year (March 31, 2016)	
		No. of shares	% of total shares of the Company		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Mr. Shyam S Bhartia, Chairman	1,399,935	0.88	No change during the Financial Year 2015-16	1,399,935	0.88	1,399,935	0.88
2	Mr. Hari S Bhartia, Co-Chairman and Managing Director	360,885	0.23		360,885	0.23	360,885	0.23
3	Mr. Shyamsundar Bang, Executive Director	57,963	0.04	Refer Note A		–	–	
4	Mr. Shardul S Shroff, Director*	–	–	No change during the Financial Year 2015-16	–	–	–	–
5	Dr. Ashok Misra, Director	–	–		–	–	–	–
6	Mr. S Sridhar, Director	–	–		–	–	–	–
7	Ms. Sudha Pillai, Director	–	–		–	–	–	–
8	Mr. R Sankaraiah, Chief Financial Officer (Designated as Executive Director - Finance)	–	–	Refer Note B		53,746	0.03	
9	Mr. Rajiv Shah, Company Secretary	–	–	No change during the Financial Year 2015-16	–	–	–	–

* Resigned w.e.f. May 24, 2016

Note A:**Shareholding movement of Mr. Shyamsundar Bang, Executive Director during the Financial Year 2015-16**

Sr. No.	Date	Increase/ Decrease in Shareholding	Reasons for Increase/ Decrease (e.g. allotment/ transfer/ bonus/ sweat equity, etc)	Cumulative Shareholding during the year (2015-16)	
				No. of shares	% of total shares of the Company
1	April 1, 2015	–	–	57,963	0.04
2	October 21, 2015	-15,000	Sale	42,963	0.03
3	November 23, 2015	-500	Sale	42,463	0.03
4	November 24, 2015	-9,500	Sale	32,963	0.02
5	November 30, 2015	-1,500	Sale	31,463	0.02
6	December 1, 2015	-31,463	Sale	–	–

Note B:

Shareholding movement of Mr. R Sankaraiah, Chief Financial Officer (Designated as Executive Director - Finance) during the Financial Year 2015-16

Sr. No.	Date	Increase/ Decrease in Shareholding	Reasons for Increase/ Decrease (e.g. allotment/ transfer/ bonus/ sweat equity, etc.)	Cumulative Shareholding during the year (2015-16)	
				No. of shares	% of total shares of the Company
1	April 1, 2015	–	–	–	–
2	August 25, 2015	93,475	Acquisition on exercise of ESOP	93,475	0.06
3	September 1, 2015	–10,000	Sale	83,475	0.05
4	September 3, 2015	–1,637	Sale	81,838	0.05
5	September 18, 2015	–50,000	Sale	31,838	0.02
6	September 21, 2015	–31,838	Sale	–	–
7	September 30, 2015	50,591	Acquisition on exercise of ESOP	50,591	0.03
8	January 5, 2016	–25,000	Sale	25,591	0.02
9	February 23, 2016	28,155	Acquisition on exercise of ESOP	53,746	0.03

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/ accrued but not due for payment: (₹ /million)

Particulars	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the Financial Year (April 1, 2015)				
i) Principal Amount	19,997.17	2,796.21	–	22,793.38
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	22.12	68.68	–	90.80
Total (i+ii+iii)	20,019.29	2,864.89	–	22,884.18
Change in Indebtedness during the Financial Year (including Forex effect)				
i) Addition	1,315.72	240.61	–	1,556.33
ii) Reduction	5,437.63	935.42	–	6,373.05
Net Change	–4,121.91	–694.81	–	–4,816.72
Indebtedness at the end of the Financial Year (March 31, 2016)				
i) Principal Amount	15,836.98	2,153.93	–	17,990.91
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	60.40	16.15	–	76.55
Total (i+ii+iii)	15,897.38	2,170.08	–	18,067.46

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director/ Whole-time Director and/ or Manager: Nil

B. Remuneration to other Directors:

(i) Independent Directors:

Particulars of Remuneration	Names of Directors				Total Amount (₹)
	Mr. Shardul S Shroff*	Mr. S Sridhar	Ms. Sudha Pillai	Dr. Ashok Misra	
Fees for attending Board/ Committee meetings	125,000	495,000	480,000	450,000	1,550,000
Commission	-	-	-	-	-
Others	-	-	-	-	-
Total	125,000	495,000	480,000	450,000	1,550,000

* Resigned w.e.f. May 24, 2016

(ii) Other Non-Executive Directors: Nil

Note: No managerial remuneration has been paid to the Managing Director, Whole Time Director and Non-Executive Directors (other than Independent Directors) during the Financial Year 2015-16. Independent Directors have been paid only sitting fees during the Financial Year 2015-16. Hence, computation of ceiling of managerial remuneration is not given.

C. Remuneration to Key Managerial Personnel other than Managing Director/ Manager/ Whole-time Director

Amount (₹)

Sr. No.	Particulars of Remuneration	Name of Key Managerial Personnel		
		Mr. R Sankaraiah Chief Financial Officer (Designated as Executive Director - Finance)	Mr. Rajiv Shah, Company Secretary	Total Amount
1.	Gross Salary:			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	37,463,119	5,272,701	42,735,820
	(b) Value of perquisites under Section 17(2) of the Income Tax Act, 1961	117,472	6,990	124,462
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-	-	-
2.	Stock Option	21,039,773	-	21,039,773
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
	– as % of profit			
	– others			
5.	Others (P.F., Mediclaim, etc.)	1,848,929	334,335	2,183,264
	Total	60,469,293	5,614,026	66,083,319

VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES

There were no penalties / punishment / compounding of offences for breach of any Section of the Companies Act against the Company or its Directors or other officers in default, if any, during the year.

Report on Corporate Governance

Annexure – 6

A) COMPANY'S PHILOSOPHY

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

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

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

Highlights of Jubilant's Corporate Governance regime are:

- Appropriate mix of Executive and Non-Executive Directors on the Board;
- Constitution of several committees for focused attention and proactive flow of information;
- Emphasis on ethical business conduct by the Board, management and employees;
- Employees Stock Option Plans - to attract, reward and retain key senior executives;
- Active employee participation in place; one top executive on the Board of Directors;
- Business excellence through 'Velocity' initiatives like Six Sigma, lean and world class manufacturing;
- Online monitoring of internal controls on all operations spanning more than 2,000 control assertions through a specially designed software to institutionalize a quarterly system of certification

to enable CEO/CFO certification of internal controls as per Regulation 17(8) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations');

- 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 Vigil 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 Reports and obtaining regular and also online feedback.

During the year under review, SEBI has notified the Listing Regulations which regulate Corporate Governance practices for listed companies. Jubilant is in full compliance with the Listing Regulations.

B) BOARD OF DIRECTORS:

(i) Composition

The Board of Jubilant presently comprises six members, including a Woman Director, of which three are Non-Executive Independent Directors, one Non-Executive Non-Independent Director, one Managing Director and one Executive Director.

The maximum tenure of Independent Directors is upto five consecutive years from the date of their appointment. However, they can be re-appointed for another term of five consecutive years. The date of appointment and tenure of the existing Independent Directors are given below:

Sr. No.	Name of Independent Director	Date of Appointment	Date of Completion of Tenure
1	Mr. S Sridhar	September 2, 2014	March 31, 2019
2	Ms. Sudha Pillai	September 2, 2014	March 31, 2019
3	Dr. Ashok Misra	September 15, 2014	March 31, 2019

The letters of appointment have been issued to the Independent Directors and the terms and conditions thereof are posted on the Company's website.

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

(ii) Key functions of the Board

The Board performs various statutory and other functions in connection with managing the affairs of the Company. The key functions performed by the Board of Jubilant are:

- a. Reviewing and guiding corporate strategy, major plans of action, annual budgets and business plans, setting performance objectives, monitoring implementation and corporate performance and overseeing major capital expenditures, acquisitions and divestments
- b. Monitoring effectiveness of the Company's governance practices and making changes as needed
- c. Selecting, compensating, monitoring and when necessary, replacing Key Managerial Personnel and overseeing succession planning
- d. Aligning Key Managerial Personnel and Board remuneration with the long term interests of the Company and its shareholders
- e. Ensuring a transparent Board nomination process with the diversity of thought, experience, knowledge, perspective and gender in the Board

- f. Monitoring and managing potential conflicts of interest of management, Board members and shareholders, including misuse of corporate assets and abuse in related party transactions
- g. Ensuring integrity of the Company's accounting and financial reporting systems, including the independent audit and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational controls and compliance with the law and relevant standards
- h. Overseeing the process of disclosure and communications
- i. Monitoring and reviewing Board Evaluation framework

(iii) Meetings of the Board

Meetings of the Board are normally 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 12, 2015, August 11, 2015, October 29, 2015 and February 9, 2016.

The Company has held a minimum of one Board Meeting in each quarter and maximum gap between two consecutive meetings did not exceed 120 days which is in compliance with the Listing Regulations and provisions of the Companies Act, 2013 (the 'Act').

An annual calendar of meetings is prepared well in advance and shared with the Directors before commencement of the year to enable them to plan their attendance at the meetings. Directors are expected to attend the Board and Committee meetings, spend 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 sent electronically to the Directors, well in advance, before the meetings. Draft minutes of the Board and Committee meetings are circulated to the Directors of the Company for their comments and thereafter, noted by the Board at its next meeting.

Composition of the Board of Directors as on March 31, 2016 and attendance at the Board meetings

held during the Financial Year ended March 31, 2016 and at the last Annual General Meeting ('AGM') are given in the table below:

COMPOSITION OF THE BOARD AND ATTENDANCE OF DIRECTORS AT THE BOARD MEETINGS AND AT THE LAST AGM				
Name and Designation	Category	Attendance at Meetings		
		No. of Board Meetings		Last AGM Attended
		Held During Tenure	Attended	
Mr. Shyam S Bhartia* <i>Chairman</i>	Non-Executive and Promoter	4	4	Yes
Mr. Hari S Bhartia* <i>Co-Chairman & Managing Director</i>	Executive and Promoter	4	4	Yes
Mr. Shyamsundar Bang <i>Executive Director</i>	Executive	4	4	Yes
Mr. Shardul S Shroff# <i>Director</i>	Non-Executive, Independent	4	1	No
Mr. S Sridhar <i>Director</i>	Non-Executive, Independent	4	4	Yes
Ms. Sudha Pillai <i>Director</i>	Non-Executive, Independent	4	4	Yes
Dr. Ashok Misra <i>Director</i>	Non-Executive, Independent	4	4	No

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

#Resigned effective from May 24, 2016

(iv) Other Directorships

Number of directorships in other bodies corporate and memberships/ chairmanships of Board Committees held by the Directors as on March 31, 2016 are given in the table below:

Name of Director	No. of Directorships in Other Bodies Corporate				No. of Chairmanships/ Memberships of Committees	
	Public Listed	Public Unlisted	Private	Foreign	Chairmanships	Memberships
Mr. Shyam S Bhartia	2	3	11	26	0	2
Mr. Hari S Bhartia	3	3	11	1	0	0
Mr. Shyamsundar Bang	0	6	0	0	0	2
Mr. Shardul S Shroff#	2	2	9	0	0	1
Mr. S Sridhar	5	3	5	0	5	3
Ms. Sudha Pillai	3	3	0	0	1	3
Dr. Ashok Misra	2	0	0	0	0	3

#Resigned effective from May 24, 2016

Note: Pursuant to Regulation 26 of the Listing Regulations, Chairmanship/ Membership of Audit Committees and Stakeholders Relationship Committees of Indian Public Companies, whether listed or not, have been considered. Committees of Jubilant are also included.

(v) 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, budgets and updates thereon;
- Capital budgets and updates thereon;
- Quarterly results of the Company and its operating divisions or business segments;
- Minutes of the meetings of Audit Committee and other committees of the Board of Directors;

- Information on recruitment and remuneration of senior officers just below the Board level, including appointment or removal of the Chief Financial Officer and the Company Secretary;
- 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 defaults 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 investments, subsidiaries, assets which are material in nature and not in normal course of business;
- Quarterly details of foreign exchange exposures and steps taken by the 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;
- Non-compliance of any regulatory, statutory or listing requirements and shareholder services such as non-payment of dividend, delay in share transfer, etc.;
- Compliance reports pertaining to applicable laws and steps taken to rectify instances of non-compliances, if any; and
- Quarterly Compliance Report on Corporate Governance.

(vi) Board Process

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 at least 7 days before the meetings. Important decisions taken at the Board/ Committee

meetings are promptly communicated to the concerned departments/ divisions.

The Company has complied with the Secretarial Standards on Meetings of the Board of Directors and on General Meetings issued by the Institute of Company Secretaries of India.

(vii) Independent Directors' Meeting

The Independent Directors met on May 24, 2016 without the attendance of Non-Independent Directors and members of the Management of the Company. The Independent Directors, *inter alia*, evaluated performance of the Non-Independent Directors, Chairperson of the Company and the Board of Directors as a whole for the Financial Year ended March 31, 2016. They also assessed the quality, content and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

(viii) Familiarisation Programme for Independent Directors

The Company familiarises its Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, legal updates, etc. In this regard, the Company follows a structured familiarisation programme for the Independent Directors. The details related thereto are displayed on the Company's website- www.jubl.com. The web-link for the same is: <http://www.jubl.com/cpage.aspx?mpgid=28&pgid=29&spgid=1018&spgid1=1023>

C) COMMITTEES OF THE BOARD

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

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

Major Committees are:

- Audit Committee
- Nomination, Remuneration and Compensation Committee
- Stakeholders Relationship Committee
- Sustainability & CSR Committee

- Capital Issue Committee
- Finance Committee
- Fund Raising Committee

The Company Secretary officiates as the Secretary of the Committees. Detailed terms of reference, composition, quorum, meetings, attendance and other relevant 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 the 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 have accounting or financial management expertise.

(i) Terms of Reference

The Audit Committee functions according to its terms of reference that define its authority, responsibility and reporting functions in accordance with the provisions of the Act and Regulation 18 read with Part C of Schedule II to the Listing Regulations which, *inter alia*, include the following:

1. Oversight of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible
2. Recommendation for appointment, remuneration and terms of appointment of cost auditors and statutory auditors including their replacement or removal
3. Approval for payment to statutory auditors for any other permitted services rendered by statutory auditors
4. Reviewing with the management, the annual financial statements and auditors' report thereon before submission to the Board for approval, with particular reference to:
 - a. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgement by management
 - d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval
6. 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 utilized for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue and making appropriate recommendations to the Board to take steps in this matter
7. Reviewing and monitoring with the management, independence and performance of statutory and internal auditors, adequacy of internal control systems and effectiveness of the audit processes
8. Reviewing adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit
9. Discussion with internal auditors on any significant findings and follow up there-on
10. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board
11. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern
12. To look into the reasons for substantial defaults in payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors
13. To review the functioning of the Whistle Blower Policy (Vigil Mechanism)
14. Approval of appointment of CFO (i.e. the Whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate
15. Approval or any subsequent modification of transactions of the Company with related parties
- f. Disclosure of any related party transactions
- g. Qualifications in the draft audit report, if any

16. Scrutiny of inter-corporate loans and investments
17. Valuation of undertakings or assets of the Company, wherever it is necessary
18. Evaluation of internal financial controls and risk management system
19. Review of management discussion and analysis of financial condition and results of operations
20. Review of management letters/ letters of internal control weaknesses issued by the statutory auditors
21. Review of internal audit reports relating to internal control weaknesses
22. Review of financial statement, in particular, investments made by the subsidiary company (ies)
23. Any other role as may be prescribed by law from time to time

(ii) Composition

As on date, the Committee comprises of Mr. S Sridhar, Chairman, Ms. Sudha Pillai and Dr. Ashok Misra.

Invitees:

Mr. R Sankaraiah, Executive Director-Finance and Mr. Shyamsundar Bang, Executive Director are permanent invitees to all Audit Committee meetings.

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

(iii) Meetings, Quorum and Attendance

The Audit Committee meets at least four times in a year with a gap of not more than one hundred and twenty days between two consecutive meetings. The quorum for the meetings is two members or one-third of members whichever is higher, with atleast two Independent Directors.

During the year, the Committee met five times i.e. on May 12, 2015, July 28, 2015, August 11, 2015, October 29, 2015, and February 9, 2016.

Attendance details of the members are given in the table below:

Name of the Committee Member	Meetings Held During Tenure	Meetings Attended
Mr. S Sridhar, Chairman	5	5
Ms. Sudha Pillai	5	5
Dr. Ashok Misra	5	5

Nomination, Remuneration and Compensation Committee

The Nomination, Remuneration and Compensation Committee functions according to its terms of reference that define its authority, responsibility and reporting functions in accordance with the provisions of the Act and Regulation 19 read with Part D of Schedule II to the Listing Regulations which, *inter alia*, include the following:

(i) Terms of Reference

The role of the Committee is:

1. To identify persons who are qualified to become directors in accordance with the criteria laid down and recommend to the Board, their appointment/ removal
2. To identify persons who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board, their appointment/ removal
3. To formulate criteria for performance evaluation of independent directors and the Board and to carry out evaluation of every director's performance
4. To formulate the criteria for determining qualifications, positive attributes and independence of a director
5. Devising a policy on Board diversity
6. To formulate and recommend to the Board, policies relating to the remuneration of:
 - a. Directors
 - b. Key Managerial Personnel
 - c. Other employees of the Company
7. To discharge the role envisaged under the SEBI (Share Based Employee Benefits) Regulations, 2014
8. Any other role as may be prescribed by law from time to time

(ii) Composition

As on date, the Committee comprises of Ms. Sudha Pillai, Chairperson, Mr. Shyam S Bhartia and Mr. S Sridhar.

Invitee

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

(iii) Meetings, Quorum and Attendance

During the year, the Committee met thrice i.e. on May 12, 2015, August 11, 2015 and October 29, 2015. The quorum for the meetings is two members or one-third of members, whichever is higher.

Attendance details of the members are given in the table below:

Name of the Committee Member	Meetings Held During Tenure	Meetings Attended
Ms. Sudha Pillai, Chairperson	3	3
Mr. Shyam S Bhartia	3	3
Mr. Shardul S Shroff*	3	1
Mr. S Sridhar	3	3

*Resigned effective from May 24, 2016

Stakeholders Relationship Committee

The Stakeholders Relationship Committee oversees, *inter alia*, redressal of shareholder and investor grievances, transfer/ transmission of shares, issue of duplicate share certificates, dematerialisation/ rematerialisation of shares and related matters in accordance with the provisions of the Act and Regulation 20 read with Part D of Schedule II to the Listing Regulations. The Committee meets as often as required. Additionally, the Board has authorised the Executive Director-Finance and the Company Secretary to jointly exercise the powers of approving transfer/ transmission of shares. Normally, transfers/ transmissions are approved once in a fortnight.

(i) Terms of Reference

The role of Committee is:

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

(ii) Composition

As on date, the Committee comprises of Mr. S Sridhar, Chairman, Mr. Shyam S Bhartia, Mr. Shyamsundar Bang and Dr. Ashok Misra.

Invitee

Mr. R Sankaraiah, Executive Director-Finance is a permanent invitee to all meetings of the Committee.

Compliance Officer

Mr. Rajiv Shah, Company Secretary and Compliance Officer, officiates as the Secretary to the Committee.

(iii) Meetings, Quorum and Attendance

The Committee meets as frequently as circumstances necessitate. During the year, the Committee met thrice i.e. on May 12, 2015, October 7, 2015 and

October 29, 2015. The quorum for the meetings is two members or one-third of members, whichever is higher.

Attendance details of the members are given in the table below:

Name of the Committee Member	Meetings Held During Tenure	Meetings Attended
Mr. S Sridhar, Chairman	3	3
Mr. Shyam S Bhartia	3	2
Mr. Shyamsundar Bang	3	2
Dr. Ashok Misra	3	3

(iv) Investor Complaints

During the year, the Company received 16 complaints, which were duly resolved to the satisfaction of shareholders. No complaint was pending as on March 31, 2016.

(v) Transfers and Transmissions approved

During the year, the Company received 97 cases representing 61,895 shares of share transfer/ transmission of which, 45 cases representing 22,490 shares were approved and 52 cases representing 39,405 shares were rejected on technical grounds.

The Company had 31,228 investors as on March 31, 2016.

Sustainability & CSR Committee

Sustainability & CSR Committee has been constituted to review and oversee the Sustainability and Corporate Social Responsibility ('CSR') initiatives of the Company.

(i) Terms of Reference

The role of Committee is:

i. Sustainability:

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

ii. CSR:

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

(ii) Composition

As on date, the Committee comprises of Dr. Ashok Misra, Chairman, Mr. Shyam S Bhartia, Mr. Hari

S Bhartia, Mr. Shyamsundar Bang and Ms. Sudha Pillai.

Invitee

Mr. R Sankaraiah, Executive Director-Finance is a permanent invitee to all meetings of the Committee.

(iii) Meetings, Quorum and Attendance

The Committee meets atleast once in every six months. During the year, the Committee met twice i.e. on May 12, 2015 and October 29, 2015. The quorum for the meetings is two members or one-third of members, whichever is higher.

Attendance details of the members are given in the table below:

Name of the Committee Member	Meetings Held During Tenure	Meetings Attended
Dr. Ashok Misra, Chairman	2	2
Mr. Shyam S Bhartia	2	2
Mr. Hari S Bhartia	2	2
Mr. Shyamsundar Bang	2	2
Ms. Sudha Pillai	2	2

Capital Issue Committee

During the year, the Capital Issue Committee was re-constituted. The Committee functions according to its terms of reference that define its authority and responsibility which, *inter alia*, include the following:

(i) Terms of Reference

The salient terms of reference of the Committee include deciding about the following with reference to fund raising:

- Type of instruments
- Size of the issue within the overall limit approved by the Board of Directors
- Terms and conditions of the issue / allotment / conversion
- Appointment of merchant bankers, lawyers, auditors, depositories, printers and various other agencies

(ii) Composition

During the year, the Committee was re-constituted. As on date, the Committee comprises of Mr. Shyam S Bhartia, Chairman, Mr. Hari S Bhartia, Mr. Shyamsundar Bang and Mr. S Sridhar.

Invitee

Mr. R Sankaraiah, Executive Director-Finance is a permanent invitee to all Capital Issue Committee meetings.

(iii) Meetings, Quorum and Attendance

During the year, no Capital Issue Committee meeting was held. The quorum for the meetings is two members or one-third of members, whichever is higher.

Finance Committee

The Board of Directors of the Company has delegated to the Finance Committee the powers to borrow money and 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 lender by way of term loans, working capital loans or any other funding method
- To approve creation of mortgages / charges in favour of lenders
- To give corporate guarantees to banks / financial institutions for financial assistance availed by wholly-owned subsidiaries
- To open, operate, transfer and close accounts with banks/ institutions outside India from time to time

(ii) Composition

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

Invitee

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

(iii) Meetings, Quorum and Attendance

The Committee meets as frequently as circumstances necessitate.

During the year, the Committee met six times i.e. on May 12, 2015, September 30, 2015, November 9, 2015, December 18, 2015, March 2, 2016 and March 22, 2016. The quorum for the meetings is two members.

Attendance details of the members are given in the table below:

Name of the Committee Member	Meetings Held During Tenure	Meetings Attended
Mr. Shyam S Bhartia, Chairman	6	5
Mr. Hari S Bhartia	6	5
Mr. Shyamsundar Bang	6	6

Fund Raising Committee

The Fund Raising Committee functions according to its terms of reference that define its authority and responsibility which, *inter alia*, include the following:

(i) Terms of Reference

The Committee is authorised to take all steps and decide all matters to explore the options and opportunities for raising money by listing

the Pharma business and to finalise and execute the consolidation, reorganisation and listing of the Pharma business and to give loans to, make investments in and provide guarantee/ security to wholly-owned subsidiaries or any other person/body corporate.

(ii) Composition

As on date, the Committee comprises of two members namely, Mr. Shyam S Bhartia, Chairman and Mr. Hari S Bhartia.

Invitee

Mr. R Sankaraiah, Executive Director-Finance is a permanent invitee to all meetings of the Committee.

(iii) Meetings and Attendance

The Committee meets as frequently as circumstances necessitate.

During the year, the Committee met twice i.e. on May 12, 2015 and November 27, 2015.

Attendance details of the members are given in the table below:

Name of the Committee Member	Meetings Held During Tenure	Meetings Attended
Mr. Shyam S Bhartia, Chairman	2	2
Mr. Hari S Bhartia	2	2

D) PERFORMANCE EVALUATION AND ITS CRITERIA

Pursuant to the provisions of the Act, the Listing Regulations and the Performance Evaluation Policy of the Company, the Board has carried out annual evaluation of its performance, its committees, Chairperson and Directors through structured questionnaire.

Performance of the Board was evaluated by each Director on the parameters such as its role and responsibilities, business risks, contribution to the development of strategy and effective risk management, understanding of operational programmes, availability of quality information in a timely manner, regular evaluation of progress towards strategic goals and operational performance, adoption of good governance practices and adequacy and length of meetings, etc. Independent Directors also carried out evaluation of the Board performance.

Board committees were evaluated by the respective committee members on the parameters such as its role and responsibilities, effectiveness of the committee vis-a-vis assigned role, appropriateness of committee composition, timely receipt of information by the committee, effectiveness of communication by the committee with the Board, Senior Management and Key Managerial Personnel.

Performance of the Chairperson was evaluated by the Independent Directors on the parameters such as

demonstration of effective leadership, contribution to the Board’s work, communication with the Board, use of time and overall efficiency of Board meetings, quality of discussions at the Board meetings, process for settling Board agenda, etc.

Directors were evaluated individually by the Board of Directors (excepting the Director himself) on the parameters such as his/ her preparedness at the Board meetings, attendance at the Board meetings, devotion of time and efforts to understand the Company and its business, quality of contribution at the Board meetings, application of knowledge and experience while considering the strategy, effectiveness of follow-up in the areas of concern, communication with Board members, Senior Management and Key Managerial Personnel, etc. Nomination, Remuneration and Compensation Committee also carried out the performance evaluation of the individual Directors. The performance evaluation of the Non Independent Directors was also carried out by the Independent Directors.

Outcome of the evaluation was submitted to the Chairman of the Company. The Chairman briefed the outcome of the performance evaluation to the Board.

E) REMUNERATION OF DIRECTORS

(i) Remuneration to Managing/ Whole-Time Directors

- During the year, no remuneration was paid to Managing Director and Whole-time Director.
- **Service Contracts, Notice Period and Severance Fees**

Appointments of Managing Director and Whole-time Director are contractual. Appointment of Whole-time Director is terminable on 3 months’ notice or salary in lieu thereof.

- Mr. Shyamsundar Bang was granted 50,591 Options on October 24, 2011 and 56,310 Options on December 5, 2012 under JLL Employees Stock Option Plan 2011 (‘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, 2016, 78,746 Options have been vested in Mr. Shyamsundar Bang.

The Options are vested in the following manner: (i) 20% on the first anniversary of the grant date; (ii) 30% on the second anniversary of the grant date and (iii) the balance 50% on the third anniversary of the grant date. The Options can be exercised within 8 years from the grant date subject to compliance with other conditions prescribed under Plan 2011.

(ii) Remuneration to Non-Executive Directors

The Company considers the time and efforts put in by the Non-Executive Directors in deliberations at

the Board/ Committee meetings. They are remunerated by way of sitting fees for attending the meetings and through commission, as approved by the Board and members.

No commission was proposed for Non-Executive Directors for the Financial Year 2015-16. Details of sitting fees paid to the Independent Directors for attending Board/ Committee Meetings held during the year ended March 31, 2016 are given in the table below:

Name of Director	Sitting Fees (₹)
Mr. S Sridhar	495,000
Mr. Shardul S Shroff [#]	125,000
Ms. Sudha Pillai	480,000
Dr. Ashok Misra	450,000
Total	1,550,000

[#] During the year, the Company has paid ₹ 36.27 lac as professional fees to M/s. Shardul Amarchand Mangaldas & Co. Mr. Shardul S Shroff is the Executive Chairman of the firm. He has resigned as Director effective from May 24, 2016.

Details of Equity Shares/ Options in the Company held by Non-Executive Directors as on March 31, 2016 are given in the table below:

Name of Director	No. of Equity Shares of ₹ 1 held	No. of Options under Plan 2005	No. of Options under Plan 2011
Mr. Shyam S Bhartia	1,399,935	Nil	Nil
Mr. S Sridhar	Nil	Nil	Nil
Mr. Shardul S Shroff	Nil	Nil	15,000*
Ms. Sudha Pillai	Nil	Nil	Nil
Dr. Ashok Misra	Nil	Nil	Nil

* Mr. Shardul S Shroff was granted 7,500 Options on October 24, 2011 and 7,500 Options on December 5, 2012 under JLL Employees Stock Option Plan 2011 ('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, 2016, all 15,000 Options have been vested in Mr. Shardul S Shroff.

The Options are vested in the following manner: (i) 20% on the first anniversary of the grant date; (ii) 30% on the second anniversary of the grant date and (iii) the balance 50% on the third anniversary of the grant date. The Options can be exercised within 8 years from the grant date subject to compliance with other conditions prescribed under Plan 2011. Mr. Shardul S Shroff has resigned as Director effective from May 24, 2016.

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

F) GENERAL BODY MEETINGS

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

Financial Year	Date	Time	Location
2012-13 (35 th AGM)	August 27, 2013	11:30 a.m.	Registered Office: Bhartiagram, Gajraula, District Amroha – 244 223, U.P.
2013-14 (36 th AGM)	September 2, 2014		
2014-15 (37 th AGM)	September 1, 2015		

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

Meeting	Subject Matter of Special Resolutions Passed
35 th AGM	Modification of Jubilant Employees Stock Option Plan 2005 and JLL Employees Stock Option Plan 2011
36 th AGM	Nil
37 th AGM	Nil

(ii) Special Resolutions passed through Postal Ballot in Financial Year 2015-16

No Special Resolution has been passed through Postal Ballot during the Financial Year 2015-16.

(iii) Whether any Special Resolution is proposed to be passed through Postal Ballot

A resolution is proposed to be passed through Postal Ballot authorising issue of equity shares and/ or other securities upto an amount not exceeding INR equivalent of USD 200 million. Notice for Postal Ballot dated April 18, 2016 has been despatched to the shareholders. Mr. Sanjay Grover, a Practising Company Secretary of M/s Sanjay Grover & Associates, Company Secretaries has been appointed as the Scrutinizer for conducting the Postal Ballot process.

Special Resolution(s) as may be necessary under the Act and/ or the Listing Regulations would be passed through Postal Ballot.

(iv) Procedure for Postal Ballot

- The notices containing the proposed resolutions and explanatory statement are sent to the shareholders at the addresses registered with the Company alongwith a Postal Ballot Form and a postage pre-paid envelope containing the address of the Scrutinizer appointed by the Board for carrying out the Postal Ballot process;
- The Postal Ballot Forms received within 30 days of despatch are considered by the Scrutinizer;
- The Scrutinizer submits his report to the Chairman/ Co-Chairman 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 are provided an electronic platform to participate and vote on the resolutions to be passed through Postal Ballot.

G) CODES AND POLICIES

The Company has established a robust framework of Codes and Policies that facilitates and reflects adoption of good governance practices. The salient Codes and Policies adopted by the Company are mentioned below:

i. Code of Conduct

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

ii. Code of Conduct for Prevention of Insider Trading

The Company has adopted a revised Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities of the Company by the Designated Persons. Dealing in the shares of the Company by the Designated Persons is effectively monitored for ensuring compliance with the Code.

Report on dealing in the shares of the Company by the Designated Persons is placed before the Chairman of the Audit Committee and the Board.

iii. Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information

During the year, the Company has adopted a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information with a view to facilitate prompt, uniform and universal dissemination of unpublished price sensitive information.

iv. Policy for Determining Materiality of Events and Information

During the year, the Company has adopted a Policy for Determining Materiality of Events and Information for the purpose of making disclosures to the Stock Exchanges. This policy aims to ensure timely and adequate disclosure of all material and price sensitive information to the Stock Exchanges. The Policy is displayed on the Company's website- www.jubl.com.

v. Whistle Blower Policy

Jubilant has a robust Whistle Blower Policy and Ombudsman Process to make the workplace at Jubilant conducive to open communication regarding business practices. It enables the Directors and full time employees to voice their concerns or disclose or report fraud, unethical behaviour, violation of the Code of Conduct, questionable accounting practices, grave misconduct, etc. without fear of retaliation/ unlawful victimization/ discrimination which is a sine qua non for an ethical organization.

The Whistle Blower Policy has been posted on the Company's website - www.jubl.com. The Audit Committee periodically reviews the functioning of the Policy and Ombudsman Process. During the year, no Director or full time employee was denied access to the Chairman of the Audit Committee.

vi. Appointment and Remuneration Policy

The Company's policy on appointment and remuneration of the Directors, Key Managerial Personnel and other employees is given as **Annexure-B**.

vii. 'Policy for Determining Material Subsidiaries'

has been revised during the year pursuant to the provisions of the Listing Regulations and is displayed on the Company's website. The web-link for the same is: www.jubl.com/investors/corporate-governance/policies-and-codes/policy-for-determining-material-subsidiaries.

Jubilant Generics Limited is the material unlisted Indian subsidiary company.

- viii. 'Policy on Materiality of Related Party Transactions and Dealing with Related Party Transactions' is displayed on the Company's website. During the year, the Company has also revised the policy along with the criteria for granting omnibus approval for Related Party Transactions. The web-link for the same is: <http://jubl.com/cpage.aspx?mpgid=28&pgid=29&spgid=1018&spgid1=1021>

ix. Policy for Preservation of Documents

During the year, the Company has adopted a Policy for Preservation of Documents. The Policy facilitates preservation of documents in compliance with the laws applicable to various functions and departments of the Company.

x. Archival Policy

During the year, the Company has adopted an Archival Policy that lays down the process and manner of archiving the disclosures made to the Stock Exchanges under the Listing Regulations which are hosted on the website of the Company. The Policy provides that such disclosures shall be hosted on the website of the Company for a period of five years from the date of disclosure to the Stock Exchanges. The Policy also lays down the manner of archiving these disclosures after the period of 5 years. The Policy has been posted on the Company's website - www.jubl.com.

- xi. 'Corporate Social Responsibility Policy' is displayed on the Company's website - www.jubl.com.

xii. Policy on Board Diversity.

xiii. Succession Plan for Board Members and Senior Management.

xiv. Performance Evaluation Policy.

H) DISCLOSURES

- (i) There are no materially significant transactions with the related parties viz. promoters, directors, their relatives or the management, subsidiaries, etc. that may have a potential conflict with the interests of the Company at large. Related Party Transactions are given at Note No. 52 of Notes to the Standalone Financial Statements;
- (ii) The Company has complied with various rules and regulations on matters relating to capital markets prescribed by the Stock Exchanges, Securities and Exchange Board of India and other statutory authorities. During the last three years, no penalties or strictures have been imposed by them on the Company;
- (iii) Listing fees for the Financial Year 2016-17 have been paid to the Stock Exchanges on which shares of the Company are listed;
- (iv) Detailed note on risk management is included in the Management Discussion and Analysis section.

- (v) Commodity Price Risks/ Foreign Exchange Risk and Hedging Activities: Commodity price volatility affects both input as well as output of Life Sciences Ingredients ('LSI') business of the Company. However, by ensuring that a significant part of LSI product portfolio is of speciality chemicals, the cascading effect of falling commodity prices to the output is limited only to the Life Science Chemicals business. The dimension of foreign exchange volatility is also managed by balancing domestic and exports sales accordingly. Pharma business of the Company is not commodity dependent.

The Company follows a structured risk management approach and reviews it dynamically to align it with developments in the external environment and business requirements. The Company uses various instruments like forward contracts, currency and interest rate swaps, etc. to hedge its currency exposures.

- (vi) The Company has complied with the requirements specified in Regulations 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.

I) MEANS OF COMMUNICATION

- (i) The quarterly results are regularly submitted to the Stock Exchanges and are normally published in leading business newspapers of the country like 'Mint' and regional newspapers like 'Hindustan' in compliance with the Listing Regulations
- (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 and press release just after release to the Stock Exchanges, e-mailing of Annual Reports and Corporate Sustainability Reports
- (v) Regular and online feedback is obtained from the shareholders regarding satisfaction for shareholder services
- (vi) 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

A detailed docket on the financials and business highlights is released to the stock exchanges after the Board approves the results every quarter. We host 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 2015-16, around 100 participants from leading brokerage houses, foreign and domestic institutional investors, banks, insurance and portfolio management companies and rating agencies, besides media and others logged into the conference each time to listen to the management's discussion and analysis. Transcripts of the investor calls are also made available on the Company's website. The Company, as a process, disseminates material information on specific business updates through business or press releases, as is appropriate.

In addition, one on one calls and meetings with analysts from intermediary broking outfits and investors are conducted.

J) GENERAL SHAREHOLDER INFORMATION

(i) Date, time and venue of 38th Annual General Meeting

As per the notice of 38th Annual General Meeting.

(ii) Financial Year and Financial Calendar

The Company observes April 1 to March 31 as its Financial Year. The Financial Calendar for the year 2016-17 is as follows:

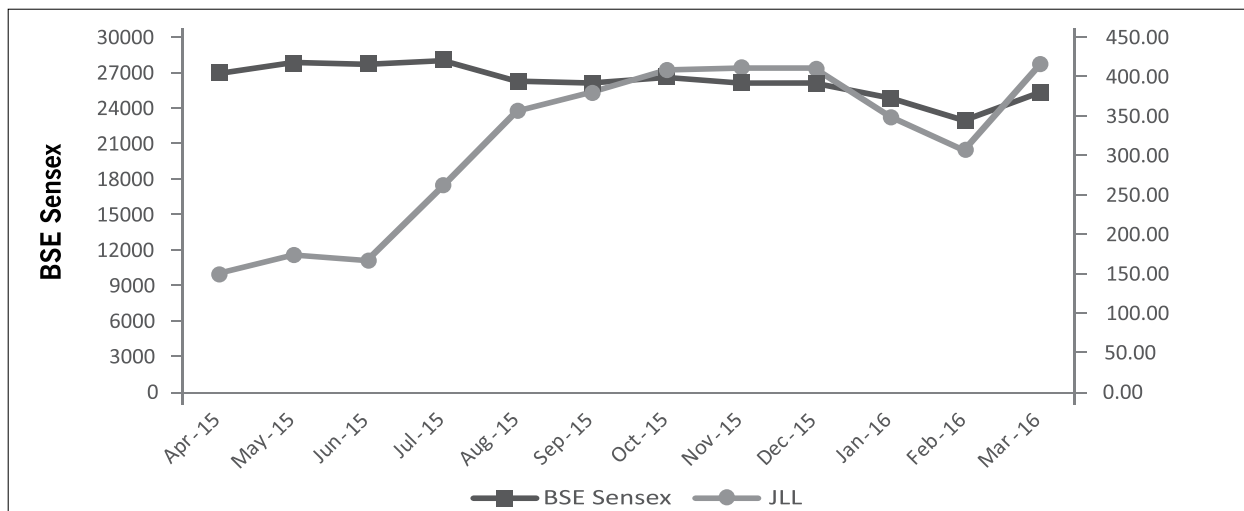
Item	Tentative Dates *
First Quarter Results	Tuesday, August 9, 2016
Second Quarter Results	Thursday, October 27, 2016
Third Quarter Results	Tuesday, February 7, 2017
Audited Annual Results for the year	Tuesday, May 16, 2017

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

(iii) Book Closure & Dividend Payment Dates

As per the Notice convening the 38th Annual General Meeting. The Dividend, if declared, will be paid within 30 days from the date of the Annual General Meeting.

(vi) Performance of the Company's Equity Shares vis-a-vis BSE Sensex during 2015-16



The above graph is based on the monthly closing prices of equity shares of the Company on BSE and monthly closing BSE Sensex.

(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:

Sr. No.	Name and address of the Stock Exchange	Security Listed	Stock Code
1.	BSE Limited Phiroze Jeejeebhoy Tower, Dalal Street, Fort, Mumbai - 400 001	Equity Shares	530019
2.	National Stock Exchange of India Limited Exchange Plaza, 5 th Floor, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051	Equity Shares	JUBILANT

(v) Market Information

Monthly high/ low of the market price of the Company's Equity Shares (of ₹ 1 each) traded on the Stock Exchanges during the year 2015-16 is given hereunder:

(Amount in ₹)

Month	BSE Limited		National Stock Exchange of India Limited	
	High	Low	High	Low
Apr-15	182.95	138.00	183.20	137.00
May-15	188.45	150.00	188.70	149.00
Jun-15	182.85	162.50	182.70	162.05
Jul-15	271.95	166.65	272.00	166.45
Aug-15	373.00	259.95	372.80	259.60
Sep-15	388.95	261.00	388.70	261.00
Oct-15	429.80	368.60	429.80	368.05
Nov-15	435.50	369.65	435.65	320.60
Dec-15	455.00	404.00	454.90	406.50
Jan-16	425.50	272.50	424.90	275.65
Feb-16	374.40	278.80	374.50	279.50
Mar-16	451.85	304.10	452.20	304.50

(vii) Growth in Equity Capital

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

Year	Particulars	Increase in Number of Shares	Cumulative Number of Shares	Face Value (₹)/ Per Share
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 Limited 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 ₹ 108 lacs now as computed below:

Date	Action	No. of Resultant Shares of JLL	Face Value of JLL Shares (₹)	No. of Resultant Shares of JIL	Face Value of JIL Shares (₹)
April 02, 2001	Purchased shares @ ₹ 62.90 per share (BSE Opening Price)	1,589.83	10	NA	NA
November 21, 2002	Sub-division of shares from ₹ 10 to ₹ 5	3,179.65	5	NA	NA
March 18, 2004	Issue of Bonus Shares 3:5	5,087.44	5	NA	NA
March 24, 2006	Sub-division of shares from ₹ 5 to ₹ 1	25,437.20	1	NA	NA
November 26, 2010	Issue of Shares by JIL pursuant to Demerger	–	–	1,271.86	10

Market Value of 25,437.20 Equity Shares of JLL as at the end of Financial Year 2015-16 @ ₹416.85 per share is ₹10,603,497 and Market Value of 1,271.86 Equity Shares of JIL as at the end of Financial Year 2015-16 @ ₹154.90 per share is ₹197,011 resulting in an aggregate of ₹10,800,508. Thus, the investor has multiplied his wealth over 108 times in 15 years, implying a Compounded Annual Growth Rate of 37% approximately. In addition, he has got handsome dividends.

