

***Caring...***  
***Sharing...***  
***Growing...***





# Contents

<b>02</b>	Global Presence
<b>04</b>	Awards & Recognition
<b>05</b>	Board of Directors
<b>06</b>	Senior Leadership Team
<b>08</b>	Chairmen's Message
<b>14</b>	Management Discussion & Analysis
<b>44</b>	Directors' Report
<b>64</b>	Report on Corporate Governance
<b>86</b>	Auditors' Report and Annexure to the Auditors' Report
<b>90</b>	Balance Sheet and Profit and Loss Account
<b>92</b>	Cash Flow Statement
<b>93</b>	Notes to the Financial Statements
<b>129</b>	Auditors' Report to Consolidated Accounts
<b>130</b>	Consolidated Balance Sheet and Profit and Loss Account
<b>132</b>	Consolidated Cash Flow Statement
<b>133</b>	Notes to the Consolidated Financial Statements
<b>169</b>	Details of Subsidiary Companies
	Corporate Information

# Global Presence

## NORTH AMERICA

### **Kirkland, Quebec, Canada**

US FDA approved facility for contract manufacturing of Non-sterile products and Radiopharmaceuticals

### **Ottawa, Canada**

DDDS Office

### **Spokane, Washington, USA**

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

### **Horsham, Pennsylvania, USA**

Jubilant Cadista - Sales & Marketing Head Office

### **Malvern, Pennsylvania, USA**

DDDS Office

### **Salisbury, Maryland, USA**

US FDA approved facility for Generics (Tablets & Capsules)

### **Raleigh North Carolina, USA**

Clinical Research Centre and Jubilant Life Sciences Marketing Office

### **Bedminster, New Jersey, USA**

Clinical Research Centre and Jubilant Life Sciences Marketing Office



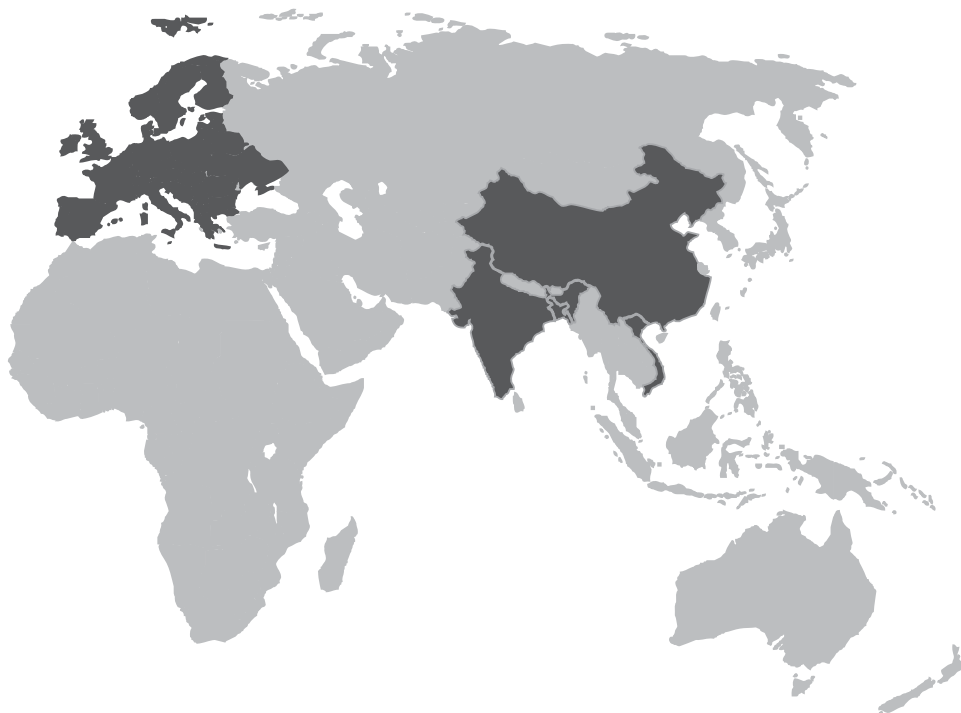
## FACTS & FIGURES

- International sales in more than 75 countries
- Present in India, North America, Europe and China
- 7 Manufacturing facilities in India and 3 in North America
- Drug Discovery Centre in India and Multiple R&D Centres in India & Overseas
- Employs ~ 6300 people including ~1200 in R&D and ~1500 in North America

