



## INFORMATION MEMORANDUM

### JUBILANT INDUSTRIES LIMITED

**Registered Office:** Bhartiagram, Gajraula, District Jyotiba Phoolay Nagar, Uttar Pradesh 244 223, India  
**Tel:** +91-5924-252351 - 60

**Corporate Office:** 1A, Sector 16A, Institutional Area, Noida, Uttar Pradesh 201 301, India

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**Website:** www.jubilantindustries.com **Contact Person:** Ms. Sonia Niranjana Das **Email:** investorsjil@jubl.com

Jubilant Industries Limited was incorporated on February 23, 2007 in Kanpur, Uttar Pradesh as a private limited company in the name and style of „Hitech Shiksha Private Limited“ under the Companies Act, 1956 with the Registrar of Companies, Uttar Pradesh and Uttarakhand (“RoC”). With effect from March 16, 2010, our Company became a public limited company and the name of our Company was changed to „Hitech Shiksha Limited“ and subsequently on June 8, 2010 our name was changed to our present name „Jubilant Industries Limited“. The corporate identity number assigned to our Company is U24100UP2007PLC032909. For details of changes in the name of our Company and address of the Registered Office of the Company, please refer to “*History and Certain Corporate Matters*” of this Information Memorandum.

**Promoters of our Company:** Mr. Shyam S Bhartia and Mr. Hari S Bhartia

Our Company is registered with the Registrar of Companies, Uttar Pradesh & Uttarakhand situated at 10/499 B, Allenganj, Khalasi Line, Kanpur, Uttar Pradesh 208 002, India.

### INFORMATION MEMORANDUM FOR LISTING OF 80,14,056 EQUITY SHARES OF ₹ 10/- EACH

#### NO EQUITY SHARES ARE PROPOSED TO BE SOLD OR OFFERED PURSUANT TO THIS INFORMATION MEMORANDUM

#### FOR PRIVATE CIRCULATION TO THE EQUITY SHAREHOLDERS OF THE COMPANY

##### GENERAL RISKS

Investment in equity and equity related securities involves a degree of risk and investors should not invest any funds unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision. For taking an investment decision, investors must rely on their own examination of Jubilant Industries Limited, including the risks involved. The securities have not been recommended or approved by Securities and Exchange Board of India (SEBI) nor does SEBI guarantee the accuracy or adequacy of this document. Specific attention of investors is invited to the “*Risk Factors*”

##### ISSUER’S ABSOLUTE RESPONSIBILITY

Jubilant Industries Limited having made all reasonable inquiries, accepts responsibility for and confirms that this Information Memorandum contains all information with regard to Jubilant Industries Limited, which is material, that the information contained in the Information Memorandum is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

##### LISTING ARRANGEMENT

The Equity Shares of Jubilant Industries Limited are proposed to be listed on the Bombay Stock Exchange Limited (BSE), the designated stock exchange and the National Stock Exchange of India Limited (NSE). Our Company has submitted this Information Memorandum to the BSE and the NSE and the same is available on the Company’s website www.jubilantindustries.com. The Information Memorandum would also be made available on the websites of the BSE, at www.bseindia.com and the NSE at www.nseindia.com.

##### REGISTRAR AND SHARE TRANSFER AGENT



#### ALANKIT ASSIGNMENTS LIMITED

Alankit House, 2E/21, Jhandewalan Extension, New Delhi - 110055,

Phone No: (011) 23541234 , 42541234

Fax No: (011) 42541967

Website : www.alankit.com

E-mail : rta@alankit.com

Contact Person: Mr. Y K Singhal

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## SECTION 1 - GENERAL

### 1.1 DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates or implies, the following terms have the following meanings in this Information Memorandum and references to any statute or regulations or policies shall include amendments thereto, from time to time:

#### Company Related Terms

Term	Description
“Jubilant Life Sciences Limited” or “JLL” or “JOL”	Jubilant Life Sciences Limited, a public limited company (formerly Jubilant Organosys Limited) having its registered office at Bhartiagram, Gajraula, District Jyotiba Phoolay Nagar, Uttar Pradesh 244 223, India
“Pace Marketing Specialities Limited” or “PMSL”	Pace Marketing Specialities Limited, a public limited company having its registered office at C-2 & C-3, Site-IV, Sahibabad Industrial Area, Sahibabad, District Ghaziabad, Uttar Pradesh 20101, India <sup>(*)</sup>
“Speciality Molecules Limited” or “SML”	Speciality Molecules Limited, a public limited company having its registered office at Bhartiagram, Gajraula, District Jyotiba Phoolay Nagar, Uttar Pradesh 244223, India <sup>(*)</sup>
Amalgamation Appointed Date	Close of business on March 31, 2010
Articles / Articles of Association	Articles of Association of our Company
Board of Directors / Board	Board of Directors of our Company
Demerged Undertaking	Demerged Undertaking shall have the meaning ascribed to such term in “ <i>Scheme of Amalgamation and Demerger</i> ”
Demerger Appointed Date	Commencement of business on April 1, 2010
Effective Date	Date of filing the Orders alongwith Form 21 with Registrar of Companies, Uttar Pradesh and Uttarakhand, i.e., November 15, 2010
Employees	Employees shall have the meaning ascribed to such term under the Jubilant ESOP
Equity Share(s) or Share(s)	Equity Share of our Company having a face value of ₹10/- unless otherwise specified in the context thereof
Group Companies	Group Companies of our Company as listed in “ <i>Our Promoters and Group Companies</i> ”
Information Memorandum	This document filed with the Stock Exchanges is known as and referred to as the Information Memorandum.
JIL or “Company” or “Our Company” or “we” or “us” or “our”	Jubilant Industries Limited, a public limited company having its registered office at Bhartiagram, Gajraula, District Jyotiba Phoolay Nagar, Uttar Pradesh 244 223, India
Jubilant ESOP	The employee stock option scheme of JLL
Listing Agreements	The listing agreement to be entered into between our Company and the Stock Exchanges
Memorandum/ Memorandum of Association	Memorandum of Association of the Company
Option	Option shall have the meaning ascribed to such term under the Jubilant ESOP
Orders	Orders of the Hon’ble High Court of Allahabad dated October 28, 2010 and November 8, 2010, approving the Scheme, and filed with the RoC on November 15, 2010
Promoter Group	Promoter Group includes Jubilant Capital Private Limited, Jubilant Securities Private Limited, Jaytee Private Limited, Jubilant Retail Holdings Private Limited, Vam Holdings Limited, Nikita Resources Private Limited, Torino Overseas Limited, Cumin Investments Limited, Rance Investments & Holdings Limited, Ms. Kavita Bhartia, Mr. Priyavrat Bhartia, Mr. Shamit Bhartia and Jubilant Infrastructure Limited
Promoters	Mr. Shyam S Bhartia and Mr. Hari S Bhartia
Record date	November 26, 2010
Registrar and Share Transfer Agents	Alankit Assignments Limited
RoC	Registrar of Companies, Uttar Pradesh & Uttarakhand, situated at 10/499 B, Allenganj, Khalasi Line, Kanpur, Uttar Pradesh 208 002, India
Scheme	Scheme of Amalgamation and Demerger under sections 391 to 394 of the Companies Act, 1956 among Jubilant Life Sciences Limited, Speciality Molecules Limited, Pace Marketing Specialities Limited and Jubilant Industries Limited and their respective shareholders and creditors, sanctioned by the Hon’ble High Court of Allahabad, pursuant to which SML and PMSL stand amalgamated with JLL and the Demerged Undertaking stands vested in our Company

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Term	Description
Statutory Auditor	M/s K. N. Gutgutia & Co., Chartered Accountants, 11K, Gopala Tower, 25, Rajendra Place, New Delhi 110008, India
Stock Exchanges	The NSE and the BSE where Equity Shares of our Company are proposed to be listed
Trust	Jubilant Employees Welfare Trust

*(\*)The Hon'ble High Court of Allahabad, by its Orders has approved the Scheme, pursuant to which SML and PMSL stand amalgamated with JLL, and dissolved without following any winding-up proceedings.*

**Conventional and General Terms**

Term	Description
Act / Companies Act	The Companies Act, 1956, as amended
BSE	Bombay Stock Exchange Limited
Designated Stock Exchange	The designated stock exchange shall be Bombay Stock Exchange Limited
FEMA	Foreign Exchange Management Act, 1999
FII(s)	Foreign Institutional Investors registered with SEBI under applicable laws
GAAP	Generally Accepted Accounting Policies
GOI	Government of India
I. T. Act	The Income Tax Act, 1961
MAT	Minimum Alternate Tax
NRI(s)	Non Resident Indian(s)
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
R&D	Research and Development
RBI	Reserve Bank of India
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992

**Abbreviations**

TERM	DESCRIPTION
A.Y	Assessment Year
AGM	Annual General Meeting
AS	Accounting Standards issued by the Institute of Chartered Accountants of India and notified by the Central Government of India under Companies (Accounting Standards) Rules, 2006 within the meaning of Section 211 (3)(C) of the Companies Act
CAGR	Compounded Annual Growth Rate
CBDT	Central Board of Direct Taxes
CPSE	Central Public Sector Undertaking
CST	Central Sales Tax
EGM	Extraordinary General Meeting
EPS	Earnings per share (EPS=Profit after tax/No. of equity shares)
EUR	Euro, the official currency of the Eurozone
F.Y.	Fiscal Year
GDP	Gross Domestic Product
GoI	Government of India
ICAI	Institute of Chartered Accountants of India
IMFL	Indian Made Foreign Liquor
Lac/Lakh	One hundred thousand
MT	Metric Tonnes
N.A.	Not Applicable
NBR	Nitrile Butadiene Rubber
NRI	Non Resident Indian
PLL	Portable Liquor License
PSA	Pressure Sensitive Adhesive
PU	Poly Urethane
PVA	Poly Vinyl Acetate
RMB	Renminbi, the currency of People's Republic of China
SBR	Styrene Butadiene Rubber
SEBI Circular	SEBI circular (Circular No. SEBI/CFD/SCRR/01/2009/03/09) dated September 3, 2009

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TERM	DESCRIPTION
SPVA	Solid Poly Vinyl Acetate
SSP	Single Super Phosphate
USD	United States Dollar, the official currency of United States of America
VAT	Value Added Tax

**1.2 Certain conventions, Use of Market Data**

Unless stated otherwise, the financial data in this Information Memorandum is derived from our financial statements prepared in accordance with Indian GAAP. Our fiscal year commences on April 1 and ends on March 31 of the next year, so all references to a particular fiscal year are to the twelve months period ended March 31 of that year. In this Information Memorandum, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off.