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

(ix) Compliance Officer

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

(x) Registrar and Transfer Agent

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

M/s Alankit Assignments Limited (Unit: Jubilant Life Sciences Limited), 1E/13, Alankit Heights, Jhandewalan Extension, New Delhi-110055; Tel: +91-11-23541234, 42541234; E-mail: rta@alankit.com.

(xi) Share Transfer System

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

(xii) Shareholder Satisfaction Survey

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

1. Timely receipt of Annual Report, Dividend & other documents
2. Quality & content of Annual Report

3. Dissemination of information about the Company
4. Response time & satisfaction level experienced
5. Interaction with the Company officials
6. Interaction with Registrar & Transfer Agents
7. Investor service section of the 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 2015-16 is 60.53%.

(xiii) Distribution of Shareholding as on March 31, 2016

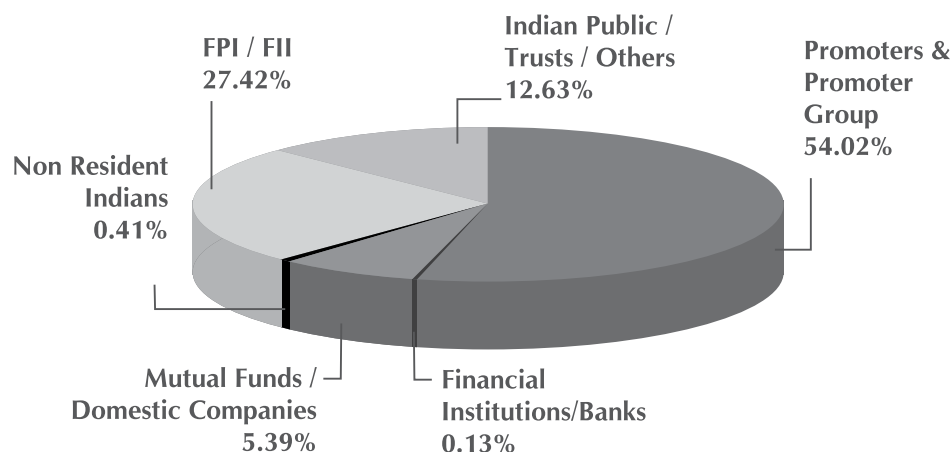
(a) Value wise

Shareholding of Nominal Value in ₹	Shareholders		Shareholding	
	Number	% of Total	Number	% of Total
Upto 5000	30,639	98.10	10,714,807	6.73
5001 to 10000	258	0.83	1,874,366	1.18
10001 to 20000	128	0.41	1,784,822	1.12
20001 to 30000	47	0.15	1,151,596	0.72
30001 to 40000	18	0.06	624,743	0.39
40001 to 50000	20	0.06	926,901	0.58
50001 to 100000	38	0.12	2,855,594	1.79
100001 and above	83	0.27	139,348,310	87.49
Total	31,231	100.00	159,281,139	100.00

(b) Category wise

Sr. No.	Category	No. of Shares	Shareholding as a Percentage of Total Number of Shares
A	Promoters & Promoter Group	86,051,056	54.02
B	Public Shareholding:		
	1. Financial Institutions/ Banks	203,523	0.13
	2. Mutual Funds/ Domestic Companies	8,589,339	5.39
	3. Non Resident Indians	652,467	0.41
	4. FPI / FII	43,673,836	27.42
	5. Indian Public/ Trusts/ Others	20,110,918	12.63
	Grand Total	159,281,139	100.00

Graphic depiction of the above shareholding is given below:



(xiv) 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 2007-08 remaining unpaid, have been transferred to the Investor Education and Protection Fund ('the Fund').

In respect of unpaid/ unclaimed dividends for the Financial Year 2008-09 onwards, the shareholders are requested to write to the Registrar and Transfer Agent. Dividends remaining unclaimed for seven years from the date of transfer to the unpaid dividend account shall be transferred to the Fund.

Shareholders who have not encashed their warrants relating to the dividends specified in the table 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
2008-09	August 28, 2009	October 01, 2016
2009-10	September 28, 2010	October 31, 2017
2010-11	August 23, 2011	September 24, 2018
2011-12	August 28, 2012	September 29, 2019
2012-13	August 27, 2013	September 30, 2020
2013-14	September 2, 2014	October 4, 2021
2014-15	September 1, 2015	October 3, 2022

(xv) Compliance Certificate of Practicing Company Secretary

The Company has obtained a certificate from a Practicing Company Secretary, M/s TVA & Co. LLP, Company Secretaries, confirming compliance with the conditions of Corporate Governance as stipulated in Schedule V (E) of the Listing Regulations. The Certificate is attached as **Annexure-C**.

(xvi) (a) Dematerialisation of Shares

The equity 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 NSDL and CDSL for dematerialization connectivity. As on March 31, 2016, 158,016,726 Equity Shares of the Company (99.21% of the Paid-up capital) were in dematerialised form.

Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's equity 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 and are in the category of Group A scrips on the Bombay Stock Exchange.

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

(a) As on March 31, 2016, no FCCBs / GDRs / ADRs / Warrants or convertible instruments were outstanding.

(b) Paid-up Share Capital

The Paid-up Share Capital as at March 31, 2016 stands at ₹ 159,281,139 comprising of 159,281,139 equity shares of ₹ 1 each, the same as in previous year.

(xviii) Location of the Manufacturing Facilities

Uttar Pradesh	Gujarat
Bhartiagram, Gajraula, District Amroha – 244 223	1 Block 133, Village Samlaya, Taluka Savli, District Vadodara – 391 520
	2 Plot No. P1-L1 (Plot No. 5 of Jubilant SEZ), Vilayat GIDC, Taluka Vagra, District Bharuch
	3 P1-L13 to L16, Plot No. 5, Vilayat GIDC, Taluka Vagra, District Bharuch
Maharashtra	
1	Village Nimbut, Railway Station Nira, Taluka - Baramati, District Pune - 412 102
2	B-34, Vadolgaon, MIDC, Behind Reliance Petrol Pump, Ambernath(W) - 421 501
3	N-34, MIDC Anand Nagar, Addl. Ambernath, Ambernath(E) - 421 506

(xix) R&D Centres

Uttar Pradesh (Central R&D)

C-26, Sector 59, Noida - 201 301

Uttar Pradesh (Gajraula R&D)

Bhartiagram, Gajraula, District Amroha - 244 223

Gujarat (Savli R&D)

Block 133, Village Samlaya, Taluka Savli, District Vadodara - 391 520

(xx) Address for Correspondence

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

(xxi) Corporate Identification Number (CIN)

L24116UP1978PLC004624

(xxii) Equity Shares in Suspense Account

Pursuant to Clause 5A of the erstwhile Listing Agreement (corresponding to Schedule V (F) of the Listing Regulations), shareholders holding physical shares and not having claimed share certificates were sent three reminder letters to claim their equity shares. In terms of the aforesaid clause, equity shares which remained unclaimed were transferred during 2011-12 to JLL Unclaimed Suspense Account. Details required under Schedule V (F) of the Listing Regulations are given in the table below:

Particulars	Number of Shareholders	Number of Equity Shares
Aggregate number of shareholders and outstanding shares in the Unclaimed Suspense Account lying as on April 1, 2015	4,613	25,40,345
Aggregate number of shareholders and the outstanding shares transferred to Unclaimed Suspense Account during 2015-16	0	0
Number of shareholders who approached the Company for transfer of shares from the Unclaimed Suspense Account during 2015-16	52	37,295
Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during 2015-16	52	37,295
Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account as on March 31, 2016	4,561	25,03,050

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

K) COMPLIANCE WITH THE REGULATIONS RELATED TO CORPORATE GOVERNANCE IN THE LISTING REGULATIONS

(a) Mandatory Requirements

The Company has complied with the mandatory requirements relating to Corporate Governance as prescribed in the Listing Regulations.

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

The status of adoption of non-mandatory requirements as specified in Regulation 27 (1) read with Part E of Schedule II of the Listing Regulations is given below:

1. The Board

– Non-Executive Chairman's Office

The Chairman is Non-Executive Promoter Director.

2. Shareholders' Rights

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

3. Modified opinion(s) in the audit reports

Audit Reports on Financial Statements of the Company do not contain any modified opinion.

4. Separate posts of Chairman and Managing Director/CEO

The Co-Chairman is the Managing Director of the Company.

5. Reporting of Internal Auditors

Internal Auditors report to the Audit Committee.

(c) CEO/CFO Certification

In compliance with Regulation 17(8) read with Schedule II (B) of the Listing Regulations, a declaration by CEO i.e. the Co-Chairman & Managing Director and CFO, i.e. the Executive Director-Finance, is enclosed as **Annexure-D** which, *inter alia*, certifies to the Board the accuracy of financial statements and the adequacy of internal controls for the financial reporting purpose.

TO WHOMSOEVER IT MAY CONCERN

This is to confirm that all the Board members and senior management personnel have affirmed compliance with the Code of Conduct for Directors and Senior Management of the Company for the year ended March 31, 2016.

For **Jubilant Life Sciences Limited**

Place: Noida
Date: May 24, 2016

Hari S Bhartia
Co-Chairman & Managing Director

APPOINTMENT AND REMUNERATION POLICY

SCOPE

This Policy aims to ensure that the persons appointed as Directors, Key Managerial Personnel and Senior Management possess requisite qualifications, experience, expertise and attributes commensurate to their positions and level and that the composition of remuneration to such persons is fair and reasonable and sufficient to attract, retain and motivate the personnel to manage the Company successfully.

This Policy has been developed and implemented by the Nomination, Remuneration and Compensation Committee and is applicable to Directors, Key Managerial Personnel, Senior Management and other employees of the Company.

This Policy is in compliance with Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement with the Stock Exchanges and applies to the following categories of Directors and employees of the Company:

- Part I - Key Managerial Personnel
- Part II - Non-executive Directors / Independent Directors
- Part III - Senior Management and other employees

DEFINITIONS

- i. "Act" means the Companies Act, 2013 read with the rules, clarifications, circulars and orders issued thereunder from time to time including any modification or re-enactment thereof.
- ii. "Board" means the Board of Directors of the Company.
- iii. "Independent Director" means an Independent Director of the Company appointed in pursuance of the Act and Listing Agreement with the stock exchanges.
- iv. "Key Managerial Personnel" or "KMP" means person(s) appointed as such in pursuance of Section 203 of the Act.
- v. "Listing Agreement" means the listing agreement between the Company and the stock exchanges on which the securities of the Company are listed and traded.
- vi. "NRC" means Nomination, Remuneration and Compensation Committee of the Board, constituted in accordance with the provisions of Section 178 of the Act and the Listing Agreement.
- vii. "Other Employees" means all the employees of the Company other than the Key Managerial Personnel and the Senior Management.
- viii. "Rules" means the rules framed under the Act.
- ix. "Senior Management" shall mean the personnel of the Company designated as Senior Management in accordance with the definition laid down under Explanation to Section 178 of the Act and Clause 49(VIII)(D)(2) of the Listing Agreement.
- x. "Stock Options" means the options given or to be given by the Company as per the prevalent Employees Stock Option Scheme/Plans of the Company.

Unless the context otherwise provides, terms not defined herein and used in this Policy, shall bear the same meaning as prescribed under the Act, the Listing Agreement or any other relevant law.

Where an employee is a Key Managerial Personnel as well as holds a Senior Management Position (such as CFO), his/her terms of appointment shall be governed by both Part I and Part III of this Policy and in the event of any conflict, the stricter clause shall prevail.

GENERAL QUALIFICATIONS AND ATTRIBUTES FOR ALL DIRECTORS

The prospective Director:

- Should be a reasonable person with integrity and ethical standards.
- Should meet the requirements of the Act, the Listing Agreement and other applicable laws for the time being in force.
- Should have the requisite qualifications, skills, knowledge, experience and expertise relevant or useful to the business of the Company. The relevant experience could be in areas of management, human resources, sales, administration, research, Corporate Governance, manufacturing, international operations, public service, finance, accounting, strategic planning, risk management, supply chain, science and technology, marketing, law or any other area considered necessary by the Board/ NRC.
- Should be a person who is capable of balancing the interests of the Company, its employees, the shareholders, the community and for the protection of the environment.
- Is expected to:
 - a. Uphold ethical standards of integrity and probity.
 - b. Act objectively and constructively while exercising his/her duties.
 - c. Exercise his/her responsibilities in a bonafide manner in the interest of the Company.
 - d. Devote sufficient time and attention for informed and balanced decision making.
 - e. Not allow any extraneous considerations that will vitiate his/her exercise of objective independent judgment in the paramount interest of the Company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making.
 - f. Not abuse his/her position to the detriment of the Company or its shareholders or to gain direct or indirect personal advantage or advantage for any associated person.
 - g. Avoid conflict of interest, and in case of any situation of conflict of interest, make appropriate disclosures to the Board.
 - h. Assist the Company in implementing the best corporate governance practices.
 - i. Exhibit his/her 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.
 - j. Have ability to read and understand the financial statements.
 - k. Protect confidentiality of the confidential and proprietary information of the Company.

NRC has the discretion to decide whether qualification, expertise, experience and attributes possessed by a person are sufficient/ satisfactory for the concerned position.

COMPLIANCES

The terms/ process of appointment / re-appointment and remuneration of the Directors and other employees covered under this Policy shall be governed by the provisions of the Act, Rules, Listing Agreement, other applicable laws and policies and practices of the Company.

DISCLOSURES

This Policy shall be disclosed in the Annual Report of the Company.

REVIEW / AMENDMENT

Based on the recommendation of the NRC, the Board may amend, abrogate, modify or revise any or all clauses of this Policy in accordance with the Act, Listing Agreement and/or any other applicable law or regulation.

PART I – KEY MANAGERIAL PERSONNEL

Part I of this Policy comprises of two parts as under:

PART A - Managing Directors / Whole-Time Directors (“EDs”)

PART B - Chief Financial Officer, Company Secretary and other KMPs

PART A- MANAGING DIRECTORS / WHOLE-TIME DIRECTORS (“EDs”)

OBJECTIVES

- Identify persons who possess appropriate qualifications, experience and attributes for appointment as EDs.
- The remuneration payable to the EDs is commensurate with their qualification, experience and capabilities and takes into account the past performance and achievements of such ED. A suitable component of remuneration payable to the EDs is linked to their performance, performance of the business and the Company.
- The remuneration payable to the EDs is comparable with the remuneration paid to the EDs of other companies which are similar to the Company in terms of nature of business, size and complexity.

SPECIFIC QUALIFICATIONS AND ATTRIBUTES

In addition to the qualifications and attributes specified in ‘General Qualifications and Attributes’ above, the prospective Director satisfies the criteria set out under the applicable law including the Act and the Listing Agreement for eligibility to be appointed as ED.

PROCESS OF APPOINTMENT AND REMOVAL

Appointment

- NRC shall identify suitable persons for appointment and recommend their appointment to the Board along with the terms of appointment and remuneration. The Board will consider recommendations of NRC and approve the appointment and remuneration, subject to approval of the shareholders of the Company.

Removal

- Where the appointee is subjected to any disqualification(s) mentioned in the Act, Rules or under any other law, rules and regulations, code of conduct and / or policies of the Company, NRC shall recommend to the Board his/her removal from the services of the Company.

COMPONENTS OF REMUNERATION / INCREMENTS

Remuneration shall consist of:

- Fixed remuneration including perquisites and allowances, retiral benefits (like Provident Fund/Gratuity/Superannuation/ Leave encashment, etc.) and other benefits as per policy of the Company.
- Commission to Managing Director(s) based on the net profits of the Company and variable pay to Whole-Time Director(s) based on the performance of the individual, business and the Company as a whole.
- No Sitting Fee shall be payable for attending the meetings of the Board or committees thereof.
- Stock Options as per terms of the prevalent Stock Options Plan, if eligible.
- Any other incentive as may be applicable.

Managing Directors

Normally, the remuneration to be paid to the Managing Director(s) payable during the tenure of their appointment is determined by the shareholders of the Company. Therefore, no prescribed increment will be given in salary, allowances and in the commission during their tenure of appointment. However, the actual amount of remuneration may vary from year to year on account of reimbursement claims and variation in profit linked commission.

Whole-Time Director

Annual increment will be granted by the Board on recommendation of NRC, based on the performance of the individual, performance of the business and the Company as a whole.

The Board and the shareholders of the Company may approve changes in the remuneration from time to time.

PART B - CHIEF FINANCIAL OFFICER, COMPANY SECRETARY AND OTHER KMPs

OBJECTIVES

- Identify persons who possess appropriate qualifications, experience and attributes for appointment as Chief Financial Officer (“CFO”), Company Secretary (“CS”) and other Key Managerial Personnel (“KMPs”).
- The remuneration payable to CFO, CS and KMPs is commensurate with his/ her qualification, experience and capabilities and takes into account the past performance and achievements of such individual. Remuneration payable to them is comparable with the remuneration paid to persons performing the same or similar roles in other companies which are similar to the Company in terms of nature of business, size and complexity.
- A suitable component of their remuneration is linked to his/ her performance, performance of the business and the Company.

QUALIFICATIONS AND ATTRIBUTES

- Should be a reasonable person with integrity and ethical standards.
- Have requisite qualification and experience as may be relevant to the task he/ she is expected to perform.

NRC/ Board has the discretion to decide whether qualification, expertise, experience and attributes possessed by the person are sufficient/ satisfactory for the concerned position.

PROCESS OF APPOINTMENT AND REMOVAL

Appointment

- Appointment of KMPs (including terms and remuneration) shall be approved by the Board.
- Upon the NRC recommending the appointment of the CFO to the Audit Committee, the Audit Committee shall approve the appointment of CFO and recommend the same to the Board for approval after assessing the qualifications, experience, background, etc.
- Where a KMP is in Senior Management, the appointment (including terms and remuneration) shall be recommended by NRC to the Board for its approval.

Removal

- Where KMP is subjected to any disqualification(s) mentioned in the Act, Rules or under any other applicable law, rules and regulations, Code of Conduct and/ or Policies of the Company, the Board may remove such KMP from the services of the Company.
- Where KMP is in Senior Management, his/her removal shall be recommended by NRC to the Board for its approval.

ELEMENTS/ COMPONENTS OF REMUNERATION

Remuneration and other perquisites/ facilities (including loans/ advances) shall be governed by the policies and practices of the Company from time to time. Remuneration shall consist of:

- Fixed remuneration including perquisites and allowances, retiral benefits (like Provident Fund/ Gratuity/ Superannuation/ Leave encashment, etc.) and other benefits as per policy of the Company.
- Variable remuneration based on the performance of the individual, the function and the Company as a whole.
- Stock Options as per terms of the prevalent Stock Options Plan.
- Any other incentive as may be applicable.

ANNUAL APPRAISAL AND INCREMENT

Appraisal and increment will be done by the Co-Chairman & Managing Director after taking into account the following:

- Individual's performance against Key Performance Indicators.
- The performance of:
 - a) individual;
 - b) business function handled by the individual; and
 - c) Company.
- The prevalent rate of increments given by companies of similar nature of business and size.
- The criticality of the individual to the Company in his capacity as a Key Managerial Personnel.

PART II – NON-EXECUTIVE DIRECTORS/ INDEPENDENT DIRECTORS

OBJECTIVES

- Identify persons who meet the criteria for independence, if required, as set out under the Act and the Listing Agreement and possess appropriate qualifications, experience and attributes for appointment to a Company of our size.
- The remuneration payable to the Non-executive / Independent Directors takes into account the contributions of the Director to the performance of the Company. Remuneration payable to them is fair and reasonable and comparable with the remuneration paid by other companies which are similar to the Company in terms of nature of business, size and complexity.

SPECIAL QUALIFICATIONS AND ATTRIBUTES FOR INDEPENDENT DIRECTORS

In addition to the qualifications and attributes specified in 'General Qualifications and Attributes' above, the prospective Independent Director should meet the requirements of Schedule IV to the Act and the Listing Agreement.

PROCESS OF APPOINTMENT AND REMOVAL

Appointment

- NRC shall identify suitable persons for appointment and recommend their appointment to the Board. The Board will consider recommendations of NRC and accordingly, approve appointment and remuneration of Non-executive and/or Independent Directors subject to approval of the shareholders of the Company.
- The appointment of Independent Directors shall be formalized in accordance with the applicable laws.

Removal

- Where the appointee is subjected to any disqualification(s) mentioned in the Act, Rules or under any other law, rules and regulations, Code of Conduct and / or Policies of the Company, NRC shall recommend to the Board for removal of the appointee from directorship of the Company.

ELEMENTS/COMPONENTS OF REMUNERATION

- Variable remuneration - Commission - As a % of the net profits of the Company as approved by the Board and/or the shareholders of the Company.
- Sitting fees for attending meetings of the Board and Committees thereof as recommended by NRC and approved by the Board and reimbursement of expenses for participation in the meetings of the Board and other meetings.
- Stock Options as per terms of prevalent Stock Options Plan. Independent Directors will not be entitled to Stock Options.

PART III – SENIOR MANAGEMENT & OTHER EMPLOYEES

OBJECTIVES

- Identify persons who possess appropriate qualifications, experience and attributes for appointment in the Senior Management and Other Employees category.
- Remuneration payable to the Senior Management and other employees is commensurate with their qualification, experience and capabilities and takes into account their past performance and achievements. Remuneration payable to them is

comparable with the remuneration paid to employees at the same level in other companies which are similar to the Company in terms of nature of business, size and complexity.

- Depending on the level of the employee, a suitable component of remuneration is linked to performance of such individual employee, the performance of the business and the Company as per the HR Policy of the Company.

QUALIFICATIONS AND ATTRIBUTES

- Should be a reasonable person with integrity and ethical standards.
- Senior Management: Should have the requisite qualification and experience as may be relevant to the task he / she is expected to perform.

NRC has the discretion to decide whether qualification, expertise, experience and attributes possessed by a person are sufficient / satisfactory for the concerned Senior Management position.

- Other Employees: Qualification, expertise, experience and attributes will be determined by the Management as per the HR Policy of the Company.

PROCESS OF APPOINTMENT AND REMOVAL

Appointment

- NRC shall identify suitable persons for appointment in the Senior Management and recommend to the Board their appointment alongwith the terms of appointment and remuneration.
- The Board will consider recommendation of NRC and approve the appointment alongwith the terms of appointment and remuneration.
- Appointments to positions other than the Senior Management will be made as per the Company's HR policy.

Removal

- Where an employee in the Senior Management is subjected to any disqualification(s) mentioned in the Act, Rules or under any other law, rules and regulations, Code of Conduct and/ or Policies of the Company, the Board may remove such employee from the services of the Company, on recommendation of NRC.
- In case of other employees, the Management of the Company may terminate the services of such employee as per HR Policy of the Company.

ELEMENTS / COMPONENTS OF REMUNERATION

Remuneration and other perquisites/ facilities (including loans/ advances) shall be governed by the policies and practices of the Company from time to time. Remuneration shall consist of:

- Fixed remuneration including perquisites and allowances, retiral benefits (like Provident Fund/ Gratuity/ Superannuation/ Leave encashment, etc.) and other benefits as per policy of the Company.
- Variable remuneration based on the performance of the individual, the function and the Company as a whole.
- Stock Options as per terms of the prevalent Stock Options Plan.
- Any other incentive as may be applicable.

ANNUAL APPRAISAL AND INCREMENT

Appraisal and increment will be done for the Senior Management by the Co-Chairman & Managing Director and for other employees, by the Senior Management or any other appropriate authorities after taking into account the following:

- Individual's performance against Key Performance Indicators.
- The performance of the:
 - a) individual;
 - b) business function handled by the individual; and
 - c) Company.
- The prevalent rate of increments given by the companies of similar nature of business and size.
- The criticality of the individual to the Company in his capacity as a member of the Senior Management or other employees category.

Annexure-C

CERTIFICATE BY PRACTICING COMPANY SECRETARY ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE AS PER SCHEDULE V (E) OF THE LISTING REGULATIONS

To,
The Members of
Jubilant Life Sciences Limited
CIN: L24116UP1978PLC004624

1. We have examined the compliance of the conditions of Corporate Governance by Jubilant Life Sciences Limited ('the Company') for the Financial year ended on 31st of March, 2016, as stipulated under Clause 49 of the erstwhile Listing Agreement of the said Company with the Stock Exchanges and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
2. The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to the review of the procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us and the representation made by the officers and the management, we certify that the Company has complied with the mandatory conditions of Corporate Governance as stipulated in Clause 49 of the above-mentioned Listing Agreement and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For TVA & Co. LLP
Company Secretaries**

Delhi, May 24, 2016

**Tanuj Vohra
M. No.: F5621, C.P. No.: 5253**

Annexure-D

CERTIFICATE OF CEO - CFO

This is to certify that:

- A. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2016 and that to the best of our knowledge and belief:
 1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 2. 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 for financial reporting 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

R Sankaraiah
Executive Director-Finance

Hari S Bhartia
Co-Chairman & Managing Director

Place: Noida
Date : May 24, 2016

Independent Auditor's Report

To the Members of Jubilant Life Sciences Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Jubilant Life Sciences Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance

about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, of the state of affairs of the Company as at 31 March 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

Independent Auditor's Report (Continued)

- (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31 March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014,
- in our opinion and to the best of our information and according to the explanations given to us:
- (i) the Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 32(B) and 32(C) to the standalone financial statements;
- (ii) the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 47 to the standalone financial statements;
- (iii) there has been no delay in transferring amounts, required to be transferred, to the investor education and protection fund by the Company.

For B S R & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 101248W/W-100022

Pravin Tulsyan

Partner

Place: Noida
Date: 24 May 2016

Membership No.: 108044

Annexure A to the Independent Auditor's Report

The Annexure A referred to in our report to the members of the Company for the year ended 31 March 2016. We report that:

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of its fixed assets.
- (b) According to the information and explanations given to us, the Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. As informed to us, the discrepancies noticed on such verification were not material and have been properly adjusted in the books of account.
- (c) According to the information and explanations given to us and on the basis of our examination of the books of account, the title deeds of immovable property are held in the name of the Company.
- (ii) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. For stocks lying with third parties at the year-end, written confirmations have been obtained. As informed to us, the discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly adjusted in the books of account.
- (iii) According to the information and explanations given to us, the Company, during the current year, has not granted any loans, secured or unsecured, to companies covered in the register maintained under section 189 of the Act. Accordingly, paragraph 3(iii)(a) of the Order is not applicable.

According to the information and explanations given to us, the Company, during earlier years, had granted unsecured loan to a subsidiary company covered in the register maintained under section 189 of the Act, which has been repaid during the current year. In respect of the aforesaid loan:

- (a) the party was regular in repayment of principal and payment of interest, which were payable on demand.

- (b) there is no amount overdue for more than ninety days.

According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to firms or other parties covered in the register maintained under section 189 of the Act. As informed to us, there are no limited liability partnerships covered in the register maintained under section 189 of the Act.

- (iv) According to the information and explanations given to us, in respect of loans and investments made by the Company, the provisions of section 185 and 186 of the Act have been complied with. As informed to us, the Company has not provided any guarantee or security as specified under Section 185 and 186 of the Act.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public. Accordingly, paragraph 3(v) of the Order is not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules specified by the Central Government for maintenance of cost records under section 148(1) of the Act, in respect of its products and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities.

According to the information and explanations given to us, no amounts payable in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues were in arrears as at 31 March 2016 for a period of more than six months from the date they became payable.

Annexure A to the Independent Auditor's Report (Continued)

- (b) According to the information and explanations given to us, there are no dues of sales-tax which have not been deposited with the appropriate authorities on account of any dispute. According to the information and explanations given to us, the following dues of income-tax, service tax, duty of customs, duty of excise and value added tax have not been deposited by the Company on account of disputes:

Name of the Statute	Nature of the Dues	Amount involved* (₹ in million)	Amount paid under protest (₹ in million)	Financial year to which the amount relates	Forum where dispute is pending
Income-tax Act, 1961	Income Tax	59.41	–	1992-93, 1995-96	High Court
		261.56	–	1988-89, 2001-02, 2003-08	Income Tax Appellate Tribunal
Central Excise Act, 1944	Excise Duty	5.76	–	1999-2000	High Court
		5.60	–	1996-97, 2003-13	Custom Excise and Service Tax Appellate Tribunal
		533.17 **	0.09		
		0.39	–	2011-12	Commissioner (Appeals)
		648.66	–	2008-16	Commissioner
		0.54	–	2014-16	Joint Commissioner
		0.37 **	–		
		14.37	–	2010-16	Additional Commissioner
		2.28	–	2010-16	Assistant Commissioner
Finance Act, 1994	Service Tax	5.74	0.05	2007-11	Custom Excise and Service Tax Appellate Tribunal
		0.03	–	2013-14	Assistant Commissioner
Customs Act, 1962	Customs Duty	12.04	–	2012-14	Commissioner (Appeals)
		0.60	–	2013-14	Assistant Commissioner
Uttar Pradesh Value Added Tax Act, 2008	Value Added Tax	61.17	–	2010-16	Supreme Court
		27.36	–	2014-15	Deputy commissioner
		0.40	0.40	2015-16	Assistant Commissioner

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

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

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

- (viii) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to its bankers or to any financial institutions. The Company did not have any loans or borrowings from government or dues to debenture holders during the year.
- (ix) Based on our examination of books of account and according to the information and explanations given to us, the term loans taken during the year have been applied for the purposes for which they were obtained. As informed to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments).

Annexure A to the Independent Auditor's Report (Continued)

- (x) Based on our examination of the books of account and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) Based on our examination of the books of account and according to the information and explanations given to us, the Company has not paid / provided for managerial remuneration during the year. Accordingly, paragraph 3(xi) of the Order is not applicable.
- (xii) According to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) Based on our examination of the books of account and according to the information and explanations given to us, all transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the standalone financial statements, as required by the applicable accounting standards.
- (xiv) Based on our examination of the books of account and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable.
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For B S R & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 101248W/W-100022

Pravin Tulsyan

Partner

Place: Noida
Date: 24 May 2016

Membership No.: 108044

Annexure B to the Independent Auditor's Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

We have audited the internal financial controls over financial reporting of the Company as of 31 March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For B S R & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 101248W/W-100022

Pravin Tulsyan

Partner

Place: Noida

Date: 24 May 2016

Membership No.: 108044

Balance Sheet as at 31 March 2016

(₹ in million)			
	Note	As at 31 March 2016	As at 31 March 2015
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	159.30	159.30
Reserves and surplus	4	19,665.71	19,290.35
		19,825.01	19,449.65
Non-current liabilities			
Long-term borrowings	5	11,233.62	17,390.68
Deferred tax liabilities (net)	6	1,538.76	1,519.70
Long-term provisions	7	454.39	438.50
		13,226.77	19,348.88
Current liabilities			
Short-term borrowings	8	4,331.67	3,404.32
Trade payables to micro enterprises and small enterprises	36	14.53	18.65
Trade payables to others		3,630.34	5,057.05
Other current liabilities	9	3,230.37	3,880.22
Short-term provisions	10	775.83	716.74
		11,982.74	13,076.98
Total		45,034.52	51,875.51
ASSETS			
Non-current assets			
Fixed assets			
Tangible fixed assets	11	14,081.83	14,387.76
Intangible fixed assets	12	40.66	71.50
Capital work-in-progress	11	338.46	200.17
Intangible assets under development	12	8.52	–
Non-current investments	13	16,994.78	17,662.64
Long-term loans and advances	14	2,837.35	3,006.68
Other non-current assets	15	–	4.49
		34,301.60	35,333.24
Current assets			
Current investments	16	73.50	–
Inventories	17	4,783.61	5,158.60
Trade receivables	18	3,205.20	3,187.65
Cash and bank balances	19	410.48	1,367.35
Short-term loans and advances	20	2,200.32	6,769.50
Other current assets	21	59.81	59.17
		10,732.92	16,542.27
Total		45,034.52	51,875.51
Significant accounting policies	2		
Notes to the financial statements	1-54		

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

As per our report of even date attached

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

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

Chartered Accountants

ICAI Firm registration number : 101248W/W-100022

Pravin Tulsyan

Partner

Membership No.: 108044

Shyam S. Bhartia

Chairman

DIN:00010484

Place : Noida

Date : 24 May 2016

Rajiv Shah

Company Secretary

R. Sankaraiah

Executive Director-Finance

Hari S. Bhartia

Co-Chairman and Managing Director

DIN:00010499

Statement of Profit and Loss for the year ended 31 March 2016

		(₹ in million)	
	Note	For the year ended 31 March 2016	For the year ended 31 March 2015
REVENUE			
Revenue from operations (gross)	22	27,909.74	33,295.54
Less: excise duty		(1,348.03)	(1,532.50)
Revenue from operations (net)		26,561.71	31,763.04
Other Income	23	617.41	1,064.19
Total revenue		27,179.12	32,827.23
EXPENSES			
Cost of materials consumed	24	13,483.15	16,631.98
Purchases of stock-in-trade	25	1,171.91	1,980.53
Changes in inventories of finished goods, work-in-progress and stock-in-trade	26	(113.92)	738.87
Employee benefits expense	27	2,171.22	2,408.28
Finance costs	28	2,024.26	2,270.96
Depreciation and amortisation expense	11-12	868.61	1,074.14
Other expenses	29	6,440.45	7,241.72
Total expenses		26,045.68	32,346.48
Profit before exceptional items and tax		1,133.44	480.75
Exceptional items	30	219.32	(1,982.22)
Profit before tax		914.12	2,462.97
<i>of which discontinuing operations</i>	37	–	93.70
Tax expenses (Refer note 45)			
– Current tax		184.54	576.41
– Minimum Alternate Tax (MAT) credit entitlement		(80.16)	–
– Deferred tax charge/ (credit)		19.06	(164.54)
		123.44	411.87
<i>of which discontinuing operations</i>	37	–	22.90
Profit for the year		790.68	2,051.10
<i>of which discontinuing operations</i>	37	–	70.80
Basic and diluted earnings per share of ₹ 1 each (In Rupees)			
i) Total operations	54	4.96	12.88
ii) Continuing operations	54	4.96	12.43
Significant accounting policies	2		
Notes to the financial statements	1-54		

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

As per our report of even date attached

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

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

Chartered Accountants

ICAI Firm registration number : 101248W/W-100022

Pravin Tulsyan

Partner

Membership No.: 108044

Shyam S. Bhartia

Chairman

DIN:00010484

Place : Noida

Date : 24 May 2016

Rajiv Shah

Company Secretary

R. Sankaraiah

Executive Director-Finance

Hari S. Bhartia

Co-Chairman and Managing Director

DIN:00010499

Cash Flow Statement for the year ended 31 March 2016

(₹ in million)

	For the year ended 31 March 2016	For the year ended 31 March 2015
A. Cash flow from operating activities		
Net profit before tax	914.12	2,462.97
Adjustments :		
Depreciation and amortisation expense	868.61	1,074.14
Loss on sale/ disposal/ discard/ impairment of fixed assets (net)	7.15	331.16
Finance costs	2,024.26	2,270.96
Amortisation of Foreign Currency Monetary Item Translation Difference Account (FCMITDA)	251.90	447.52
Provision for doubtful debts	(3.82)	(4.81)
Bad debts/ irrecoverable loans and advances written off (net off provisions written-back)	131.12	1,846.19
Unrealised foreign exchange (including mark-to-market on currency and interest rate swaps)	(63.85)	(56.01)
Realised foreign exchange on loans to subsidiaries and mark-to-market on currency and interest rate swaps	(31.53)	(223.59)
Interest income	(189.05)	(678.57)
Profit on sale of businesses	–	(2,754.28)
Profit on sale of investments	–	(1,650.77)
Dividend income	(258.63)	(7.01)
	2,736.16	594.93
Operating cash flow before working capital changes	3,650.28	3,057.90
(Increase)/ decrease in trade receivables, loans and advances and other assets	(229.39)	736.24
Decrease in inventories	374.99	518.38
Decrease in trade payables, provisions and other liabilities	(2,255.69)	(1,078.96)
Cash generated from operations	1,540.19	3,233.56
Income tax and wealth tax paid (net of refund)	(136.47)	(378.06)
Net cash generated from operating activities	1,403.72	2,855.50
B. Cash flow from investing activities		
Acquisition/ purchase of fixed assets/ Capital work-in-progress	(686.46)	(1,036.20)
Sale of fixed assets	4.55	249.53
Investment in subsidiaries	(61.14)	(6.20)
Purchase of other investments	(20.62)	–
Sale of investment in subsidiaries (2)	–	4,055.00
Proceeds on capital reduction in subsidiary	676.12	–
Loans to subsidiaries (net)	862.78	697.03
Proceeds from sale of businesses (2)	4,153.43	9,062.57
Movement in other bank balances*	(23.05)	2.73
Interest received	52.73	162.06
Dividend received	258.63	7.01
Net cash generated from investing activities	5,216.97	13,193.53

Cash Flow Statement for the year ended 31 March 2016 (Continued)

	(₹ in million)	
	For the year ended 31 March 2016	For the year ended 31 March 2015
C. Cash flow from financing activities		
Proceeds from long term borrowings	500.00	13,181.54
Repayment of long term borrowings (2)	(5,703.45)	(16,186.79)
Proceeds/(repayment) from short term borrowings (net) (2)	927.35	(7,574.44)
Net payment on settlement of currency and interest rate swaps	–	(2,921.85)
Loans taken from subsidiaries	54.00	50.60
Repayment of loans to subsidiaries	(867.80)	(30.13)
Dividend paid (including dividend distribution tax)	(509.06)	(538.05)
Finance costs paid	(2,006.14)	(2,447.37)
Net cash used in financing activities	(7,605.10)	(16,466.49)
Net decrease in cash and cash equivalents (A+B+C)	(984.41)	(417.46)
Add: cash and cash equivalents at the beginning of year	1,367.35	1,784.87
Adjustment: cash and cash equivalents on deconsolidation of ESOP trust (Refer note 40)	–	(0.06)
Cash and cash equivalents at the end of the year	382.94	1,367.35
Components of cash and cash equivalents		
Balances with banks:*		
– On current accounts	325.86	1,239.82
– On dividend accounts	40.53	34.68
– On deposits accounts with original maturity up to three months	7.50	0.90
Cash on hand	0.66	0.76
Cheques/ Drafts on hand	5.41	74.22
Others		
– Funds in transit	1.75	15.85
– Imprest	1.23	1.12
	382.94	1,367.35
* ₹ 75.57 million (Previous year ₹ 40.07 million) has restricted use.		

Notes:

- Cash Flow Statement has been prepared under the indirect method as set out in the Accounting Standard 3 (AS-3) "Cash Flow Statements".
- Refer note 37.

As per our report of even date attached

For and on behalf of the Board of Directors of **Jubilant Life Sciences Limited**For **B S R & Co. LLP**

Chartered Accountants

ICAI Firm registration number : 101248W/W-100022

Pravin Tulsyan

Partner

Membership No.: 108044

Shyam S. Bhartia

Chairman

DIN:00010484

Place : Noida

Date : 24 May 2016

Rajiv Shah

Company Secretary

R. Sankaraiah

Executive Director-Finance

Hari S. Bhartia

Co-Chairman and Managing Director

DIN:00010499

Notes to the financial statements for the year ended 31 March 2016

1. Corporate information

Jubilant Life Sciences Limited (the Company) is a public limited company domiciled in India and incorporated under the provisions of Companies Act, 1956. Its shares are listed on BSE Limited and National Stock Exchange of India. The Company is a global pharmaceutical and life sciences player engaged in manufacture and supply of Generics [including Active Pharmaceutical Ingredients (APIs), Solid Dosage Formulations (Refer note 37) and Indian Branded Pharmaceuticals] and supply of Life Science Ingredients (including Specialty Intermediates, Nutritional Products and Life Science Chemicals). The Company's strength lies in its unique offerings of Pharmaceuticals and Life Sciences products and services across the value chain. It is well recognised as a 'Partner of Choice' by leading pharmaceuticals and life sciences companies globally.

2. Significant accounting policies

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

A. Basis of preparation and presentation of financial statements

The accounts of the Company are prepared under the historical cost convention on the accrual basis of accounting in accordance with the accounting principles generally accepted in India ("GAAP") and comply with the Accounting Standards specified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, the other relevant provisions of the Companies Act, 2013 (including provision of Companies Act, 1956 which continue to remain in force, to the extent applicable), pronouncements of the Institute of Chartered Accountants of India, guidelines issued by the Securities and Exchange Board of India ("SEBI"), to the extent applicable. The financial statements are presented as per Schedule III to the Companies Act, 2013 and in Indian rupees rounded off to the nearest million.

Previous year's figures have been regrouped/rearranged wherever considered necessary to conform to current year's classification. Further, the figures for the current year are not comparable to the previous year due to transfer of certain businesses in the previous year as explained in note 37.

B. Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities at the date of financial statements and the results of operations during the reporting periods. Examples of such estimate include future obligations

under employee benefit plans, income taxes, useful lives of tangible assets and intangible assets, impairment of assets, valuation of derivatives, provision for doubtful debts etc. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results could vary from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Appropriate changes in estimates are made as the management becomes aware of the changes in circumstances surrounding the estimates. Any revision to accounting estimates is recognised prospectively in current and future periods. Effect of material changes is disclosed in the notes to the financial statements.

C. Current–non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria in accordance with Schedule III to the Companies Act, 2013 set out below:

Assets

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

- it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is expected to be realised within 12 months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

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

All other assets are classified as non-current.

Liabilities

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

- it is expected to be settled in the company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting date; or
- the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

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

Notes to the financial statements for the year ended 31 March 2016 (Continued)

All other liabilities are classified as non-current.

Operating cycle

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

D. Tangible and Intangible fixed assets

Tangible fixed assets

Tangible fixed assets are stated at cost net of tax/duty credits availed, if any, less accumulated depreciation/amortisation/impairment losses. The cost of an item of tangible fixed asset comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. Advances paid towards acquisition of tangible fixed assets outstanding at each Balance Sheet date are shown under long-term loans and advances and cost of assets not ready for intended use before the year end are shown as capital work-in-progress.

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

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

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

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

Insurance spares/standby equipments are capitalised as part of the mother asset and are depreciated at

applicable rates, over the remaining useful life of the mother assets.

Intangible fixed assets

Acquired intangible assets

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

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

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

Internally generated intangible assets

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

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

A tangible/intangible asset is derecognised on disposal or when no future economic benefits are expected from its use and disposal. Losses arising from retirement and gains or losses arising from disposal of a tangible/intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss. Assets retired from active use and held for disposal are stated at the lower of their net book value and net realisable value and are shown under ‘Other current assets’.

Notes to the financial statements for the year ended 31 March 2016 (Continued)

E. Depreciation and amortisation

Depreciation is provided on straight line basis on the original cost/ acquisition cost of assets or other amounts substituted for cost of fixed assets as per the useful life specified in Part 'C' of Schedule II of the Act, read with notification dated 29 August 2014 of the Ministry of Corporate Affairs, except for the following classes of fixed assets which are depreciated based on the internal technical assessment of the management as under:

Category of assets	Management estimate of useful life	Useful life as per Schedule II
Motor vehicles	5 years	8 years
Motor vehicles under finance lease	Tenure of lease or 5 years whichever is shorter	8 years
Computer servers and networks	5 years	6 years
Dies and punches for manufacture of dosage formulations	1-2 years	15 years
Employee perquisite related assets (except end user computers)	5 years, being the period of perquisite scheme	10 years

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

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

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

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.

Also refer note 38.

F. Impairment of fixed assets

Fixed assets are reviewed at each reporting date to determine if there is any indication of impairment. For assets in respect of which any such indication exists

and for intangible assets mandatorily tested annually for impairment, the asset's recoverable amount is estimated. For assets that are not yet available for use, the recoverable amount is estimated at each reporting date. An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount.

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

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

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

G. Leases

Finance leases

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

Operating leases

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

H. Valuation of Inventories

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

Notes to the financial statements for the year ended 31 March 2016 (Continued)

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-progress 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)	Weighted average method
Goods in transit	Cost of purchase

Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition inclusive of excise duty wherever applicable. Excise duty liability is included in the valuation of closing inventory of finished goods.

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

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

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

I. Investments

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

Current investments are carried at cost or fair value, whichever is lower. Long-term investments (including current portion thereof) 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.

Any reductions in the carrying amount and any reversals of such reductions are charged or credited to the Statement of Profit and Loss. Profit or loss on sale of investments is determined on the basis of weighted average carrying amount of investments disposed off.

J. Income taxes

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

Current tax

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

Deferred tax

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

Minimum Alternate Tax (MAT)

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

Notes to the financial statements for the year ended 31 March 2016 (Continued)

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

K. Foreign Currency transactions, derivatives and hedging

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

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

- (a) Exchange differences pertaining to long-term foreign currency monetary items that are related to acquisition of depreciable assets are adjusted in the carrying amount of the related fixed assets; and
- (b) Exchange differences arising on other long-term foreign currency monetary items are accumulated in 'Foreign Currency Monetary Item Translation Difference Account' (FCMITDA), and are amortised over the balance period of the relevant foreign currency item.

Non-monetary assets are recorded at the rates prevailing on the date of transaction.

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

Foreign Exchange Forward Contracts: The premium or discount arising at the inception of foreign exchange forward 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 foreign exchange forward contracts is recognised as income or as an expense for the period. Such foreign exchange forward contracts are translated at the closing exchange rates and resultant exchange differences are recognised in the same manner as those on the underlying foreign currency asset or liability.

Apart from the above mentioned foreign exchange forward contracts, the Company also enters into derivative contracts in the nature of foreign currency swaps, foreign exchange forward contracts, and interest rate swaps etc. with an intention to hedge its existing assets and liabilities, firm commitments and highly probable forecasted transactions. All these derivative contracts are marked-to-market and the resultant loss, if any, from these contracts are recognised in the Statement of Profit and Loss however the gain on mark to market of such contracts is ignored. The contracts are aggregated category-wise, to determine the net gain/loss.

Also refer note 49(iv).

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. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date. Provisions, other than long-term employee benefits, are measured on an undiscounted basis. Contingent liabilities are disclosed in respect of possible obligations that may arise from past events but their existence is confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

M. Employee benefits

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

a. Gratuity

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount based on the respective employee's salary and the tenure of employment. The liability in respect of Gratuity is recognised in the books of account based on actuarial valuation by an independent actuary. The gratuity liability for certain employees 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.

Notes to the financial statements for the year ended 31 March 2016 (Continued)

c. Provident fund

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

For other employees, provident fund is deposited with Regional Provident Fund Commissioner. This is treated as defined contribution plan.

- ii) Company's contribution to the provident fund is charged to Statement of Profit and Loss.

(iii) Other long-term employee benefits

Compensated absences

As per the Company's policy, eligible leaves can be accumulated by the employees and carried forward to future periods to either be utilised during the service, or encashed. Encashment can be made during service, on early retirement, on withdrawal of scheme, at resignation and upon death of the employee. Accumulated compensated absences are treated as other long-term employee benefits. The Company's liability in respect of other long-term employee benefits is recognised in the books of account based on actuarial valuation using projected unit credit method as at Balance Sheet date by an independent actuary. Actuarial losses/gains are recognised in the Statement of Profit and Loss in the year in which they arise.

(iv) Termination benefits

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

Actuarial valuation

The liability in respect of all defined benefit plans is accrued in the books of account on the basis of actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method, which recognizes each year of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation. The obligation is measured

at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the Balance Sheet date, having maturity periods approximating to the terms of related obligations.

Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs. Any differential between the plan assets (for a funded defined benefit plan) and the defined benefit obligation as per actuarial valuation is recognised as a liability if it is a deficit or as an asset if it is a surplus (to the extent of the lower of present value of any economic benefits available in the form of refunds from the plan or reduction in future contribution to the plan).

Past service cost

Past service cost is recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits are already vested immediately following the introduction of, or changes to, a defined benefit plan, the past service cost is recognised immediately in the Statement of Profit and Loss. Past service cost may be either positive (where benefits are introduced or improved) or negative (where existing benefits are reduced).

N. Borrowing costs

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

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

O. Cash and cash equivalents

Cash and cash equivalents comprise cash balances on hand, cash balance with bank, and highly liquid investments with original maturities, at the date of purchase/ investment, of three months or less.

P. Revenue recognition

Revenue from sale of products is recognised when the property in the goods, or all significant risks and rewards of ownership of the products have been transferred to the buyer, and no significant uncertainty exists regarding the amount of the consideration that will be derived from

Notes to the financial statements for the year ended 31 March 2016 (Continued)

the sale of the goods as well as regarding its collection. Revenues include excise duty and are shown net of sales tax, value added tax, and applicable discounts and allowances if any.

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

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

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

Revenue related to contract manufacturing arrangements, development contracts and licensing and regulatory services is recognised when performance obligations are fulfilled.

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

Export incentive entitlements are recognised as income when the right to receive credit as per the terms of the scheme is established in respect of the exports made, and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

Upfront non-refundable receipts are recorded as deferred revenue. These amounts are recognised as revenues as obligations are fulfilled under contractual arrangement and/or as milestones are achieved as the case may be.

Profit on disposal/ sale of investments is recognised as income in the period in which the investment is sold/ disposed off.

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 taking into account the amount outstanding and the interest rate applicable.

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 and rewards associated with them) and internal management information systems and the same is reviewed from time to time to realign the same to conform to the business units of the Company. Revenues, expenses, assets and liabilities, which are common

to the enterprise as a whole and are not allocable to segments on a reasonable basis, have been treated as "Common Revenues/ Expenses/ Assets/ Liabilities", as the case may be.

R. Earnings per share

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

S. Employee stock option schemes

The Company follows Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ('guidelines') for accounting of employee stock options. According to the guidelines, any company implementing any of the share based schemes shall follow the requirements of the 'Guidance Note on Accounting for Employee Share-based Payments' (Guidance Note) or Accounting Standards as may be prescribed by the ICAI from time to time, including the disclosure requirements prescribed therein. The cost is calculated based on the intrinsic value method i.e. the excess of market price of underlying equity shares as of the date of the grant of options over the exercise price of such options is regarded as employee compensation and in respect of the number of options that are expected to ultimately vest, such cost is recognised on a straight line basis over the period over which the employees would become unconditionally entitled to apply for the shares. The cost recognised at any date at least equals the intrinsic value of the vested portion of the option at that date. Adjustment, if any, for difference in initial estimate for number of options that are expected to ultimately vest and related actual experience is recognised in the Statement of Profit and Loss of that period. In respect of vested options expire unexercised, the related cumulative cost is credited to the General Reserve.

Also refer note 40.

T. Corporate social responsibility

CSR expenditure incurred by the Company is charged to the Statement of Profit and Loss.

Notes to the financial statements for the year ended 31 March 2016 (Continued)

(₹ in million)

	As at 31 March 2016	As at 31 March 2015
3. SHARE CAPITAL		
Authorised		
655,000,000 equity shares of ₹ 1 each	655.00	655.00
(Previous Year 655,000,000 equity shares of ₹ 1 each)		
	655.00	655.00
Issued and Subscribed		
159,313,139 equity shares of ₹ 1 each	159.31	159.31
(Previous Year 159,313,139 equity shares of ₹ 1 each)		
	159.31	159.31
Paid up		
159,281,139 equity shares of ₹ 1 each	159.28	159.28
(Previous Year 159,281,139 equity shares of ₹ 1 each)		
Add: Equity shares forfeited (paid up)	0.02	0.02
	159.30	159.30

Notes :

- 3.1 Paid up capital includes, 501,364 (Previous year 501,364), equity shares of ₹ 1 each allotted and issued pursuant to the Scheme of Amalgamation and Demerger, to the shareholders of erstwhile Pace Marketing Specialities Limited for consideration other than cash during the year ended 31 March 2011.
- 3.2 The Company has only one class of shares referred to as equity shares having par value of ₹ 1 each. Holder of each equity share is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.
- 3.3 The details of shareholders holding more than 5% shares is set out below:

Equity shares of ₹ 1 each fully paid-up held by	As at 31 March 2016		As at 31 March 2015	
	Number	% of total shares	Number	% of total shares
Jubilant Stock Holding Private Limited	29,676,992	18.63%	29,676,992	18.63%
SSB Consultants & Management Services Private Limited	21,007,665	13.19%	21,007,665	13.19%
HSB Corporate Consultants Private Limited	18,698,979	11.74%	18,698,979	11.74%
GA Global Investments Limited	–	–	10,380,339	6.52%

- 3.4 The reconciliation of the shares outstanding at the beginning and at the end of the year:

Particulars	As at 31 March 2016		As at 31 March 2015	
	Number	₹ in million	Number	₹ in million
At the commencement and at the end of the year	159,281,139	159.28	159,281,139	159.28

- 3.5 a) 114,835 (Previous year 114,835) equity shares of ₹ 1 each allotted on exercise of the vested stock options in accordance with the terms of exercise under the "Jubilant Employees Stock Option Plan, 2005".
- b) Under the Jubilant Employees Stock Option 2005 Plan, as at 31 March 2016 - 8,467 (Previous year 105,495) outstanding options are convertible into 42,335 (Previous year 527,475) shares. (Refer note 39).
- c) Under the Jubilant Employees Stock Option 2011 Plan, as at 31 March 2016 - 431,256 (Previous year 1,112,306) outstanding options are convertible into 431,256 (Previous year 1,112,306) shares. (Refer note 39).
- 3.6 The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

Notes to the financial statements for the year ended 31 March 2016 (Continued)

(₹ in million)

	As at 31 March 2016	As at 31 March 2015
4. RESERVES AND SURPLUS		
Capital Reserve		
At the commencement of the year	83.10	187.87
Less: Adjustment on account of deconsolidation of ESOP Trust (Refer note 40)	–	(104.77)
At the end of the year	83.10	83.10
Capital Redemption Reserve		
At the commencement and at the end of the year	9.86	9.86
Securities Premium Account		
At the commencement of the year	5,878.41	5,300.82
Add: Adjustment on account of deconsolidation of ESOP Trust (Refer note 40)	–	577.59
At the end of the year	5,878.41	5,878.41
Amalgamation Reserve		
At the commencement and at the end of the year	13.21	13.21
General Reserve		
At the commencement and at the end of the year	5,745.31	5,745.31
Hedging Reserve (net of related tax effect- (Refer note 49(iv)))		
At the commencement of the year	–	9.23
Deduction during the year	–	(9.23)
At the end of the year	–	–
Foreign Currency Monetary Item Translation Difference Account (FCMITDA) (Refer note 48)		
At the commencement of the year	(150.32)	(480.73)
Exchange loss during the year on foreign currency term loan	(152.31)	(117.11)
Amount amortised during the year in the Statement of Profit and Loss	251.90	447.52
At the end of the year	(50.73)	(150.32)
Surplus		
At the commencement of the year	7,710.78	6,387.51
Add: Net profit after tax transferred from the Statement of Profit and Loss	790.68	2,051.10
Less: Adjustment on account of revised useful lives of fixed assets (Refer note 38)	–	(85.41)
Less: Adjustment on account of deconsolidation of ESOP Trust (Refer note 40)	–	(67.30)
Amount available for appropriation	8,501.46	8,285.90
Less: Appropriations		
Proposed dividend on equity shares*	477.84	477.84
Distribution tax on proposed equity dividend* (Refer note 46)	37.07	97.28
At the end of the year	7,986.55	7,710.78
	19,665.71	19,290.35

* For the year ended 31 March 2016, 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.

Notes to the financial statements for the year ended 31 March 2016 (Continued)

(₹ in million)

	As at 31 March 2016	As at 31 March 2015
5. LONG-TERM BORROWINGS		
Term loans		
From Banks		
– Indian rupee loans (secured)	5,903.92	6,912.46
– Foreign currency loans (secured)	1,225.62	2,187.50
From other parties		
– Indian rupee loans (secured)	3,875.00	6,000.00
– Foreign currency loans (secured)	–	1,250.00
– Indian rupee loans from subsidiaries (unsecured) (Refer note 52(30))	215.07	1,028.87
Finance lease obligations (secured)	14.01	11.85
	(1) 11,233.62	(1) 17,390.68
The above amount includes		
Secured borrowings	11,018.55	16,361.81
Unsecured borrowings	215.07	1,028.87
	11,233.62	17,390.68

(1) Refer note 9 for current maturities of long term borrowings

Nature of security of long term borrowings and other terms of repayment

- 5.1 Indian rupee term loans amounting to ₹ 7,903.92 million (Previous year ₹ 10,181.53 million) from Axis Bank Limited, IFCI Limited, IndusInd Bank Limited, Yes Bank Limited and External commercial borrowings amounting to ₹ 2,318.75 million (Previous year ₹ 2,968.75 million) from DBS Bank Limited, Singapore and foreign currency loans amounting to ₹ 1,325.00 million (Previous year ₹ 2,187.50 million) from Export Import Bank of India are secured by a first pari-passu charge created/to be created amongst the lenders by way of:
- Mortgage of the immovable fixed assets both present and future situated at Bhartiagram, District Amroha, Uttar Pradesh and immovable fixed assets situated at Village Samlaya, Taluka Savli, District Vadodara, Gujarat, and
 - Hypothecation on the entire movable fixed assets, both present and future of the Company.
- During the previous year, Indian rupee term loan from Axis Bank Limited was further secured by exclusive first charge created by way of hypothecation on receivable of USD 52.50 million (rupee equivalent converted at closing rate ₹ 3,281.25 million) from Jubilant Generics Limited arising on account of Business Transfer Agreement (Refer note 37).
- 5.2 Indian rupee term loan amounting to ₹ 1,875.00 million (Previous year ₹ 3,000.00 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, Ambarnath and also at Bharuch owned by one of the subsidiaries of the Company.
- 5.3 Indian rupee term loan amounting to ₹ 1,200.00 million (Previous year ₹ 1,800.00 million repayable in twelve equal quarterly instalments commencing from June 2017) from Yes Bank Limited is repayable in eight equal quarterly instalments from June 2018.
- 5.4 Indian rupee term loan amounting to ₹ 2,000.00 million (Previous year ₹ 3,000.00 million repayable in twelve equal quarterly instalments commencing from May 2017) from IFCI Limited is repayable in eight equal quarterly instalments from May 2018.
- 5.5 Indian rupee term loan amounting to ₹ 1,875.00 million (Previous year ₹ 3,000.00 million repayable in eight equal half yearly instalments commencing from March 2017) from Housing Development Finance Corporation Limited is repayable in five equal half yearly instalments from September 2018.
- 5.6 Indian rupee term loan amounting to ₹ 3,575.00 million (Previous year ₹ 3,500.00 million repayable in fourteen half yearly instalments commencing from September 2015) from Axis Bank Limited is repayable in ten half yearly instalments from September 2017.

Notes to the financial statements for the year ended 31 March 2016 (Continued)

- 5.7 Indian rupee term loan amounting to ₹ 1,128.92 million (Previous year ₹ 1,881.53 million repayable in twenty quarterly instalments commencing from June 2015) from IndusInd Bank Limited is repayable in eight quarterly instalments from June 2018.
- 5.8 External commercial borrowing amounting to USD 35 million (₹ 2,318.75 million) (Previous year USD 47.50 million (₹ 2,968.75 million)) from DBS Bank Limited, Singapore is repayable in two yearly instalments from December 2016.
- 5.9 Foreign currency term loan amounting to USD 20 million (₹ 1,325.00 million) (Previous year USD 35 million (₹ 2,187.50 million)) from Export Import Bank of India is repayable in one yearly instalment from May 2016.
- 5.10 Loans from subsidiaries are repayable at end of five years from the date of respective disbursement.
- 5.11 Finance lease obligations are secured by hypothecation of specific assets taken under such lease. The same are repayable within five years.
- 5.12 The term loans carry floating interest rate calculated in accordance with the terms of the arrangement which is a specified benchmark rate (reset at periodic intervals), adjusted for agreed spread. During the year ended 31 March 2016, the interest rate on Indian currency loans and foreign currency loans range from 10.75% to 13.25% per annum (Previous year 9.50% to 13.25% per annum) and 3.50% to 4.75% per annum (Previous year 3.50% to 4.50% per annum), respectively.

The composition of assets/fixed assets and current assets as mentioned above are defined in detail in the respective financing/credit arrangements.

(₹ in million)

	As at 31 March 2016	As at 31 March 2015
6. DEFERRED TAX LIABILITIES (NET) *		
Deferred tax liabilities on account of:		
– Depreciation and amortisation#	2,015.35	1,891.71
– Research and development expenses	1.61	1.54
	2,016.96	1,893.25
Deferred tax assets on account of:		
– Provision for compensated absences and gratuity	206.13	189.28
– Expenditure covered by section 43B of Income-tax Act,1961	10.28	47.21
– Others	261.79	137.06
	478.20	373.55
Deferred tax liabilities (net)	1,538.76	1,519.70

* Refer note 37 and 45

Refer note 38

Notes to the financial statements for the year ended 31 March 2016 (Continued)

(₹ in million)

	As at 31 March 2016	As at 31 March 2015
7. LONG-TERM PROVISIONS		
Provision for employee benefits (Refer note 50)	454.39	438.50
	454.39	438.50

(₹ in million)

	As at 31 March 2016	As at 31 March 2015
8. SHORT-TERM BORROWINGS		
Loans repayable on demand		
– From Banks		
– Secured	2,392.81	886.98
– Unsecured	1,861.36	1,689.84
– From Others		
– Secured	–	750.00
– From related parties (unsecured) - (Refer note 52(30))	77.50	77.50
	4,331.67	3,404.32
The above amount includes		
Secured borrowings	2,392.81	1,636.98
Unsecured borrowings	1,938.86	1,767.34
	4,331.67	3,404.32

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

- 8.1 Working capital facilities (including cash credit) sanctioned by consortium of banks and notified financial institutions comprising of ICICI Bank Limited, Corporation Bank, Punjab National Bank, The Hongkong and Shanghai Banking Corporation Limited, Yes Bank Limited, Axis Bank Limited, RBL Bank Limited, Bank of Maharashtra, DBS Bank Limited and Export Import Bank of India (Previous year ICICI Bank Limited, Corporation Bank, Punjab National Bank, State Bank of India, The Hongkong and Shanghai Banking Corporation Limited, ING Vysya Bank Limited, Central Bank of India, Yes Bank Limited, Axis Bank Limited, DBS Bank Limited and Export Import Bank of India) are secured by a first charge by way of hypothecation, ranking pari-passu inter-se banks, of the entire book debts and receivables and inventories both present and future, of the Company wherever the same may be or be held. Other working capital loans are repayable as per terms of agreement within one year.
- 8.2 Short term loans are availed in Indian rupees and in foreign currency which carry floating interest rate calculated in accordance with the terms of the arrangement which is a specified benchmark rate (reset at periodic intervals), adjusted for agreed spread. During the year ended 31 March 2016, the interest rate on Indian currency loans and foreign currency loans range from 8.75% to 14.00% per annum (Previous year 9.50% to 14.00% per annum) and 0.50% to 4.00% per annum (Previous year 0.50% to 4.50% per annum), respectively.

The composition of assets/ fixed assets and current assets as mentioned above are defined in detail in the respective financing/credit arrangements.

Notes to the financial statements for the year ended 31 March 2016 (Continued)

(₹ in million)

	As at 31 March 2016	As at 31 March 2015
9. OTHER CURRENT LIABILITIES		
Current maturities of long term borrowings (secured)-(Refer note 5.1 to 5.9 and 5.12)	2,418.12	1,987.83
Current maturities of finance lease obligations (secured)-(Refer note 5.11 and 5.12)	7.50	10.56
Trade deposits and advances	84.65	1,263.28
Interest accrued but not due on borrowings	76.55	90.80
Unpaid dividends	40.53	34.68
Creditors for capital supplies and services	91.90	176.70
Statutory dues	109.32	74.83
Other payables*	401.80	241.54
	3,230.37	3,880.22

*(includes employee benefits, lease equalisation and provision for excise duty on closing stock, etc)

(₹ in million)

	As at 31 March 2016	As at 31 March 2015
10. SHORT-TERM PROVISIONS		
Provision for employee benefits (Refer note 50)	141.21	108.44
Dividends on equity shares (Including dividend distribution tax)	575.12	575.12
Provision for income tax [Net of advance tax ₹ 140.21 million (Previous year ₹ Nil)]	55.48	32.58
Provision for wealth tax [Net of advance tax ₹ Nil (Previous year ₹ 0.80 million)]	-	0.60
Mark-to market losses on derivative contracts [Refer note 47, 49(i) and 49(iii)]	4.02	-
	775.83	716.74

Notes to the financial statements for the year ended 31 March 2016 (Continued)

Description	GROSS BLOCK - COST/BOOK VALUE				DEPRECIATION/ AMORTISATION/ IMPAIRMENT				NET BLOCK	
	As at 31 March 2015	Deduction on account of sale of businesses (Refer note 37)	Additions/ adjustments during the year (2)	Deductions/ adjustments during the year	As at 31 March 2016	As at 31 March 2015	Provided during the year	Deductions/ adjustments during the year	As at 31 March 2016	As at 31 March 2015
Land										
(a) Freehold	219.57	-	-	-	219.57	-	-	-	219.57	219.57
(b) Leasehold	470.79	-	2.93	-	473.72	90.72	5.38	-	377.62	380.07
Buildings										
(a) Factory	1,035.35	-	7.98	1.06	1,042.27	186.48	32.01	0.09	823.87	848.87
(b) Others	1,831.68	-	48.14	-	1,879.82	261.55	36.75	-	1,581.52	1,570.13
Plant and equipment	18,125.44	-	464.24	86.14	18,503.54	7,210.92	635.82	26.97	10,683.77	10,914.52
Furniture and fixtures	198.77	-	9.44	10.04	198.17	115.84	19.18	6.52	69.67	82.93
Vehicles										
(a) Owned	58.44	-	4.54	2.35	60.63	34.73	7.27	2.24	20.87	23.71
(b) Leased	47.58	-	12.16	23.54	36.20	27.69	10.44	21.48	19.55	19.89
Office equipment	507.09	-	45.27	26.84	525.52	287.45	75.74	25.71	188.04	219.64
Railway sidings	159.38	-	-	-	159.38	50.95	11.08	-	97.35	108.43
TOTAL	22,654.09	-	594.70	149.97	23,098.82	8,266.33	833.67	83.01	14,081.83	14,387.76
Previous Year	30,638.52	7,523.51	861.82	(5) 1,322.74	22,654.09	10,179.63	2,355.32	(1) 1,080.97	8,266.33	
Capital work in progress (CWIP)									338.46	200.17
									14,420.29	14,587.93

Notes :

- (1) Includes ₹ Nil (Previous year ₹ 130.62 million) debited to opening balance of retained earnings based on transitional provision provided in Note 7(b) of Schedule II of the Companies Act, 2013. (Refer note 38)
- (2) Includes ₹ 10.57 million (Previous year ₹ 99.13 million) in respect of R&D Assets.
- (3) Capital research and development expenditure aggregating to ₹ 12.34 million (Previous year ₹ 91.40 million) incurred during the year included in additions to fixed assets/capital work in progress.
- (4) Addition to fixed assets (including movement in CWIP) includes ₹ 136.03 million (Previous year ₹ 98.54 million) on account of exchange loss/(gain) (Refer note 48).
- (5) Refer note 44

Notes to the financial statements for the year ended 31 March 2016 (Continued)

Description	GROSS BLOCK - COST/ BOOK VALUE					DEPRECIATION/ AMORTISATION/ IMPAIRMENT					NET BLOCK	
	As at 31 March 2015	Deduction on account of sale of businesses (Refer note 37)	Additions/ adjustments during the year (1)	Deductions/ adjustments during the year	As at 31 March 2016	As at 31 March 2015	Deduction on account of sale of businesses (Refer note 37)	Provided during the year	Deductions/ adjustments during the year	As at 31 March 2016	As at 31 March 2016	As at 31 March 2015
Others												
– Rights	81.66	–	–	–	81.66	69.42	–	6.99	–	76.41	5.25	12.24
– Software	292.51	–	4.10	–	296.61	233.25	–	27.95	–	261.20	35.41	59.26
TOTAL	374.17	–	4.10	–	378.27	302.67	–	34.94	–	337.61	40.66	71.50
Previous Year	1,794.89	1,537.40	116.68	–	374.17	742.42	563.54	123.79	–	302.67	–	–
Intangible assets under development (including R&D expenditure in the nature of intangibles) [CWIP]												
											8.52	–
											49.18	71.50

Notes :

(1) Includes ₹ Nil (Previous year ₹ 103.23 million) in respect of R&D assets.

(2) Capital research and development expenditure aggregating to ₹ Nil (Previous year ₹ 197.41 million) incurred during the year included in additions to fixed assets/intangible assets under development.

Notes to the financial statements for the year ended 31 March 2016 (Continued)

(₹ in million)

			As at 31 March 2016	As at 31 March 2015
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
326,758,994 (326,758,994)	USD 1	– Jubilant Pharma Limited	14,902.26	14,902.26
34,484,000 (34,484,000)	₹ 10	– Jubilant Infrastructure Limited	1,297.40	1,297.40
2,050,000 (14,963,171)	₹ 10	– Jubilant First Trust Healthcare Limited (Refer note 33)	44.43	690.55
- (100,000)	₹ 10	– First Trust Medicare Private Limited (Refer note 33)	-	30.00
437,503 (437,503)	USD 1	– Jubilant Life Sciences International Pte. Limited	2.91	2.91
99,999 (99,999)	No Par Value	– Jubilant Life Sciences NV	7.81	7.81
1,050,001 (100,001)	USD 1	– Drug Discovery and Development Solutions Limited	397.74	336.60
		Investment in preference shares		
		Investment in subsidiary companies		
		– Jubilant Chemsys Limited		
6,200,000 (6,200,000)	₹ 10	8% optionally convertible non-cumulative redeemable preference shares fully paid	62.00	62.00
		– Jubilant Clinsys Limited		
13,500,000 (20,850,000)	₹ 10	6% optionally convertible non-cumulative redeemable preference shares fully paid	135.00	208.50
6,200,000 (6,200,000)	₹ 10	8% optionally convertible non-cumulative redeemable preference shares fully paid	62.00	62.00
		Other Investments (Long term)		
		Investment in equity instruments (fully paid up equity shares)		
6,569,310 (4,550,000)	₹ 10	– Forum I Aviation Limited	66.12	45.50
		Total non-current investments	16,994.78	17,662.64
		Aggregate amount of unquoted investments	16,994.78	17,662.64

Note:

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

Notes to the financial statements for the year ended 31 March 2016 (Continued)

(₹ in million)

	As at 31 March 2016	As at 31 March 2015
14. LONG-TERM LOANS AND ADVANCES		
(Unsecured and considered good)		
Capital advances	4.74	2.69
Security deposits	43.40	41.75
Loans to related parties [Refer note 52(33)]	200.99	410.39
Advance recoverable in cash or kind		
– Loans and advances to employees	6.34	8.37
– Prepaid expenses	384.47	432.68
MAT credit entitlement	1,898.73	1,804.69
Advance payment of income tax [Net of provision for tax ₹ 535.09 million (Previous year ₹ 532.01 million)]	298.68	306.11
	2,837.35	3,006.68

(₹ in million)

	As at 31 March 2016	As at 31 March 2015
15. OTHER NON-CURRENT ASSETS		
(Unsecured and considered good)		
Other bank balances		
– Deposits with maturity after 12 months from the reporting date	–	4.00
– Margin money deposit	–	0.49
	–	(1) 4.49

(1) These deposits have restricted use.

(₹ in million)

	As at 31 March 2016	As at 31 March 2015
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 Clinsys Limited
7,350,000 (–)	₹ 10	6% optionally convertible non-cumulative redeemable preference shares fully paid
		Total current investments
		Aggregate amount of unquoted investments
		73.50
		73.50
		–
		–

Note:

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

Notes to the financial statements for the year ended 31 March 2016 (Continued)

(₹ in million)

	As at 31 March 2016	As at 31 March 2015
17. INVENTORIES		
(Valued at the lower of cost and net realisable value)		
Raw materials [including goods-in-transit ₹ 133.33 million (Previous year ₹ 1,186.18 million)]	2,367.73	3,026.75
Work-in-progress	470.30	469.21
Finished goods	980.95	871.69
Stock-in-trade	16.56	20.67
Stores and spares [including goods-in-transit ₹ 5.78 million (Previous year ₹ 24.66 million)]	206.68	230.80
Packing material	28.08	32.01
Others-process chemicals and fuels [including goods-in-transit ₹ 60.63 million (Previous year ₹ 31.54 million)]	713.31	507.47
	4,783.61	5,158.60

(₹ in million)

	As at 31 March 2016	As at 31 March 2015
18. TRADE RECEIVABLES		
(Unsecured)		
Outstanding for a period exceeding six months from the date they become due for payment		
Considered good	146.09	254.76
Considered doubtful	10.33	14.15
	156.42	268.91
Provision for doubtful receivables	10.33	14.15
	(A) 146.09	254.76
Other receivables		
Considered good	3,059.11	2,932.89
	(B) 3,059.11	2,932.89
Total (A+B)	(1) 3,205.20	(1) 3,187.65

(1) [Refer note 32(C)(i)]

(₹ in million)

	As at 31 March 2016	As at 31 March 2015
19. CASH AND BANK BALANCES		
Cash and cash equivalents		
Balances with banks		
– On current accounts	325.86	1,239.82
– On dividend accounts	40.53	34.68
– On deposits accounts with original maturity up to three months	7.50	0.90
Cash on hand	0.66	0.76
Cheques/Drafts on hand	5.41	74.22
Others		
– Funds in transit	1.75	15.85
– Imprest	1.23	1.12
	382.94	1,367.35
Other bank balances		
– Deposits with maturity up to twelve months from the reporting date-held as margin money	27.54	–
	(1) 410.48	(1) 1,367.35

(1) ₹ 75.57 million (Previous year ₹ 35.58 million) has restricted use.

Notes to the financial statements for the year ended 31 March 2016 (Continued)

(₹ in million)

	As at 31 March 2016	As at 31 March 2015
20. SHORT-TERM LOANS AND ADVANCES		
(Unsecured and considered good)		
Loans to related parties (Refer note 35 and 52(33))	–	831.25
Deposits	42.42	65.18
Deposits/Balances with excise / sales tax authorities	364.20	367.87
MAT credit entitlement	204.48	236.71
Advances recoverable in cash or kind		
– From related parties [Refer note 52(34) and 52(37)]*	929.24	4,828.16
– Loans and advances to employees	9.18	9.68
– Advance for supply of goods and services	82.64	123.38
– Prepaid expenses	123.07	121.14
– Claims recoverable	403.22	173.86
– Others	41.87	12.27
	2,200.32	6,769.50

* Includes due by directors and private companies having common director aggregating to ₹ 4.12 million (Previous year ₹ 0.25 million)

(₹ in million)

	As at 31 March 2016	As at 31 March 2015
21. OTHER CURRENT ASSETS		
Other current assets (Refer note 44)	59.81	59.17
	59.81	59.17

(₹ in million)

	For the year ended 31 March 2016	For the year ended 31 March 2015
22. REVENUE FROM OPERATIONS		
Sales of products		
– Finished goods	25,900.64	30,749.60
– Traded goods	1,501.61	2,167.63
Sales of services	20.97	21.50
Other operating revenues	486.52	356.81
Revenue from operations (gross)	27,909.74	33,295.54
Less: excise duty	(1,348.03)	(1,532.50)
Revenue from operations (net)	26,561.71	31,763.04
22.1 BREAK-UP OF REVENUE FROM SALES OF PRODUCTS		
Finished goods		
Organic chemicals including specialty chemicals and its intermediates	24,845.37	27,814.09
Active pharma ingredients (API)	–	1,268.20
Tablets, capsules and injectables	–	713.32
Dry and aqueous choline chloride	870.95	800.55
Feed premixes	96.96	75.68
Power and steam	87.36	77.76
	25,900.64	30,749.60

Notes to the financial statements for the year ended 31 March 2016 (Continued)

(₹ in million)

	For the year ended 31 March 2016	For the year ended 31 March 2015
Traded goods		
Organic chemicals including specialty chemicals and its intermediates	1,142.81	1,912.27
Active pharma ingredients (API)	–	18.29
Tablets, capsules and injectables	170.90	88.73
Feed premixes	152.19	148.34
Fuel	35.71	–
	1,501.61	2,167.63
Revenue from sales of products	27,402.25	32,917.23
22.2 BREAK-UP OF REVENUE FROM SALES OF SERVICES		
Income from utility and other services rendered	20.97	21.50
	20.97	21.50
22.3 BREAK-UP OF OTHER OPERATING REVENUES		
Export incentives	393.48	194.95
Scrap sales	70.95	67.70
Others	22.09	94.16
	486.52	356.81

(₹ in million)

	For the year ended 31 March 2016	For the year ended 31 March 2015
23. OTHER INCOME		
Interest income	189.05	678.57
Dividend from a subsidiary company	258.63	–
Dividend on non-trade current investments	–	7.01
Net gain on sale/disposal/discard of fixed assets	–	220.85
Other non-operating income	169.73	157.76
	617.41	1,064.19

(₹ in million)

	For the year ended 31 March 2016	For the year ended 31 March 2015
24. COST OF MATERIALS CONSUMED		
Raw and process materials consumed	13,483.15	16,631.98
	13,483.15	16,631.98
24.1 BREAK-UP OF COST OF MATERIALS CONSUMED		
Molasses	722.89	1,017.66
Alcohol	3,956.26	4,560.42
Acetic Acid	5,202.21	6,666.75
Process chemicals	3,053.64	3,123.70
Chemicals for API/Dosage/Feed Additives	438.49	1,116.21
Others	109.66	147.24
	13,483.15	16,631.98

	%	₹ in million	%	₹ in million
24.2 BREAK-UP OF IMPORTED AND INDIGENOUS MATERIALS CONSUMED				
Imported	73.86	9,958.51	59.21	9,847.38
Indigenous	26.14	3,524.64	40.79	6,784.60
	100.00	13,483.15	100.00	16,631.98

Notes to the financial statements for the year ended 31 March 2016 (Continued)

(₹ in million)

	For the year ended 31 March 2016	For the year ended 31 March 2015
25. PURCHASE OF STOCK-IN-TRADE		
Purchase of stock-in-trade	1,171.91	1,980.53
	1,171.91	1,980.53

(₹ in million)

	For the year ended 31 March 2016	For the year ended 31 March 2015
25.1 BREAK-UP OF PURCHASE OF STOCK-IN-TRADE		
Organic chemicals including specialty chemicals and its intermediates	945.44	1,803.22
Feed premixes	111.53	96.76
Active pharma ingredients (API)	–	16.94
Tablets, capsules and injectables	79.23	63.61
Fuel	35.71	–
	1,171.91	1,980.53

(₹ in million)

	For the year ended 31 March 2016	For the year ended 31 March 2015
26. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
Stock at close -Work-in-progress	470.30	469.21
Stock at close -Finished goods	980.95	871.69
Stock at close -Stock-in-trade	16.56	20.67
	1,467.81	1,361.57
Stock at commencement -Work-in-progress	469.21	1,522.26
Stock at commencement -Finished goods	871.69	1,327.21
Stock at commencement -Stock-in-trade	20.67	18.76
	1,361.57	2,868.23
(Increase)/decrease in stocks	(106.24)	1,506.66
Less: Adjustment on account of insurance claim	(7.68)	–
Less: Adjustment on account of sale of businesses (Refer note 37)	–	(767.79)
	(113.92)	738.87
26.1 BREAK-UP OF INVENTORIES		
Break-up of work-in-progress		
Organic chemicals including specialty chemicals and its intermediates	462.19	453.58
Feed premixes	0.45	–
Dry and aqueous choline chloride	7.66	15.63
	470.30	469.21
Break-up of finished goods		
Organic chemicals including specialty chemicals and its intermediates	948.74	851.27
Feed premixes	13.86	11.54
Dry and aqueous choline chloride	18.35	8.88
	980.95	871.69
Break-up of stock-in-trade		
Organic chemicals including specialty chemicals and its intermediates	2.72	4.20
Feed premixes	2.62	4.02
Tablets, capsules and injectables	11.22	12.45
	16.56	20.67

Notes to the financial statements for the year ended 31 March 2016 (Continued)

(₹ in million)

	For the year ended 31 March 2016	For the year ended 31 March 2015
27. EMPLOYEE BENEFITS EXPENSE		
Salaries, wages, bonus, gratuity and allowances (Refer note 50)	1,949.25	2,154.72
Contribution to provident, superannuation and other funds (Refer note 50)	99.17	123.48
Staff welfare expenses	122.80	130.08
	2,171.22	2,408.28

(₹ in million)

	For the year ended 31 March 2016	For the year ended 31 March 2015
28. FINANCE COSTS		
Interest expense	1,890.19	2,094.10
Other borrowings cost	56.13	69.52
Exchange difference to the extent considered as an adjustment to borrowing cost (Refer note 43)	77.94	107.34
	2,024.26	2,270.96

(₹ in million)

	For the year ended 31 March 2016	For the year ended 31 March 2015
29. OTHER EXPENSES		
Power and fuel	2,983.98	3,288.31
Stores, spares, chemicals and packing materials consumed	1,140.95	1,342.84
Processing charges	140.28	149.23
Excise duty related to increase/decrease in inventory of finished goods	(10.92)	7.60
Rent (Refer note 41)	130.08	130.06
Rates and taxes	35.98	64.20
Insurance	35.55	50.48
Advertisement, publicity and sales promotion	56.58	60.80
Travelling and other incidental expenses	120.26	191.60
Repairs		
– Building	45.28	43.93
– Machinery	719.32	790.61
– Others	82.71	84.97
Office expenses	106.92	101.35
Vehicle running and maintenance	18.69	25.20
Printing and stationery	12.52	17.68
Communication expenses	26.06	33.11
Staff recruitment and training	22.95	30.93
Donation (Refer note 42)	36.64	81.35
Auditors Remuneration – As Auditors	2.00	2.00
– For tax audit	0.50	0.50
– For certification and other services	7.45	3.34
Legal professional and consultancy charges	60.39	77.72
Freight and forwarding (including ocean freight)	322.23	414.58

Notes to the financial statements for the year ended 31 March 2016 (Continued)

(₹ in million)

	For the year ended 31 March 2016	For the year ended 31 March 2015
OTHER EXPENSES (Continued)		
Directors' sitting fees	1.55	1.46
Subscription	16.96	21.05
Miscellaneous expenses	9.65	49.64
Bank charges	54.13	61.98
Discounts and claims to customers and other selling expenses	60.60	39.78
Commission on sales	66.71	75.42
Loss on sale/disposal/discard of fixed assets (net)	7.15	–
Provision/write off bad debts/irrecoverable advances (net)	127.30	–
	6,440.45	7,241.72

	%	₹ in million	%	₹ in million
29.1 PARTICULARS OF IMPORTED AND INDIGENOUS STORES, SPARES, CHEMICALS CONSUMED				
Imported	7.71	87.99	13.18	176.96
Indigenous	92.29	1,052.96	86.82	1,165.88
	100.00	1,140.95	100.00	1,342.84

(₹ in million)

	For the year ended 31 March 2016	For the year ended 31 March 2015
29.2 RESEARCH AND DEVELOPMENT EXPENSES (EXCLUDING FINANCE COST, DEPRECIATION AND AMORTISATION) COMPRISES AS MENTIONED HEREUNDER:		
Cost of material consumed	9.84	58.91
Employee benefits expense	90.79	203.67
Utilities- power	4.69	16.29
Other expenses	25.84	147.88
	131.16	426.75
Less: Transferred to intangibles/assets under development	–	(175.28)
Balance charged to revenue	131.16	251.47

(₹ in million)

	For the year ended 31 March 2016	For the year ended 31 March 2015
30. EXCEPTIONAL ITEMS		
Amortisation of Foreign Currency Monetary Item Translation Difference Account (FCMITDA) (Refer note 48)	251.90	447.52
Foreign exchange gain	(36.60)	(275.28)
Mark to market loss/ (gain) in respect of currency and interest rate swap contracts and forward covers outstanding (Refer note 49(iii))	4.02	(167.60)
Profit on sale of businesses (Refer note 37)	–	(2,754.28)
Profit on sale of investments (Refer note 37)	–	(1,650.77)
Loans and advances irrecoverable written off (Refer note 34)	–	1,866.18
Loss on write off of idle assets (Refer note 44)	–	552.01
	219.32	(1,982.22)

Notes to the financial statements for the year ended 31 March 2016 (Continued)

31. Commitments as at year end:

a) Capital Commitments:

Estimated amount of contracts remaining to be executed on capital account (Net of advances) ₹ 140.68 million (Previous year ₹ 147.89 million).

b) Other Commitments:

- I) Export obligation under Advance License Scheme/DFIA scheme on duty free import of specific raw materials, remaining outstanding is ₹ 5,606.88 million (Previous year ₹ 3,213.44 million).
- II) Outstanding export obligation amounting to ₹ 5.61 million (Previous year ₹ 1,202.78 million), against equivalent supplier advance received from a step down wholly owned subsidiary.
- III) For lease commitments refer note 41.