**EUROPE**

**Merelbeke, Belgium**  
Regulatory & Generic Marketing

**Dusseldorf, Germany** -  
Jubilant Clinsys, Europe Office

**INDIA**

**Noida, Uttar Pradesh**  
Corporate Office & R&D Centres

**Roorkee, Uttarakhand**  
US FDA, UKMHRA, ANIVSA Brazil and  
PMDA Japan approved facility for Generics

**Gajraula, Uttar Pradesh**  
Largest integrated Pyridine & its  
derivatives facility in the world

**Samlaya, Gujarat**  
Animal Nutrition Products

**Bharuch, Gujarat**  
SEZ for Vitamins and  
Life Science derivatives

**Ambarnath, Maharashtra**  
Exclusive Synthesis - Pyridine derivatives

**Nira, Maharashtra**  
Life Sciences Chemicals

**Bengaluru, Karnataka**  
State-of-art Discovery Centre

**Nanjangud, Karnataka**  
US FDA, AFSSAPS France and  
PDMA Japan approved APIs facility

**CHINA**

**Shanghai**  
Marketing Office

## **OUR GLOBAL LEADERSHIP POSITIONS**

- **Global leadership in APIs** - Carbamezepine, Citalopram, Donepezil, Irbesartan, Lamotrigine, Meclizine, Oxcarbazepine and Valsartan
- **Globally No.1 in Pyridines, Beta Picolines & 14 other Pyridine derivatives – Fine Chemicals**
- **Globally amongst top 10 players in Ethyl Acetate & Acetic Anhydride**
- **Globally amongst top 10 players in Choline Chloride (Vitamin B4)**
- **Globally No. 2 in Niacin & Niacinamide/ Vitamin B3 - Nutrition Ingredients**
- **Leading market share positions in Four therapeutic and imaging, Nuclear Medicine products in North America**
- **Leading No. 2 Allergy Therapy Company in USA**
- **Amongst top 3 in the contract manufacturing of semi-solid OCL dosage formulations in North America**
- **Global leadership in the contract development and manufacture of sterile injectable dosage forms**
- **Leadership amongst the world's top 5 in Integrated Drug Discovery and Development solutions**
- **Unique affordable healthcare model operational in West Bengal, India**

# Awards & Recognition

- 
- **Best CFO - Pharmaceutical and Healthcare, 2011** awarded to R Sankaraiah, Executive Director – Finance, Jubilant Life Sciences in All Asia Executive Team Survey by Institutional Investor
  - **ET Now - Golden Peacock National Quality Award 2011** in Pharmaceutical Sector - Gajraula Facility, India
  - **FICCI Quality Systems Excellence Award 2011** for Good Practices in Quality Systems - Nanjangud Facility, India
  - **National Energy Conservation Awards 2011**, 2<sup>nd</sup> price in the chemicals sector - Gajraula Facility, India
  - **CII National Water Management Award 2011** under the category 'Excellent Water Efficient Unit (Within Fence Category)' - Nanjangud Facility, India
  - **The Economic Times - Frost & Sullivan India Manufacturing Excellence Gold Award**, in Process Sector, Medium Business for the Pyridine & Picoline Plant - Gajraula, India
  - **Indian Chemical Council Award 2010** for Social Responsibility
  - **DHL – CNBC TV 18 International Trade Awards 2010-11** from ICRA
  - **Frost & Sullivan - Indian Contract Research Organization of the Year Award 2011**, to Jubilant Biosys Ltd
  - **Information Week EDGE Award 2011** (Enterprise Driving Growth & Excellence – through IT) from UBM (United Business Media Group)
  - **CIO 100 - 2011 The Creative 100** and **CIO 100 Green Edge Award** from IDG India's CIO magazine
  - **International Quality & Productivity Centre Award 2011** for the Best Innovative Continuous Improvement Project - Process Re-engineering implemented in North American subsidiaries
  - Amongst the companies with a **Level 4 rating** by **The Karmayog Corporate Social Responsibility (CSR) Study** on CSR Ratings of India's Largest 500 companies: 2009-10