All references to “India” contained in this Information Memorandum are to the Republic of India. All references to “Rupees” or “₹” are to Indian Rupees, the official currency of the Republic of India.

For additional definitions, please see “*Definitions and Abbreviations*” of this Information Memorandum.

Unless stated otherwise, industry data and market data used throughout this Information Memorandum has been obtained from the published data and industry publications. These publications generally state that the information contained therein has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe that industry and market data used in this Information Memorandum is reliable, it has not been independently verified. Data from these sources may also not be comparable. The extent to which industry and market data used in this Information Memorandum is meaningful depends on the readers’ familiarity with and understanding of the methodologies used in compiling such data

The information included in this Information Memorandum about various other companies is based on their respective annual reports and information made available by the respective companies.

The RBI reference rates for USD- ₹ and EUR- ₹ as on March 31, 2009, March 31, 2010 and January 31, 2011 are provided below:

Currency	Exchange rate into ₹ as on March 31, 2009	Exchange rate into ₹ as on March 31, 2010	Exchange rate into ₹ as on January 31, 2011
1 US\$	50.95	45.14	45.95
1 Euro	67.48	60.56	62.54
1 RMB (Chinese Yuan)*	7.46	6.61	6.96

Source: [www.rbi.org.in](http://www.rbi.org.in)

\* Derived rate based on RBI reference rate for USD- ₹ and the prevailing rate on that day for USD- RMB

### 1.3 Forward looking statements

We have included statements in this Information Memorandum, that contain words or phrases such as “will”, “aim”, “believe”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “project”, “should”, and similar expressions or variations of such expressions that are “forward-looking statements”.

Actual results may differ materially from those suggested by the forward looking statements due to risks or uncertainties and assumptions associated with the Company’s expectations with respect to, but not limited to, regulatory changes pertaining to the industries in India in which our Company has its businesses or proposes to have its business, and the Company’s ability to respond to them, its ability to successfully implement its strategy, its growth and expansion, its exposure to market risks, competitive landscape, general economic and political conditions in India which have an impact on its business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated fluctuations in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic and foreign laws, regulations and taxes and changes in competition in the Company’s industries.

Important factors that could cause actual results to differ materially from our expectations include, among others:

- Our inability to expand our production capacity and service capabilities
- Failure to acquire new businesses and products in a timely manner
- Failure to maintain cost efficiency in our product segments
- Inability to gain market acceptance for our products
- Any litigation pursued by our customers or end users in case of any defects in our products, reputation and business
- Compliance with and changes in increasingly stringent safety or emissions standards relating to our manufacturing facilities, environmental regulations and other applicable regulations
- Reliance on manufacturers and other suppliers
- Changes in public policy such as removal of price controls or other pressures on pricing or reduction/removal of subsidies, delay in disbursement of subsidies
- General economic and business conditions in India and other countries;
- Our dependence on the monsoon and weather conditions in general which affect the consumption of our fertilizers and other agriculture related products
- Our ability to successfully implement our strategy, our growth and expansion plans
- Technological changes;
- Increase in labour cost, raw materials price, cost of equipments and insurance premia;
- Ability to retain management team and skilled personnel;
- Amount that our Company is able to realize from the clients;
- Potential mergers, acquisitions or restructurings;
- Changes in fiscal, economic or political conditions in India;
- Changes in the value of the Rupee and other currency changes;
- Changes in Indian or international interest rates; and
- Changes in laws and regulations in India, including foreign exchange control regulations;

For further discussion of factors that could cause our actual results to differ, see “**Risk Factors**”. By their nature, certain risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” “**Industry Overview**” and “**Business Overview**”.

We do not have any obligation to, and do not intend to, update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