32. 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 :

Particulars	Bank	As at 31 March 2016	As at 31 March 2015
Jubilant HollisterStier Inc.	ICICI Bank Canada		
Outstanding as at the beginning of year		–	USD 4.20 million
Provided during the year		–	–
Settled/expired during the year		–	USD 4.20 million
Outstanding as at the end of year		–	–

Total effective guarantee as on 31 March 2016 is ₹ Nil (Previous year ₹ Nil)

- ii. Outstanding guarantees furnished by banks on behalf of the Company are ₹ 406.01 million (Previous year ₹ 433.63 million).

B. Claims against Company, disputed by the Company, not acknowledged as debt:

(₹ in million)

Particulars	As at 31 March 2016	As at 31 March 2015
Central Excise	1,265.58	1,138.57
Customs	12.63	18.61
Sales Tax	88.92	56.47
Income Tax	1,057.04	505.77
Service Tax	7.38	7.48
Others	344.20	332.16

Excluding claims in respect of businesses transferred to Jubilant Generics Limited (Refer note 37) and to Jubilant Industries Limited in accordance with the demerger scheme approved by the Hon'ble Allahabad High Court, though the litigations 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 32(C) below are determinable only on receipt of judgments/decisions pending at various stages/forums.

C. Other contingent liabilities as at 31 March 2016:

- i. Liability in respect of bills discounted with banks is ₹ 207.75 million (Previous year ₹ 447.01 million).
- ii. The Company's writ petition against the levy of transport fee by the State of Maharashtra on consumption of rectified spirit and molasses within Nira factory has been allowed by the Hon'ble Bombay High Court with consequential refund. The Company has filed a refund claim for an amount of ₹ 2.51 million (Previous year ₹ 2.51 million) deposited during the period when the dispute was pending before the High Court. The total amount of disputed transport fee is ₹ 227.20 million (Previous year ₹ 209.13 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.

Notes to the financial statements for the year ended 31 March 2016 (Continued)

- iii. The Company has challenged before the Hon'ble Allahabad High Court, the increase in denaturing fee by the State of Uttar Pradesh w.e.f 1 April 2004 on denaturing of rectified spirit in the Gajraula factory and the writ petition has been admitted by the court. The Company has deposited ₹ 26.45 million (Previous year ₹ 25.55 million) under protest which is shown as deposits.
- iv. Zila Panchayat at J.P. Nagar (in respect of the Company's Gajraula plant) served a notice demanding a compensation of ₹ 277.40 million (Previous year ₹ 277.40 million) allegedly for, percolation of poisonous water stored in lagoons and flowing through the land of Zila Panchayat resulting in loss of crops and cattle of the farmers and for putting poisonous fly ash on national highway which caused loss to the health and damages to eyes and skin of people. District Magistrate issued a recovery certificate along with 10% collection charges inflating the demand to ₹ 305.14 million (Previous year ₹ 305.14 million). In the opinion of the Company, the Zila Panchayat has no jurisdiction in raising this demand. The demand was challenged in Hon'ble Allahabad High Court and the court stayed the demand till further orders.
- v. The Company has challenged, before the Hon'ble Allahabad High Court, the levy of license fees of ₹ 2.87 million (Previous year ₹ 2.87 million) by State of Uttar Pradesh, for grant of PD-2 license for manufacture of ethyl alcohol for industrial use. The writ petition has been admitted and is being listed for final hearing. Though the amount has been deposited and shown as such, no provision against this has been made as the issue is covered by the earlier favorable judgment of the Hon'ble Supreme Court of India.
- vi. The State of Uttar Pradesh (UP) has imposed levy on import of denatured spirit into the State of Uttar Pradesh (UP). The Company has imported denatured spirit into the State of Uttar Pradesh and has challenged levy amounting to ₹ 90.00 million (Previous year ₹ 90.00 million) before Hon'ble Allahabad High Court. The writ petition has been allowed by the High Court in favour of the Company. The State of Uttar Pradesh filed a Special Leave Petition (SLP) with Hon'ble Supreme Court. The SLP has been admitted but the Hon'ble Supreme Court has declined the request of the State of Uttar Pradesh (UP) to stay the operation of High Court Order. The Hon'ble Supreme court has ordered to list the appeal after the decision in Civil Appeal No. 151 of 2007.
- vii. The Hon'ble Supreme Court has quashed the levy of license fee by State of Uttar Pradesh on captive consumption of denatured spirit in the Gajraula factory, and has ordered the refund of the fee paid during the period of dispute subject to condition that the amount has not been collected from the Company's customers. Further the Court has directed the State to investigate whether the Company has collected the disputed fee from its customers to the extent bank guarantees were furnished. The Company is entitled to a refund of ₹ 84.06 million (Previous year ₹ 84.06 million) as the amount paid during the period of dispute or secured by bank guarantees was not collected from its customers. Accordingly the Company has approached the State of Uttar Pradesh for the refund of the said amount. The amount paid has been shown as deposit.
- viii. A group of villagers from Nira in Pune District, State of Maharashtra had filled a Public Interest Litigation against the Company on account of ground water contamination against which National Green Tribunal (NGT), Pune Bench passed an order on 16 May 2014. In this order, NGT has instructed the Company to comply with the recommendations of National Environmental Engineering Research Institute (NEERI), Maharashtra Pollution Control Board (MPCB) and Central Ground Water Board (CGWB) to ensure zero discharge and remediation to contaminated ground water. NGT in its order has also instructed the district authority to form a committee to conduct an enquiry around 2 Km radius of Nira unit to ascertain extent of loss and recommend the loss if any, caused to agriculturist due to effluent discharge to Nira river and asked Company to deposit adhoc amount of ₹ 2.50 million (Previous year ₹ 2.50 million) with the Collector of Pune. Company deposited the above amount with the Collector of Pune. In its report, the Committee has found that no loss was shown to have been caused to fertility of the land or the agriculturists. Company's compliances are being regularly monitored by MPCB and status is being informed to NGT. NEERI has submitted its recommendations and NGT has asked few clarifications on the report from NEERI. Meanwhile, company has submitted its comments on the NEERI report and also made suggestions for quicker ground water aquifer remediation. The matter is pending before NGT.
- ix. Uttar Pradesh Pollution Control Board served notices upon 3 units of Company at Gajraula to appear and present their submissions in the National Green Tribunal, New Delhi (NGT) in a pending matter (M.C. Mehta vs. Union of India & Ors.) regarding pollution of Ganga and its tributaries. NGT directed all the parties to give their compliance status on Zero Liquid Discharge (ZLD). All 3 units of Company have duly filed submissions that they are compliant of the terms of consent/ ZLD. Additionally, the Company's Distillery Unit filed a Miscellaneous Application in the matter seeking review of some of the directions of Central Pollution Control Board based on their technical and practical limitations and also requested for considering alternate technologies that are environmentally sustainable options for ZLD. The matter is pending before NGT.

Notes to the financial statements for the year ended 31 March 2016 (Continued)

- x. Additionally, the Company is involved in other disputes, lawsuits, claims, governmental and/ or regulatory inspections, inquiries, investigations and proceedings, including commercial matters that arise from time to time in the ordinary course of business. The Company believes that none of these matters, either individually or in aggregate, are expected to have any material adverse effect on its financial statements.
33. During the current year, the Hon'ble Allahabad High Court vide its order dated 17 August 2015 ("Order") sanctioned the Scheme of Amalgamation, Compromise and Arrangements ("the Scheme") between two subsidiaries of the Company viz. Jubilant First Trust Healthcare Limited ("JFTHL") and First Trust Medicare Private Limited ("FTMPL"). The Scheme became effective on 4 September 2015 on filing of the certified true copy of the Order with the Registrar of Companies. As per the provisions of the Scheme, FTMPL merged into JFTHL and the shareholders of FTMPL received 6.5 fully paid up equity shares of the JFTHL against each fully paid up share of FTMPL with effect from the appointed date, i.e. 1 April 2014. Subsequently, as per the provisions of the Scheme, equity share capital of JFTHL amounting to ₹ 135.63 million (i.e. 13,563,171 equity shares of face value Rs. 10 each) held by the Company along with the securities premium amounting to ₹ 540.49 million was cancelled with effect from the appointed date, i.e. 1 March 2015. The consequent impact on the value of investment has been recorded in the books of account of the Company during the current year.
34. Loans to subsidiary companies, including interest accrued thereon pursuant to information required to be disclosed under clause 32 of listing agreement [Refer note 52(33) and 52(34)]:

(₹ in million)

Particulars	Outstanding amount (including interest accrued thereon)		Maximum balance outstanding during the year	
	As at 31 March 2016	As at 31 March 2015	2016	2015
Jubilant Biosys Limited*	–	–	–	1,866.18
Jubilant Pharma Limited	–	845.03	858.48	975.72
Jubilant Pharma Holding Inc.	–	–	–	1,421.64

The above companies have not invested in the securities of the Company.

* During the year ended 31 March 2015, the Company had written off loan amounting to ₹ 1,513.80 million and outstanding accrued interest thereon ₹ 352.38 million, given to a subsidiary on recoverability assessment. However, the Company will continue to pursue the recoverability of the same.

35. Disclosure pursuant to section 186(4) of the Companies Act, 2013 in respect of unsecured loans to subsidiary companies [Refer note 52(33)]:

(₹ in million)

Particulars	Purpose/Term of loan	As at 31 March 2016	As at 31 March 2015
Jubilant Biosys Limited (denominated in INR)	General business purpose and interest rate ranging 7.5% to 12% p.a.		
Outstanding as at the beginning of year		–	1,513.80
Given during the year		–	–
Repaid during the year		–	–
Written-off during the year		–	1,513.80
Outstanding as at the end of year		–	–
Jubilant Pharma Limited (denominated in USD)	General business purpose and interest rate up to 5% p.a.		
Outstanding as at the beginning of year		831.25	916.62
Given during the year		–	–
Repaid during the year		862.78	124.10
Currency translation adjustment		31.53	38.73
Outstanding as at the end of year		–	831.25
Jubilant Pharma Holdings Inc. (denominated in USD)	General business purpose and interest rate 5% p.a.		
Outstanding as at the beginning of year		–	521.22
Given during the year		–	776.65
Repaid during the year		–	1,349.58
Currency translation adjustment		–	51.71
Outstanding as at the end of year		–	–

Notes to the financial statements for the year ended 31 March 2016 (Continued)

36. Micro, Small and Medium Enterprises

There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31 March 2016. The information as required to be disclosed in relation to Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

(₹ in million)

Particulars	As at 31 March 2016	As at 31 March 2015
The principal amount remaining unpaid to any supplier as at the end of the year	14.53	18.65
The interest due on principal amount remaining unpaid to any supplier as at the end of the year	–	–
The amount of interest paid by the Company in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), along with the amount of the payment made to the supplier beyond the appointed day during the year	–	–
The 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 Act	–	–
The amount of interest accrued and remaining unpaid at the end of the year	–	–
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under the MSMED Act	–	–

37. During the year ended 31 March 2015, the Company completed the Pharma consolidation under its wholly owned subsidiary Jubilant Pharma Limited Singapore (JPL). Under Pharma consolidation:

- the Company transferred, with effect from 1 July 2014, its Active Pharmaceutical Ingredients and Dosage Forms business to Jubilant Generics Limited (JGL), a wholly owned Subsidiary of JPL, by way of a slump sale on going concern basis for a lump sum consideration of ₹ 9,293.00 million (net of debts of ₹ 3,923.00 million) and the profit on sale of such businesses amounting to ₹ 2,754.28 million was classified under exceptional items. The Company reversed net Deferred Tax Liabilities amounting to ₹ 1,642.96 million relating to the sold businesses in its books of account. A portion of the consideration, to the extent discharged, was paid directly to lenders of the Company.
- the Company transferred shares held by it in Jubilant Pharma Holding Inc, USA and Jubilant Pharma NV, Belgium to JGL, for a consideration of ₹ 2,158.00 million (net of debts of ₹ 1,897.00 million) and the profit on sale of such shares amounting to ₹ 1,650.77 million was classified under exceptional items. A portion of the consideration was paid directly to lenders of the Company.

Accordingly, the Active Pharmaceutical Ingredients (API) and Dosage Forms business of the Company was treated as discontinuing operations for the purpose of these financial reporting for the year ended 31 March 2015. The required relevant information for these discontinued operations which had been derived on the basis of assumptions used and available information is as below:

(₹ in million)

Particulars	31 March 2016	31 March 2015
Total revenue	–	2,007.07
Total expenditure	–	1,913.37
Profit before tax	–	93.70
Tax expense	–	22.90
Profit after tax	–	70.80
Total assets	–	–
Total liabilities	–	–
Net assets	–	–

Notes to the financial statements for the year ended 31 March 2016 (Continued)

Net cash flows attributable to the above discontinued operations are as follows:

(₹ in million)

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
Net cash flows from operating activities	–	392.15
Net cash flows from investing activities	–	(199.20)
Net cash flows from financing activities	–	(200.26)

38. During the year ended 31 March 2015, pursuant to the Companies Act, 2013 ('the Act') being effective from 1 April 2014, the Company revised depreciation rates on fixed assets as per the useful life specified in Part 'C' of Schedule II of the Act. As a result of this change, the depreciation charge for the year ended 31 March 2015 was lower by ₹ 243.52 million. Further, based on the transitional provision provided in Note 7(b) of the Schedule II an amount of ₹ 85.41 million (after adjustment for related tax impact of ₹ 45.21 million) was debited to opening balance of retained earnings in respect of the fixed assets where life had expired as per the said Schedule as on 31 March 2014.

39. 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 Nomination, Remuneration and Compensation Committee ('Committee') of the Board of Directors which comprises a majority of Independent Directors is responsible 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 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 28 August 2009 will vest entirely within two years from the grant date, with certain lock-in provisions. Options granted after 28 August 2009 will vest gradually over a period of 5 years from the grant date, without any lock-in provisions.

Under Plan 2011, each option, upon vesting, shall entitle the holder to acquire one equity share of ₹ 1 each. Options granted will vest gradually over a period of 3 years from the grant date. Vesting of Options is a function of achievement of performance criteria or any other criteria, as specified by the Committee and communicated in the grant letter.

Summary of vesting and lock-in provisions are given below:

Sr. No	PLAN 2005						PLAN 2011		
	Vesting schedule (With lock in) Applicable for grants made up to 28 August 2009			Vesting schedule (Without lock in) Applicable for grants made after 28 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			

Notes to the financial statements for the year ended 31 March 2016 (Continued)

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 31 March 2016 is ₹ 200.99 million (Previous year ₹ 410.39 million).

Up to 31 March 2016, 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 2,458,980 (Previous year 1,530,010) shares were transferred to the employees on exercise of Options. The Trust has also been issued 192,086 (Previous year 192,086) equity shares of Jubilant Industries Limited in accordance with the Scheme of Amalgamation and Demerger amongst the Company, Jubilant Industries Limited and others.

The movement in the stock options under both the Plans, during the year, is set out below:

Under Plan 2005

Particulars	For the year ended 31 March 2016		For the year ended 31 March 2015	
	Number of options	Weighted average exercise price (₹)	Number of options	Weighted average exercise price (₹)
Outstanding at the beginning of the year	105,495	222.73	132,684	223.90
Forfeited during the year	(15,850)	231.61	(27,189)	228.46
Exercised during the year	(81,178)	216.61	–	–
Outstanding at the end of the year	8,467	264.72	105,495	222.73
Exercisable at the end of the year	8,467	264.72	105,495	222.73

* The Board has decided that no further grants will be made under Plan 2005.

Under Plan 2011

Particulars	For the year ended 31 March 2016		For the year ended 31 March 2015	
	Number of options	Weighted average exercise price (₹)	Number of options	Weighted average exercise price (₹)
Outstanding at the beginning of the year	1,112,306	210.80	1,428,939	210.49
Forfeited during the year	(157,970)	206.61	(316,633)	209.38
Exercised during the year	(523,080)	207.63	–	–
Outstanding at the end of the year	431,256	216.18	1,112,306	210.80
Exercisable at the end of the year	182,393	209.74	771,930	207.07

The Company has opted for intrinsic value method of accounting for Employee Stock Options. As exercise price of the options is equal to the market price on the date of grant, intrinsic value is ₹ Nil. Hence, there is no cost charged to the Statement of Profit and Loss on account of options granted to employees under the Employee Stock Option Plans of the Company.

The Company has granted following stock options to certain senior executives of its subsidiaries/step down subsidiaries under these stock option schemes:

Under Plan 2005, options outstanding at the end of the year:

Particulars	As at 31 March 2016		As At 31 March 2015	
	Number of options	Weighted average exercise price (₹)	Number of options	Weighted average exercise price (₹)
Jubilant Infrastructure Limited	800	314.35	800	314.35
Jubilant Generics Limited**	3,100	244.76	12,600	254.80
Jubilant Cadista Pharmaceuticals Inc.	–	–	1,877	201.33
Jubilant HollisterStier LLC	1,100	273.55	1,100	273.55
Jubilant Agri and Consumer Products Limited*	1,150	221.60	16,648	222.03

* In respect of employees transferred to Jubilant Industries Limited in accordance with the demerger scheme approved by the Hon'ble Allahabad High Court and subsequently transferred to Jubilant Agri and Consumer Products Limited, a subsidiary company of Jubilant Industries Limited.

Notes to the financial statements for the year ended 31 March 2016 (Continued)

Under Plan 2011, options outstanding at the end of the year:

Particulars	As at 31 March 2016		As at 31 March 2015	
	Number of options	Weighted average exercise price (₹)	Number of options	Weighted average exercise price (₹)
Jubilant Infrastructure Limited	849	220.90	19,437	212.61
Jubilant Generics Limited**	56,620	216.05	163,574	210.10
Drug Discovery and Development Solutions Limited	3,957	200.05	51,831	193.31
Jubilant HollisterStier LLC	2,985	217.19	2,985	217.19
Jubilant Life Sciences (Shanghai) Limited	–	–	7,562	212.65

** Represents options outstanding out of options granted to employees of the Company which were transferred to Jubilant Generics Limited on account of sale of businesses as explained in note 37.

Stock compensation expense in relation to stock options granted to employee of subsidiaries/ step-down subsidiaries is ₹ Nil (Previous year ₹ Nil).

If the Company had considered “fair value” of the options on the date of grant instead of the “intrinsic value”, the effect on earnings per share would be as under:

Particulars		For the year ended 31 March 2016	For the year ended 31 March 2015
Profit for the year as reported in the Statement of Profit and Loss	(₹ in million)	790.68	2,051.10
Add: Employee stock compensation expense included in reported net profit	(₹ in million)	–	–
Less: Employee stock compensation expense determined under fair value method *	(₹ in million)	2.19	8.92
Pro forma net profit	(₹ in million)	788.49	2,042.18
Basic and diluted earnings per share - as reported	(Rupees)	4.96	12.88
Basic and diluted earnings per share - adjusted pro forma	(Rupees)	4.95	12.82

* Net of employee stock compensation expense in relation to stock options granted to employees of subsidiaries.

The impact of differential stock compensation expense if the “fair value” of the options on the date of grant was considered instead of the “intrinsic value” on earnings per share for continuing operations was not material for the previous year.

Stock compensation expense under the Fair Value Method has been determined based on fair value of the stock options. The fair value of stock options was determined using the Black Scholes option pricing model with the following assumptions:

Particulars	Plan 2005	Plan 2011
Expected volatility	29.73% - 41.76%	38.36% - 45.95%
Risk free interest rate	7.52% - 9.44%	7.74% - 8.81%
Exercise price (₹)	198.55 - 359.25	170.20 - 220.90
Expected dividend yield	0.51% - 0.90%	0.63% - 1.10%
Life of options (years)	4.25	3.65
Weighted average fair value of options as at the grant date (₹)	94.18	84.90

40. During the year ended 31 March 2015, SEBI vide notification no. LAD-NRO/GN/2014-15/16/1729 dated 28 October 2014, issued Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ('new guidelines') repealing Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. According to the new guidelines, any company implementing any of the share based schemes shall follow the requirements of the 'Guidance Note on Accounting for employee share-based Payments' (Guidance Note) or Accounting Standards as may be prescribed by the ICAI from time to time, including the disclosure requirements prescribed therein. The Jubilant Employee Welfare Trust (Trust) primarily holds equity shares of the Company which are to be transferred to

Notes to the financial statements for the year ended 31 March 2016 (Continued)

employees of the company and its subsidiaries upon exercise of their stock options under various Employee Stock Options Plans (ESOP) in force. As a consequence, since shares held by the Trust are purchased from market instead of direct issuance by the Company, the consolidation thereof, in these financial statements, was discontinued and consequential adjustments were made in the financial statements.

41. 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. Rental expenses recognized under such leases amounting to ₹ 93.26 million (Previous year ₹ 93.24 million) has been included under rent expense in note 29.
- The Company has operating lease arrangements in respect of vehicles which are cancellable, range between 2 years and 5 years. The aggregate lease rentals payable are charged as expenses. Rental expenses recognized under such leases amounting to ₹ 4.65 million (Previous year ₹ 1.79 million) has been included under vehicle running and maintenance expense in note 29.
- 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)

Particulars	Minimum lease payments	
	As at 31 March 2016	As at 31 March 2015
Not later than one year	16.32	15.64
Later than one year but not later than five years	70.06	68.10
Later than five years	324.58	342.86

Rental expenses recognised under such leases during the year amounting to ₹ 36.82 million (Previous year ₹ 36.82 million) has been included under rent expense in note 29.

- 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)

Particulars	Minimum lease payments		Present value of minimum lease payments		Future interest	
	As at 31 March 2016	As at 31 March 2015	As at 31 March 2016	As at 31 March 2015	As at 31 March 2016	As at 31 March 2015
Not later than one year	9.88	12.91	7.50	10.56	2.38	2.34
Later than one year but not later than five years	16.70	13.93	14.01	11.85	2.69	2.08
Later than five years	–	–	–	–	–	–

There is no element of contingent rent or sub lease payments. The Company has option to purchase the assets at the end of the lease term. There are no restrictions imposed by these lease arrangements regarding dividend, additional debt and further leasing.

Notes to the financial statements for the year ended 31 March 2016 (Continued)

42. Corporate social responsibility (CSR)

(₹ in million)

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
Gross amount required to be spent by the Company on CSR activities as per section 135 of the Companies Act, 2013	3.12	12.65
Details of amount spent during the year		
a) Actual spent during the year (1)	17.82	15.64
b) Amount unspent	Nil	Nil

(1) Included in donation – Refer note 29

43. a) In line with the applicable Accounting Standards, during the year, finance costs amounting to ₹ Nil (Previous year ₹ 22.13 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 capitalization amounting to ₹ 62.89 million (Previous year ₹ 11.51 million) have been capitalised.
- b) Interest expenses includes ₹ 17.18 million (Previous year ₹ Nil) towards interest relating to Income-tax payments.
44. During the year ended 31 March 2015, the Company had identified and written off idle assets of net book value (adjusted for net realizable value) amounting to ₹ 552.01 million on usability assessment, and the same was reported under exceptional items. The realisable value of the same has been included under other current assets.
45. Consequent to re-evaluation of certain tax provisions pertaining to earlier years, tax benefit (including deferred tax credit) amounting to ₹ 220.77 million has been recognised during the current year.
46. Distribution tax on proposed dividend includes :
- Distribution tax on proposed dividend for the year ended 31 March 2016 amounting to ₹ 97.28 million.
 - Reversal of distribution tax provided on proposed dividend for the year ended 31 March 2015 amounting to ₹ 60.21 million on account of dividend received from subsidiary companies during the year ended 31 March 2016.
47. Disclosure required by Accounting Standard 29 (AS-29) "Provisions, contingent liabilities and contingent assets"

Movement in provisions for MTM losses:

(₹ in million)

Sr. No.	Particulars	For the year ended 31 March 2016
1.	Balance at the commencement of the year	– (3,098.88)
2.	Additional provision during the year	4.02 (251.22)
3.	Provision used during the year	– (3,350.10)
4.	Balance at the end of the year	4.02 (–)

Figures in () are in respect of previous year.

48. The Company has opted for accounting the exchange difference arising on reporting of long term foreign currency monetary items in line with Para 46A of Accounting Standard 11 (AS-11) – "The Effects of Changes in Foreign Exchange Rates" notified by the Ministry of Corporate Affairs on 29 December 2011. Accordingly during year ended 31 March 2016, the Company has capitalised exchange difference amounting to ₹ 136.03 million (Previous year ₹ 98.54 million) to the cost of fixed assets and ₹ 152.31 million (Previous year ₹ 117.11 million) to foreign currency monetary item translation difference account (FCMITDA). During the year ₹ 251.90 million (Previous year ₹ 447.52 million) has been amortised to the Statement of Profit and Loss in terms of the said notification and balance of ₹ 50.73 million (Previous year ₹ 150.32 million) is carried in Balance Sheet as on 31 March 2016.

Notes to the financial statements for the year ended 31 March 2016 (Continued)

49. Hedging and derivatives instruments:

- (i) The Company uses various derivative instruments such as foreign exchange forward contracts, currency and interest rate swaps to selectively hedge its exposures to movement in foreign exchange rates and interest rates. These derivatives instruments are not used for speculative or trading purposes.

The following are the outstanding derivative contracts entered into by the Company:

Category	Currency	Cross Currency	Amount (in million)	Buy/Sell
As at 31 March 2016:				
Forward Contracts	USD	INR	USD 2.80	Buy
As at 31 March 2015:				
Forward Contracts	USD	INR	USD 22.00	Sell
Forward Contracts	EUR	USD	EUR 3.69	Sell

Refer note (iv) below

- (ii) **Foreign currency exposure not hedged by derivative instrument:**

Particulars	Amount (foreign currency in million)			
		As at 31 March 2016		As at 31 March 2015
Amount receivable on account of sale of goods and services and loans and advances	USD	21.50	USD	46.59
	EURO	12.25	EURO	2.24
	CAD	4.19	CAD	2.05
	CHF	–	CHF	0.01
Amount payable on account of purchase of goods and services and loans	USD	80.35	USD	156.89
	EURO	0.23	EURO	0.24
	CHF	–	CHF	0.01
Amount outstanding as balances with banks	USD	3.00	USD	0.90

The above foreign currency exposure excludes impact of forward contracts taken for hedging currency risk of highly probable forecasted transaction as per note (i) above maturing during the credit period of receivable/payables as per note (ii). For foreign currency exposure in relation to currency swap (including currency and interest rate swaps)-refer note (i) above.

- (iii) Mark to market loss amounting to ₹ 4.02 million (Previous year gain amounting to ₹ 167.60 million) in respect of currency and interest rate swaps and forward contracts have been charged/credited to the Statement of Profit and Loss. The accumulated mark to market losses on currency and interest rate swaps and forward contract outstanding as at 31 March 2016 is ₹ 4.02 million (Previous year ₹ Nil).
- (iv) During the year ended 31 March 2015, the Company discontinued hedge accounting applied in respect of certain foreign currency transactions including forward contracts under Accounting Standard (AS) 30 "Financial Instruments: Recognition and Measurement" and the financial impact of the same was insignificant on the profit for the year.

Notes to the financial statements for the year ended 31 March 2016 (Continued)

50. Employee benefits have been calculated as under:

(A) Defined Contribution Plans

- a. Provident fund*
- b. Superannuation fund

During the year, the Company has contributed following amounts to:

Particulars	(₹ in million)	
	For the year ended 31 March 2016	For the year ended 31 March 2015
Employer's contribution to provident fund	6.88	6.24
Employer's contribution to employee's pension scheme 1995	28.80	26.10
Employer's contribution to superannuation fund	7.96	8.79

*For certain employees where provident fund is deposited with Government authorities i.e. Regional Provident Fund Commissioner.

- c. State plans

During the year, the Company has contributed following amounts to:

Particulars	(₹ in million)	
	For the year ended 31 March 2016	For the year ended 31 March 2015
Employer's contribution to employee's state insurance	0.43	1.10

(B) Defined Benefit Plans

i. Gratuity

In accordance with Accounting Standard 15 (AS-15) "Employee Benefits (Revised 2005)", an actuarial valuation has been carried out in respect of gratuity. The discount rate assumed is 7.90% p.a. (Previous year 7.74% p.a.) which is determined by reference to market yield at the Balance Sheet date on Government bonds. The retirement age has been considered at 58 years (Previous year 58 years) and mortality table is as per IALM (2006-08) (Previous year IALM (2006-08)).

The estimates of future salary increases, considered in actuarial valuation is 10% p.a. for first three years and 6% p.a. thereafter (Previous year 10% p.a. for first three years and 6% p.a. thereafter), taking into account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The plans assets are maintained with Life Insurance Corporation of India in respect of gratuity scheme for certain employees of the Company. The details of investments maintained by Life Insurance Corporation are not available with the Company, hence not disclosed. The expected rate of return assumed on plan assets is 9.00% p.a. (Previous year 9.00% p.a.).

Reconciliation of opening and closing balances of the present value of the defined benefit obligation:

Particulars	(₹ in million)	
	31 March 2016	31 March 2015
Present value of obligation at the beginning of the year	372.89	406.11
Current service cost	35.24	35.93
Interest cost	28.86	35.21
Actuarial loss	13.17	19.07
Benefits paid	(39.34)	(34.19)
Adjustment on account of transfer of businesses (Refer note 37)	-	(89.24)
Present value of obligation at the end of the year	410.82	372.89

Notes to the financial statements for the year ended 31 March 2016 (Continued)

Reconciliation of the present value of defined benefit obligation and the fair value of the plan assets:

(₹ in million)

Particulars	31 March 2016	31 March 2015
Present value of obligation at the end of the year	410.82	372.89
Fair value of plan assets at the end of the year	(5.69)	(5.36)
Net liability recognised in the Balance Sheet	(405.13)	(367.53)

Cost recognised for the period (included under salaries, wages, allowances, bonus and gratuity):

(₹ in million)

Particulars	31 March 2016	31 March 2015
Current service cost	35.24	35.93
Interest cost	28.86	35.21
Actuarial loss	13.26	17.91
Expected return on plan assets	(0.48)	(0.76)
Net cost recognised during the year	76.88	88.29

Fair Value of Plan Assets:

(₹ in million)

Particulars	31 March 2016	31 March 2015
Plan assets at the beginning of the year	5.36	21.66
Expected return on plan assets	0.48	0.76
Contribution by employer	0.03	0.93
Actual benefits paid	(0.09)	(0.77)
Actuarial (loss)/ gain	(0.09)	1.15
Adjustment on account of transfer of businesses (Refer note 37)	–	(18.37)
Plan assets at the end of the year	5.69	5.36

Company's best estimate of contribution during next year is ₹ 84.80 million (Previous year ₹ 82.18 million)

Experience adjustment:

(₹ in million)

Particulars	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
Defined benefit obligation	410.82	372.89	406.11	329.04	277.70
Plan assets	5.69	5.36	21.66	17.91	12.64
Surplus/(deficit)	(405.13)	(367.53)	(384.45)	(311.13)	(265.06)
Experience adjustment of plan liabilities-(loss)/gain	(16.66)	13.28	(11.41)	(26.39)	(20.33)
Experience adjustment on plan assets-(loss)/gain	(0.09)	1.15	(0.08)	(0.85)	(0.90)

ii. Provident Fund

The guidance on implementation of AS-15, Employee Benefits (Revised 2005) issued by Accounting Standard Board (ASB) states that benefits involving provident funds, which require interest shortfall to be compensated, are to be considered as defined benefit plans. The actuary has worked out a liability of ₹ Nil (Previous year ₹ Nil) likely to arise towards interest guarantee. The trust is managing common corpus of some of the group companies. The total liability of ₹ Nil (Previous year ₹ Nil) as worked out by the actuary has been allocated to each entity based on the corpus value of each entity as on 31 March 2016. Accordingly, liability of ₹ Nil (Previous year ₹ Nil) has been allocated to Company and ₹ Nil (Previous year ₹ Nil) has been charged to Statement of Profit and Loss during the year. The Company has contributed ₹ 64.62 million (Previous year ₹ 79.73 million) to Provident Fund for the year.

Notes to the financial statements for the year ended 31 March 2016 (Continued)

(C) Other long-term benefits:

(₹ in million)

Particulars	31 March 2016	31 March 2015
Present value of obligation at the end of the year	190.47	179.41

51. Segment Reporting:

- i) Based on the guiding principles given in Accounting Standard 17 (AS-17) on "Segment Reporting", the Company's Primary Business Segments were organised around customers on industry and product lines as under:
- a. **Pharmaceuticals** : Generics comprising Indian Branded Pharmaceuticals (Previous year : Active Pharmaceuticals Ingredients (APIs), Solid Dosage Formulations and Indian Branded Pharmaceuticals)(Refer note 37).
- b. **Life Sciences Ingredients** : i) Specialty Intermediates ii) Life Sciences Chemicals iii) Nutritional Products.
- ii) In respect of Secondary Segment information, the Company has identified its geographical segments as:
(i) Within India (ii) Outside India.
- iii) **Inter segment transfer pricing**
Inter segment transfer prices are based on market prices.
- iv) **The financial information about the primary business segments is presented in the table given below:**

(₹ in million)

Particulars	Pharmaceuticals		Life Sciences Ingredients		Total	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015	31 March 2016	31 March 2015
1) Segment revenue	172.71	2,111.17	27,737.03	31,193.53	27,909.74	33,304.70
Less: Inter segment revenue	–	–	–	9.16	–	9.16
Less: Excise duty on sales	–	14.07	1,348.03	1,518.43	1,348.03	1,532.50
Revenue from operations (net)	172.71	2,097.10	26,389.00	29,665.94	26,561.71	31,763.04
2) Segment results	(245.76)	(97.48)	3,219.88	2,296.75	2,974.12	2,199.27
Less : Interest (finance cost)					2,024.26	2,270.96
Exceptional items and un-allocable expenditure (net of un-allocable income)					35.74	(2,534.66)
Total profit/(loss) before tax	(245.76)	(97.48)	3,219.88	2,296.75	914.12	2,462.97
3) Capital employed						
(Segment assets - segment liabilities)						
Segment assets	37.58	26.23	22,488.85	22,576.07	22,526.43	22,602.30
Add: Unallocated assets					22,508.09	29,273.21
Total assets	37.58	26.23	22,488.85	22,576.07	45,034.52	51,875.51
Segment liabilities	73.69	68.76	4,525.75	7,017.23	4,599.44	7,085.99
Add: Unallocated liabilities*					1,080.40	1,026.78
Total liabilities	73.69	68.76	4,525.75	7,017.23	5,679.84	8,112.77
Segment capital employed	(36.11)	(42.53)	17,963.10	15,558.84	17,926.99	15,516.31
Add: Unallocated capital employed					21,427.69	28,246.43
Total capital employed	(36.11)	(42.53)	17,963.10	15,558.84	39,354.68	43,762.74
4) Segment capital expenditure	0.13	271.29	703.66	734.76	703.79	1,006.05
Add: Unallocated capital expenditure					41.83	93.13
Total capital expenditure	0.13	271.29	703.66	734.76	745.62	1,099.18
5) Depreciation and amortisation	2.62	195.34	799.89	813.65	802.51	1,008.99
Add: Unallocated Depreciation					66.10	65.15
Total depreciation and amortisation (Refer note 38)	2.62	195.34	799.89	813.65	868.61	1,074.14

* Excluding long-term borrowings (including current maturities), short-term borrowings and deferred tax liabilities (net).

Notes to the financial statements for the year ended 31 March 2016 (Continued)

v) Secondary segments (Geographical segments):

(₹ in million)

Particulars	31 March 2016	31 March 2015
a) Revenue from operations by geographical location of customers (net of excise duty)		
Within India	14,222.29	16,045.58
Outside India	12,339.42	15,717.46
Total	26,561.71	31,763.04
b) Carrying amount of segment assets (by geographic location of assets)		
Within India	26,945.55	33,422.68
Outside India	18,088.97	18,452.83
Total	45,034.52	51,875.51
c) Capital expenditure		
Within India	745.62	1,099.18
Outside India	–	–
Total	745.62	1,099.18
d) Revenue from operations by geographical markets		
India	14,222.29	16,045.58
Americas and Europe	8,016.71	9,832.95
China	1,479.76	2,919.83
Others	2,842.95	2,964.68
Total	26,561.71	31,763.04

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. Related Party Disclosures

1. Related parties where control exists:

a) Subsidiaries including step-down subsidiaries:

Jubilant Pharma Limited, Draximage Limited, Cyprus, Draximage Limited, Ireland, Draximage LLC, Jubilant DraxImage (USA) Inc., Deprenyl Inc., USA, Jubilant DraxImage Inc., 6963196 Canada Inc., 6981364 Canada Inc., DAHI Animal Health (UK) Limited, Draximage (UK) Limited, Jubilant Pharma Holdings Inc., Jubilant Clinsys Inc., Cadista Holdings Inc., Jubilant Cadista Pharmaceuticals Inc., Jubilant Life Sciences International Pte. Limited, HSL Holdings Inc., Jubilant HollisterStier LLC, Jubilant Life Sciences (Shanghai) Limited, Jubilant Pharma NV, Jubilant Pharmaceuticals NV, PSI Supply NV, Jubilant Life Sciences (USA) Inc., Jubilant Life Sciences (BVI) Limited, Jubilant Biosys (BVI) Limited, Jubilant Biosys (Singapore) Pte. Limited, Jubilant Biosys Limited, Jubilant Discovery Services Inc., Jubilant Drug Development Pte. Limited, Jubilant Chemsys Limited, Jubilant Clinsys Limited, Jubilant Infrastructure Limited, Jubilant First Trust Healthcare Limited, Jubilant Innovation (BVI) Limited, Jubilant Innovation Pte. Limited, Jubilant DraxImage Limited, Jubilant Innovation (India) Limited, Jubilant Innovation (USA) Inc., Jubilant HollisterStier Inc., Draxis Pharma LLC, Jubilant Generics Inc. (upto 22 December 2014), Jubilant Life Sciences (Switzerland) AG, First Trust Medicare Private Limited (Refer note 33), Jubilant Drug Discovery & Development Services Inc., Vanthys Pharmaceutical Development Private Limited, Jubilant Life Sciences NV, Jubilant Generics Limited, Jubilant Pharma Trading Inc., Drug Discovery and Development Solutions Limited.

b) Other Entities:

Jubilant HollisterStier General Partnership Canada, Draximage General Partnership Canada (controlled through subsidiaries/step down subsidiaries).

Notes to the financial statements for the year ended 31 March 2016 (Continued)

2. Key management personnel (KMP):

Mr. Shyam S. Bhartia (up to 25 March 2015), Mr. Hari S. Bhartia, Mr. R Sankaraiah, Mr. Shyamsundar Bang, Mr. Rajiv Shah (w.e.f. 16 February 2015), Mr. Lalit Jain (up to 31 January 2015).