## Board of Directors



**Shyam S Bhartia**  
Chairman & Managing Director



**Hari S Bhartia**  
Co-Chairman & Managing Director



**H K Khan**  
Director



**Shyamsundar Bang**  
Executive Director  
Manufacturing & Supply Chain



**Surendra Singh**  
Director



**Dr. Naresh Trehan**  
Director



**Abhay Havaladar**  
Director



**Shardul S Shroff**  
Director



**Dr. Inder Mohan Verma**  
Director

# Senior Leadership Team



**Shyam S Bhartia**  
Chairman & Managing Director



**Hari S Bhartia**  
Co-Chairman & Managing Director



**R Sankaraiah**  
Executive Director  
Finance



**Shyamsundar Bang**  
Executive Director  
Manufacturing & Supply Chain





**Pramod Yadav**  
CEO  
Advance Intermediates and  
Nutritional Products



**Rajesh Srivastava**  
CEO  
Fine Chemicals and CRAMS



**Neeraj Agrawal**  
CEO  
Generics



**Marcelo Morales**  
CEO  
Contract Manufacturing &  
Services, Jubilant HollisterStier



**Scott Delaney**  
CEO  
Jubilant Cadista



**Chandan Singh**  
President  
Acetyls and Ethanol



**Martyn Coombs**  
President  
Jubilant DraxImage



**Kevin Garrity**  
President  
Allergy Business



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



**Nayan Nanavati**  
CEO  
Jubilant Clinsys



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



**Dr. Goutam Muhuri**  
President  
R&D - Dosage Forms

# Chairmen's Message

**Dear Shareholders,**

During the year there has been a challenging business environment in India, European Union and the United States. GDP growth in India has slowed down but is still at a very high level of 6.9% which is higher than growth in many other countries. European Union has been facing headwinds and uncertainties are likely to continue. Japan has been recovering from the ill effects of Tsunami and US has been showing signs of growth but the macro environment is still very fragile.

Despite these uncertainties, Financial Year 2011-12 has been a remarkable year at Jubilant Life Sciences. Our performance this year was characterised by strong revenue growth of 24% and earnings growth of 57% demonstrating robust momentum in all business segments. Our enhanced focus on revenue growth from international business brought in 37% growth in regulated market operations. With our international business accounting for 70% of revenue and with about 50% assets outside India, Jubilant is now truly transformed into a Global Life Sciences Company. Our strategy of continuously moving up the value chain of Life Sciences Ingredients and Pharmaceutical businesses with wider geographic reach and on-going investments in R&D for new product launches has yielded excellent results.

In FY 2012 we reported Income from Operations of ₹ 42,782 million with Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA) at an all-time high of ₹ 8,930 million. This led to enhanced margins of 20.9% compared to 16.5% last year, testimony to the success of our initiatives to rationalise costs and improve operational efficiencies. Profit before exceptional items, tax and minority interest was ₹ 4,628 million, recording Year on Year (YoY) growth of

64%. The Company reported Profit after Tax (PAT) of ₹ 146 million in FY 2012. However, Normalised PAT was ₹ 3,632 million for FY 2012 after adjusting for exceptional items of ₹ 3,487 million primarily on account of impairment of goodwill in US clinical research business and unrealised foreign exchange losses.

Business evolution has enabled the need for reclassification of verticals into Pharmaceuticals and Life Science Ingredients in order to clearly identify and understand the operating matrix. We believe that this structure is more reflective of our focus going forward and is integral to our strategy for years to come.

Our Pharmaceuticals vertical comprises of revenue lines of Active Pharmaceutical Ingredients (APIs), Generics, Specialty Pharmaceuticals (Radiopharmaceuticals and Allergy Therapy Products), Contract Manufacturing Outsourcing (CMO), Drug Discovery & Development Solutions (DDDS) and Healthcare. In FY 2012, 51% of our income and over 60% of operating profits were derived from pharmaceutical vertical. The income from operations from this vertical recorded YoY growth of 41%, at ₹ 21,753 million, driven by new product launches, better pricing and demand for our niche products as well as geographic outreach program.

With over 3 decades of experience in chemistry, Jubilant is today an established name in the Life Science Ingredients space. We are well-positioned as a cost effective high quality manufacturer of life science products with global leadership positions. Life Science Ingredients vertical comprises of Proprietary Products and Exclusive Synthesis, Nutrition Ingredients and Life Science Chemicals. In FY 2012, income from operations at ₹ 21,029 million recorded an increase of 11% YoY, contributing 49% to the FY 2012 revenue mix.