**SECTION – 2 RISK FACTORS****INTERNAL RISK FACTORS***Risk factors related to our business*

- As part of our growth strategy, we propose to make significant investments to expand our production capacity and service capabilities and further towards acquiring and developing new businesses and products. If we are unable to expand our production capacity and service capabilities or if we fail to acquire new businesses and products in a timely manner, our business, financial condition and results of operations may be adversely affected.
- If we are unable to expand our production facilities to manufacture adequate quantities of our products, our business, financial condition and results of operations may be adversely affected.
- If we cannot maintain cost efficiency in our product segments, we may not be able to capture anticipated business opportunities or we may lose market share, as a result of which our business financial condition and results of operations may be adversely affected.
- If we are unable to gain market acceptance for our products, our profitability will be adversely affected.
- If we are sued by our customers or end users in case of any defects in our products, our reputation and business may be adversely affected.
- Compliance with and changes in increasingly stringent safety or emissions standards relating to our manufacturing facilities, environmental regulations or other applicable regulations, which may amongst other things, delay or prevent us from manufacturing our products, may require us to bear substantial compliance costs and may adversely affect our business and results of operations.
- Risks associated with the handling of hazardous materials may adversely affect our business and financial condition.
- We rely on manufacturers and other suppliers for certain products and do not have control over the quality of products they supply. If there is a defect or delay and/or failure in supplies of materials, services and finished goods from third parties, it may adversely affect our business, financial condition and results of operations.
- We are dependent on our Chairman and Non- Executive Director, Mr. Hari S. Bhartia our CEO and Whole Time Director, Mr. Ananda Mukherjee, and a number of key personnel, and the loss of such persons, or our inability to attract key personnel or retain them in the future, could adversely affect us.
- We, our Promoters, our Directors and our Group Companies are involved in a number of legal proceedings that, if determined against us, our Promoters, our Directors or our Group Companies could adversely impact our business and financial condition. Should any development arise such as a change in applicable laws or rulings by court/tribunals/authorities that are unfavorable to our business, we may need to make provisions in our financial statements, which may increase our expenses, contingent and current liabilities.
- Our business is dependent on our manufacturing facilities. The loss of or shutdown of operations at any of our manufacturing facilities may have a material adverse effect on our business, financial condition and results of operations.
- Our results of operations could be adversely affected by strikes, work stoppages or increased wage demands by our employees.
- Consolidation in the industries in which we operate in may lead to pressure on margins thereby adversely affecting our business and results of operations.



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- We operate in a competitive business environment. Competition from Indian and international companies engaged in business segments that we operate in and consequent pricing pressures may adversely affect our business, financial condition and results of operations.
  - We derive a significant portion of our revenue from a few customers, and a loss of one or more customers or a reduction in their demand for our products would adversely affect our business, financial condition and results of operations.
  - Low entry barriers may result in new smaller players entering the market and putting pressure on margins in the application polymer business which may have an adverse effect on our business.
  - Any shutdown or disruption of our facilities at Gajraula which is one of our main production facilities for organic intermediates and performance chemicals may adversely affect our business and results of operations.
  - We require a number of approvals, licenses, registrations and permits for our business, and the failure to obtain or renew them in a timely manner may adversely affect our operations. For instance, we are in the process to make applications for environmental renewal/endorsement for our manufacturing facilities at Gajraula and Samlaya. Our inability to obtain such consents may adversely affect our business and operations.
  - Our business may be adversely affected if we are unable to renew our contracts with our raw material suppliers.
  - Our business is dependant on continued availability of raw materials such as vinyl acetate monomer and rock phosphate. Any interruption in the availability of the abovementioned or other raw materials may adversely affect our business, financial condition and results of operations. Similarly, in the event that our suppliers face a plant shutdown or other problems which affect the continued supply of raw materials such as vinyl acetate monomer, our business, financial condition and results of operations may be adversely affected.
  - We could be adversely affected if we fail to keep pace with technical and technological developments in our line of business.
  - Increasing cost of raw materials such as petrochemicals and other costs could adversely affect our profitability. Further, our operating margins may also decrease if we cannot pass increased raw material prices on to customers or if prices for our products decrease faster than raw material prices.
  - Volatility in the Rupee against foreign currencies may have an adverse effect on our results of operations. For instance, appreciation of the rupee against other currencies could decrease the cost competitiveness of our international sales and reduce our overall profitability. Similarly, depreciation of the rupee against other currencies could increase the cost of our imports, borrowings and repayment of indebtedness and reduce our net income.
  - Should our consumers shift to products manufactured by our competitors due to one or other reasons, our business, financial condition and results of operations may be adversely affected.
  - Our insurance coverage may not adequately protect us against all material hazards. In the event that we suffer loss or damage that is not covered by insurance or exceeds our insurance coverage, the loss would have to be borne by us and our results of operations and financial performance could be adversely affected.
  - Our manufacturing plant at Gajraula and Samlaya draw the utilities from JLL's plant. Any disruption in JLL's plant may affect our manufacturing operations at these locations.
  - Significant differences exist between Indian GAAP and other accounting principles, such as IFRS, which may be material to the assessment of our financial condition.

**Risk factors related to our agri products division**

- Growth in our agri products business has been due to the cost competitiveness of our products. If we are unable to maintain our cost competitiveness due to an increase in input costs or other factors, our business, financial condition and results of operations may be adversely affected.
- We are governed by the Fertilizer Control Order, 1985 which requires us to obtain a certificate of registration, which is valid for a period of three years from the date of issue, for us to be able to sell, offer for sale or carry on the business of selling of fertilizer at any place as a wholesale dealer or retail dealer. Further, certain of our products are required to conform to the standards as notified by the Central Government/State Government in the Official Gazette. If we are unable to obtain the requisite registrations or if we fail to conform to the notified standards, our business may be adversely affected.