3. Other Related parties with whom transactions have taken place during the year:**a) Enterprise over which certain key management personnel have significant influence:**

Jubilant Enpro Private Limited, Jubilant Oil & Gas Private Limited, Jubilant FoodWorks Limited, Tower Promoters Private Limited, B&M Hot Breads Private Limited, Jubilant Industries Limited, Jubilant Agri and Consumer Products Limited, Jubilant MotorWorks Private Limited, Jubilant Fresh Private Limited, Priority Vendor Technologies Private Limited (Enterprise over which relatives of KMP have significant influence).

b) Others:

Vam Employees Provident Fund Trust, Jubilant Employee Welfare Trust, Jubilant Bhartia Foundation, Vam Officers Superannuation Fund.

4. Transactions with related parties during the year:

(₹ in million)

Sr. No.	Particulars	Subsidiaries	Enterprise over which certain key management personnel have significant influence	Key management personnel and relatives	Others
1.	Sale of goods and services	6,273.94 (6,809.73)	130.09 (133.57)		
2.	Rental and other income	102.72 (90.99)	87.47 (79.43)		
3.	Interest income	23.61 (637.34)			
4.	Dividend income	258.63 (-)			
5.	Purchase of goods and services	886.81 (872.61)	137.79 (129.89)		
6.	Purchase of Merchandise Exports from India Scheme (MEIS) scripts and Duty Entitlement Pass Book License (DEPB)	20.83 (2.41)			
7.	Recovery of expenses	574.78 (596.48)	20.16 (19.14)		
8.	Reimbursement of expenses	8.98 (63.23)	2.15 (0.82)		
9.	Remuneration and related expenses (2)			66.08 (48.41)	
10.	Payment of retiral dues on resignation			- (20.11)	
11.	Company's contribution to PF Trust				64.62 (79.73)
12.	Company's contribution to superannuation fund				7.96 (8.79)
13.	Rent expenses		8.22 (7.81)		

Notes to the financial statements for the year ended 31 March 2016 (Continued)

(₹ in million)

Sr. No.	Particulars	Subsidiaries	Enterprise over which certain key management personnel have significant influence	Key management personnel and relatives	Others
14.	Donation				25.90 (21.64)
15.	Sharing of licensing fees	– (2.00)			
16.	Lease rental expenses	15.65 (15.10)			
17.	Business sale consideration (Previous year net of debts of ₹ 3,923.00 million) (3)	– (9,293.00)			
18.	Investment sale consideration (Previous year net of debts of ₹ 1,897.00 million) (3)	– (2,158.00)			
19.	Sale of tangible/intangible assets		– (302.87)		
20.	Purchase of tangible/intangible assets		– (1.46)		
21.	Equity share capital reduction (Refer note 33)	676.12 (–)			
22.	Investments in equity share capital	61.14 (6.20)			
23.	Interest expense on loans	61.12 (104.38)			
24.	Loans given	– (776.65)			
25.	Loans received back	862.78 (1,473.68)			209.40 (14.50)
26.	Loan (including accrued interest) written off	– (1,866.18)			
27.	Loans taken	54.00 (50.60)			
28.	Loans repaid	867.80 (30.13)			
29.	Advance from customers against goods/ assets	1,862.74 (2,325.89)			
Balance as at 31 March 2016					
30.	Loans payable	292.57 (1,106.37)			
31.	Interest payable on loan	14.22 (65.41)			
32.	Trade and other payables	264.22 (263.90)	24.31 (12.59)		15.98 (15.01)
33.	Loans recoverable	– (831.25)			200.99 (410.39)

Notes to the financial statements for the year ended 31 March 2016 (Continued)

(₹ in million)

Sr. No.	Particulars	Subsidiaries	Enterprise over which certain key management personnel have significant influence	Key management personnel and relatives	Others
34.	Interest recoverable	371.53 (388.36)			
35.	Trade receivables	1,592.85 (1,108.43)	32.14 (8.46)		
36.	Deposits recoverable		22.27 (22.27)		
37.	Other recoverables	528.12 (4,424.28)	29.59 (15.52)		
38.	Advance from customers	5.61 (1,202.78)			
39.	Mortgage of land and building at Bharuch owned by one of subsidiaries as security against term loan.	Refer note 5.2			

Notes:

- (1) Figures in () indicates in respect of previous year.
- (2) Excludes provision for gratuity and compensated absences, as these are determined on the basis of actuarial valuation for the Company as a whole.
- (3) Refer note 37.

Disclosure in respect of material related party transactions during the year:

1. Sale of goods and services to Jubilant Life Sciences (Shanghai) Limited ₹ 152.66 million (Previous year ₹ 404.79 million), Jubilant Life Sciences (USA) Inc. ₹ 120.08 million (Previous year ₹ 761.69 million), PSI Supply NV ₹ Nil (Previous year ₹ 55.85 million), Jubilant Cadista Pharmaceuticals Inc. ₹ Nil (Previous year ₹ 197.97 million), Jubilant Chemsys Limited ₹ 8.99 million (Previous year ₹ 15.92 million), Jubilant Agri and Consumer Products Limited ₹ 130.09 million (Previous year ₹ 133.57 million), Jubilant Infrastructure Limited ₹ 41.48 million (Previous year ₹ 3.08 million), Jubilant Life Sciences International Pte. Limited ₹ 3,001.74 million (Previous year ₹ 2,758.32 million), Jubilant Life Sciences NV ₹ 2,892.03 million (Previous year ₹ 2,556.43 million) and Jubilant Generics Limited ₹ 56.96 million (Previous year ₹ 55.68 million).
2. Rental and other income from Jubilant Chemsys Limited ₹ 7.94 million (Previous year ₹ 7.04 million), Jubilant Cadista Pharmaceuticals Inc. ₹ 0.55 million (Previous year ₹ 0.55 million), Jubilant HollisterStier LLC ₹ 1.71 million (Previous year ₹ 1.75 million), Jubilant DraxImage Inc. ₹ 0.44 million (Previous year ₹ 0.40 million), Jubilant HollisterStier General Partnership ₹ 0.95 million (Previous year ₹ 0.95 million), Jubilant Enpro Private Limited ₹ 12.09 million (Previous year ₹ 9.18 million), Jubilant Oil & Gas Private Limited ₹ 13.58 million (Previous year ₹ 9.70 million), Jubilant FoodWorks Limited ₹ 11.76 million (Previous year ₹ 13.44 million), Jubilant Industries Limited ₹ 0.18 million (Previous year ₹ 0.18 million), Jubilant Agri and Consumer Products Limited ₹ 47.87 million (Previous year ₹ 46.21 million), B&M Hot Breads Private Limited ₹ 1.37 million (Previous year ₹ 0.71 million), Jubilant Biosys Limited ₹ 4.67 million (Previous year ₹ 2.81 million), Jubilant Fresh Private Limited ₹ Nil (Previous year ₹ 0.01 million), Jubilant MotorWorks Private Limited ₹ 0.62 million (Previous year ₹ Nil) and Jubilant Generics Limited ₹ 86.46 million (Previous year ₹ 77.49 million).
3. Interest income from Jubilant Biosys Limited ₹ Nil (Previous year ₹ 153.80 million), Jubilant Pharma Limited ₹ 4.98 million (Previous year ₹ 11.80 million), Jubilant Pharma Holdings Inc. ₹ Nil (Previous year ₹ 55.55 million) and Jubilant Generics Limited ₹ 18.63 million (Previous year ₹ 416.19 million).
4. Dividend income received from Jubilant Infrastructure Limited ₹ 258.63 million (Previous year ₹ Nil).

Notes to the financial statements for the year ended 31 March 2016 (Continued)

5. Purchase of goods and services from Jubilant Pharmaceuticals NV ₹ Nil (Previous year ₹ 9.56 million), Jubilant Infrastructure Limited ₹ 833.82 million (Previous year ₹ 844.01 million), Jubilant Life Sciences NV ₹ 0.45 million (Previous year ₹ Nil), Priority Vendor Technologies Private Ltd ₹ 0.84 million (Previous year Nil), Jubilant Agri and Consumer Products Limited ₹ 136.95 million (Previous year ₹ 129.89 million) and Jubilant Generics Limited ₹ 52.54 million (Previous year ₹ 19.04 million).
6. Purchase of Merchandise Exports from India Scheme (MEIS) scripts and Duty Entitlement Pass Book License (DEPB) from Jubilant Generics Limited ₹ 20.83 million (Previous year ₹ Nil) and Jubilant Infrastructure Limited ₹ Nil (Previous year ₹ 2.41 million)
7. Recovery of expenses from Jubilant Chemsys Limited ₹ 11.60 million (Previous year ₹ 8.93 million), Jubilant Cadista Pharmaceuticals Inc. ₹ 74.24 million (Previous year ₹ 61.58 million), Jubilant HollisterStier LLC ₹ 81.78 million (Previous year ₹ 87.70 million), Jubilant DraxlImage Inc. ₹ 80.00 million (Previous year ₹ 58.60 million), Jubilant DraxlImage Limited ₹ 0.42 million (Previous year ₹ 0.34 million), Jubilant HollisterStier General Partnership ₹ 25.53 million (Previous year ₹ 33.83 million), Jubilant Infrastructure Limited ₹ 123.02 million (Previous year ₹ 155.47 million), Jubilant Enpro Private Limited ₹ Nil (Previous year ₹ 0.09 million), Jubilant Oil & Gas Private Limited ₹ Nil (Previous year ₹ 1.32 million), Jubilant Industries Limited ₹ 0.08 million (Previous year ₹ Nil), Jubilant Agri and Consumer Products Limited ₹ 20.08 million (Previous year ₹ 17.73 million), Jubilant Biosys Limited ₹ 18.39 million (Previous year ₹ 10.68 million), PSI Supply NV ₹ Nil (Previous year ₹ 11.22 million), Jubilant Clinsys Limited ₹ Nil (Previous year ₹ 0.50 million), Jubilant Life Sciences (USA) Inc. ₹ Nil (Previous year ₹ 0.42 million) and Jubilant Generics Limited ₹ 159.80 million (Previous year ₹ 167.21 million).
8. Reimbursement of expenses to Jubilant Pharmaceuticals NV ₹ 0.41 million (Previous year ₹ 43.87 million), Jubilant Biosys Limited ₹ 0.04 million (Previous year ₹ 0.14 million), Jubilant Infrastructure Limited ₹ 0.07 million (Previous year ₹ 0.01 million), PSI Supply NV ₹ Nil (Previous year ₹ 2.19 million), Jubilant DraxlImage Inc. ₹ Nil (Previous year ₹ 2.07 million), Jubilant Cadista Pharmaceuticals Inc. ₹ Nil (Previous year ₹ 13.98 million), Jubilant Clinsys Limited ₹ Nil (Previous year ₹ 0.35 million), Jubilant Life Sciences NV ₹ 0.33 million (Previous year ₹ 0.62 million), Jubilant Generics Limited ₹ 8.13 million (Previous year ₹ Nil), Jubilant Industries Limited ₹ 1.26 million (Previous year ₹ Nil) and Jubilant Enpro Private Limited ₹ 0.89 million (Previous year ₹ 0.82 million).
9. Remuneration and related expenses to Mr. R Sankaraiah ₹ 60.47 million (Previous year ₹ 39.95 million), Mr. Lalit Jain ₹ Nil (Previous year ₹ 7.87 million) and Mr. Rajiv Shah ₹ 5.61 million (Previous year ₹ 0.59 million).
10. Payment of retiral dues (accrued over the years on the basis of actuarial valuation for the Company as a whole) on resignation made to Mr. Shyam S. Bhartia ₹ Nil (Previous year ₹ 20.11 million).
11. Company's contribution to Vam Employees Provident Fund Trust ₹ 64.62 million (Previous year ₹ 79.73 million).
12. Company's contribution to Vam Officers Superannuation Fund ₹ 7.96 million (Previous year ₹ 8.79 million).
13. Rent expenses to Jubilant Enpro Private Limited ₹ 8.22 million (Previous year ₹ 7.81 million).
14. Donation to Jubilant Bhartia Foundation ₹ 25.90 million (Previous year ₹ 21.64 million).
15. Sharing of licensing fees with Jubilant Pharmaceuticals NV ₹ Nil (Previous year ₹ 2.00 million).
16. Lease rental to Jubilant Infrastructure Limited ₹ 15.65 million (Previous year ₹ 15.10 million).
17. Business sale consideration from Jubilant Generics Limited ₹ Nil (Previous year ₹ 9,293.00 million (net of debts of ₹ 3,923.00 million)).
18. Investment sale consideration from Jubilant Generics Limited ₹ Nil (Previous year ₹ 2,158.00 million (net of debts of ₹ 1,897.00 million)).
19. Sale of tangible/intangible assets to Jubilant FoodWorks Limited ₹ Nil (Previous year ₹ 302.87 million).
20. Purchase of tangible/intangible assets from Jubilant Oil & Gas Private Limited ₹ Nil (Previous year ₹ 1.46 million).
21. Equity share capital reduction of Jubilant First Trust Healthcare Limited ₹ 676.12 (Previous year ₹ Nil).
22. Investments in equity share capital of Drug Discovery and Development Solutions Limited ₹ 61.14 million (Previous year ₹ 6.20 million).

Notes to the financial statements for the year ended 31 March 2016 (Continued)

23. Interest expense on loans from Jubilant Infrastructure Limited ₹ 23.28 million (Previous year ₹ 33.96 million), Jubilant Clinsys Limited ₹ 4.51 million (Previous year ₹ 3.83 million), Jubilant First Trust Healthcare Limited ₹ 30.70 million (Previous year ₹ 64.09 million) and Vanthys Pharmaceutical Development Private Limited ₹ 2.63 million (Previous year ₹ 2.50 million).
24. Loans given to Jubilant Pharma Holdings Inc. ₹ Nil (Previous year ₹ 776.65 million).
25. Loans received back from Jubilant Pharma Limited ₹ 862.78 million (Previous year ₹ 124.10 million), Jubilant Employee Welfare Trust ₹ 209.40 million (Previous year ₹ 14.50 million) and Jubilant Pharma Holdings Inc. ₹ Nil (Previous year ₹ 1,349.58 million).
26. Loan (including accrued interest) to Jubilant Biosys Limited written off ₹ Nil (Previous year ₹ 1,866.18 million).
27. Loans taken from Jubilant Clinsys Limited ₹ 10.00 million (Previous year ₹ 15.00 million), Jubilant First Trust Healthcare Limited ₹ 40.50 million (Previous year ₹ 33.10 million) and Vanthys Pharmaceutical Development Private Limited ₹ 3.50 million (Previous year ₹ 2.50 million).
28. Loans repaid to Jubilant First Trust Healthcare Limited ₹ 684.30 million (Previous year ₹ 20.13 million), Jubilant Infrastructure Limited ₹ 170.00 million (Previous year ₹ Nil), and Jubilant Clinsys Limited ₹ 13.50 million (Previous year ₹ 10.00 million).
29. Advance against goods/assets from Jubilant Life Sciences International Pte. Limited ₹ 1,862.74 million (Previous year ₹ Nil) and Jubilant Life Sciences NV ₹ Nil (Previous year ₹ 2,325.89 million).
30. Loan payable to Jubilant Infrastructure Limited ₹ 187.50 million (Previous year ₹ 357.50 million), Jubilant Clinsys Limited ₹ 46.50 million (Previous year ₹ 50.00 million), Jubilant First Trust Healthcare Limited ₹ 27.57 million (Previous year ₹ 671.37 million) and Vanthys Pharmaceutical Development Private Limited ₹ 31.00 million (Previous year ₹ 27.50 million).
31. Interest payable on loans to Jubilant Infrastructure Limited ₹ 13.32 million (Previous year ₹ 30.56 million), Jubilant Clinsys Limited ₹ Nil (Previous year ₹ 3.45 million), Jubilant First Trust Healthcare Limited ₹ 0.69 million (Previous year ₹ 29.15 million) and Vanthys Pharmaceutical Development Private Limited ₹ 0.21 million (Previous year ₹ 2.25 million).
32. Trade and other payables to Jubilant Clinsys Limited ₹ 87.35 million (Previous year ₹ 87.00 million), Jubilant Pharmaceuticals NV ₹ 14.39 million (Previous year ₹ 12.45 million), Jubilant Life Sciences (USA) Inc. ₹ 10.97 million (Previous year ₹ 10.35 million), Jubilant Infrastructure Limited ₹ 101.28 million (Previous year ₹ 133.19 million), Jubilant Industries Limited ₹ 1.82 million (Previous year ₹ 0.83 million), Jubilant Agri and Consumer Products Limited ₹ 20.60 million (Previous year ₹ 10.00 million), PSI Supply NV ₹ 1.12 million (Previous year ₹ 1.00 million), Jubilant Enpro Private Limited ₹ 0.12 million (Previous year ₹ Nil), Jubilant Oil & Gas Private Limited ₹ 1.44 million (Previous year ₹ 1.44 million), B&M Hot Breads Private Limited ₹ 0.32 million (Previous year ₹ 0.32 million), Jubilant Biosys Limited ₹ 0.27 million (Previous year ₹ 0.27 million), Jubilant Life Sciences NV ₹ 1.46 million (Previous year ₹ 0.60 million), Jubilant Generics Limited ₹ 47.38 million (Previous year ₹ 19.04 million), Jubilant MotorWorks Private Limited ₹ 0.01 million (Previous year ₹ Nil), Vam Employees Provident Fund Trust ₹ 15.30 million (Previous year ₹ 14.20 million) and Vam Officers Superannuation Fund ₹ 0.68 million (Previous year ₹ 0.81 million).
33. Loans recoverable from Jubilant Pharma Limited ₹ Nil (Previous year ₹ 831.25 million) and Jubilant Employee Welfare Trust ₹ 200.99 million (Previous year ₹ 410.39 million).
34. Interest recoverable from Jubilant Pharma Limited ₹ Nil (Previous year ₹ 13.78 million) and Jubilant Generics Limited ₹ 371.53 million (Previous year ₹ 374.58 million).
35. Trade receivables from Jubilant Life Sciences (USA) Inc. ₹ 39.91 million (Previous year ₹ 83.26 million), Jubilant Life Sciences (Shanghai) Limited ₹ 135.28 million (Previous year ₹ 3.73 million), Jubilant Agri and Consumer Products Limited ₹ 32.14 million (Previous year ₹ 8.46 million), Jubilant Chemsys Limited ₹ 0.80 million (Previous year ₹ 0.79 million), Jubilant Infrastructure Limited ₹ 36.08 million (Previous year ₹ 0.23 million), Jubilant Life Sciences International Pte. Limited ₹ 452.84 million (Previous year ₹ 889.15 million), Jubilant Generics Limited ₹ 10.50 million (Previous year ₹ 12.48 million) and Jubilant Life Sciences NV ₹ 917.44 million (Previous year ₹ 118.79 million).
36. Deposits recoverable from Tower Promoters Private Limited ₹ 21.00 million (Previous year ₹ 21.00 million) and Jubilant Enpro Private Limited ₹ 1.27 million (Previous year ₹ 1.27 million).

Notes to the financial statements for the year ended 31 March 2016 (Continued)

37. Other recoverables from Jubilant Cadista Pharmaceuticals Inc. ₹ 75.24 million (Previous year ₹ 1.00 million), Jubilant HollisterStier LLC ₹ 196.51 million (Previous year ₹ 106.00 million), Jubilant Clinsys Inc. ₹ 13.65 million (Previous year ₹ 12.89 million), Jubilant HollisterStier General Partnership ₹ 124.75 million (Previous year ₹ 93.49 million), Jubilant DraxImage Inc. ₹ 89.85 million (Previous year ₹ 7.11 million), Jubilant DraxImage Limited ₹ 7.52 million (Previous year ₹ 7.09 million), Jubilant Chemsys Limited ₹ 11.06 million (Previous year ₹ 4.14 million), Jubilant Oil & Gas Private Limited ₹ 0.96 million (Previous year ₹ Nil), Jubilant Agri and Consumer Products Limited ₹ 14.43 million (Previous year ₹ 13.30 million), B&M Hot Breads Private Limited ₹ 0.32 million (Previous year ₹ 0.16 million), Jubilant Biosys Limited ₹ 2.00 (Previous year ₹ 1.54 million), Jubilant Life Sciences (Switzerland) AG Schaffhausen ₹ Nil (Previous year ₹ 0.85 million), Jubilant FoodWorks Limited ₹ 11.04 million (Previous year ₹ 1.97 million), PSI Supply NV ₹ 7.54 million (Previous year ₹ 6.72 million), Jubilant Generics Limited ₹ Nil (Previous year ₹ 4,183.45 million), Jubilant Enpro Private Limited ₹ 2.84 million (Previous year ₹ 0.09 million).
38. Advance from Jubilant Life Sciences International Pte. Limited ₹ 1.35 million (Previous year ₹ Nil) and Jubilant Life Sciences NV ₹ 4.26 million (Previous year ₹ 1,202.78 million).
39. Mortgage of land and building at Bharuch owned by one of subsidiaries as security against term loan.
40. The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under sections 92-92F of the Income-tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company is in the process of updating the documentation for the specified domestic transactions entered into with the specified persons and the international transactions entered into with the associated enterprises during the financial year and expects such records to be in existence before the due date of filing of income tax return. The management is of the opinion that its specified domestic transactions and international transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

(₹ in million)

	For the year ended 31 March 2016	For the year ended 31 March 2015
53. (a) Expenditure in foreign currency (on accrual basis)		
– Legal, professional and consultancy charges	19.41	25.28
– Travel /entertainment expenses	23.22	29.27
– Commission on export sales	51.85	73.06
– Interest	199.57	345.16
– Product development expenses	–	58.63
– Trading goods	570.96	1,030.34
– Rates and taxes	–	28.18
– Others	73.66	73.01
(b) Value of imports on C.I.F. basis		
– Raw materials	8,105.74	9,586.97
– Store, spares, chemicals and packing material	361.65	666.99
– Capital goods	7.14	34.67
(c) Remittance in foreign currency on account of final dividend		
a) Amount of dividend remitted	16.71	16.71
b) Number of Non-resident shareholders	3	3
c) Number of equity shares held by Non-resident shareholders*	5,570,445	5,570,445
d) The year to which dividend related	2014-15	2013-14
*excluding where dividend has been paid in Indian currency		
(d) Earnings in foreign exchange (on accrual basis)		
– Export sales-net of returns (FOB value)	12,339.42	15,648.10
– Towards services and other operating income	–	69.36
– Towards Interest income	4.98	67.39

Notes to the financial statements for the year ended 31 March 2016 (Continued)

		For the year ended 31 March 2016	For the year ended 31 March 2015
54. Earnings per share (EPS)			
I. Profit for the year for total operations	₹ in million	790.68	2,051.10
II. Weighted average number of equity shares for earnings per share computation			
A) For basic earnings per share	Nos.	159,281,139	159,281,139
B) For diluted earnings per share:			
No. of shares for basic earning per share as per II (A)	Nos.	159,281,139	159,281,139
Add: weighted average outstanding options related to employee stock options.(Note1)	Nos.	Nil	Nil
No. of shares for diluted earnings per share	Nos.	159,281,139	159,281,139
III. Earnings per share - Basic and diluted (total operations)	Rupees	4.96	12.88
IV. Profit for the year for continuing operations	₹ in million	790.68	1,980.30
V. Earnings per share - Basic and diluted (continuing operations)	Rupees	4.96	12.43

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.

As per our report of even date attached

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

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

Chartered Accountants

ICAI Firm registration number : 101248W/W-100022

Pravin Tulsyan

Partner

Membership No.: 108044

Shyam S. Bhartia

Chairman

DIN:00010484

Place : Noida

Date : 24 May 2016

Rajiv Shah

Company Secretary

R. Sankaraiah

Executive Director-Finance

Hari S. Bhartia

Co-Chairman and Managing Director

DIN:00010499

Independent Auditor's Report

To Members of Jubilant Life Sciences Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Jubilant Life Science Limited (hereinafter referred to as 'the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising the consolidated balance sheet as at 31 March 2016, 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 (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (particularly Accounting Standard 21 - Consolidated Financial Statements). The respective Board of Directors of the entities included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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 which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters

which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under sub section 10 of Section 143 of the Act. 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.

An audit involves performing procedures to obtain audit evidence about the amounts and the 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 financial controls relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 Consolidated Balance Sheet, of the consolidated state of affairs of the Group as at 31 March 2016;
- ii) in the case of the Consolidated Statement of Profit and Loss Account, of the consolidated profits for the year ended on that date; and
- iii) in the case of the Consolidated Cash Flow Statement, of the consolidated cash flows for the year ended on that date.

Independent Auditor's Report (Continued)

Report on Other Legal and Regulatory Requirements

1. As required by sub-section 3 of Section 143 of the Act, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
 - (c) The consolidated balance sheet, the consolidated statement of profit and loss, and the consolidated cash flow statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2016 taken on record by the Board of Directors of the Holding Company and on the basis of the relevant assertion contained in the audit reports on standalone financial statements of the Holding Company and each of its subsidiary companies incorporated in India, none of the Directors of any such company are disqualified as on 31 March 2016 from being appointed as a Director of that company in terms of sub-section 2 of Section 164 of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A";
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 31(B) and (C) to the consolidated financial statements;
 - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivatives contracts – Refer note 48 to the consolidated financial statements; and
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India.

For B S R & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 101248W/W-100022

Pravin Tulsyan

Partner

Place: Noida

Date: 24 May 2016

Membership No.: 108044

Annexure A to the Independent Auditor's Report on the Consolidated Financial Statements

Report on the Internal Financial Controls under Clause (i) of Sub-section (3) of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of Jubilant Life Sciences Limited ('the Holding Company') as of and for the year ended 31 March 2016, we have audited the internal financial controls over financial reporting of the Holding Company and its subsidiaries incorporated in India as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company and its subsidiary companies incorporated in India considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion, on the Holding Company and its subsidiary companies incorporated in India, internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on 'Audit of Internal Financial Controls Over Financial Reporting' (the "Guidance Note") issued by ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143 (10) of the Act, to the extent applicable to an audit of internal financial controls, and both issued by the Institute of Chartered accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all

material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's and its subsidiary company's incorporated in India, internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and

Annexure A to the Independent Auditor's Report on the Consolidated Financial Statements (Continued)

not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its subsidiary companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting

criteria established by the Holding Company and its subsidiary companies in India, considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI.

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

ICAI Firm Registration Number: 101248W/W-100022

Pravin Tulsyan

Partner

Place: Noida

Date: 24 May 2016

Membership No.: 108044

Consolidated Balance Sheet as at 31 March 2016

(₹ in million)

	Note	As at 31 March 2016	As at 31 March 2015
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	159.30	159.30
Reserves and surplus	4	28,936.39	24,375.86
		29,095.69	24,535.16
Non-current liabilities			
Long-term borrowings	5	30,439.84	36,912.86
Deferred tax liabilities (net)	47	3,269.29	2,380.22
Other long term liabilities	6	815.99	398.01
Long-term provisions	7	704.60	670.40
		35,229.72	40,361.49
Current liabilities			
Short-term borrowings	8	7,281.92	5,171.72
Trade payables to micro enterprises and small enterprises	33	53.39	27.97
Trade payables to others		5,943.02	7,183.91
Other current liabilities	9	9,772.08	7,933.14
Short-term provisions	10	2,094.42	974.90
		25,144.83	21,291.64
Total		89,470.24	86,188.29
ASSETS			
Non-current assets			
Fixed assets			
Tangible fixed assets	11	31,016.86	29,875.09
Intangible fixed assets	12	19,897.18	19,238.25
Capital work-in-progress	11	1,450.61	1,981.77
Intangible assets under development	12	4,485.01	3,984.22
Non-current investments	13	361.13	394.96
Long-term loans and advances	14	3,245.69	3,562.50
Other non-current assets	15	0.55	6.07
		60,457.03	59,042.86
Current assets			
Inventories	16	12,160.62	12,353.25
Trade receivables	17	9,297.26	8,192.75
Cash and bank balances	18	3,444.83	3,943.43
Short-term loans and advances	19	3,625.71	2,143.26
Other current assets	20	484.79	512.74
		29,013.21	27,145.43
Total		89,470.24	86,188.29
Significant accounting policies	2		
Notes to the consolidated financial statements	1-55		

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

As per our report of even date attached

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

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

Chartered Accountants

ICAI Firm registration number : 101248W/W-100022

Pravin Tulsyan

Partner

Membership No.: 108044

Shyam S. Bhartia

Chairman

DIN:00010484

Place : Noida

Date : 24 May 2016

Rajiv Shah

Company Secretary

R. Sankaraiah

Executive Director-Finance

Hari S. Bhartia

Co-Chairman and Managing Director

DIN:00010499

Consolidated Statement of Profit and Loss for the year ended 31 March 2016

(₹ in million)

	Note	For the year ended 31 March 2016	For the year ended 31 March 2015
REVENUE			
Revenue from operations (gross)	21	59,465.00	59,843.33
Less: excise duty		(1,441.80)	(1,580.86)
Revenue from operations (net)		58,023.20	58,262.47
Other income	22	136.43	424.53
Total revenue		58,159.63	58,687.00
EXPENSES			
Cost of materials consumed	23	19,950.96	22,360.09
Purchases of stock-in-trade	24	1,627.74	2,940.54
Changes in inventories of finished goods, work-in-progress and stock-in-trade	25	(403.93)	1,316.44
Employee benefits expense	26	11,267.28	10,902.76
Finance costs	27	3,785.66	3,553.40
Depreciation and amortisation expense	11-12	3,459.79	2,879.54
Other expenses	28	12,803.40	13,849.95
Total expenses		52,490.90	57,802.72
Profit before exceptional items and tax		5,668.73	884.28
Exceptional items	29	(174.65)	481.04
Profit before tax		5,843.38	403.24
Tax expenses	47		
– Current tax		1,680.27	737.46
– Minimum Alternate Tax (MAT) credit entitlement		(131.04)	(19.45)
– Deferred tax (credit)/ charge		(20.70)	86.83
		1,528.53	804.84
Profit/ (loss) for the year (before adjustment for minority interest)		4,314.85	(401.60)
Minority interest		-	176.04
Profit/ (loss) for the year (after adjustment for minority interest)		4,314.85	(577.64)
Basic earnings per share of ₹ 1 each (In Rupees)	55	27.09	(3.63)
Diluted earnings per share of ₹ 1 each (In Rupees)	55	27.09	(3.63)
Significant accounting policies	2		
Notes to the consolidated financial statements	1-55		

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

As per our report of even date attached

For and on behalf of the Board of Directors of **Jubilant Life Sciences Limited**For **B S R & Co. LLP**

Chartered Accountants

ICAI Firm registration number : 101248W/W-100022

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Hari S. Bhartia

Co-Chairman and Managing Director

DIN:00010499

Consolidated Cash Flow Statement for the year ended 31 March 2016

(₹ in million)

	For the year ended 31 March 2016	For the year ended 31 March 2015
A. Cash flow from operating activities		
Net profit before tax	5,843.38	403.24
Adjustments :		
Depreciation and amortisation expense	3,459.79	2,879.54
Loss on sale/ disposal/ discard/ impairment of fixed assets (net)	89.66	429.79
Finance costs	3,785.66	3,553.40
Provision for loss on impairment of goodwill	–	51.25
Provision for diminution in value of investment	(25.26)	–
Amortisation of Foreign Currency Monetary Item Translation Difference Account (FCMITDA)	247.32	447.52
Provision for doubtful debts	(41.30)	62.47
Bad debts/ irrecoverable loans and advances written off (net off provisions written-back)	42.07	144.43
Unrealised foreign exchange (including mark-to-market on currency and interest rate swaps)	13.26	(72.96)
Realised foreign exchange on mark-to-market on currency and interest rate swaps	–	(167.60)
Interest income	(27.39)	(62.40)
Fixed assets received against termination of customer contract	(130.18)	–
Profit on sale of investment	(386.92)	–
Dividend on non-trade current investments	–	(7.01)
	7,026.71	7,258.43
Operating cash flow before working capital changes	12,870.09	7,661.67
Increase in trade receivables, loans and advances and other assets	(1,148.90)	(236.15)
Decrease in inventories	509.43	1,102.65
(Decrease)/ Increase in trade payables, provisions and other liabilities	(826.97)	97.50
Cash generated from operations	11,403.65	8,625.67
Income tax and wealth tax paid (net of refund)	(480.67)	(793.07)
Net cash generated from operating activities	10,922.98	7,832.60
B. Cash flow from investing activities		
Acquisition/ purchase of fixed assets/ Capital work-in-progress	(3,558.37)	(3,750.31)
Sale of fixed assets	26.77	258.96
Purchase of investments	(45.05)	(41.53)
Sale of investment	302.25	–
Movement in other bank balances*	(19.75)	34.26
Interest received	29.63	58.27
Dividend received	–	7.01
Net cash used in investing activities	(3,264.52)	(3,433.34)

Consolidated Cash Flow Statement for the year ended 31 March 2016 (Continued)

(₹ in million)

	For the year ended 31 March 2016	For the year ended 31 March 2015
C. Cash flow arising from financing activities		
Proceeds from long term borrowings**	3,826.10	30,969.42
Repayment of long term borrowings**	(10,240.00)	(20,412.76)
Proceeds from short term borrowings (net of repayments)	2,085.38	(6,740.17)
Net payment on settlement of currency and interest rate swaps	–	(2,921.85)
Payment to Minority	(0.27)	(2,030.53)
Receipt of capital subsidy	10.00	–
Dividend paid (including dividend distribution tax)	(569.27)	(538.05)
Finance costs paid	(3,335.21)	(3,352.92)
Net cash used in financing activities	(8,223.27)	(5,026.86)
D. Effect of exchange rate changes	40.15	(190.92)
Net decrease in cash and cash equivalents (A+B+C+D)	(524.66)	(818.52)
Add: cash and cash equivalents at the beginning of year	3,916.33	4,734.91
Adjustment: cash and cash equivalents on deconsolidation of ESOP trust (Refer note 40)	–	(0.06)
Cash and cash equivalents at the end of the year	3,391.67	3,916.33
Components of cash and cash equivalents		
Balances with banks:*		
- On current accounts	3,311.86	3,667.20
- On dividend accounts	40.53	34.68
- On deposits accounts with original maturity up to three months	7.50	120.90
Cash on hand	1.48	1.95
Cheques/Drafts in hand	5.58	74.24
Others		
- Funds in transit	23.25	15.85
- Imprest	1.47	1.51
	3,391.67	3,916.33
* ₹ 84.27 million (Previous year ₹ 83.08 million) has restricted use.		
** Revolver facility of Jubilant HollisterStier LLC is presented on net basis (Refer note 5.20).		

Note:

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

As per our report of even date attached

For and on behalf of the Board of Directors of **Jubilant Life Sciences Limited**For **B S R & Co. LLP**

Chartered Accountants

ICAI Firm registration number : 101248W/W-100022

Pravin Tulsyan

Partner

Membership No.: 108044

Shyam S. Bhartia

Chairman

DIN:00010484

Place : Noida

Date : 24 May 2016

Rajiv Shah

Company Secretary

R. Sankaraiah

Executive Director-Finance

Hari S. Bhartia

Co-Chairman and Managing Director

DIN:00010499

Notes to the consolidated financial statements for the year ended 31 March 2016

1. Corporate Information

Jubilant Life Sciences Limited (the Company or the Parent Company) is a public limited company domiciled in India and incorporated under the provisions of Companies Act, 1956. Its shares are listed on BSE Limited and National Stock Exchange of India. The consolidated financial statements of the Company as at and for the year ended on 31 March 2016 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 (sterile products) (including radiopharmaceuticals, allergy therapy products and contract manufacturing operations (CMO) of sterile injectables), and Life Science Ingredients (Specialty Intermediates, Nutritional Products and Life Science Chemicals). It also provides Drug Discovery Solutions. The Group's strength lies in its unique offerings of pharmaceuticals and life sciences products and services across the value chain. It is well recognised as a 'Partner of Choice' by leading pharmaceuticals and life sciences companies globally.

2. Significant accounting policies

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

A. Basis of preparation and presentation of consolidated financial statements

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

The consolidated financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting in accordance with the accounting principles generally accepted in India ("GAAP") and comply with the Accounting Standards specified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, the other relevant provisions of the Companies Act, 2013 (including provision of Companies Act, 1956 which continue to remain in force, to the extent applicable), pronouncements of the Institute of Chartered Accountants of India, guidelines issued by the Securities and Exchange Board of India ("SEBI"), to the extent applicable. The consolidated financial statements are presented as per Schedule III to the

Companies Act, 2013 and in Indian rupees rounded off to the nearest million.

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

B. Principles of consolidation

The consolidated financial statement are prepared in accordance with the principles and procedures required for the preparation and presentation of the consolidated financial statements as laid down under the Accounting Standard (AS) 21, 'Consolidated Financial Statements'. The consolidated financial statements include the financial statements of the Group and have been combined on a line-by-line basis by adding the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances/ transactions and unrealised profits in full. The amounts shown in respect of reserves comprise the amount of the relevant reserves as per the Balance Sheet of the Parent Company and its share in the post-acquisition increase/ decrease in the reserves of the consolidated entities.

The excess/ deficit of cost to the Parent Company of its investment over its portion of net worth in the consolidated entities at the respective dates on which investment in such entities was made is recognised in the consolidated financial statements as goodwill/ capital reserve. The Parent Company's portion of net worth in such entities is determined on the basis of book values of assets and liabilities as per the financial statements of the entities as on the date of investment.

Entities acquired/ sold during the year have been consolidated from/ up to the respective date of their acquisition/ disposal.

Minority Interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the Group in the subsidiary companies and further movements in their share in the equity, subsequent to the dates of investments as stated above. In case of losses applicable to minority exceeding the minority interest in equity of the subsidiary, the excess and any further losses applicable to the minority, are adjusted against the majority interest except to the extent that the minority has a binding obligation to, and is able to, make good the losses. If the subsidiary subsequently reports profits, all such profits are allocated to the majority interest until the minority's share of losses previously absorbed by the majority has been recovered.

Notes to the consolidated financial statements for the year ended 31 March 2016 (Continued)

The details of the consolidated entities are as follows:

Sr. No.	Name	Country of Incorporation	Name of Parent	Percentage of ownership
1.	Jubilant Pharma Limited	Singapore	Jubilant Life Sciences Limited	100%
2.	Draximage Limited, Cyprus	Cyprus	Jubilant Pharma Limited	100%
3.	Draximage Limited, Ireland	Ireland	Draximage Limited, Cyprus	100%
4.	Draximage LLC	USA	Draximage Limited, Cyprus	100%
5.	Jubilant DraxImage (USA) Inc.	USA	Draximage Limited, Cyprus	100%
6.	Deprenyl Inc., USA	USA	Draximage Limited, Cyprus	100%
7.	Jubilant DraxImage Inc.	Canada	Jubilant Pharma Limited	100%
8.	6963196 Canada Inc.	Canada	Jubilant DraxImage Inc.	100%
9.	6981364 Canada Inc.	Canada	Jubilant DraxImage Inc.	100%
10.	DAHI Animal Health (UK) Limited	UK	Jubilant DraxImage Inc.	100%
11.	Draximage (UK) Limited	UK	Jubilant DraxImage Inc.	100%
12.	Jubilant Pharma Holdings Inc.	USA	Jubilant Pharma Limited	84.39%
			Jubilant Generics Limited	15.61%
13.	Jubilant Clinsys Inc.	USA	Jubilant Pharma Holdings Inc.	100%
14.	Cadista Holdings Inc.	USA	Jubilant Pharma Holdings Inc.	100%
15.	Jubilant Cadista Pharmaceuticals Inc.	USA	Cadista Holdings Inc.	100%
16.	Jubilant Life Sciences International Pte. Limited	Singapore	Jubilant Life Sciences Limited	100%
17.	HSL Holdings Inc.	USA	Jubilant Pharma Holdings Inc.	100%
18.	Jubilant HollisterStier LLC	USA	HSL Holdings Inc.	100%
19.	Jubilant Life Sciences (Shanghai) Limited	China	Jubilant Pharma Limited	100%
20.	Jubilant Pharma NV	Belgium	Jubilant Generics Limited	77.65%
			Jubilant Pharma Limited	22.35%
21.	Jubilant Pharmaceuticals NV	Belgium	Jubilant Pharma NV	99.81%
			Jubilant Pharma Limited	0.19%
22.	PSI Supply NV	Belgium	Jubilant Pharma NV	99.5%
			Jubilant Pharma Limited	0.5%
23.	Jubilant Life Sciences (USA) Inc.	USA	Jubilant Life Sciences Limited	100%
24.	Jubilant Life Sciences (BVI) Limited	BVI	Drug Discovery and Development Solutions Limited	100%
25.	Jubilant Biosys (BVI) Limited	BVI	Jubilant Life Sciences (BVI) Limited	100%
26.	Jubilant Biosys (Singapore) Pte. Limited	Singapore	Jubilant Biosys (BVI) Limited	100%
27.	Jubilant Biosys Limited	India	Jubilant Biosys (Singapore) Pte. Limited	66.98%
28.	Jubilant Discovery Services, Inc.	USA	Jubilant Biosys Limited	100%
29.	Jubilant Drug Development Pte. Limited	Singapore	Jubilant Life Sciences (BVI) Limited	100%
30.	Jubilant Chemsys Limited	India	Jubilant Drug Development Pte. Limited	100%
31.	Jubilant Clinsys Limited	India	Jubilant Drug Development Pte. Limited	100%
32.	Jubilant Infrastructure Limited	India	Jubilant Life Sciences Limited	100%
33.	Jubilant First Trust Healthcare Limited	India	Jubilant Life Sciences Limited	100%
34.	Jubilant Pharma Trading Inc.	USA	Jubilant Pharma Holdings Inc.	100%
35.	Jubilant Innovation (BVI) Limited	BVI	Drug Discovery and Development Solutions Limited	100%
36.	Jubilant Innovation Pte. Limited	Singapore	Jubilant Innovation (BVI) Limited	100%
37.	Jubilant DraxImage Limited	India	Draximage Limited, Cyprus	100%
38.	Jubilant Innovation (India) Limited	India	Jubilant Innovation (BVI) Limited	100%
39.	Jubilant Innovation (USA) Inc.	USA	Jubilant Innovation (BVI) Limited	100%

Notes to the consolidated financial statements for the year ended 31 March 2016 (Continued)

Sr. No.	Name	Country of Incorporation	Name of Parent	Percentage of ownership
40.	Jubilant HollisterStier Inc.	USA	HSL Holdings Inc.	100%
41.	Draxis Pharma LLC	USA	Jubilant HollisterStier Inc.	100%
42.	Jubilant Life Sciences (Switzerland) AG, Schaffhausen	Switzerland	Jubilant Pharma Limited	100%
43.	First Trust Medicare Private Limited (merged with Jubilant First Trust Healthcare Limited-Refer note 32)	India	Jubilant Life Sciences Limited	100%
44.	Drug Discovery and Development Solutions Limited	Singapore	Jubilant Life Sciences Limited	100%
45.	Jubilant Drug Discovery & Development Services Inc.	Canada	Jubilant Innovation Pte. Limited	100%
46.	Jubilant HollisterStier General Partnership #	Canada	Jubilant HollisterStier Inc.	99.99%
			Draxis Pharma LLC	0.01%
47.	Draximage General Partnership #	Canada	Jubilant DraxImage Inc	90%
			6981364 Canada Inc.	10%
48.	Vanthys Pharmaceutical Development Private Limited	India	Jubilant Innovation Pte. Limited	100%
49.	Jubilant Generics Limited	India	Jubilant Pharma Limited	100%
50.	Jubilant Life Sciences NV	Belgium	Jubilant Life Sciences Limited (One share, representing 0.001% holding is held by Jubilant Infrastructure Limited)	100%

Partnership firms, in which two subsidiaries of the Parent Company are partners.

C. Use of estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities at the date of consolidated financial statements and the results of operations during the reporting periods. Examples of such estimate include future obligations under employee benefit plans, income taxes, useful lives of tangible assets and intangible assets, impairment of assets/goodwill, valuation of derivatives, provision for doubtful debts, accounting for deductions from revenues (such as rebates, charge backs, price equalisations and sales returns) etc.

Management believes that the estimates used in the preparation of the consolidated financial statements are prudent and reasonable. Actual results could vary from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Appropriate changes in estimates are made as the management becomes aware of the changes in circumstances surrounding the estimates. Any revision to accounting estimates is recognised prospectively in current and future periods. Effect of material changes is disclosed in the notes to the consolidated financial statements.

D. Current–non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle of each entity of the Group and other criteria in accordance with Schedule III to the Companies Act, 2013 set out below:

Assets

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

- it is expected to be realised in, or is intended for sale or consumption in, the entity's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is expected to be realised within 12 months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

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

All other assets are classified as non-current.

Liabilities

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

- it is expected to be settled in the entity's normal operating cycle;

Notes to the consolidated financial statements for the year ended 31 March 2016 (Continued)

- b. it is held primarily for the purpose of being traded;
- c. it is due to be settled within 12 months after the reporting date; or
- d. the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

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

All other liabilities are classified as non-current.

Operating cycle

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

E. Tangible and intangible fixed assets

Tangible fixed assets

Tangible fixed Assets are stated at cost net of tax/duty credits availed, if any, less accumulated depreciation/amortisation/impairment losses. The cost of an item of tangible fixed asset comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. Advances paid towards acquisition of tangible fixed assets outstanding at each Balance Sheet date, are shown under long-term loans and advances and cost of assets not ready for intended use before the year end, are shown as capital work-in-progress.

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

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

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

performance. Losses arising from the retirement of, and gains or losses arising from disposal of fixed assets are recognised in the Consolidated Statement of Profit and Loss.

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

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

Intangible fixed assets

Acquired intangible assets

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

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

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

Internally generated intangible assets

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

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

A tangible/intangible asset is derecognised on disposal or when no future economic benefits are expected from its use and disposal. Losses arising from retirement and gains or losses arising from disposal of a tangible/

Notes to the consolidated financial statements for the year ended 31 March 2016 (Continued)

intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Consolidated Statement of Profit and Loss. Assets retired from active use and held for disposal are stated at the lower of their net book value and net realisable value and are shown under 'Other current assets'.

F. Depreciation and amortisation

For Indian entities, depreciation is provided on straight line basis on the original cost/ acquisition cost of assets or other amounts substituted for cost of fixed assets as per the useful life specified in Part 'C' of Schedule II of the Act, read with notification dated 29 August 2014 of the Ministry of Corporate Affairs, except for the following classes of fixed assets which are depreciated based on the internal technical assessment of the management as under:

Category of assets	Management estimate of useful life	Useful life as per Schedule II
Motor Vehicles	5 years	8 years
Motor Vehicles under finance lease	Tenure of lease or 5 years whichever is shorter	8 years
Computer servers and networks	5 years	6 years
Dies and punches for manufacture of dosage formulations	1-2 years	15 years
Employee perquisite related assets (except end user computers)	5 years, being the period of perquisite scheme	10 years

For overseas entities, depreciation is charged using the straight line method, over the estimated useful life considered as follows:-

- Building: 30 years
- Plant and machinery: 3 to 20 years
- Dies and punches: 1 to 2 years
- Furniture and office equipments: 3 to 15 years
- Computer and information technology related assets: 3 to 5 years
- Vehicles : 3 to 5 years

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

Leasehold improvements (included in furniture and fixtures) are depreciated over their estimated useful life, or the remaining period of lease from the date of capitalisation, whichever is shorter.

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

overseas subsidiaries, is provided on pro rata basis with reference to the month of addition/disposal.

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

Intangible assets in the nature of Product registrations/ Market authorisations (Products) are amortised on a straight-line basis over a period of five years in case of internally developed products (intangibles) and 5-10 years in case of bought out product (intangibles), from the date of regulatory approval or the date of product going off-patent whichever is later. Software systems are being amortised over a period of five years being their useful life. Rights are amortised over the useful life.

Also refer note 37.

G. Impairment of fixed assets

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

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

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

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

Notes to the consolidated financial statements for the year ended 31 March 2016 (Continued)

impairment loss was caused due to specific external events of an exceptional nature, that is not expected to reoccur and subsequent external events have occurred that reverse the effect of that event.

H. Leases*Finance leases*

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

Operating leases

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

I. Valuation of Inventories

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

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

Raw materials	Weighted average method
Stores and spares	Weighted average method
Work-in-progress 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)	Weighted average method
Goods in transit	Cost of purchase

Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition inclusive of excise duty wherever applicable. Excise duty liability is included in the valuation of closing inventory of finished goods.

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

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

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

J. Investments

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

Current investments are carried at cost or fair value, whichever is lower. Long-term investments (including current portion thereof) 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.

Any reductions in the carrying amount and any reversals of such reductions are charged or credited to the Consolidated Statement of Profit and Loss. Profit or loss on sale of investments is determined on the basis of weighted average carrying amount of investments disposed off.

K. Income taxes

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

Current Tax

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

Deferred Tax

Deferred tax charge or credit reflects the tax effects of timing differences between accounting income and taxable income for the current year and reversal of the timing differences of the earlier years. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carry forward of losses, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed at each Balance Sheet date and

are written-down or written-up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realised. Deferred tax consequences of timing differences that originate in the tax holiday period and reverse after the tax holiday period are recognised in the period in which the timing differences originate. Timing differences that originate and reverse within the tax holiday period are not considered for deferred tax purposes. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

Minimum Alternate Tax (MAT)

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

L. Foreign currency transactions, derivatives and hedging

The reporting currency of the Group is the Indian Rupee. However, the local currencies of non-integral overseas subsidiaries are different from the reporting currency of the Group.

Foreign currency transactions are recorded at the exchange rate prevailing at the date of the transaction.

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

- (a) Exchange differences pertaining to long term foreign currency monetary items that are related to acquisition of depreciable assets are adjusted in the carrying amount of the related fixed assets; and
- (b) Exchange differences arising on other long-term foreign currency monetary items are accumulated in 'Foreign Currency Monetary Item Translation

Difference Account' (FCMITDA), and are amortised over the balance period of the relevant foreign currency item.

Non monetary assets are recorded at the rates prevailing on the date of transaction.

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

Foreign Exchange Forward Contracts: The premium or discount arising at the inception of foreign exchange forward 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 foreign exchange forward contract is recognised as income or as an expense for the period. Such foreign exchange forward contracts are translated at the closing exchange rates and resultant exchange differences are recognised in the same manner as those on the underlying foreign currency asset or liability.

Apart from the above mentioned foreign exchange forward contracts, the Group also enters into derivative contracts in the nature of foreign currency swaps, foreign exchange forward contracts, and interest rate swaps etc. with an intention to hedge its existing assets and liabilities, firm commitments and highly probable forecasted transactions. All these derivative contracts are marked-to-market and the resultant loss, if any, from these contracts are recognised in the Consolidated Statement of Profit and Loss however the gain on mark to market of such contracts is ignored. The contracts are aggregated category-wise, to determine the net gain/loss.

Also refer note 50(iii).

Non-integral operations

The financial statements of the foreign non integral subsidiaries (collectively referred to as the 'foreign non integral operations') are translated into Indian Rupees as follows:-

- Share capital and opening reserves and surplus are carried at historical cost.
- All assets and liabilities, both monetary and non-monetary, (excluding share capital, opening reserves and surplus) are translated using closing rates at Balance Sheet date.
- Profit and Loss items are translated at the respective quarterly average rates or the exchange rate that approximates the actual exchange rate on date of specific transaction.
- Contingent liabilities are translated at the closing rates at Balance sheet date.
- The resulting net exchange difference is credited or debited to the foreign currency translation reserve.

Notes to the consolidated financial statements for the year ended 31 March 2016 (Continued)

The items of Consolidated Cash Flow Statement are translated at the respective average rates (quarterly for profit and loss related items and annual for Balance Sheet related items) or the exchange rate that approximates the actual exchange rate on date of specific transaction. The impact of changes in exchange rate on cash and cash equivalent held in foreign currency is included in effect of exchange rate changes.

M. Provisions, contingent liabilities and contingent assets

The Group recognises a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date. Provisions, other than long term employee benefits, are measured on an undiscounted basis. Contingent liabilities are disclosed in respect of possible obligations that may arise from past events but their existence is confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Contingent assets are neither recognised nor disclosed in the consolidated financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

N. Employee benefits

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

a. Gratuity

The Group has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount based on the respective employee's salary and the tenure of employment. The liability in respect of Gratuity (applicable for Indian entities of the Group), is recognised in the books of accounts based on actuarial valuation by an independent actuary. The gratuity liability for certain employees of the Group is funded with Life Insurance Corporation of India.

b. Superannuation

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

c. Provident fund

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

For other employees in India, provident fund is deposited with Regional Provident Fund Commissioner. This is treated as defined contribution plan.

- ii) Group's contribution to the provident fund is charged to Consolidated Statement of Profit and Loss.

- d. Foreign subsidiaries make contribution to various social security plans and insurance schemes as per local requirements and generally accepted practices in their respective country of incorporation. Such contributions are charged to Consolidated Statement of Profit and Loss on accrual basis in the year in which liability to pay arise.

iii) Other long-term employee benefits

Compensated absences

As per the Group's policy, eligible leaves can be accumulated by the employees and carried forward to future periods to either be utilised during the service, or encashed. Encashment can be made during service, on early retirement, on withdrawal of scheme, at resignation and upon death of the employee. Accumulated compensated absences are treated as other long-term employee benefits. The Group's liability in respect of other long-term employee benefits is recognised in the books of account based on actuarial valuation using projected unit credit method as at Balance Sheet date by an independent actuary. Actuarial losses/gains are recognised in the Consolidated Statement of Profit and Loss in the year in which they arise.

iv) Termination benefits

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

Actuarial valuation

The liability in respect of all defined benefit plans is accrued in the Consolidated books of account on the basis of actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method, which recognizes each year of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the Balance Sheet date, having maturity periods approximating to the terms of related obligations.

Actuarial gains and losses are recognised immediately in the Consolidated Statement of Profit and Loss. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs. Any differential between the plan assets (for a funded defined benefit plan) and the defined benefit obligation as per actuarial valuation is recognised as a liability if it is a deficit or as an asset if it is a surplus (to the extent of the lower of present value of any economic benefits available in the form of refunds from the plan or reduction in future contribution to the plan).

Past service cost

Past service cost is recognised as an expense in the Consolidated Statement of Profit and Loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits are already vested immediately following the introduction of, or changes to, a defined benefit plan, the past service cost is recognised immediately in the Consolidated Statement of Profit and Loss. Past service cost may be either positive (where benefits are introduced or improved) or negative (where existing benefits are reduced).

O. Borrowing costs

Borrowing costs are interest, ancillary cost and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs incurred by the Group in connection with the borrowing of funds.

Borrowing costs are recognised in the Consolidated Statement of Profit and Loss in the period in which it is incurred, except where the cost is incurred for

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

P. Cash and cash equivalents

Cash and cash equivalents comprise cash balances on hand, cash balance with bank, and highly liquid investments with original maturities, at the date of purchase/ investment, of three months or less.

Q. Revenue recognition

Revenue from sale of products is recognised when the property in the goods, or all significant risks and rewards of ownership of the products have been transferred to the buyer, and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of the goods as well as regarding its collection. Revenues include excise duty and are shown net of sales tax, value added tax and applicable discounts and allowances, if any.

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

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

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

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

Revenue related to contract manufacturing arrangements, development contracts and licensing and regulatory services is recognised when performance obligations are fulfilled.

Revenue includes amounts derived from product out-licensing agreements. These arrangements typically consist of an initial up-front payment on inception of the license and subsequent payments dependent on achieving certain milestones in accordance with the terms prescribed in the agreement.

Upfront non-refundable payments are recorded as deferred revenue. These amounts are recognised as revenues as obligations are fulfilled under contractual

Notes to the consolidated financial statements for the year ended 31 March 2016 (Continued)

arrangement and/or as milestones are achieved as the case may be.

Profit on disposal/ sale of investments is recognised as income in the period in which the investment is sold/ disposed off.

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.

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

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

Export incentive entitlements are recognised as income when the right to receive credit as per the terms of the scheme is established in respect of the exports made, and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

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 taking into account the amount outstanding and the interest rate applicable.

R. Segment reporting

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

S. Earnings per share

The basic earnings per share is calculated by dividing the net profit after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue and share split. 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.

T. Employee stock option schemes

The Company follows Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ('guidelines') for accounting of employee stock options. According to the guidelines, any company implementing any of the share based schemes shall follow the requirements of the 'Guidance Note on Accounting for Employee Share-based Payments' (Guidance Note) or Accounting Standards as may be prescribed by the ICAI from time to time, including the disclosure requirements prescribed therein. The cost is calculated based on the intrinsic value method i.e. the excess of market price of underlying equity shares as of the date of the grant of options over the exercise price of such options is regarded as employee compensation and in respect of the number of options that are expected to ultimately vest, such cost is recognised on a straight line basis over the period over which the employees would become unconditionally entitled to apply for the shares. The cost recognised at any date at least equals the intrinsic value of the vested portion of the option at that date. Adjustment, if any, for difference in initial estimate for number of options that are expected to ultimately vest and related actual experience is recognised in the Consolidated Statement of Profit and Loss of that period. In respect of vested options expire unexercised, the related cumulative cost is credited to the General Reserve.

Also refer note 40.

U. Corporate Social Responsibility

CSR expenditure incurred by the Group is charged to the Consolidated Statement of Profit and Loss.

Notes to the consolidated financial statements for the year ended 31 March 2016 (Continued)

(₹ in million)

	As at 31 March 2016	As at 31 March 2015
3. 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 and 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 :

- 3.1 Paid up capital includes, 501,364 (Previous year 501,364), equity shares of ₹ 1 each allotted and issued pursuant to the Scheme of Amalgamation and Demerger, to the shareholders of erstwhile Pace Marketing Specialities Limited for consideration other than cash during the year ended 31 March 2011.
- 3.2 The Company has only one class of shares referred to as equity shares having par value of ₹ 1 each. Holder of each equity share is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.
- 3.3 The details of shareholders holding more than 5% shares is set out below:

Equity shares of ₹ 1 each fully paid-up held by	As at 31 March 2016		As at 31 March 2015	
	Number	% of total shares	Number	% of total shares
Jubilant Stock Holding Private Limited	29,676,992	18.63%	29,676,992	18.63%
SSB Consultants & Management Services Private Limited	21,007,665	13.19%	21,007,665	13.19%
HSB Corporate Consultants Private Limited	18,698,979	11.74%	18,698,979	11.74%
GA Global Investments Limited	–	–	10,380,339	6.52%

- 3.4 The reconciliation of the shares outstanding at the beginning and at the end of the year:

Particulars	As at 31 March 2016		As at 31 March 2015	
	Number	₹ in million	Number	₹ in million
At the commencement and at the end of the year	159,281,139	159.28	159,281,139	159.28

- 3.5 a) 114,835 (Previous year 114,835) equity shares of ₹ 1 each allotted on exercise of the vested stock options in accordance with the terms of exercise under the "Jubilant Employees Stock Option Plan, 2005"
- b) Under the Jubilant Employees Stock Option 2005 Plan, as at 31 March 2016 - 8,467 (Previous year 105,495) outstanding options are convertible into 42,335 (Previous year 527,475) shares. (Refer note 39).
- c) Under the Jubilant Employees Stock Option 2011 Plan, as at 31 March 2016 - 431,256 (Previous year 1,112,306) outstanding options are convertible into 431,256 (Previous year 1,112,306) shares. (Refer note 39).
- 3.6 The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

Notes to the consolidated financial statements for the year ended 31 March 2016 (Continued)

(₹ in million)

	As at 31 March 2016	As at 31 March 2015
4. RESERVES AND SURPLUS		
Capital Reserve		
At the commencement of the year	98.53	203.30
Less: Adjustment on account of deconsolidation of ESOP Trust (Refer note 40)	–	(104.77)
At the end of the year	98.53	98.53
Capital Redemption Reserve		
At the commencement and at the end of the year	398.36	398.36
Securities Premium Account		
At the commencement of the year	5,878.41	5,300.82
Add: Adjustment on account of deconsolidation of ESOP Trust (Refer note 40)	–	577.59
At the end of the year	5,878.41	5,878.41
Amalgamation Reserve		
At the commencement and at the end of the year	13.21	13.21
General Reserve		
At the commencement and at the end of the year	5,512.59	5,512.59
Legal Reserve**		
At the commencement of the year	31.73	23.38
Add: Transferred from Surplus	(0.70)	9.61
Less: Utilised during the year	(0.92)	(1.26)
At the end of the year	30.11	31.73
Hedging Reserve (net of related tax effect- (Refer note 50(iii)))		
At the commencement of the year	–	(9.61)
Addition during the year	–	9.61
At the end of the year	–	–
Foreign Currency Monetary Item Translation Difference Account (FCMITDA) (Refer note 49)		
At the commencement of the year	(150.32)	(480.73)
Exchange loss during the year on foreign currency term loan	(131.49)	(117.11)
Amount amortised during the year in Consolidated Statement of Profit and Loss	247.32	447.52
At the end of the year	(34.49)	(150.32)
Foreign Currency Translation Reserve		
At the commencement of the year	3,681.17	4,902.93
Addition/ (deduction) during the year	705.89	(1,221.76)
At the end of the year	4,387.06	3,681.17

Notes to the consolidated financial statements for the year ended 31 March 2016 (Continued)

(₹ in million)

	As at 31 March 2016	As at 31 March 2015
Surplus		
At the commencement of the year	8,912.18	10,246.43
Add/ (less): Net profit/ (loss) after tax transferred from the Consolidated Statement of Profit and Loss	4,314.85	(577.64)
Less: Adjustment on account of revised useful lives of fixed assets (Refer note 37)	–	(104.58)
Less: Adjustment on account of deconsolidation of ESOP Trust (Refer note 40)	–	(67.30)
Amount available for appropriation	13,227.03	9,496.91
Less Appropriation:		
Proposed dividend on equity shares	477.84	477.84
Distribution tax on proposed equity dividend*	97.28	97.28
Amount transferred to legal reserve	(0.70)	9.61
At the end of the year	12,652.61	8,912.18
	28,936.39	24,375.86

* For the year ended 31 March 2016, 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.

** Includes ₹ 21.42 million (Previous year ₹ 22.34 million) created in Jubilant Life Sciences (Shanghai) Limited, China, ₹ 4.55 million (Previous year ₹ 4.55 million) created in Jubilant Pharmaceuticals NV, Belgium, ₹ 3.64 million (Previous year ₹ 3.64 million) created in PSI Supply NV, Belgium and ₹ 0.50 million (Previous year ₹ 1.20 million) created in Jubilant Life Sciences NV, Belgium as per the requirements of local regulations. This reserve is not available for distribution.

(₹ in million)

	As at 31 March 2016	As at 31 March 2015
5. LONG-TERM BORROWINGS		
Term loans		
From Banks		
– Indian rupee loans (secured)	9,246.92	10,487.45
– Other foreign currencies loans (secured)	7,355.78	9,942.15
From other parties		
– Indian rupee loans (secured)	4,625.00	6,000.00
– Other foreign currencies loans (secured)	5,217.19	6,718.75
– Other foreign currencies loans (unsecured)	3,975.00	3,750.00
Finance lease obligations (secured)	19.95	14.51
	(1) 30,439.84	(1) 36,912.86
The above amount includes		
Secured borrowings	26,464.84	33,162.86
Unsecured borrowings	3,975.00	3,750.00
	30,439.84	36,912.86

(1) Refer note 9 for current maturities of long term borrowings

Notes to the consolidated financial statements for the year ended 31 March 2016 (Continued)

Nature of security of long term borrowings and other terms of repayment

Parent Company

- 5.1 Indian rupee term loans amounting to ₹ 7,903.92 million (Previous year ₹ 10,181.53 million) from Axis Bank Limited, IFCI Limited, IndusInd Bank Limited, Yes Bank Limited and External commercial borrowings amounting to ₹ 2,318.75 million (Previous year ₹ 2,968.75 million) from DBS Bank Limited, Singapore and foreign currency loans amounting to ₹ 1,325.00 million (Previous year ₹ 2,187.50 million) from Export Import Bank of India are secured by a first pari-passu charge created/to be created amongst the lenders by way of:
- Mortgage of the immovable fixed assets both present and future situated at Bhartiagram, District Amroha, Uttar Pradesh and immovable fixed assets situated at Village Samlaya, Taluka Savli, District Vadodara, Gujarat, and
 - Hypothecation on the entire movable fixed assets, both present and future of the Company.
- During the previous year, Indian rupee term loan from Axis Bank Limited was further secured by exclusive first charge created by way of hypothecation on receivable of USD 52.50 million (rupee equivalent converted at closing rate ₹ 3,281.25 million) from Jubilant Generics Limited arising on account of Business Transfer Agreement (Refer note 34).
- 5.2 Indian rupee term loan amounting to ₹ 1,875.00 million (Previous year ₹ 3,000.00 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, Ambernath and also at Bharuch owned by one of the subsidiaries of the Company.
- 5.3 Indian rupee term loan amounting to ₹ 1,200.00 million (Previous year ₹ 1,800.00 million repayable in twelve equal quarterly instalments commencing from June 2017) from Yes Bank Limited is repayable in eight equal quarterly instalments from June 2018.
- 5.4 Indian rupee term loan amounting to ₹ 2,000.00 million (Previous year ₹ 3,000.00 million repayable in twelve equal quarterly instalments commencing from May 2017) from IFCI Limited is repayable in eight equal quarterly instalments from May 2018.
- 5.5 Indian rupee term loan amounting to ₹ 1,875.00 million (Previous year ₹ 3,000.00 million repayable in eight equal half yearly instalments commencing from March 2017) from Housing Development Finance Corporation Limited is repayable in five equal half yearly instalments from September 2018.
- 5.6 Indian rupee term loan amounting to ₹ 3,575.00 million (Previous year ₹ 3,500.00 million repayable in fourteen half yearly instalments commencing from September 2015) from Axis Bank Limited is repayable in ten half yearly instalments from September 2017.
- 5.7 Indian rupee term loan amounting to ₹ 1,128.92 million (Previous year ₹ 1,881.53 million repayable in twenty quarterly instalments commencing from June 2015) from IndusInd Bank Limited is repayable in eight quarterly instalments from June 2018.
- 5.8 External commercial borrowing amounting to USD 35 million (₹ 2,318.75 million) (Previous year USD 47.50 million (₹ 2,968.75 million)) from DBS Bank Limited, Singapore is repayable in two yearly instalments from December 2016.
- 5.9 Foreign currency term loan amounting to USD 20 million (₹ 1,325.00 million) (Previous year USD 35 million (₹ 2,187.50 million)) from Export Import Bank of India is repayable in one yearly instalment from May 2016.

Jubilant Generics Limited

- 5.10 Indian rupee term loans amounting to ₹ 4,141.66 million (Previous year ₹ 4300.00 million) from Yes Bank, Indian Bank, RBL Bank Limited, IndusInd Bank and HDFC Limited (Previous year from Yes Bank, Indian Bank and RBL Bank Limited) are secured/to be secured by a first pari-passu charge amongst the lenders on all immovable and movable fixed assets (both present and future) of the Company.
- 5.11 Indian rupee term loan amounting to ₹ 843.75 million (Previous year ₹ 1,500.00 million repayable in sixteen quarterly equal instalments commencing from September 2015) from Yes Bank is repayable in nine quarterly equal instalments from June 2017.
- 5.12 Indian rupee term loans amounting to ₹ 843.75 million (Previous year ₹ 1,500.00 million repayable in sixteen quarterly equal instalments commencing from September 2015) from Indian Bank is repayable in nine quarterly equal instalments from June 2017.

Notes to the consolidated financial statements for the year ended 31 March 2016 (Continued)

5.13 Indian rupee term loans amounting to ₹ 731.25 million (Previous year ₹ 1,300.00 million repayable in sixteen quarterly equal instalments commencing from October 2015) from RBL Bank Limited is repayable in nine quarterly equal instalments from July 2017.

5.14 Indian rupee term loan amounting to ₹ 972.90 million (Previous year ₹ Nil) from IndusInd Bank Limited is repayable in twenty quarterly instalments commencing from May 2016.

5.15 Indian rupee term loan amounting to ₹ 750.00 million (Previous year ₹ Nil) from Housing Development Finance Corporation Limited is repayable in seven half yearly instalments commencing from December 2017.

Other entities

5.16 Term loan of USD 87.50 million (₹ 5,796.87 million) as on 31 March 2016 (Previous year USD 87.50 million (₹ 5,468.75 million)) under Facility A to Jubilant Pharma Limited from International Finance Corporation, Washington, D.C., USA is secured by way of:

- i) Pledge over 51% of shares of Class B Common Stock of Jubilant Pharma Holdings Inc.
- ii) Charge over Interest Reserve Account maintained by the Jubilant Pharma Limited with the Account Bank.
- iii) Guarantee from Jubilant Pharma Holding Inc. and Jubilant Draximage Inc. guaranteeing all outstanding obligations of the borrower under the Facility A. Total guaranteed amount is USD 87.50 million (₹ 5,796.87 million) as on 31 March 2016 (Previous year USD 87.50 million (₹ 5,468.75 million)).

Repayable in ten equal half yearly instalments commencing from December 2016.

5.17 Jubilant Pharma Limited obtained a unsecured term loan amounting to USD 60.00 million (₹ 3,975.00 million) as on 31 March 2016 (Previous year USD 60.00 million (₹ 3,750.00 million)) under facility C from International Finance Corporation(IFC) due for repayment on 15 June 2020 (50%) and 15 June 2021 (50%) along with the repayment premium in accordance with the terms of the contract, if on or prior to such repayment date there has been (a) Neither a Private Equity (PE) Investment nor a Qualifying IPO, or (b) There has been a PE Investment but IFC has not converted the entire loan into shares. The return to IFC is variable upon the events described above and the time period elapsed in accordance with the terms of the arrangement.

5.18 Term loans of USD 35 million (₹ 2,187.56 million) as on 31 March 2015 to Jubilant Generics Inc. (merged with Cadista Holdings Inc.) from ICICI Bank Limited, New York Branch has been fully repaid during the current year.

5.19 Term loan of USD 15.00 million (₹ 993.75 million) as on 31 March 2016 (Previous year Nil) from ICICI Bank Limited, New York Branch and Term loan of USD 20.00 million (₹ 1,325.00 million) as on 31 March 2016 (Previous year Nil) from ICICI Bank Limited, Canada to Jubilant Cadista Pharmaceutical Inc. is secured by way of:

- i) First pari-passu charge over all of its current and fixed assets.
- ii) First pari-passu charge over all of its intangibles assets (excluding goodwill).
- iii) Irrevocable and unconditional corporate guarantee from Jubilant Draximage Inc. Total guaranteed amount for term loan as on 31 March 2016 is ₹ 2,318.75 million.

Term loan of USD 15.00 million (₹ 993.75 million) is repayable in twenty two quarterly instalments commencing from July 2016.

Term loan of USD 20.00 million (₹ 1,325.00 million) is repayable in twenty two quarterly instalments commencing from July 2016.

5.20 Revolving facility of USD 38.35 million (₹ 2,540.80 million) as on 31 March 2016 (Previous year USD 75.73 million (₹ 4,733.20 million)) of Jubilant HollistierStier LLC from Bank of America N.A. is secured by way of:

- i) Security interest in the receivable inventory, equipments and fixtures, deposit accounts and all general intangibles, including patents, trademarks, computer software (including any accessions, attachments, additions, substitutes or replacements thereof), books and records of Jubilant HollistierStier LLC pertaining to the collateral more particularly described in the security interest agreement dated 5 April 2013.
- ii) Amended Deed of trust dated 5 April 2013 encumbering the parcel or parcels of real property owned by Jubilant HollistierStier LLC located in Spokane County, State of Washington, USA.

Revolving facility is repayable in single instalment in September 2016.

Notes to the consolidated financial statements for the year ended 31 March 2016 (Continued)

5.21 Term loan of CAD 31.68 million (₹ 1,552.94 million) as on 31 March 2015 under Facility B to Jubilant Draximage Inc. from ICICI Bank, Canada as the arranger and the agent has been fully repaid during the current year.

5.22 Term loan of CAD 32.20 million (₹ 1,649.61 million) as on 31 March 2016 (Previous year Nil) from ICICI Bank, Canada and term loan of USD 47.92 million (₹ 3,174.48 million) as on 31 March 2016 (Previous year Nil) from ICICI Bank Limited, New York Branch to Jubilant Draximage Inc. is secured by way of:

- i) Charge over all of its property, movable and immovable, personal and real, corporeal and incorporeal, tangible and intangible, present and future of whatever nature and wherever situated.
- ii) Charge over all of the property, movable and immovable, personal and real, corporeal and incorporeal, tangible and intangible, present and future of whatever nature and wherever situated of Jubilant Hollisterstier General Partnership.
- iii) Irrevocable and unconditional corporate guarantee from Jubilant Cadista Pharmaceuticals Inc. Total guaranteed amount as on 31 March 2016 is ₹ 4,824.09 million.

Term loan of CAD 32.20 million (₹ 1,649.61 million) is repayable in twenty three equal quarterly instalments from April 2016.

Term loan of USD 47.92 million (₹ 3,174.48 million) is repayable in twenty three equal quarterly instalments from April 2016.

5.23 Term loan of SGD 8.50 million (₹ 386.36 million) to Jubilant Life Sciences International Pte Limited from ICICI Bank Limited, Singapore outstanding at the end of previous year have been fully repaid during the current year.

5.24 Term loan of USD 12.60 million (₹ 834.75 million) as on 31 March 2016 (Previous year Nil) to Jubilant Life Sciences International Pte Limited from ICICI Bank Limited, Singapore is secured by way of first charge on its current assets and assignment of its advance payment and supply agreement with the parent company and first charge on debt service reserve amount.

Balance is repayable in five monthly instalments from June 2016.

5.25 Term loan of Euro 30 million (₹ 2,015.70 million) as on 31 March 2015 to Jubilant Life Sciences NV from Deutsche Bank, Singapore have been fully repaid during the current year.

5.26 Finance lease obligations are secured by hypothecation of specific assets taken under such lease. The same are repayable within two to five years.

5.27 The Indian rupee term loans carry interest rate ranging from 10.50% to 13.25% (Previous year 9.50% to 13.25%) and term loans denominated in currency other than Indian rupee carry interest rate of benchmark interest rate (Libor, CAD dealer offered rate, Euro libor and swap offer rates) plus spread ranging from 150 to 550 (Previous year 250 to 550) basis points. The benchmark rates are reset at periodic intervals as per the terms of the loan.

The composition of assets/ fixed assets and current assets as mentioned above are defined in detail in the respective financing/credit arrangements.

(₹ in million)

	As at 31 March 2016	As at 31 March 2015
6. OTHER LONG TERM LIABILITIES		
Stock settled debt instrument	703.80	312.64
Income received in advance/unearned revenue	109.87	82.10
Other liabilities	2.32	3.27
	815.99	398.01

(₹ in million)

	As at 31 March 2016	As at 31 March 2015
7. LONG-TERM PROVISIONS		
Provision for employee benefits (Refer note 51)	704.60	670.40
	704.60	670.40

Notes to the consolidated financial statements for the year ended 31 March 2016 (Continued)

(₹ in million)

	As at 31 March 2016	As at 31 March 2015
8. SHORT-TERM BORROWINGS		
Loans repayable on demand		
– From Banks		
– Secured	5,420.56	2,326.69
– Unsecured	1,861.36	1,689.84
– From Others		
– Secured	–	750.00
Other working capital loans		
– From Banks		
– Secured	–	405.19
	7,281.92	5,171.72
The above amount includes		
Secured borrowings	5,420.56	3,481.88
Unsecured borrowings	1,861.36	1,689.84
	7,281.92	5,171.72

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

- 8.1 Working capital facilities (including cash credit) sanctioned by consortium of banks and notified financial institutions comprising of ICICI Bank Limited, Corporation Bank, Punjab National Bank, The Hongkong and Shanghai Banking Corporation Limited, Yes Bank Limited, Axis Bank Limited, RBL Bank Limited, Bank of Maharashtra, DBS Bank Limited and Export Import Bank of India (Previous year ICICI Bank Limited, Corporation Bank, Punjab National Bank, State Bank of India, The Hongkong and Shanghai Banking Corporation Limited, ING Vysya Bank Limited, Central Bank of India, Yes Bank Limited, Axis Bank Limited, DBS Bank Limited and Export Import Bank of India) are secured by a first charge by way of hypothecation, ranking pari-passu inter-se banks, of the entire book debts and receivables and inventories both present and future, of the Company wherever the same may be or be held. Other working capital loans are repayable as per terms of agreement within one year.
- 8.2 Working capital facilities (including cash credit) sanctioned by consortium of banks and notified financial institutions comprising of ICICI Bank Limited, Kotak Mahindra Bank, Yes Bank Limited, Axis Bank Limited, Ratnakar Bank Limited and Export Import Bank of India to Jubilant Generics Limited are secured by a first charge by way of hypothecation, ranking pari-passu, of the entire book debts and receivables and inventories, both present and future, of the Company wherever the same may be or be held.
- 8.3 Working capital facilities granted to Jubilant Chemsys Limited by Kotak Mahindra Bank are closed during the current year.
- 8.4 Working capital facilities granted to Jubilant Clinsys Limited by Kotak Mahindra Bank are closed during the current year.
- 8.5 Working capital facility of USD 8.00 million (₹ 530.00 million) as on 31 March 2016 (Previous year Nil) to Jubilant Cadista Pharmaceuticals Inc. from ICICI Bank, New York Branch, is secured way of:
- First pari-passu charge over all of its current and fixed assets.
 - First pari-passu charge over all of its intangibles assets (excluding goodwill).
 - Irrevocable and unconditional corporate guarantee from Jubilant Draximage Inc. Total guaranteed amount for working capital facility as on 31 March 2016 is USD 8.00 million (₹ 530.00 million).
- 8.6 Revolving credit facility of CAD Nil as on 31 March 2016 and (Previous year CAD 8.27 million (₹ 405.19 million)) under Facility D1 to Jubilant HollisterStier Inc. from ICICI Bank, Canada as the arranger and the agent has been closed during the current year.
- 8.7 Working capital facility of CAD Nil as on 31 March 2016 to Jubilant Draximage Inc. from ICICI Bank, Canada, is secured way of:
- Charge over all of its property, movable and immovable, personal and real, corporeal and incorporeal, tangible and intangible, present and future of whatever nature and wherever situated.

Notes to the consolidated financial statements for the year ended 31 March 2016 (Continued)

- ii) Charge over all of the property, movable and immovable, personal and real, corporeal and incorporeal, tangible and intangible, present and future of whatever nature and wherever situated of Jubilant HollisterStier General Partnership.
- iii) Irrevocable and unconditional corporate guarantee from Jubilant Cadista Pharmaceuticals Inc. Total guaranteed amount as 31 March 2016 is ₹ Nil.

8.8 Revolving credit facility of CAD Nil as on 31 March 2016 and (Previous year CAD Nil) under Facility D2 to Jubilant Draximage Inc. from ICICI Bank, Canada as the arranger and the agent has been closed during the year.

8.9 Indian rupee loans carry interest rate ranging from 8.75% to 14.00% (Previous year 9.50% to 14.00%) and other currencies loans carry interest rate of benchmark interest rate (Libor and CAD Prime) plus spread ranging from 50 to 550 (Previous year 25 to 450) basis points. The benchmark interest rates are reset at periodic intervals as per the terms of the loan.

The composition of assets/fixed assets and current assets as mentioned above are defined in detail in the respective financing/credit arrangements.

(₹ in million)

	As at 31 March 2016	As at 31 March 2015
9. OTHER CURRENT LIABILITIES		
Current maturities of long term borrowings (secured)-(Refer note 5.1 to 5.25 and 5.27)	7,434.93	5,833.89
Current maturities of finance lease obligations (secured)-(Refer note 5.26 and 5.27)	10.51	12.71
Trade deposits and advances	320.46	203.56
Interest accrued but not due on borrowings	179.65	171.62
Income received in advance/unearned revenue	175.58	250.70
Unpaid dividends	40.53	34.68
Creditors for capital supplies and services	207.04	456.68
Statutory dues	253.90	195.39
Other payables*	1,149.48	773.91
	9,772.08	7,933.14

* (includes employee benefits, lease equalisation and provision for excise duty on closing stock, etc)

(₹ in million)

	As at 31 March 2016	As at 31 March 2015
10. SHORT-TERM PROVISIONS		
Provision for employee benefits (Refer note 51)	302.19	255.89
Dividends on equity shares (Including dividend distribution tax)	575.12	575.12
Income tax and wealth tax*	1,203.02	104.98
Mark-to market losses on derivative contracts [Refer note 48, 50(i) and 50(ii)]	4.02	9.11
Other provisions	10.07	29.80
	2,094.42	974.90

* Net of advance tax of respective tax jurisdictions to the extent permissible.

Notes to the consolidated financial statements for the year ended 31 March 2016 (Continued)

Description	GROSS BLOCK - COST/BOOK VALUE				DEPRECIATION/ AMORTISATION/ IMPAIRMENT				NET BLOCK		
	As at 31 March 2015	Additions/ adjustments during the year	Deductions/ adjustments during the year	Currency translation adjustment	As at 31 March 2016	As at 31 March 2015	Provided during the year	Deductions/ adjustments during the year	Currency translation adjustment	As at 31 March 2016	As at 31 March 2015
Land											
(a) Freehold	627.55	-	-	12.83	640.38	-	-	-	-	640.38	627.55
(b) Leasehold	707.46	2.93	-	-	710.39	104.64	7.35	-	-	598.40	602.82
Buildings											
(a) Factory	7,070.25	800.30	16.40	258.64	8,112.79	2,044.82	228.52	2.05	90.64	2,361.93	5,025.43
(b) Others	2,289.70	69.03	-	-	2,358.73	357.00	62.90	-	-	419.90	1,938.83
Plant and equipment	35,715.12	1,938.90	378.41	512.67	37,788.28	14,892.88	1,632.37	223.76	249.07	16,550.56	20,822.24
Furniture and fixtures (3)	998.20	52.09	15.06	15.41	1,050.64	677.60	79.60	8.63	11.03	759.60	320.60
Vehicles-owned	71.20	4.91	4.35	0.14	71.90	45.05	8.36	4.23	0.14	49.32	26.15
Vehicles-leased	58.66	20.82	26.98	-	52.50	34.42	13.29	23.30	-	24.41	24.24
Office equipment	1,479.63	161.13	29.55	38.27	1,649.48	1,094.70	135.77	27.17	34.57	1,237.87	384.93
Railway sidings	159.38	-	-	-	159.38	50.95	11.08	-	-	62.03	108.43
TOTAL	49,177.15	3,050.11	470.75	837.96	52,594.47	19,302.06	2,179.24	289.14	385.45	21,577.61	29,875.09
Previous Year	49,029.41	1,739.05	(4) 1,419.36	(171.95)	49,177.15	17,822.11	(1) 2,305.87	(4) 697.82	(128.10)	19,302.06	
Capital work in progress (CWIP)											
										1,450.61	1,981.77
										32,467.47	31,856.86

Notes :

- (1) Includes ₹ Nil (Previous year ₹ 159.65 million) debited to opening balance of retained earnings based on transitional provision provided in Note 7(b) of Schedule II of the Companies Act, 2013. (Refer note 37)
- (2) Addition to fixed assets (including movement in CWIP) includes ₹ 136.03 million (Previous year ₹ 98.54 million) on account of exchange loss/(gain) (Refer note 49).
- (3) Includes leasehold improvements.
- (4) Refer note 45.