**Risk factors related to our performance polymer division**

- Emergence of new technologies and their increased use, if any, in the future will reduce usage of poly vinyl acetate based PSA's which may have an adverse effect on our business.
- Low wood availability in the future or increased usage of pre-laminated boards will result in reduced usage of woodworking adhesives which may have an adverse effect on our business.
- Increased usage of radial tyres in India, which use significantly lower amounts of vinyl-pyridine latex when compared to bias ply tyres, will lead to a reduction in demand of vinyl-pyridine latex thereby adversely affecting our business, financial condition and results of operations.
- The demand for vinyl-pyridine latex used in the manufacture of tyres is directly linked to the performance of the automobile industry. Any reduction in demand for automobiles may lead to a consequent reduction in demand for tyres and vinyl-pyridine latex thereby adversely affecting our business, financial condition and results of operations.
- Emergence of new technologies like „Hot Melts“ and their increased use, if any, in the future will reduce usage of poly vinyl acetate based PSA's which may have an adverse effect on our business.
- The availability of vinyl-pyridine monomer, a key raw material in vinyl-pyridine latex manufacturing, is linked to the availability of beta-picoline. Any interruption in the continued supply of beta-picoline would affect the availability of vinyl-pyridine monomer and thus adversely affect our business, financial condition and results of operations.

**Risk factors related to our IMFL division**

- The Portable Liquor License (PLL) to manufacture IMFL is in the process of getting transferred in the name of the Company. Any change in the policy of the government on change in name/transfer of PLL license may adversely affect the interests of the Company.

**EXTERNAL RISK FACTORS**

- The agricultural output of India is significantly dependant upon monsoon and weather conditions in general which in turn affect the consumption of fertilizers and other agriculture related products. Any decrease in India's agricultural production or a bad monsoon may adversely affect our business, financial condition and results of operations.
- Single super phosphate business is affected by government regulatory controls on subsidies, pricing, disbursements and distribution. Any changes in public policy such as removal of price controls or other pressures on pricing or reduction/removal of subsidies, delay in disbursement of subsidies in single super phosphate, which is a key product in our agri products business segment, may reduce the profitability of our new or current products which may have an adverse effect on our business.

- Vinyl-pyridine latex is used in the manufacture of tire cord fabric. Any decrease in the usage of tire cord fabric in radial tyres would have an adverse effect on our business, financial condition and results of operations.
- In the event governments or civic bodies of other countries place restrictions on the consumption of chewing gum, the demand for solid poly vinyl acetate, a key ingredient in the manufacture of the gum base would be adversely affected.
- A slowdown in economic growth in India may adversely affect our business and results of operations.
- If inflation continues to rise in India, we may not be able to increase the prices of our products in order to pass the costs on to our customers and our profits may decline.
- Increases in interest rates may affect our results of operations.
- Wage increases in India may reduce our profit margins and negatively impact our financial condition and results of operations.
- Political instability or changes in the Government in India could delay the liberalization of the Indian economy and adversely affect economic conditions in India generally and our business in particular.
- Compliance with, and changes in, environmental, health and safety laws and regulations may adversely affect our financial condition and results of operations.
- Our ability to raise foreign capital may be constrained by Indian law. The limitations on foreign debt may have an adverse effect on our business growth, financial condition and results of operations.
- If terrorist attacks, communal disturbances or riots erupt in India, or if regional hostilities increase, this would adversely affect the Indian economy, the health of which our business depends upon.
- Natural calamities could have a negative impact on the Indian economy and cause our business to suffer.
- An outbreak of an infectious disease or any other serious public health concerns in Asia or elsewhere could have a material adverse effect on the Group's business and results of operations.
- Financial instability in other countries could disrupt Indian markets and our business and cause the trading price of the Equity Shares to decrease.
- Any downgrading of India's debt rating by an international rating agency could have a negative impact on our business.
- Shareholders bear the risk of fluctuations in the price of our Equity Shares.

**SECTION 3 – INTRODUCTION****3.1 SCHEME OF AMALGAMATION AND DEMERGER**

The Hon'ble High Court of Allahabad, by its Orders, has approved the Scheme pursuant to which SML and PMSL stand amalgamated with JLL with effect from the Amalgamation Appointed Date and the agri products division, performance polymer division and IMFL division of JLL stand demerged into JIL with effect from the Demerger Appointed Date. The Orders along with Form 21 was filed with the RoC on the Effective Date.

The rationale for the demerger of the Demerged Undertaking (as defined below) from JLL to our Company, as provided in the Scheme, is reproduced below:

*“The Transferor Company<sup>1</sup> is primarily engaged in the life sciences, polymers and fertilizers businesses. The Transferor Company has achieved substantial growth in its life sciences business through organic and inorganic means. The Transferor Company expects that substantial opportunities exist in its polymer and fertilisers business.*

*The management of the Transferor Company believes that the diversification in the Transferor Company's business is leading to inadequate appreciation of its worth and performance.*

*Therefore, with a view to achieving greater management focus in relation to each of the businesses and to consolidate the fertiliser and polymer businesses of the JOL Group (as defined in the Scheme), this Scheme seeks to realign the ownership structure of the Demerged Undertaking of the JOL Group. This will result in the creation of separate focussed companies for life sciences business and for fertilisers and polymer businesses. Such rationalisation of the structure of the JOL Group is in the interests of the shareholders, creditors and employees of each of the Transferor Company and the Transferee Company<sup>2</sup>.”*

The Scheme provides that the Equity Shares issued by JIL to the shareholders of JLL pursuant to the Scheme as on the Demerger Record Date as well as its existing Equity Shares, shall be listed and admitted to trading on the Stock Exchanges (without JIL undertaking any initial public offering of its Equity Shares), where the equity shares of JLL are listed and are admitted to trading, in accordance with Rule 19(7) of the Securities Contracts (Regulation) Rules, 1957, as amended (“**SCRR**”) and SEBI circular (SEBI/CFD/SCRR/01/2009/03/09) dated September 3, 2009 (the “**SEBI Circular**”). Accordingly, our Company has prepared this Information Memorandum to file it with the Stock Exchanges.

***Demerged Undertaking***

The meaning ascribed to Demerged Undertaking in the Scheme is provided below:

*“‘Demerged Undertaking’ means, collectively, (i) agri products division, consisting of (a) single super phosphate and (b) agro chemical for crop products; (ii) performance polymer division, consisting of (a) food polymer (Solid PVA), (b) VP Latex and SBR Latex, (c) consumer products and d) application polymer products; and (iii) IMFL division, of JLL (collectively, the “**Divisions**”), which shall be inclusive of, but not limited to:*

- (i) all properties and assets, whether moveable or immovable, including all rights (whether freehold, leasehold or license), title, interest, cash and bank balances, bills of exchange, covenant and undertakings of the Divisions, in respect of such properties and assets;*
- (ii) all investments, loans and advances, including accrued interest thereon, of the Divisions;*
- (iii) all debts, borrowings and liabilities, whether present or future, whether secured or unsecured, of the Divisions, comprising:*

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<sup>1</sup> The „Transferor Company” in the Scheme refers to JLL.

<sup>2</sup> The „Transferee Company” in the Scheme refers to our Company.

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- (a) *the liabilities which arise out of the activities or operations of the Demerged Undertaking;*
- (b) *the specific loans or borrowings raised, incurred and utilised solely for the activities and operations of the Demerged Undertaking; and*
- (c) *so much of the amounts of general or multipurpose borrowings of JLL as stand in the same proportion which the value of assets transferred in a demerger bears to the total value of the assets of JLL immediately before the demerger.*
- (iv) *all permits, rights, entitlements, licenses, tenancies, offices, taxes, tax credits (including but not limited to credits in respect of income tax, sales tax, value added tax, turnover tax, excise duty, service tax, minimum alternate tax credit, etc.), trademarks, service marks, privileges and benefits of all contracts, agreements and all other rights including lease rights, licenses, powers and facilities of every kind and description whatsoever of the Divisions;*
- (v) *all employees of the Divisions;*
- (vi) *all earnest monies and/or security deposits, payment against warrants or other entitlements of the Divisions; and*
- (vii) *all books, records, files, papers, engineering and process information, computer programs along with licenses, drawings, backup copies, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customers pricing information, and other records, whether in physical form or electronic form in connection with or relating to the Divisions.”*

Some of the salient features of the Scheme with respect to the demerger are reproduced below:

*“Subject to the provisions of the Scheme in relation to the modalities of vesting on occurrence of the Effective Date, the Demerged Undertaking shall be vested in the Transferee Company, on a going concern basis, without any further act or deed, and by virtue of the order passed by the Court, in the following manner:*

- (a) *Upon the Scheme coming into effect on the Effective Date (as defined in the Scheme) and with effect from the Demerger Appointed Date, the Demerged Undertaking shall stand vested in the Transferee Company without any further deed or act, together with all its properties, assets, investments, rights, benefits and interests therein, subject to existing charges thereon in favour of banks and financial institutions, as the case may be. Without prejudice to the generality of the above, in particular, the Demerged Undertaking shall stand vested in the Transferee Company in the manner described in sub-paragraphs (b) – (p) below:*
- (b) *Upon the Scheme coming into effect on the Effective Date and with effect from the Demerger Appointed Date, all immovable property (including land, buildings and any other immovable property) of the Demerged Undertaking, whether freehold or leasehold, and any documents of title, rights and easements in relation thereto, shall stand vested in the Transferee Company, without any act or deed done by the Transferor Company or the Transferee Company. With effect from the Demerger Appointed Date, the Transferee Company shall be entitled to exercise all rights and privileges and be liable to pay all taxes and charges, and fulfill all obligations, in relation to or applicable to such immovable properties. The mutation/substitution of the title to such immovable properties shall be made and duly recorded in the name of the Transferee Company by the appropriate authorities pursuant to the sanction of the Scheme by the Court and the Scheme becoming effective in accordance with the terms hereof. The Transferor Company shall take all steps as may be necessary to ensure that vacant, lawful, peaceful and unencumbered possession, right, title, interest of its immovable property in relation to the Demerged Undertaking is given to the Transferee Company.*
- (c) *Upon the Scheme coming into effect on the Effective Date and with effect from the Demerger Appointed Date, all the assets of the Transferor Company relating to the Demerged Undertaking as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement and delivery, shall stand vested in the Transferee Company, and shall become the property and an integral part of the Transferee Company. The vesting pursuant to this sub-clause shall be deemed to have occurred by manual delivery or endorsement and delivery, as appropriate to the property being vested, and the title to such property shall be*