Notes to the consolidated financial statements for the year ended 31 March 2016 (Continued)

(₹ in million)

			As at 31 March 2016	As at 31 March 2015
13. NON-CURRENT INVESTMENTS (at cost)				
Number	Face value per unit	All unquoted unless otherwise specified		
		Other Investments		
		Investment in equity instruments (fully paid up equity shares)		
7,487,251 (5,308,334)	₹ 10	Forum I Aviation Limited	69.83	47.61
50,000 (50,000)	₹ 10	Jubilant Industries Limited (quoted)	0.41	0.41
510,771 (510,771)	USD 0.01	Safe Foods Corporation USA- Common Stock Less: Provision for diminution in value	331.25 (187.26)	312.51 (176.66)
			143.99	135.85
		Investment in preference shares		
– (239,044)	USD 0.001	Putney Inc. (USA) - Convertible Preferred Stock Less: Provision for diminution in value	– –	77.34 (28.75)
			–	48.59
		Investment in debentures/bonds		
		Muroplex Therapeutics, Inc. - Convertible Note & Warrants Less: Provision for diminution in value	17.79 (17.79)	16.79 (16.79)
			–	–
		Others		
		Healthcare Ventures IX, L.P. -Investment (2) Less: Provision for diminution in value	146.90 –	185.94 (23.44)
			146.90	162.50
		Total non-current investments	361.13	394.96
		Aggregate amount of quoted investments:		
		– Cost	0.41	0.41
		– Market Value	7.75	4.07
		Aggregate amount of unquoted investments	565.77	640.19
		Aggregate provision for diminution in value of investments	205.05	245.64

Notes:

- (1) Figures in () are in respect of previous year.
- (2) Represents 10% of total capital of the fund.

Notes to the consolidated financial statements for the year ended 31 March 2016 (Continued)

(₹ in million)

	As at 31 March 2016	As at 31 March 2015
14. LONG-TERM LOANS AND ADVANCES		
(Unsecured and considered good)		
Capital advances	23.86	178.77
Security deposits	130.99	115.32
Loans to related parties [Refer note 52(17)]	200.99	410.39
Advances recoverable in cash or kind		
– Loans and advances to employees	10.97	14.57
– Prepaid expenses	312.48	290.76
– Others	–	2.26
MAT credit entitlement	2,105.52	1,960.60
Advance payment of income tax*	460.88	589.83
	3,245.69	3,562.50

* Net of provision for tax of respective tax jurisdictions to the extent permissible.

(₹ in million)

	As at 31 March 2016	As at 31 March 2015
15. OTHER NON-CURRENT ASSETS		
(Unsecured and considered good)		
Other bank balances		
– Deposits with maturity after 12 months from the reporting date	0.24	4.06
– Margin money deposit	0.31	2.01
	(1) 0.55	(1) 6.07

(1) ₹ 0.40 million (Previous year ₹ 6.07 million) has restricted use.

(₹ in million)

	As at 31 March 2016	As at 31 March 2015
16. INVENTORIES		
(Valued at the lower of cost and net realisable value)		
Raw materials	4,686.48	5,490.25
[including goods-in-transit ₹ 335.40 million (Previous year ₹ 1,269.18 million)]		
Work-in-progress	2,219.49	1,900.63
Finished goods	2,958.10	2,707.58
[including goods-in-transit ₹ 60.37 million (Previous year ₹ 6.37 million)]		
Stock-in-trade	517.94	647.84
[including goods-in-transit ₹ 3.61 million (Previous year ₹ 1.37 million)]		
Stores and spares	906.91	953.14
[including goods-in-transit ₹ 9.59 million (Previous year ₹ 49.91 million)]		
Packing material	112.77	112.19
[including goods-in-transit ₹ 1.41 million (Previous year ₹ 1.16 million)]		
Others-process chemicals and fuels	758.93	541.62
[including goods-in-transit ₹ 60.63 million (Previous year ₹ 31.54 million)]		
	12,160.62	12,353.25

Notes to the consolidated financial statements for the year ended 31 March 2016 (Continued)

(₹ in million)

	As at 31 March 2016	As at 31 March 2015
17. TRADE RECEIVABLES		
(Unsecured)		
Outstanding for a period exceeding six months from the date they become due for payment		
Considered good	52.84	69.94
Considered doubtful	108.19	196.01
	161.03	265.95
Provision for doubtful receivables	108.19	196.01
(A)	52.84	69.94
Other receivables		
Considered good	9,244.42	8,122.81
Considered doubtful	54.20	16.64
	9,298.62	8,139.45
Provision for doubtful receivables	54.20	16.64
(B)	9,244.42	8,122.81
Total (A+B)	(1) 9,297.26	(1) 8,192.75

(1) [Refer note 31(C)(i)]

(₹ in million)

	As at 31 March 2016	As at 31 March 2015
18. CASH AND BANK BALANCES		
Cash and cash equivalents		
Balances with banks:		
– On current accounts	3,311.86	3,667.20
– On dividend accounts	40.53	34.68
– On deposits accounts with original maturity upto three months	7.50	120.90
Cash on hand	1.48	1.95
Cheques/Drafts on hand	5.58	74.24
Others		
– Funds in transit	23.25	15.85
– Imprest	1.47	1.51
	3,391.67	3,916.33
Other bank balances:		
– Deposits with maturity up to twelve months from the reporting date	22.25	6.76
– As margin money	30.91	20.34
	(1) 3,444.83	(1) 3,943.43

(1) ₹ 83.87 million (Previous year ₹ 77.01 million) has restricted use.

Notes to the consolidated financial statements for the year ended 31 March 2016 (Continued)

(₹ in million)

	As at 31 March 2016	As at 31 March 2015
19. SHORT-TERM LOANS AND ADVANCES		
(Unsecured and considered good)		
Deposits	42.60	66.49
Deposits/Balances with excise/ sales tax authorities	752.22	726.12
Advance payment of income tax	1,088.21	144.46
MAT credit entitlement	204.48	236.71
Advance recoverable in cash or kind		
– From related parties (Refer note 52(20))*	36.48	16.14
– Loans and advances to employees	33.56	29.31
– Advance for supply of goods and services	159.40	168.23
– Prepaid expenses	460.50	408.75
– Claims recoverable	695.93	288.86
– Others	152.33	58.19
	3,625.71	2,143.26

* Includes due by directors and private companies having common director aggregating to ₹ 4.12 million (Previous year ₹ 0.25 million)

(₹ in million)

	As at 31 March 2016	As at 31 March 2015
20. OTHER CURRENT ASSETS		
Other current assets**	484.79	512.74
	484.79	512.74

** Includes note receivable ₹ 198.19 million (Previous year ₹ 408.51 million)
(Refer note 45)

(₹ in million)

	For the year ended 31 March 2016	For the year ended 31 March 2015
21. REVENUE FROM OPERATIONS		
Sales of products		
– Finished goods	49,678.27	51,769.63
– Traded goods	2,011.33	2,413.14
Sales of services	6,756.70	5,159.47
Other operating revenues (Refer note 36)	1,018.70	501.09
Revenue from operations (gross)	59,465.00	59,843.33
Less: excise duty	(1,441.80)	(1,580.86)
Revenue from operations (net)	58,023.20	58,262.47

(₹ in million)

	For the year ended 31 March 2016	For the year ended 31 March 2015
22. OTHER INCOME		
Interest Income	27.39	62.40
Dividend on non-trade current investments	–	7.01
Net gain on sale/disposal/discard of fixed assets	–	221.04
Other non-operating income	109.04	134.08
	136.43	424.53

Notes to the consolidated financial statements for the year ended 31 March 2016 (Continued)

(₹ in million)

	For the year ended 31 March 2016	For the year ended 31 March 2015
23. COST OF MATERIALS CONSUMED		
Raw and process materials consumed	19,950.96	22,360.09
	19,950.96	22,360.09

(₹ in million)

	For the year ended 31 March 2016	For the year ended 31 March 2015
24. PURCHASE OF STOCK-IN-TRADE		
Purchase of stock-in-trade	1,627.74	2,940.54
	1,627.74	2,940.54

(₹ in million)

	For the year ended 31 March 2016	For the year ended 31 March 2015
25. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
Stock at close -Work-in-progress	2,219.49	1,900.63
Stock at close -Finished goods	2,958.10	2,707.58
Stock at close -Stock-in-trade	517.94	647.84
	5,695.53	5,256.05
Stock at commencement -Work-in-progress	1,900.63	2,688.10
Stock at commencement -Finished goods	2,707.58	3,530.14
Stock at commencement -Stock-in-trade	647.84	433.25
	5,256.05	6,651.49
(Increase)/ decrease in stocks	(439.48)	1,395.44
Less: Adjustment on account of insurance claim	(7.68)	-
Foreign currency translation impact on movement in finished goods, work-in-progress and stock-in-trade	43.23	(79.00)
	(403.93)	1,316.44

(₹ in million)

	For the year ended 31 March 2016	For the year ended 31 March 2015
26. EMPLOYEE BENEFITS EXPENSE		
Salaries, wages, bonus, gratuity and allowances (Refer note 51)	9,590.78	9,173.32
Contribution to provident, superannuation fund and other funds (Refer note 51)	766.90	765.25
Staff welfare expenses	909.60	964.19
	11,267.28	10,902.76

(₹ in million)

	For the year ended 31 March 2016	For the year ended 31 March 2015
27. FINANCE COSTS		
Interest expense	3,423.89	3,269.68
Other borrowings cost	225.80	166.82
Exchange difference to the extent considered as an adjustment to borrowing cost (Refer note 43)	135.97	116.90
	3,785.66	3,553.40

Notes to the consolidated financial statements for the year ended 31 March 2016 (Continued)

(₹ in million)

	For the year ended 31 March 2016	For the year ended 31 March 2015
28. OTHER EXPENSES		
Power and fuel	3,667.06	3,930.35
Stores, spares, chemicals and packing materials consumed	2,546.85	2,554.35
Processing charges	228.70	238.79
Excise duty related to increase/decrease in inventory of finished goods	(12.82)	13.14
Rent (Refer note 41)	182.71	210.71
Rates and taxes	325.47	489.42
Insurance	168.77	184.21
Advertisement, publicity and sales promotion	232.46	168.67
Travelling and other incidental expenses	481.13	512.17
Repairs		
– Building	288.00	254.77
– Machinery	1,057.62	1,044.65
– Others	200.47	188.51
Office expenses	294.14	274.16
Vehicle running and maintenance	42.99	42.96
Printing and stationery	53.85	62.05
Communication expenses	122.11	126.33
Staff recruitment and training	164.31	137.87
Donation (Refer note 42)	74.81	102.48
Auditors Remuneration – As Auditors	5.80	5.77
– For tax audit	1.38	1.12
– For certification and other services	6.79	2.31
Legal professional and consultancy charges	666.53	916.09
Freight and forwarding (including ocean freight)	804.09	956.18
Directors' sitting fees	3.29	4.83
Subscription	89.29	95.76
Miscellaneous expenses	47.05	51.88
Bank charges	108.30	122.69
Discounts and claims to customers and other selling expenses	687.94	756.08
Commission on sales	166.32	158.85
Loss on sale/disposal/discard of fixed assets (net)	89.66	11.10
Provision/ write off bad debts/ Irrecoverable advances (net)	8.33	231.70
	12,803.40	13,849.95

Notes to the consolidated financial statements for the year ended 31 March 2016 (Continued)

(₹ in million)

	For the year ended 31 March 2016	For the year ended 31 March 2015
29. EXCEPTIONAL ITEMS		
Amortisation of Foreign Currency Monetary Item Translation Difference Account (FCMITDA) (Refer note 49)	247.32	447.52
Foreign exchange gain	(13.81)	(489.86)
Mark to market loss/ (gain) in respect of currency and interest rate swap contracts and forward covers outstanding (Refer note 50(ii))	4.02	(167.60)
Provision for diminution in value of investment	(25.26)	–
Provision for impairment of goodwill (Refer note 46)*	–	51.25
Profit on sale of investment	(386.92)	–
Loss on discard of assets (Refer note 45)	–	639.73
	(174.65)	481.04

* Related to pharmaceuticals segment

30. Commitments as at year end:

a) Capital Commitments:

Estimated amount of contracts remaining to be executed on capital account (Net of advances) is ₹ 741.49 million (Previous year ₹ 671.02 million).

b) Other Commitments:

- i) Exports obligation undertaken by the Group under EPCG scheme to be completed over a period of five/eight years on account of import of Capital Goods at concessional import duty and remaining outstanding is ₹ 85.25 million (Previous year ₹ 77.34 million). Similarly, export obligation under Advance License Scheme/DFIA scheme on duty free import of specific raw materials, remaining outstanding is ₹ 6,628.55 million (Previous year ₹ 6,027.45 million).
- ii) Uncalled liability on investments in Healthcare Ventures IX, L.P. amounting to ₹ 110.97 million (Previous year ₹ 126.56 million).
- iii) For lease commitments refer note 41.

31. Contingent liabilities to the extent not provided for:

A. Guarantees:

Outstanding guarantees furnished by Banks on behalf of the Group is ₹ 413.51 million (Previous year ₹ 452.62 million).

B. Claims against Group, disputed by the Group, not acknowledged as debt:

(₹ in million)

Particulars	As at 31 March 2016	As at 31 March 2015
Central Excise	1,270.23	1,143.30
Customs	12.71	19.44
Sales Tax	88.92	56.47
Income Tax	1,153.21	592.97
Service Tax	458.92	461.02
Others	363.27	348.69

Excluding claims in respect of business transferred to Jubilant Industries Limited in accordance with the demerger scheme approved by the Hon'ble Allahabad High Court, though the litigations may be continuing in the name of the Parent Company.

Future cash outflows in respect of the above matters as well as for matters listed under 31(C) below are determinable only on receipt of judgments/decisions pending at various stages/forums.

Notes to the consolidated financial statements for the year ended 31 March 2016 (Continued)

C. Other contingent liabilities as at 31 March 2016:

- i. Liability in respect of bills discounted with banks ₹ 207.75 million (Previous year ₹ 447.01 million).
- ii. The Parent Company's writ petition against the levy of transport fee by the State of Maharashtra on consumption of rectified spirit and molasses within Nira factory has been allowed by the Hon'ble Bombay High Court with consequential refund. The Parent Company has filed a refund claim for an amount of ₹ 2.51 million (Previous year ₹ 2.51 million) deposited during the period when the dispute was pending before the High Court. The total amount of disputed transport fee is ₹ 227.20 million (Previous year ₹ 209.13 million). The State of Maharashtra has filed a Special Leave Petition in the Supreme Court and has sought a stay on the operation of the High Court order.
- iii. The Parent Company has challenged before the Hon'ble Allahabad High Court, the increase in denaturing fee by the State of Uttar Pradesh w.e.f 1 April 2004 on denaturing of rectified spirit in the Gajraula factory and the writ petition has been admitted by the Court. The Parent Company has deposited ₹ 26.45 million (Previous year ₹ 25.55 million) under protest which is shown as deposits.
- iv. Zila Panchayat at J.P. Nagar (in respect of the Parent Company's Gajraula plant) served a notice demanding a compensation of ₹ 277.40 million (Previous year ₹ 277.40 million) allegedly for, percolation of poisonous water stored in lagoons and flowing through the land of Zila Panchayat resulting in loss of crops and cattle of the farmers and for putting poisonous fly ash on national highway which caused loss to the health and damages to eyes and skin of people.
District Magistrate issued a recovery certificate along with 10% collection charges inflating the demand to ₹ 305.14 million (Previous year ₹ 305.14 million). In the opinion of the Parent Company, the Zila Panchayat has no jurisdiction in raising this demand. The demand was challenged in Hon'ble Allahabad High Court and the court stayed the demand till further orders.
- v. The Parent Company has challenged before the Hon'ble Allahabad High Court, the levy of license fees of ₹ 2.87 million (Previous year ₹ 2.87 million) by State of Uttar Pradesh, for grant of PD-2 license for manufacture of ethyl alcohol for industrial use. The writ petition has been admitted and is being listed for final hearing. Though the amount has been deposited and shown as such, no provision against this has been made as the issue is covered by the earlier favorable judgment of the Hon'ble Supreme Court of India.
- vi. The State of Uttar Pradesh (UP) has imposed levy on import of denatured spirit into the State of Uttar Pradesh (UP). The Parent Company has imported denatured spirit into the State of Uttar Pradesh and has challenged levy amounting to ₹ 90.00 million (Previous year ₹ 90.00 million) before Hon'ble Allahabad High Court. The writ petition has been allowed by the High Court in favour of the Parent Company. The State of Uttar Pradesh filed a Special Leave Petition (SLP) with Hon'ble Supreme Court. The SLP has been admitted but the Hon'ble Supreme Court has declined the request of the State of Uttar Pradesh (UP) to stay the operation of High Court Order. The Hon'ble Supreme court has ordered to list the appeal after the decision in Civil Appeal No 151 of 2007.
- 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 Parent Company's customers. Further the Court has directed the State to investigate whether the Parent Company has collected the disputed fee from its customers to the extent bank guarantees were furnished.
The Parent Company is entitled to a refund of ₹ 84.06 million (Previous year ₹ 84.06 million) as the amount paid during the period of dispute or secured by bank guarantees was not collected from its customers. Accordingly the Parent Company has approached the State of Uttar Pradesh for the refund of the said amount. The amount paid has been shown as deposit.
- viii. A group of villagers from Nira in Pune District, State of Maharashtra had filled a Public Interest Litigation against the Company on account of ground water contamination against which National Green Tribunal (NGT), Pune Bench passed an order on 16 May 2014. In this order, NGT has instructed the Parent Company to comply with the recommendations of National Environmental Engineering Research Institute (NEERI), Maharashtra Pollution Control Board (MPCB) and Central Ground Water Board (CGWB) to ensure zero discharge and remediation to contaminated ground water. NGT in its order has also instructed the district authority to form a committee to conduct an enquiry around 2 Km radius of Nira unit to ascertain extent of loss and recommend the loss if any, caused to agriculturist due to effluent discharge to Nira river and asked Parent Company to deposit adhoc amount of ₹ 2.50 million (Previous year ₹ 2.50 million) with the Collector of Pune. Parent Company deposited the above amount with the Collector of Pune. In its report, the Committee has found that no loss was shown to have been caused to fertility of the land or the agriculturists. Parent Company's compliances are being regularly monitored by MPCB and status is being informed to NGT. NEERI has submitted its recommendations and NGT has asked few clarifications on the report from NEERI. Meanwhile, Parent Company has submitted its comments on the NEERI report and also made suggestions for quicker ground water aquifer remediation. The matter is pending before NGT.

Notes to the consolidated financial statements for the year ended 31 March 2016 (Continued)

- ix. Uttar Pradesh Pollution Control Board served notices upon 3 units of Parent Company at Gajraula to appear and present their submissions in the National Green Tribunal, New Delhi (NGT) in a pending matter (M.C. Mehta vs. Union of India & Ors.) regarding pollution of Ganga and its tributaries. NGT directed all the parties to give their compliance status on Zero Liquid Discharge (ZLD). All 3 units of Parent Company have duly filed submissions that they are compliant of the terms of consent/ ZLD. Additionally, the Parent Company's Distillery Unit filed a Miscellaneous Application in the matter seeking review of some of the directions of Central Pollution Control Board based on their technical and practical limitations and also requested for considering alternate technologies that are environmentally sustainable options for ZLD. The matter is pending before NGT.
- x. A customer has filed a claim against Jubilant Pharmaceuticals NV (JPNV), a subsidiary of the company in Belgium alleging contravention of certain provisions of Licensing and Supply agreement between the parties and claiming damages amounting to Euro 2.08 million [excluding interest] (₹ 157.09 million). JPNV has also filed a counter claim against this customer for damages amounting to Euro 2.38 million (₹ 179.43 million) in the same dispute. The case is under arbitration.
- xi. Additionally, the Group is involved in other disputes, lawsuits, claims, governmental and/ or regulatory inspections, inquiries, investigations and proceedings, including commercial matters that arise from time to time in the ordinary course of business. The Group believes that none of these matters, either individually or in aggregate, are expected to have any material adverse effect on its consolidated financial statements.
32. During the current year, the Hon'ble Allahabad High Court vide its order dated 17 August 2015 ("Order") sanctioned the Scheme of Amalgamation, Compromise and Arrangements ("the Scheme") between two subsidiaries of the Group viz. Jubilant First Trust Healthcare Limited ("JFTHL") and First Trust Medicare Private Limited ("FTMPL"). The Scheme became effective on 4 September 2015 on filing of the certified true copy of the Order with the Registrar of Companies. As per the provisions of the Scheme, FTMPL merged into JFTHL and the shareholders of FTMPL received 6.5 fully paid up equity shares of the JFTHL against each fully paid up share of FTMPL with effect from the appointed date, i.e. 1 April 2014. Subsequently, as per the provisions of the Scheme, equity share capital of JFTHL amounting to ₹ 135.63 million (i.e. 13,563,171 equity shares of face value Rs. 10 each) held by the Parent Company along with the securities premium amounting to ₹ 540.49 million was cancelled with effect from the appointed date, i.e. 1 March 2015.
33. **Micro, Small and Medium Enterprises**
- There are no Micro, Small and Medium Enterprises, to whom the Indian entities owes dues, which are outstanding for more than 45 days as at 31 March 2016. The information as required to be disclosed in relation to Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Indian entities.

(₹ in million)

Particulars	As at 31 March 2016	As at 31 March 2015
The principal amount remaining unpaid to any supplier as at the end of the year	53.39	27.97
The interest due on principal amount remaining unpaid to any supplier as at the end of the year	–	–
The amount of interest paid by the Company in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), along with the amount of the payment made to the supplier beyond the appointed day during the year	–	–
The 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 Act	–	–
The amount of interest accrued and remaining unpaid at the end of the year	–	–
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under the MSMED Act	–	–

Notes to the consolidated financial statements for the year ended 31 March 2016 (Continued)

34. During the year ended 31 March 2015, the Parent Company completed the Pharma consolidation under its wholly owned subsidiary Jubilant Pharma Limited Singapore (JPL). Under Pharma consolidation:
- the Parent Company transferred, with effect from 1 July 2014, its Active Pharmaceutical Ingredients and Dosage Forms business to Jubilant Generics Limited (JGL), a wholly owned Subsidiary of JPL, by way of a slump sale on going concern basis for a lump sum consideration of ₹ 9,293.00 million (net of debts of ₹ 3,923.00 million).
 - the Parent Company transferred shares held by it in Jubilant Pharma Holdings Inc, USA and Jubilant Pharma NV, Belgium to JGL, for a consideration of ₹ 2,158.00 million (Net of debts of ₹ 1,897.00 million) on 29 May 2014.
- Other than tax effect thereon, there was no impact of the transaction on consolidated financial statements.
35. During the year ended 31 March 2015, Jubilant Generics Inc. (JGI) a wholly owned step down subsidiary of the Parent Company, acquired through tender offer process 17,018,378 equity shares held by the minority (representing approximately 82% of the minority shares not held by the Group) in Cadista Holdings Inc. (CHI) for USD 1.60 per share. JGI also completed a short form merger with and into CHI and as result of the merger the remaining 3,735,228 shares belonging to minority were cancelled and converted into right to receive USD 1.60 per share in cash without interest, subject to appraisal law under the Delaware Law. The consideration for this transaction was USD 33,205,770 (₹ 2,030.53 million). This transaction had been accounted by following the purchase method of accounting which resulted in goodwill of USD 3,946,045 (₹ 244.18 million). As a result of the above transaction, CHI had become a step down wholly owned subsidiary of the Company with effect from 23 December 2014 and a notice of termination of registration under section 12(g) of the Security Exchange Act had also been filled with Security Exchange Commission, USA.
36. Other operating revenues is in the nature of export incentive, settlement fees for termination of customer contract, scrap sales and liabilities write back etc.
37. During the year ended 31 March 2015, pursuant to the Companies Act, 2013 ('the Act') being effective from 1 April 2014, the Group revised depreciation rates on fixed assets for Indian entities as per the useful life specified in Part 'C' of Schedule II of the Act. As a result of this change, the depreciation charge for the year ended 31 March 2015 was lower by ₹ 188.63 million. Further, based on the transitional provision provided in Note 7(b) of the Schedule II an amount of ₹ 104.58 million (after adjustment for related tax impact of ₹ 55.07 million) was debited to opening balance of retained earnings in respect of the fixed assets where life had expired as per the said Schedule as on 31 March 2014.
38. Finance costs include charge on loan of USD 60 million (Previous year USD 60 million) from International Finance Corporation (IFC). On the basis of assessment of probable return to IFC as per the terms of the agreement, the Group has recognized an expense amounting to ₹ 367.08 million (Previous year ₹ 306.81 million) towards expected charge on this loan based on probabilities of occurrence of PE investment and a Qualifying IPO.

39. Employee Stock Option Scheme

The Parent Company has two stock option plans in place namely:

- Jubilant Employees Stock Option Plan, 2005 ("Plan 2005")
- JLL Employees Stock Option Plan, 2011 ("Plan 2011")

The Nomination, Remuneration and Compensation Committee ('Committee') of the Board of Directors which comprises a majority of Independent Directors is responsible 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 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 28 August 2009 will vest entirely within two years from the grant date, with certain lock-in provisions. Options granted after 28 August 2009 will vest gradually over a period of 5 years from the grant date, without any lock-in provisions.

Under Plan 2011, each option, upon vesting, shall entitle the holder to acquire one equity share of ₹ 1 each. Options granted will vest gradually over a period of 3 years from the grant date. Vesting of Options is a function of achievement of performance criteria or any other criteria, as specified by the Committee and communicated in the grant letter.

Notes to the consolidated financial statements for the year ended 31 March 2016 (Continued)

Summary of vesting and lock-in provisions are given below:

Sr. No	PLAN 2005						PLAN 2011		
	Vesting schedule (With lock in) Applicable for grants made up to 28 August, 2009			Vesting Schedule (Without lock in) Applicable for grants made after 28 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 31 March 2016 is ₹ 200.99 million (Previous year ₹ 410.39 million). Also refer note 40.

Up to 31 March 2016, the Trust has purchased 6,363,506 equity shares of the Parent Company from the open market, out of interest free loan provided by the Group, of which 2,458,980 (Previous year 1,530,010) shares were transferred to the employees on exercise of Options. The Trust has also been issued 192,086 (Previous year 192,086) equity shares of Jubilant Industries Limited in accordance with the Scheme of Amalgamation and Demerger amongst the Company, Jubilant Industries Limited and others.

The movement in the stock options under both the Plans, during the year, is set out below:

Under Plan 2005

Particulars	For the year ended 31 March 2016		For the year ended 31 March 2015	
	Number of options	Weighted average exercise price (₹)	Number of options	Weighted average exercise price (₹)
Outstanding at the beginning of the year	105,495	222.73	132,684	223.90
Forfeited during the year	(15,850)	231.61	(27,189)	228.46
Exercised during the year	(81,178)	216.61	–	–
Outstanding at the end of the year	8,467	264.72	105,495	222.73
Exercisable at the end of the year	8,467	264.72	105,495	222.73

* The Board has decided that no further grants will be made under Plan 2005.

Notes to the consolidated financial statements for the year ended 31 March 2016 (Continued)

Under Plan 2011

Particulars	For the year ended 31 March 2016		For the year ended 31 March 2015	
	Number of options	Weighted average exercise price (₹)	Number of options	Weighted average exercise price (₹)
Outstanding at the beginning of the year	1,112,306	210.80	1,428,939	210.49
Forfeited during the year	(157,970)	206.61	(316,633)	209.38
Exercised during the year	(523,080)	207.63	–	–
Outstanding at the end of the year	431,256	216.18	1,112,306	210.80
Exercisable at the end of the year	182,393	209.74	771,930	207.07

The Group has opted for intrinsic value method of accounting for Employee Stock Options. As market price of the options is equal to the exercise price on the date of grant, intrinsic value is ₹ Nil. Hence, there is no cost charged to the Consolidated Statement of Profit and Loss on account of options granted to employees under the Employee Stock Option Plans of the Group.

If the Group had considered “fair value” of the options on the date of grant instead of the “intrinsic value”, the effect on earnings per share would be as under:

Particulars		For the year ended 31 March 2016	For the year ended 31 March 2015
Profit/ (loss) for the year as reported in the Consolidated Statement of Profit and Loss	(₹ in million)	4,314.85	(577.64)
Add: Employee stock compensation expense included in reported net profit / (loss)	(₹ in million)	–	–
Less: Employee stock compensation expense determined under fair value method	(₹ in million)	3.48	11.46
Pro forma net profit/ (loss)	(₹ in million)	4,311.37	(589.10)
Basic and diluted earnings per share - as reported	(Rupees)	27.09	(3.63)
Basic and diluted earnings per share - adjusted pro forma	(Rupees)	27.07	(3.70)

Stock compensation expense under the Fair Value Method has been determined based on fair value of the stock options. The fair value of stock options was determined using the Black Scholes option pricing model with the following assumptions:

Particulars	Plan 2005	Plan 2011
Expected volatility	29.73% - 41.76%	38.36% - 45.95%
Risk free interest rate	7.52% - 9.44%	7.74% - 8.81%
Exercise price (₹)	198.55 - 359.25	170.20 - 220.90
Expected dividend yield	0.51% - 0.90%	0.63% - 1.10%
Life of options (years)	4.25	3.65
Weighted average fair value of options as at the grant date (₹)	94.18	84.90

40. During the year ended 31 March 2015, SEBI vide notification no. LAD-NRO/GN/2014-15/16/1729 dated 28 October 2014, issued Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ('new guidelines') repealing Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. According to the new guidelines, any company implementing any of the share based schemes shall follow the requirements of the 'Guidance Note on Accounting for employee share-based Payments' (Guidance Note) or Accounting Standards as may be prescribed by the ICAI from time to time, including the disclosure requirements prescribed therein. The Jubilant Employee Welfare Trust (Trust) primarily holds equity shares of the Parent Company which are to be transferred to employees of the Group upon exercise of their stock options under various Employee Stock Options Plans (ESOP) in force. As a consequence, since shares held by the Trust are purchased from market instead of direct issuance by the Parent Company, the consolidation thereof, in these financial statements, was discontinued and consequential adjustments were made in the consolidated financial statements.

Notes to the consolidated financial statements for the year ended 31 March 2016 (Continued)

41. 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 10 years generally and are usually renewable by mutual agreeable terms. The aggregate lease rentals payable are charged as expenses. Rental payments under such leases are ₹ 96.65 million (Previous year ₹ 136.58 million).
- The Group has operating lease arrangements in respect of vehicles which are cancellable, range between 2 years and 5 years. The aggregate lease rentals payable are charged as expenses. Rental expenses recognized under such leases amounting to ₹ 7.46 million (Previous year ₹ 1.98 million) has been included under vehicle running and maintenance expense in note 28.
- The Group has significant operating lease arrangements which are non-cancellable for a period up to 5 years. The lease rental is subject to escalation whereby the Lessor is entitled to increase the lease rental by 10% of the average lease rental of preceding three years blocked period.

The schedule of future minimum lease rental payments in respect of non-cancellable operating leases is set out below:

(₹ in million)

Particulars	Minimum lease payments	
	As at 31 March 2016	As at 31 March 2015
Not later than one year	68.47	27.24
Later than one year but not later than five years	186.50	4.40
Later than five years	—	—

Rental expenses recognised under such leases during the year are ₹ 86.06 million (Previous year ₹ 74.13 million).

- Assets acquired under finance lease:

The Group has taken vehicles under finance lease. Future minimum lease payments and their present values under finance leases are as follows:

(₹ in million)

Particulars	Minimum lease payments		Present value of minimum lease payments		Future interest	
	As at 31 March 2016	As at 31 March 2015	As at 31 March 2016	As at 31 March 2015	As at 31 March 2016	As at 31 March 2015
Not later than one year	13.92	15.56	10.51	12.71	3.41	2.85
Later than one year but not later than five years	23.82	16.92	19.95	14.51	3.87	2.41
Later than five years	—	—	—	—	—	—

There is no element of contingent rent or sub lease payments. The Group has option to purchase the assets at the end of the lease term. There are no restrictions imposed by these lease arrangements regarding dividend, additional debt and further leasing.

42. Corporate social responsibility (CSR)

Expenditure incurred under section 135 of the Companies Act, 2013 on Corporate Social responsibility (CSR) activities is included under donation.

- In line with the applicable Accounting Standards, during the year, finance costs amounting to ₹ 169.82 million (Previous year ₹ 171.50 million) has been capitalised.
- The carrying value of internally generated intangible asset – product development and other intangibles including intangibles under progress has been reviewed and based on technical and financial assessment, carrying value of certain internally generated intangible assets/other intangibles under development of ₹ 589.06 million (Previous year ₹ 71.60 million) have been charged and reported under depreciation in the Consolidated Statement of Profit and Loss.
- During the year ended 31 March 2015, the Group had identified and written off idle assets of net book value (adjusted for net realizable value) amounting to ₹ 639.73 million on usability assessment, and the same was been reported under exceptional items. The realisable value of the same has been included under other current assets.

Notes to the consolidated financial statements for the year ended 31 March 2016 (Continued)

46. During the year ended 31 March 2015, the Group had written off goodwill on Consolidation of the subsidiary Jubilant Biosys Limited (Biosys) amounting to ₹ 51.25 million on impairment testing conducted as at 31 March 2015. The write off on impairment was triggered by challenging business environment leading to sharp decline in the profitability of Biosys. The recoverable value of goodwill and other assets was determined to be the Value-In-Use ("VIU"). The key assumptions considered in the VIU calculation were as follows:-

- Revenue projections are based on the approved budgets for the fiscal year ending 31 March 2016 and management projections thereafter.
- The net cash flows have been discounted based on a post-tax discounting tax rate of 15%.

During the current year, the management has concluded that there is no change in the underline facts and circumstances and accordingly no further adjustment is required to be made.

47. a) Deferred Tax Assets and Liabilities are attributable to the following items:

(₹ in million)

Particulars	As at 31 March 2016	As at 31 March 2015
Deferred Tax Assets		
Provision for compensated absences and gratuity	282.20	269.99
Expenditure allowed on actual payment basis	20.93	88.95
Tax losses carried forward	2,419.23	2,490.02
Others	1,856.50	1,029.99
	4,578.86	3,878.95
Deferred Tax Liabilities		
Depreciation, amortisation and difference in value of CWIP/Intangibles	5,974.55	4,953.35
Others	337.71	50.67
	6,312.26	5,004.02
Less: Deferred tax assets(net) not recognised in absence of virtual certainty of realization	1,535.89	1,255.15
Deferred Tax Liabilities (Net)	3,269.29	2,380.22

- In view of accumulated tax losses and absence of virtual certainty, deferred tax assets have been recognised only to the extent of deferred tax liabilities. Deferred tax assets (net) not recognised amounts to ₹ 1,535.89 million and ₹ 1,255.15 million as at 31 March 2016 and 31 March 2015 respectively.
- Consequent to re-evaluation of certain tax provisions relating to earlier years, true up of current tax amounting to ₹ 119.90 million (Previous year ₹ (271.34) million) and deferred tax benefit of ₹ 82.57 million (Previous year ₹ 23.45 million) have been recognised in the current year.
- In respect of intercompany transaction involving profit on sale of business/ investment and write-off of loans, though the related profit and loss has been eliminated, the resultant tax expenses/(credit) thereof has been accounted in these consolidated financial statements for the year ended 31 March 2016.

48. Disclosure required by Accounting Standard 29 (AS-29) "Provisions, contingent liabilities and contingent assets"

Movement in provisions for MTM losses:

(₹ in million)

Sr. No.	Particulars	For the year ended 31 March 2016
1.	Balance at the commencement of year	9.11 (3,134.08)
2.	Additional provision during the year	116.30 (251.22)
3.	Provision used during the year	121.79 (3,350.10)
4.	Provision reversed during the year	— (27.01)
5.	Currency translation adjustment	0.40 (0.92)
6.	Balance at the end of the year	4.02 (9.11)

Figures in () are in respect of previous year.

Notes to the consolidated financial statements for the year ended 31 March 2016 (Continued)

49. The Group has opted for accounting the exchange difference arising on reporting of long term foreign currency monetary items in line with Para 46A of Accounting Standard 11 (AS-11) – “The Effects of Changes in Foreign Exchange Rates” notified by the Ministry of Corporate Affairs on 29 December 2011. Accordingly during the year ended 31 March 2016, the Group has capitalised exchange difference amounting to ₹ 136.03 million (Previous year ₹ 98.54 million) to the cost of fixed assets and ₹ 131.49 million (Previous year ₹ 117.11 million) to foreign currency monetary item translation difference account (FCMITDA). During the year ₹ 247.32 million (Previous year ₹ 447.52 million) has been amortised to Consolidated Statement of Profit and Loss in terms of the said notification and balance of ₹ 34.49 million (Previous year ₹ 150.32 million) is carried in Consolidated Balance Sheet as on 31 March 2016.

50. Hedging and Derivatives:

- (i) The Group uses various derivative instruments such as foreign exchange forward contracts, interest rate swaps and currency swaps to selectively hedge its exposures to movement in foreign exchange rates and interest rates. These derivatives are not used for speculative or trading purposes.

The following are the outstanding derivative contracts entered into by the Group:

Category	Currency	Cross Currency	Amount (In million)	Buy/Sell
As at 31 March 2016:				
Forward Contracts	USD	INR	USD 2.80	Buy
As at 31 March 2015:				
Forward Contracts	USD	INR	USD 51.00	Sell
Forward Contracts	EUR	USD	EUR 3.69	Sell
Forward Contracts	SGD	USD	USD 8.50	Buy
Interest rate swap	USD		USD 16.22	

Refer note (iii) below

- (ii) Mark to market loss amounting to ₹ 4.02 million (Previous year gain amounting to ₹ 167.60 million) in respect of currency and interest rate swaps contracts have been credited/ charged to the Consolidated Statement of Profit and Loss. The accumulated mark to market losses on currency swaps (including currency and interest rate swaps) and forward contract outstanding as at 31 March 2016 is ₹ 4.02 million (Previous year ₹ 9.11 million).
- (iii) During the year ended 31 March 2015, the Group discontinued hedge accounting applied in respect of certain foreign currency transactions including forward contracts under Accounting Standard (AS) 30 "Financial Instruments: Recognition and Measurement" and the consequent financial impact was insignificant on the profit for the year had the Group continued to follow hedge accounting.

51. Employee Benefits in respect of the Group have been calculated as under:

(A) Defined Contribution Plans

Parent Company including Indian Subsidiaries

- Provident Fund*
- Superannuation Fund

During the year the Group has contributed following amounts to:

(₹ in million)

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
Employers contribution to provident fund	25.14	25.41
Employers contribution to employee's pension scheme 1995	58.38	46.82
Employers contribution to superannuation fund	7.96	8.79

* For certain employees where Provident Fund is deposited with Government authority e.g. Regional Provident Fund Commissioner.

Notes to the consolidated financial statements for the year ended 31 March 2016 (Continued)

c. State Plans

During the year the Group has contributed following amounts to:

(₹ in million)

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
Employers contribution to employee state insurance	2.38	3.27

Foreign Subsidiaries

- a. The Group's entities located in United States of America have a 401(k) Plan, where in the regular, full-time and part-time employees are eligible to participate in the defined contribution plan after completion of one month of continuous service. Participants may voluntarily contribute eligible pre-tax and post-tax compensation in 0.5% increments (1% up to December 2015) of up to 90% of their annual compensation in accordance with the annual limits as determined by the Internal Revenue Service. Eligible employees receive a 50% match of their contributions up to 6% of their eligible compensation. Employees above the age of 50 years may choose to contribute "catch-up" contributions in accordance with the Internal Revenue Service limits and are matched the same up to the maximum Group contribution of 3% of eligible compensation. The Group's matching contributions vest 100% after three years of service. The Group has contributed ₹ 73.36 million (Previous year ₹ 67.48 million) to 401(k) for the year.
- b. The entities of the Group located in Canada contribute to a Registered Retirement Savings Plan (RRSP), a trust registered with Canada Revenue Agency (CRA) and to Quebec pension plan (QPP). Under RRSP plan, the Group contributes equivalent to the contribution made by the employee, up to a maximum of 5% of the employees' base salary. Under QPP plan, the Group contributes equivalent to the contribution made by the employees at the rate of 5.25% and 5.25% of the employees' base salary for the year ended 31 March 2016 and 2015 respectively.

During the year the Group has contributed following amounts to:

(₹ in million)

Plan under which Contributions made	For the year ended 31 March 2016	For the year ended 31 March 2015
Registered retirement savings plan (RRSP)	57.76	64.42
Quebec pension plan (QPP)	60.37	65.99

- c. Further, the entities of the Group located in Belgium contribute to social security fund named as Rijks Sociale Zekerheid (RSZ). Under these plan employees have to contribute 13% of their compensation and the Group makes a contribution of 33.33% of the employee's annual compensation. The Group has contributed ₹ 9.22 million (Previous year ₹ 18.48 million) to RSZ for the year.