- deemed to have transferred accordingly.*
- (d) *Upon the Scheme coming into effect on the Effective Date and with effect from the Demerger Appointed Date, all sundry debts, outstanding loans and advances, if any, relating to the Demerged Undertaking, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any with government, semi-government, local and other authorities and bodies, customers and other persons shall without any act, instrument or deed become the property of the Transferee Company.*
- (e) *Upon the Scheme coming into effect on the Effective Date and with effect from the Demerger Appointed Date, all debts, liabilities, contingent liabilities, duties and obligations, secured or unsecured, whether provided for or not in the books of accounts or disclosed in the balance sheet of the Demerged Undertaking, including general and multipurpose borrowings, if any, dealt with in accordance with Section 2(19AA) of the Income Tax Act, 1961 shall become and be deemed to be the debts, liabilities, contingent liabilities, duties and obligations of the Transferee Company. If any lender of the Transferor Company requires satisfaction of the charge over the Transferor Company's properties and recordal of a new charge with the Transferee Company, the Transferor Company and the Transferee Company shall for good order and for statistical purposes, file appropriate forms with the Registrar of Companies, Uttar Pradesh and Uttarakhand, as accompanied by the sanction order or a certified copy thereof and any deed of modification or novation executed by either the Transferor Company or the Transferee Company.*
- (f) *Upon the Scheme coming into effect on the Effective Date and with effect from the Demerger Appointed Date, all incorporeal or intangible property of the Demerged Undertaking, shall stand vested in the Transferee Company and shall become the property and an integral part of the Transferee Company, without any act or deed done by the Transferor Company or the Transferee Company.*
- (g) *Upon the Scheme coming into effect on the Effective Date and with effect from the Demerger Appointed Date, all contracts, deeds, bonds, agreements, insurance policies, guarantees and indemnities, schemes, arrangements and other instruments of whatsoever nature in relation to the Demerged Undertaking of the Transferor Company to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible, shall be in full force and effect against or in favour of the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto.*
- (h) *Upon the Scheme coming into effect on the Effective Date and with effect from the Demerger Appointed Date, the Transferee Company shall, for the purposes of conducting the businesses of the Demerged Undertaking, be entitled to use the private railway siding laid by the Transferor Company pursuant to a license agreement for railway land for assisted portion of the siding dated May 22, 2008 entered into between the Transferor Company and the Indian Railways, without seeking any approval.*
- (i) *Upon the Scheme coming into effect on the Effective Date and with effect from the Demerger Appointed Date, the Transferee Company shall, for the purposes of conducting the businesses of the Demerged Undertaking, be entitled to purchase electricity produced by the captive power generation plant of the Transferor Company, without seeking any approval including inter alia from the U.P. Power Transmission Company Limited and Paschimanchal Distribution Company Limited.*
- (j) *Upon the Scheme coming into effect on the Effective Date and with effect from the Demerger Appointed Date, all licenses and registrations including relating to copyrights, trademarks, tenancies, privileges, powers, facilities of every kind and description of whatsoever nature in relation to the Demerged Undertaking of the Transferor Company to which the Transferor Company is party or to the benefit of which the Transferor Company may be eligible, shall be enforceable as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto.*
- (k) *Upon the Scheme coming into effect on the Effective Date and with effect from the Demerger Appointed Date, any statutory licenses, no-objection certificates, permissions, registrations, approvals, consents, permits, quotas, entitlements or rights required to carry on the operations of the Demerged Undertaking of the Transferor Company or granted to the Transferor Company in relation to the Demerged Undertaking shall stand vested in or transferred to the Transferee Company, without further act or deed, and shall be appropriately transferred or assigned by the statutory authorities concerned herewith in*

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*favour of the Transferee Company upon vesting of the Transferor Company's businesses pursuant to this Scheme. The benefit of all statutory and regulatory permissions, environmental approvals and consents including statutory licenses, permissions or approvals or consents required to carry on the operations of the Demerged Undertaking of the Transferor Company shall vest in and become available to the Transferee Company pursuant to this Scheme.*

- (l) *The Transferee Company shall, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law or otherwise, execute deeds of confirmation or other writings or arrangements with any party to any contract or arrangement in relation to the Demerged Undertaking of the Transferor Company to which the Transferor Company is a party, in order to give formal effect to the above provisions. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writing on behalf of the Transferor Company and to carry out or perform all such formalities or compliances referred to above on part of the Transferor Company.*
- (m) *Upon the Scheme coming into effect on the Effective Date and with effect from the Demerger Appointed Date, the Transferee Company shall bear the burden and the benefits of any legal or other proceedings initiated by or against the Transferor Company in respect of the Demerged Undertaking.*