(B) Defined Benefit Plans

Parent Company including Indian Subsidiaries

i. Gratuity

In accordance with Accounting Standard 15(AS 15)-"Employee Benefits (Revised 2005)", an actuarial valuation has been carried out in respect of gratuity. The discount rate assumed is 7.90% p.a. (Previous year 7.74 % p.a.) which is determined by reference to market yield at the Balance Sheet date on Government bonds. The retirement age has been considered at 58 years (Previous year 58 years) and mortality table is as per IALM (2006-08) (Previous year IALM (2006-08)).

The estimates of future salary increases, considered in actuarial valuation is 10% p.a. for first three years and 6% p.a. thereafter (Previous year 10% p.a. for first three years and 6% p.a. thereafter), taking into account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The plans assets are maintained with Life Insurance Corporation of India in respect of gratuity scheme for certain employees of two units of the Group. The details of investments maintained by Life Insurance Corporation are not available with the Group, hence not disclosed. The expected rate of return assumed on plan assets is 9.00% p.a. (Previous year 9.00% p.a.).

Notes to the consolidated financial statements for the year ended 31 March 2016 (Continued)

Reconciliation of opening and closing balances of the present value of the defined benefit obligation:

(₹ in million)

Particulars	31 March 2016	31 March 2015
Present value of obligation at the beginning of the year	522.87	440.28
Current service cost	63.93	58.25
Interest cost	40.47	43.61
Actuarial loss	21.65	39.47
Benefits paid	(74.25)	(58.74)
Present value of obligation at the end of the year	574.67	522.87

Reconciliation of the present value of defined benefit obligation and the fair value of the plan assets:

(₹ in million)

Particulars	31 March 2016	31 March 2015
Present value of obligation at the end of the year	574.67	522.87
Fair value of plan assets at the end of the year	(22.90)	(23.19)
Net liabilities recognised in the Balance Sheet	(551.77)	(499.68)

Cost recognised for the period (included under salaries, wages, allowances, bonus and gratuity):

(₹ in million)

Particulars	31 March 2016	31 March 2015
Current service cost	63.93	58.25
Interest cost	40.47	43.61
Actuarial loss	21.96	38.77
Expected return on plan assets	(2.13)	(2.00)
Net cost recognised during the year	124.23	138.63

Fair Value of Plan Assets**:

(₹ in million)

Particulars	31 March 2016	31 March 2015
Plan assets at the beginning of the year	23.19	21.66
Expected return on plan assets	2.13	2.00
Contribution by employer	4.42	1.22
Actual benefits paid	(6.53)	(2.39)
Actuarial (loss)/ gain	(0.31)	0.70
Plan assets at the end of the year	22.90	23.19

** In respect of certain employees of Nanjangud and Ambarnath manufacturing units of the Group.

Group's best estimate of contribution during next year is ₹ 141.96 million (Previous year ₹ 135.51 million)

Experience adjustment:

(₹ in million)

Particulars	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
Defined benefit obligation	574.67	522.87	440.28	354.29	302.66
Plan assets	22.90	23.19	21.66	17.91	12.64
Surplus/(deficit)	(551.77)	(499.68)	(418.62)	(336.38)	(290.02)
Experience adjustment of plan liabilities-(loss)/gain	(27.24)	(12.06)	(13.25)	(29.98)	(15.90)
Experience adjustment on plan assets-(loss)/gain	(0.31)	0.70	(0.08)	(0.85)	(0.90)

Notes to the consolidated financial statements for the year ended 31 March 2016 (Continued)

ii. **Provident Fund:**

The guidance on implementation of AS 15, Employee Benefits (Revised 2005) issued by Accounting Standard Board (ASB) states that benefits involving provident funds, which require interest shortfall to be compensated, are to be considered as defined benefit plans. The actuary has worked out a liability of ₹ Nil (Previous year ₹ Nil) likely to arise towards interest guarantee. The trust is managing common corpus of some of the group companies. The total liability of ₹ Nil (Previous year ₹ Nil) as worked out by the actuary has been allocated to each entity based on the corpus value of each entity as on 31 March 2016. Accordingly, liability of ₹ Nil (Previous year ₹ Nil) has been allocated to Group and ₹ Nil (Previous year ₹ Nil) has been charged to Consolidated Statement of Profit and Loss during the year. The Group has contributed ₹ 104.41 million to Provident Fund (Previous year ₹ 109.82 million) for the year.

(C) **Other long term benefits:**

(₹ in million)

Particulars	31 March 2016	31 March 2015
Present value of obligation at the end of the year	455.02	426.61

52. **Related Party Disclosures**1. **Related parties with whom transactions have taken place during the year.**a) **Enterprise over which certain key management personnel have significant influence:**

Jubilant Enpro Private Limited, Jubilant Oil & Gas Private Limited, Jubilant FoodWorks Limited, Tower Promoters Private Limited, B&M Hot Breads Private Limited, Jubilant Industries Limited, Jubilant Agri and Consumer Products Limited, Jubilant MotorWorks Private Limited, Jubilant Fresh Private Limited, Jubilant Industries Inc., USA, Priority Vendor Technologies Private Ltd (Enterprise over which relatives of KMP have significant influence).

b) **Key management personnel (KMP):**

Mr. Shyam S. Bhartia (up to 25 March 2015), Mr. Hari S. Bhartia, Mr. R. Sankaraiah, Mr. Shyamsundar Bang, Mr. Rajiv Shah (w.e.f. 16 February 2015), Mr. Lalit Jain (up to 31 January 2015).

c) **Others:**

Vam Employees Provident Fund Trust, Jubilant Employee Welfare Trust, Jubilant Bhartia Foundation, Vam Officers Superannuation Fund.

2. **Transactions with related parties during the year:**

(₹ in million)

Sr. No.	Particulars	Enterprise over which certain key management personnel have significant influence	Key management personnel and relatives	Others
1.	Sales of goods and services	130.09 (133.57)		
2.	Rental and other income	89.04 (79.43)		
3.	Purchase of goods and services	137.79 (221.85)		
4.	Recovery of expenses	24.26 (23.50)		
5.	Reimbursement of expenses	2.15 (0.82)		
6.	Remuneration and related expenses (2) (including perquisites)		129.16 (48.41)	
7.	Professional fees for services paid		82.79 (261.00)	
8.	Payment of retiral dues on resignation		– (20.11)	

Notes to the consolidated financial statements for the year ended 31 March 2016 (Continued)

(₹ in million)

Sr. No.	Particulars	Enterprise over which certain key management personnel have significant influence	Key management personnel and relatives	Others
9.	Company's contribution to PF Trust			104.41 (109.82)
10.	Company's contribution to superannuation fund			7.96 (8.79)
11.	Rent expenses	8.22 (7.81)		
12.	Donation			25.90 (24.48)
13.	Sale of tangible/intangible assets	– (302.87)		
14.	Purchase of tangible/intangible assets	– (1.46)		
15.	Loans received back			209.40 (14.50)
Balance as at 31 March 2016				
16.	Trade and other payables	24.31 (12.68)		25.20 (23.79)
17.	Loans recoverable			200.99 (410.39)
18.	Trade receivables	32.14 (8.46)		
19.	Deposits recoverable	22.27 (22.27)		
20.	Other recoverable	36.48 (16.14)		

Notes:

- (1) Figures in () indicates in respect of previous year.
- (2) Excludes provision for gratuity and compensated absences, as these are determined on the basis of actuarial valuation for the Company as a whole.

Disclosure in respect of related party transactions during the year:

1. Sales of goods and services to Jubilant Agri and Consumer Products Limited ₹ 130.09 million (Previous year ₹ 133.57 million).
2. Rental and other income from Jubilant Enpro Private Limited ₹ 12.09 million (Previous year ₹ 9.18 million), Jubilant Oil & Gas Private Limited ₹ 13.58 million (Previous year ₹ 9.70 million), Jubilant MotorWorks Private Limited ₹ 0.62 million (Previous year ₹ Nil), Jubilant FoodWorks Limited ₹ 11.76 million (Previous year ₹ 13.44 million), Jubilant Industries Limited ₹ 0.18 million (Previous year ₹ 0.18 million), Jubilant Agri and Consumer Products Limited ₹ 47.87 million (Previous year ₹ 46.21 million), B&M Hot Breads Private Limited ₹ 1.37 million (Previous year ₹ 0.71 million), Jubilant Fresh Private Limited ₹ Nil (Previous year ₹ 0.01 million) and Jubilant Industries Inc., USA ₹ 1.57 million (Previous year ₹ Nil).
3. Purchases of goods and services from Jubilant Agri and Consumer Products Limited ₹ 136.95 million (Previous year ₹ 221.85 million) and Priority Vendor Technologies Private Ltd ₹ 0.84 million (Previous year ₹ Nil).
4. Recovery of expenses from Jubilant Enpro Private Limited ₹ Nil (Previous year ₹ 0.09 million), Jubilant Oil & Gas Private Limited ₹ Nil (Previous year ₹ 1.32 million), Jubilant Industries Limited ₹ 0.08 million (Previous year ₹ Nil) and Jubilant Agri and Consumer Products Limited ₹ 24.18 million (Previous year ₹ 22.09 million).
5. Reimbursement of expenses to Jubilant Enpro Private Limited ₹ 0.89 million (Previous year ₹ 0.82 million) and Jubilant Industries Limited ₹ 1.26 million (Previous year ₹ Nil).

Notes to the consolidated financial statements for the year ended 31 March 2016 (Continued)

6. Remuneration and related expenses to Mr. Shyam S Bhartia ₹ 63.08 million (Previous year ₹ Nil), Mr. R Sankaraiah ₹ 60.47 million (Previous year ₹ 39.95 million), Mr. Lalit Jain ₹ Nil (Previous year ₹ 7.87 million) and Mr. Rajiv Shah ₹ 5.61 million (Previous year ₹ 0.59 million).
7. Professional fees for services paid to Mr. Shyam S Bhartia ₹ Nil (Previous year ₹ 102.00 million), Mr. Hari S Bhartia ₹ 50.70 million (Previous year ₹ 102.00 million), Mr. Shyamsundar Bang ₹ 32.09 million (Previous year ₹ 57.00 million).
8. Payment of retiral dues (accrued over the years on the basis of actuarial valuation for the Company as a whole) on resignation made to Mr. Shyam S. Bhartia ₹ Nil (Previous year ₹ 20.11 million).
9. Company's contribution to PF Trust to Vam Employee Provident Fund Trust ₹ 104.41 million (Previous year ₹ 109.82 million).
10. Company's contribution to superannuation fund to Vam Officers Superannuation Fund ₹ 7.96 million (Previous year ₹ 8.79 million).
11. Rent expenses to Jubilant Enpro Private Limited ₹ 8.22 million (Previous year ₹ 7.81 million).
12. Donation to Jubilant Bhartia Foundation ₹ 25.90 million (Previous year ₹ 24.48 million).
13. Sale of tangible/intangible assets to Jubilant FoodWorks Limited ₹ Nil (Previous year ₹ 302.87 million).
14. Purchase of tangible/intangible assets from Jubilant Oil & Gas Private Limited ₹ Nil (Previous year ₹ 1.46 million).
15. Loan received back from Jubilant Employee Welfare Trust ₹ 209.40 million (Previous year ₹ 14.50 million).
16. Trade and other payables to Jubilant Industries Limited ₹ 1.82 million (Previous year ₹ 0.83 million), Jubilant Enpro Private Limited ₹ 0.12 million (Previous year ₹ Nil), Jubilant Oil & Gas Private Limited ₹ 1.44 million (Previous year ₹ 1.44 million), Jubilant MotorWorks Private Limited ₹ 0.01 million (Previous year ₹ Nil), B&M Hot Breads Private Limited ₹ 0.32 million (Previous year ₹ 0.32 million), Jubilant Agri and Consumer Products Limited ₹ 20.60 million (Previous year ₹ 10.09 million), Vam Employee Provident Fund Trust ₹ 24.52 million (Previous year ₹ 22.98 million) and Vam Officers Superannuation Fund ₹ 0.68 million (Previous year ₹ 0.81 million).
17. Loan recoverable from Jubilant Employee Welfare Trust ₹ 200.99 million (Previous year ₹ 410.39 million).
18. Trade receivables from Jubilant Agri and Consumer Products Limited ₹ 32.14 million (Previous year ₹ 8.46 million).
19. Deposit recoverable from Tower Promoters Private Limited ₹ 21.00 million (Previous year ₹ 21.00 million) and Jubilant Enpro Private Limited ₹ 1.27 million (Previous year ₹ 1.27 million).
20. Other recoverable from Jubilant Oil & Gas Private Limited ₹ 0.96 million (Previous year ₹ Nil), Jubilant Agri and Consumer Products Limited ₹ 19.73 million (Previous year ₹ 13.92 million), B&M Hot Breads Private Limited ₹ 0.32 million (Previous year ₹ 0.16 million), Jubilant FoodWorks Limited ₹ 11.04 million (Previous year ₹ 1.97 million), Jubilant Enpro Private Limited ₹ 2.84 million (Previous year ₹ 0.09 million) and Jubilant Industries Inc., USA ₹ 1.59 million (Previous year ₹ Nil).
21. The Group is in the process of updating the documentation for the specified transactions entered into with the specified persons and associated enterprises during the financial year. The management is of the opinion that its specified transactions are at arm's length and will not have any impact on the consolidated financial statements, particularly on the amount of tax expense and that of provision for taxation.

53. Segment Reporting:

- i) **Based on the guiding principles given in Accounting Standard 17 (AS-17) on "Segment Reporting", the Group's Primary Business Segments were organised around customers on industry and product lines as under:**
 - a. **Pharmaceuticals:** i) Generics comprising Active Pharmaceuticals Ingredients (APIs) and Solid Dosage Formulations ii) Specialty Pharmaceuticals (sterile products) comprising Radiopharmaceuticals, Allergy Therapy Products, CMO of Sterile Injectables iii) Drug Discovery Solutions iv) Indian Branded Pharmaceuticals.
 - b. **Life Sciences Ingredients:** i) Specialty Intermediates ii) Life Sciences Chemicals iii) Nutritional Products.
- ii) **In respect of secondary segment information, the Group has identified its geographical segments as:**
 - (i) Within India (ii) Outside India.
- iii) **Inter segment transfer pricing**

Inter segment transfer prices are based on market prices.

Notes to the consolidated financial statements for the year ended 31 March 2016 (Continued)

iv) The financial information about the primary business segments is presented in the table given below:

(₹ in million)

Particulars	Pharmaceuticals		Life Sciences Ingredients		Total	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015	31 March 2016	31 March 2015
1) Segment revenue	30,641.64	26,882.79	28,880.95	33,015.42	59,522.59	59,898.21
Less: Inter segment revenue	–	–	57.59	54.88	57.59	54.88
Less: Excise duty on sales	93.77	62.43	1,348.03	1,518.43	1,441.80	1,580.86
Revenue from operations (net)	30,547.87	26,820.36	27,475.33	31,442.11	58,023.20	58,262.47
2) Segment results	6,367.26	2,513.82	3,600.71	2,339.33	9,967.97	4,853.15
Less : Interest (finance cost)					3,785.66	3,553.40
Exceptional items and un-allocable expenditure (net of un-allocable income)					338.93	896.51
Total profit before tax	6,367.26	2,513.82	3,600.71	2,339.33	5,843.38	403.24
3) Capital Employed						
(Segment assets - Segment liabilities)						
Segment assets	58,575.68	54,240.81	24,827.39	25,351.18	83,403.07	79,591.99
Add: Unallocated assets					6,067.17	6,596.30
Total assets	58,575.68	54,240.81	24,827.39	25,351.18	89,470.24	86,188.29
Segment liabilities	5,320.49	4,549.36	4,549.47	5,851.43	9,869.96	10,400.79
Add: Unallocated liabilities*					2,068.10	940.94
Total liabilities	5,320.49	4,549.36	4,549.47	5,851.43	11,938.06	11,341.73
Segment capital employed	53,255.19	49,691.45	20,277.92	19,499.75	73,533.11	69,191.20
Add: Unallocated capital employed					3,999.07	5,655.36
Total capital employed	53,255.19	49,691.45	20,277.92	19,499.75	77,532.18	74,846.56
4) Segment capital expenditure	2,840.01	2,736.64	748.45	864.69	3,588.46	3,601.33
Add: Unallocated capital expenditure					41.83	93.13
Total capital expenditure	2,840.01	2,736.64	748.45	864.69	3,630.29	3,694.46
5) Depreciation and amortisation(net)	2,527.63	1,933.40	866.06	880.99	3,393.69	2,814.39
Add: Unallocated depreciation					66.10	65.15
Total depreciation and amortisation (Refer note 37)	2,527.63	1,933.40	866.06	880.99	3,459.79	2,879.54

* Excluding long-term borrowings (including current maturities), short-term borrowings and deferred tax liabilities (net).

v) Secondary segments (Geographical segments):

(₹ in million)

Particulars	31 March 2016	31 March 2015
a) Revenue from operations by geographical location of customers (Net of excise duty)		
Within India	15,428.06	16,895.30
Outside India	42,595.14	41,367.17
Total	58,023.20	58,262.47
b) Carrying amount of segment assets (by geographic location of assets)		
Within India	38,804.92	36,898.82
Outside India	50,665.32	49,289.47
Total	89,470.24	86,188.29

Notes to the consolidated financial statements for the year ended 31 March 2016 (Continued)

		(₹ in million)	
Particulars		31 March 2016	31 March 2015
c)	Capital expenditure		
	Within India	2,026.34	2,160.79
	Outside India	1,603.95	1,533.67
	Total	3,630.29	3,694.46
d)	Revenue from operations by geographical markets		
	India	15,428.06	16,895.30
	Americas and Europe	35,593.10	33,628.22
	China	1,949.96	3,506.09
	Others	5,052.08	4,232.86
	Total	58,023.20	58,262.47

Notes:

- 1) The Group 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. Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary

Name of the Enterprise		Net Assets (Total assets -Total liabilities)		Share in profit/ (loss)	
		As % of consolidated net assets	Amount (₹ in million)	As % of consolidated profit/ (loss)	Amount (₹ in million)
Parent					
Jubilant Life Sciences Limited		68.14%	19,825.01	18.32%	790.68
Subsidiaries					
Indian					
1	Jubilant Clinsys Limited	0.99%	288.56	(0.12%)	(5.10)
2	Jubilant Chemsys Limited	1.75%	508.74	0.83%	35.89
3	Jubilant Biosys Limited	(4.29%)	(1,247.98)	(3.26%)	(140.57)
4	Jubilant Infrastructure Limited	4.53%	1,317.37	4.90%	211.52
5	Jubilant First Trust Healthcare Limited	0.23%	67.12	0.30%	13.00
6	Jubilant Generics Limited	22.25%	6,473.62	4.29%	184.90
7	Jubilant Innovation (India) Limited	0.01%	3.51	(0.00%)	(0.09)
8	Jubilant DraxImage Limited	(0.10%)	(28.92)	0.02%	1.03
9	Vanths Pharmaceutical Development Pvt. Limited	0.11%	32.22	0.04%	1.66
Foreign					
1	Jubilant Life Sciences (USA) Inc.	0.34%	98.61	0.60%	25.70
2	Jubilant Life Sciences (Shanghai) Limited	0.67%	195.06	(0.57%)	(24.62)
3	Jubilant Pharma NV	4.66%	1,354.56	(0.01%)	(0.59)
4	Jubilant Pharmaceuticals NV	(0.12%)	(36.06)	(0.56%)	(24.12)
5	PSI Supply NV	0.07%	21.11	(0.93%)	(39.94)
6	Jubilant Pharma Holdings Inc.	55.75%	16,221.93	0.67%	28.85
7	Jubilant Clinsys Inc.	1.26%	367.76	(1.34%)	(57.91)

Notes to the consolidated financial statements for the year ended 31 March 2016 (Continued)

Name of the Enterprise		Net Assets (Total assets -Total liabilities)		Share in profit/ (loss)	
		As % of consolidated net assets	Amount (₹ in million)	As % of consolidated profit/ (loss)	Amount (₹ in million)
8	HSL Holdings Inc.	37.98%	11,051.50	1.44%	62.18
9	Jubilant HollisterStier LLC	10.85%	3,157.56	3.21%	138.36
10	Jubilant Pharma Limited	69.70%	20,280.65	(5.76%)	(248.43)
11	Cadista Holdings Inc.	(0.58%)	(169.70)	(1.75%)	(75.51)
12	Jubilant Cadista Pharmaceuticals Inc.	30.18%	8,781.77	9.53%	411.22
13	Jubilant Biosys (BVI) Limited	0.31%	90.51	(0.01%)	(0.27)
14	Jubilant Biosys (Singapore) Pte. Limited	0.29%	85.15	(0.02%)	(0.77)
15	Jubilant Discovery Services Inc.	(0.09%)	(24.97)	(0.32%)	(13.61)
16	Jubilant Drug Development Pte. Limited	0.56%	163.00	(0.02%)	(0.76)
17	Jubilant Life Sciences (BVI) Limited	0.92%	266.37	(0.01%)	(0.37)
18	Jubilant Life Sciences International Pte. Limited	0.24%	69.50	0.41%	17.52
19	Jubilant Innovation (BVI) Limited	0.92%	267.16	(0.01%)	(0.39)
20	Jubilant Innovation Pte. Limited	0.12%	35.18	(0.03%)	(1.14)
21	Draximage Limited, Cyprus	0.66%	192.03	(0.11%)	(4.87)
22	Draximage Limited, Ireland	0.09%	25.15	(0.04%)	(1.58)
23	Draximage LLC	0.00%	1.00	(0.00%)	(0.01)
24	Jubilant Draximage (USA) Inc.	0.22%	64.77	0.60%	25.92
25	Deprenyl Inc., USA	0.71%	206.88	0.15%	6.63
26	Jubilant DraxImage Inc.	24.37%	7,091.56	77.51%	3,344.53
27	6963196 Canada Inc.	(0.00%)	(0.85)	(0.00%)	(0.01)
28	6981364 Canada Inc.	(0.00%)	(0.27)	(0.00%)	(0.02)
29	DAHI Animal Health (UK) Limited	(0.00%)	(0.21)	–	–
30	Draximage (UK) Limited	0.00%	0.00	–	–
31	Jubilant Innovation (USA) Inc.	1.23%	358.05	3.83%	165.33
32	Draxis Pharma LLC	0.06%	16.42	(0.00%)	(0.03)
33	Jubilant HollisterStier Inc.	2.96%	862.64	(5.09%)	(219.42)
34	Jubilant Life Sciences (Switzerland) AG, Schaffhausen	0.00%	0.36	(0.01%)	(0.51)
35	Jubilant Drug Discovery and Development Services Inc.	0.02%	5.95	(0.03%)	(1.44)
36	Drug Discovery and Development Solutions Limited	1.85%	537.23	(0.02%)	(0.91)
37	Jubilant Life Sciences NV	0.05%	13.54	0.22%	9.46
38	Jubilant Pharma Trading Inc.	0.26%	75.58	0.98%	42.50
Partnership controlled through subsidiaries		10.90%	3,170.36	(9.97%)	(430.21)
Minority Interests included in respective subsidiaries		–	–	–	–
Total eliminations		(251.04%)	(73,040.41)	2.11%	91.18
Total		100.00%	29,095.69	100.00%	4,314.85

Notes to the consolidated financial statements for the year ended 31 March 2016 (Continued)

		For the year ended 31 March 2016	For the year ended 31 March 2015	
55. Earnings per share (EPS)				
I.	Profit/ (loss) for basic and diluted earnings per share of ₹ 1 each	₹ in million	₹ 4,314.85	(577.64)
II.	Weighted average number of equity shares for earnings per share computation			
	A) For basic earnings per share	Nos.	159,281,139	159,281,139
	B) For diluted earnings per share:			
	No. of shares for basic earning per share as per II (A)	Nos.	159,281,139	159,281,139
	Add: weighted average outstanding options related to employee stock options. (Note1)	Nos.	Nil	Nil
	No. of shares for diluted earnings per share	Nos.	159,281,139	159,281,139
III.	Earnings per share (face value of ₹ 1 each)			
	Basic	Rupees	27.09	(3.63)
	Diluted	Rupees	27.09	(3.63)

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.

As per our report of even date attached

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

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

Chartered Accountants

ICAI Firm registration number : 101248W/W-100022

Pravin Tulsyan

Partner

Membership No.: 108044

Shyam S. Bhartia

Chairman

DIN:00010484

Place : Noida

Date : 24 May 2016

Rajiv Shah

Company Secretary

R. Sankaraiah

Executive Director-Finance

Hari S. Bhartia

Co-Chairman and Managing Director

DIN:00010499

FORM AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of financial statements of subsidiary/ associates/ joint ventures as per Companies Act, 2013 PART "A" : SUBSIDIARIES

Sr. No.	Name of the subsidiary	Reporting currency	Share capital	Reserves & surplus	Total assets	Total liabilities	Investments (3)	Turnover/ Total income	Profit/ (loss) before taxation	Provision for taxation	Foreign Currencies in absolute terms		% of shareholding
											Profit/ (loss) after taxation	Proposed dividend	
1	Jubilant Clinys Limited	INR	290.50	(1.94)	350.54	61.98	-	25.54	(5.10)	-	(5.10)	Nil	100.00%
2	Jubilant Chemys Limited	INR	82.00	426.74	631.25	122.51	-	662.42	35.89	-	35.89	Nil	100.00%
3	Jubilant Biosys Limited	INR	4.41	(1,252.39)	753.27	2,001.25	-	588.47	(140.57)	-	(140.57)	Nil	66.98%
4	Jubilant Infrastructure Limited	INR	344.84	972.53	2,085.17	767.80	4.12	894.21	238.71	27.19	211.52	207.52	100.00%
5	Jubilant First Trust Healthcare Limited	INR	20.50	46.62	73.08	5.96	-	30.92	21.88	8.88	13.00	Nil	100.00%
6	Jubilant Generics Limited	INR	13.08	6,460.54	20,347.24	13,873.62	-	9,113.81	232.64	47.74	184.90	Nil	100.00%
7	Jubilant Life Sciences (USA) Inc.	USD	375,000	1,113,497	10,259,695	8,771,198	-	23,099,679	385,014	16,862	368,152	Nil	100.00%
		INR	17.11	81.50	679.70	581.09	-	1,506.87	26.82	1.12	25.70	Nil	100.00%
8	Jubilant Life Sciences (Shanghai) Limited	RMB	1,652,837	17,359,264	50,014,763	31,002,662	-	128,999,280	(2,378,624)	-	(2,378,624)	Nil	100.00%
		INR	8.80	186.26	513.15	318.09	-	1,325.07	(24.62)	-	(24.62)	Nil	100.00%
9	Jubilant Pharma NV	EUR	16,180,000	1,785,071	17,998,503	33,432	-	-	(8,156)	-	(8,156)	Nil	100.00%
		INR	894.14	460.42	1,357.08	2.52	-	-	(0.59)	-	(0.59)	Nil	100.00%
10	Jubilant Pharmaceuticals NV	EUR	1,050,300	(1,528,564)	1,805,575	2,283,839	-	604,557	(333,253)	1,507	(334,760)	Nil	100.00%
		INR	63.95	(100.01)	136.14	172.20	-	43.85	(24.01)	0.11	(24.12)	Nil	100.00%
11	PSI Supply NV	EUR	665,000	(385,012)	2,311,235	2,031,247	-	3,319,135	(548,008)	(259)	(547,749)	Nil	100.00%
		INR	43.37	(22.26)	174.27	153.16	-	246.95	(39.96)	(0.02)	(39.94)	Nil	100.00%
12	Jubilant Pharma Holdings Inc	USD	245,086,975	(227,652)	282,314,030	37,454,707	-	7,237,463	922,264	464,437	457,827	Nil	100.00%
		INR	11,508.52	4,713.41	18,703.31	2,481.38	-	473.78	58.64	29.79	28.85	Nil	100.00%
13	Jubilant Clinys Inc.	USD	36,229,630	(30,678,561)	8,569,723	3,018,654	-	576,375	(883,135)	3,575	(886,710)	Nil	100.00%
		INR	1,890.86	(1,523.10)	567.74	199.98	-	37.62	(57.68)	0.23	(57.91)	Nil	100.00%
14	HSL Holdings Inc.	USD	19	166,815,055	270,511,094	103,696,020	-	2,798,354	1,468,374	513,598	954,776	Nil	100.00%
		INR	0.00	11,051.50	17,921.36	6,869.86	-	182.59	95.62	33.44	62.18	Nil	100.00%
15	Jubilant HollisterStier LLC	USD	21,521,278	26,139,908	141,008,125	93,346,939	-	102,454,781	4,190,072	2,080,828	2,109,244	Nil	100.00%
		INR	876.78	2,280.78	9,341.79	6,184.23	-	6,711.15	275.46	137.10	138.36	Nil	100.00%
16	Jubilant Pharma Limited	USD	326,758,994	(20,635,897)	466,094,939	159,971,842	2,173,500	7,986,810	(2,592,996)	1,245,174	(3,838,170)	Nil	100.00%
		INR	15,232.66	5,047.99	30,878.79	10,598.14	143.99	521.93	(165.66)	82.77	(248.43)	Nil	100.00%
17	Cadista Holdings Inc.	USD	117,797	(2,679,303)	67,622	2,629,128	-	38	(1,168,299)	-	(1,168,299)	Nil	100.00%
		INR	5.40	(175.10)	4.48	174.18	-	0.00	(75.51)	-	(75.51)	Nil	100.00%
18	Jubilant Cadista Pharmaceuticals Inc.	USD	1	132,555,042	188,411,592	55,856,549	-	96,784,447	8,476,092	2,131,331	6,344,761	Nil	100.00%
		INR	-	8,781.77	12,482.26	3,700.49	-	6,328.34	547.67	136.45	411.22	Nil	100.00%
19	Jubilant Biosys (BVI) Limited	USD	1,397,501	(31,293)	1,374,495	8,287	-	-	(4,160)	-	(4,160)	Nil	100.00%
		INR	69.85	20.66	91.06	0.55	-	-	(0.27)	-	(0.27)	Nil	100.00%
20	Jubilant Biosys (Singapore) Pte. Limited	USD	1,371,501	(86,255)	1,313,015	27,769	-	-	(11,911)	-	(11,911)	Nil	100.00%
		INR	68.56	16.59	86.99	1.84	-	-	(0.77)	-	(0.77)	Nil	100.00%
21	Jubilant Discovery Services Inc.	USD	2,485,000	(2,861,863)	1,066,096	1,442,959	-	2,021,870	(216,999)	2,518	(219,517)	Nil	100.00%
		INR	116.87	(141.84)	70.63	95.60	-	133.21	(13.44)	0.17	(13.61)	Nil	100.00%

FORM AOC-1 (Continued)

Sr. No.	Name of the subsidiary	Reporting currency	Share capital	Reserves & surplus	Total assets	Total liabilities	Investments (3)	Turnover / Total income	Foreign Currencies in absolute terms (₹ in million)				% of shareholding
									Profit/ (loss) before taxation	Provision for taxation	Profit/ (loss) after taxation	Proposed dividend	
22	Jubilant Drug Development Pte. Limited	USD	2,547,001	(86,591)	2,486,809	26,399	-	-	(11,681)	-	(11,681)	Nil	100.00%
		INR	127.33	35.67	164.75	1.75	-	-	(0.76)	-	(0.76)	Nil	
23	Jubilant Life Sciences (BVI) Limited	USD	4,057,501	(36,935)	4,031,857	11,291	-	-	(5,560)	-	(5,560)	Nil	100.00%
		INR	203.05	63.32	267.11	0.74	-	-	(0.37)	-	(0.37)	Nil	
24	Jubilant Life Sciences International Pte. Limited	USD	437,503	611,578	21,393,982	20,344,901	-	47,460,694	292,739	1,660	291,079	Nil	100.00%
		INR	19.99	49.51	1,417.35	1,347.85	-	3,110.11	17.51	(0.01)	17.52	Nil	
25	Jubilant Innovation (BVI) Limited	USD	17,175,000	(13,142,346)	4,036,669	4,015	-	-	(5,940)	-	(5,940)	Nil	100.00%
		INR	835.59	(568.43)	267.43	0.27	-	-	(0.39)	-	(0.39)	Nil	
26	Jubilant Innovation Pte. Limited	USD	2,922,301	(2,391,223)	542,683	11,605	-	-	(17,293)	-	(17,293)	Nil	100.00%
		INR	138.09	(102.91)	35.95	0.77	-	-	(1.14)	-	(1.14)	Nil	
27	Draximage Limited, Cyprus	USD	3,400	2,895,078	2,904,422	5,944	-	2	(73,904)	-	(73,904)	Nil	100.00%
		INR	0.16	191.87	192.42	0.39	-	0.00	(4.87)	-	(4.87)	Nil	
28	Draximage Limited, Ireland	USD	725,004	(345,384)	394,869	15,249	-	1	(23,740)	-	(23,740)	Nil	100.00%
		INR	35.05	(9.90)	26.16	1.01	-	0.00	(1.58)	-	(1.58)	Nil	
29	Draximage LLC	USD	65,000	(49,846)	16,374	1,220	-	-	(168)	-	(168)	Nil	100.00%
		INR	3.05	(2.05)	1.08	0.08	-	-	(0.01)	-	(0.01)	Nil	
30	Jubilant Draximage (USA) Inc.	USD	9	977,628	2,123,054	1,145,417	-	3,000,001	707,637	313,211	394,426	Nil	100.00%
		INR	0.00	64.77	140.65	75.88	-	196.16	46.49	20.57	25.92	Nil	
31	Deprenyl Inc., USA	USD	15	3,122,735	3,864,267	741,517	-	101,679	101,454	-	101,454	Nil	100.00%
		INR	0.00	206.88	256.01	49.13	-	6.65	6.63	-	6.63	Nil	
32	Jubilant Draximage Inc.	CAD	18,652,615	119,773,294	267,735,209	129,309,300	-	141,673,780	87,468,342	20,575,970	66,882,372	Nil	100.00%
		INR	754.95	6,336.61	13,716.08	6,624.52	-	7,076.62	4,373.93	1,029.41	3,344.52	Nil	
33	6963196 Canada Inc.	CAD	2,500	(19,045)	2	16,547	-	-	(207)	85	(292)	Nil	100.00%
		INR	0.11	(0.96)	0.00	0.85	-	-	(0.01)	0.00	(0.01)	Nil	
34	6981364 Canada Inc.	CAD	2,500	(7,675)	2,279	7,454	-	-	(190)	278	(468)	Nil	100.00%
		INR	0.11	(0.37)	0.12	0.38	-	-	(0.01)	0.01	(0.02)	Nil	
35	DAHI Animal Health (UK) Limited	GBP	1	(2,207)	-	2,206	-	-	-	-	-	Nil	100.00%
		INR	0.00	(0.21)	-	0.21	-	-	-	-	-	Nil	
36	Draximage (UK) Limited	GBP	1	-	1	-	-	-	-	-	-	Nil	100.00%
		INR	0.00	-	0.00	-	-	-	-	-	-	Nil	
37	Jubilant Innovation (USA) Inc.	USD	2,975,000	2,429,441	6,853,443	1,449,002	2,217,415	-	3,390,302	936,423	2,453,879	Nil	100.00%
		INR	160.04	198.01	454.05	96.00	146.90	-	228.42	63.09	165.33	Nil	
38	Jubilant Innovation (India) Limited	INR	0.50	3.01	3.58	0.07	-	-	(0.09)	-	(0.09)	Nil	100.00%
39	Jubilant Draximage Limited	INR	0.78	(29.70)	25.53	54.45	-	99.23	1.03	-	1.03	Nil	100.00%
40	Draxis Pharma LLC	USD	250,100	(2,281)	248,119	300	-	-	(1,035)	-	(1,035)	Nil	100.00%
		INR	11.64	4.78	16.44	0.02	-	-	(0.07)	-	(0.07)	Nil	
41	Jubilant HollisterStier Inc.	USD	42,325,600	(29,304,618)	103,109,213	90,088,231	-	-	(9,741,641)	-	(9,741,641)	Nil	100.00%
		INR	1,922.11	(1,059.47)	6,830.98	5,968.34	-	-	(649.58)	-	(649.58)	Nil	
42	Jubilant Life Sciences (Switzerland) AG, Schaffhausen	CHF	100,000	(94,858)	5,142	-	-	-	(7,522)	-	(7,522)	Nil	100.00%
		INR	4.70	(4.34)	0.36	-	-	-	(0.51)	-	(0.51)	Nil	

FORM AOC-1 (Continued)

Sr. No.	Name of the subsidiary	Reporting currency	Share capital	Reserves & surplus	Total assets	Total liabilities	Investments (3)	Turnover/ Total income	Foreign Currencies in absolute terms				
									Profit/ (loss) before taxation	Provision for taxation	Profit/ (loss) after taxation	Proposed dividend	% of shareholding
43	Jubilant Drug Discovery and Development Services Inc.	CAD	50,000	66,221	124,271	8,050	-	57,535	(27,965)	-	(27,965)	Nil	100.00%
		INR	2.45	3.50	6.37	0.42	-	2.84	(1.44)	-	(1.44)	Nil	
44	Varthys Pharmaceutical Development Pvt. Limited	INR	225.00	(192.78)	36.57	4.35	-	2.63	2.51	0.85	1.66	Nil	100.00%
45	Drug Discovery and Development Solutions Limited	USD	1,050,001	7,059,201	8,117,874	8,672	-	-	(13,963)	-	(13,963)	Nil	100.00%
		INR	65.10	472.13	537.81	0.58	-	-	(0.91)	-	(0.91)	Nil	
46	Jubilant Life Sciences NV	EUR	100,000	79,547	12,956,635	12,777,088	-	46,373,896	208,558	55,412	153,146	Nil	100.00%
		INR	7.81	5.73	976.93	963.39	-	3,341.75	12.64	3.18	9.46	Nil	
47	Jubilant Pharma Trading Inc.	USD	100	1,140,708	3,567,909	2,427,101	-	19,884,173	1,011,542	358,497	653,045	Nil	100.00%
		INR	0.01	75.57	236.38	160.80	-	1,296.41	65.85	23.35	42.50	Nil	

Notes:

- 1) Converted into Indian Rupees at the exchange rate as on 31.03.2016 : 1EUR = INR 75.40, 1USD = INR 66.25, 1GBP = INR 95.47, 1RMB = INR 10.26, 1CAD = INR 51.23, 1CHF = INR 68.98
- 2) The above statement excludes inter company eliminations.
- 3) Excludes investment in subsidiaries.

Names of Subsidiaries which are yet to commence operations : Nil

Names of Subsidiaries which have been liquidated or sold during the year:

Sr. No.	Name of the Subsidiary Company
1	First Trust Medicare Pvt. Limited (merged with Jubilant First Trust Healthcare Limited-Refer note 32)

PART "B" : ASSOCIATES AND JOINT VENTURES

Sr. No.	Name of Associates/ Joint Ventures	Latest audited Balance Sheet date	No.	Shares of Associate/Joint Ventures held by the company on the year end		Profit/(loss) for the year		
				Amount of Investment in Associates/ Joint Venture (₹ in million)	Extend of Holding %	Net worth attributable to shareholding as per latest audited Balance Sheet (₹ in million)	Considered in consolidation (₹ in million)	Not considered in consolidation
Not applicable, as there are no Associates/Joint Ventures								

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

Shyam S. Bhartia
Chairman
DIN:00010484

Hari S. Bhartia
Co-Chairman and Managing Director
DIN:00010499

R. Sankaraiah
Executive Director-Finance

Rajiv Shah
Company Secretary

Place : Noida
Date : 24 May 2016

Corporate Information

Registered Office

Bhartiagram, Gajraula
Distt. Amroha – 244 223
Uttar Pradesh, India
Tel. : +91 5924 252 351-56, 58-60
CIN: L24116UP1978PLC004624

Corporate Office

1A, Sector 16A, Noida - 201 301
Uttar Pradesh, India
Tel. : +91 120 4361000

Statutory Auditors

B S R & Co. LLP
Chartered Accountants
Building No. 10
8th Floor, Tower B
DLF Cyber City, Phase II
Gurgaon - 122 002
Haryana, India

Cost Auditors

J.K. Kabra & Co.
Cost Accountants
552/1B, Arjun Street
Main Vishwas Road
Vishwas Nagar
Delhi - 100 032, India

Internal Auditors

Ernst & Young LLP
Golf View Corporate Tower B
Sector Road, Sector 42
Gurgaon - 122 002
Haryana, India

Company Secretary

Rajiv Shah

Registrars & Transfer Agents

Alankit Assignments Limited
1E/13, Alankit Heights
Jhandewalan Extension
New Delhi - 110 055
Tel.: +91-11-42541234/ 23541234

Bankers

Axis Bank Limited
Bank of Maharashtra
Corporation Bank
DBS Bank Limited
Export Import Bank of India
The Hong Kong & Shanghai Banking Corporation Limited
ICICI Bank Limited
Punjab National Bank
RBL Bank Limited
Yes Bank Limited

Sustainability Report 2015-16



Jubilant Life Sciences Ltd. publishes a comprehensive Sustainability Report annually in accordance with Global Reporting Initiative's (GRI) framework. The Sustainability Report for FY 2015 -16 is available at:
www.jubl.com/sustainability/sustainability-report



Jubilant Life Sciences Limited

Regd. Office: Bhartiagram, Gajraula, Distt. Amroha - 244 223, Uttar Pradesh, India

Corporate Office: 1A, Sector 16A, Noida - 201 301, Uttar Pradesh, India

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