*If any suit, appeal or other proceeding of whatever nature by or against the Transferor Company in respect of the Demerged Undertaking be pending, the same shall not abate, be discontinued or in any way be prejudicially affected by reason of the transfer of the Demerged Undertaking or of anything contained in this Scheme but the proceedings may be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company as if this Scheme had not been made. Upon the Scheme coming into effect on the Effective Date, the Transferee Company undertakes to have such legal or other proceedings initiated by or against the Transferor Company in respect of the Demerged Undertaking, transferred in its name and to have the same continued, prosecuted and enforced by or against the Transferee Company to the exclusion of the Transferor Company. The Transferee Company also undertakes to handle all legal or other proceedings which may be initiated against the Transferor Company after the Effective Date relating to the Demerged Undertaking in respect of the period up to the Effective Date, in its own name and account and further undertakes to pay all amounts including interest, penalties, damages, etc. which the Transferor Company may be called upon to pay or secure in respect of any liability or obligation relating to the Transferor Company for the period up to the Effective Date, in respect of the Demerged Undertaking.*

- (n) *Upon the Scheme coming into effect on the Effective Date and with effect from the Demerger Appointed Date, all persons that were employed in the Demerged Undertaking immediately before such date shall become employees of the Transferee Company with the benefit of continuity of service on the same terms and conditions as were applicable to such employees immediately prior to such transfer and without any break or interruption in service. It is clarified that such employees of the Transferor Company that become employees of the Transferee Company by virtue of this Scheme, shall continue to be governed by the terms of employment as were applicable to them immediately before such transfer and shall not be entitled to be governed by employment policies, and shall not be entitled to avail of any benefits under any scheme or settlement or otherwise that are applicable and available to any other employees of the Transferee Company, unless and otherwise so stated by the Transferee Company in writing in respect of all employees, class of employees or any particular employee. The Transferee Company undertakes to continue to abide by any agreement/settlement, if any, entered into by the Transferor Company in respect of such employees with their respective employees / employee unions. With regard to provident fund, gratuity fund, superannuation fund or any other special fund or obligation created or existing for the benefit of such employees of the Transferor Company, upon occurrence of the Effective Date and with effect from the Demerger Appointed Date, the Transferee Company shall stand substituted for the Transferor Company, for all purposes whatsoever relating to the obligation to make contributions to the said funds in accordance with the provisions of such schemes or funds in the respective trust deeds or other documents. The existing provident benefits, gratuity benefits and superannuation benefits or any other special benefits or obligation, if any, created by the Transferor Company for its employees being transferred to the Transferee*

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*Company pursuant to this Scheme shall be continued by the Transferee Company for the benefit of such employees on the same terms and conditions. In the event, the Transferee Company does not have its own funds, it may, subject to applicable laws, regulations, approvals and permissions, continue to contribute to the relevant funds of the Transferor Company, until such time as the Transferee Company creates its own funds, at which time the relevant funds and investments and contributions pertaining to the employees of the Demerged Undertaking shall be transferred to the relevant funds of the Transferee Company. It is the aim and intent of the Scheme that all the rights, duties, powers and obligations of the Transferor Company in relation to such schemes or funds shall become those of the Transferee Company. Further, upon the Scheme coming into effect on the Effective Date and with effect from the Demerger Appointed Date, any prosecution or disciplinary action initiated, pending or contemplated against and any penalty imposed in this regard on any employee by the Transferor Company shall be continued/continue to operate against the relevant employee and shall be enforced effectively by the Transferee Company.*

- (o) Upon the Scheme coming into effect on the Effective Date and with effect from the Demerger Appointed Date, all taxes payable by the Transferor Company in relation to the Demerged Undertaking including all or any refunds or the claims shall be treated as the tax liability or refunds/claims as the case may be of the Transferee Company.*
- (p) Upon the Scheme coming into effect on the Effective Date and with effect from the Demerger Appointed date, the Transferee Company shall be entitled to file/revise its statutory returns and related tax payment certificates and to claim refunds and advance tax credits as may be required consequent to the implementation of the Scheme.*
- (q) With effect from the Demerger Appointed Date and upto and including the Effective Date:*
  - (i) The Transferor Company shall carry on and be deemed to have been carrying on all the business and activities of the Demerged Undertaking, for and on behalf of and in trust for the Transferee Company.*
  - (ii) All profits accruing to the Transferor Company in relation to the Demerged Undertaking and all taxes thereof or losses arising or incurred by it in relation to the Demerged Undertaking shall, for all purposes, be treated as the profits, taxes or losses as the case may be, of the Transferee Company."*

Upon the Scheme becoming effective, the authorized share capital of JLL was enhanced to the extent of the authorized share capital(s) of SML and PMSL. The authorized share capital of JLL is ₹ 65,50,00,000 (Rupees Sixty Five Crores Fifty Lacs Only) divided into 65,50,00,000 Equity Shares of ₹ 1 /- each.

**Reorganisation of Share Capital; Share Exchange Ratio Accounting Treatment**

With respect to the reorganisation of share capital, share exchange ratio accounting treatment, the provisions of the Scheme are reproduced below:

- "4.1 Upon the Scheme becoming effective and upon the demerger and vesting of the Demerged Undertaking with the Transferee Company, the board of directors of the Transferor Company in consultation with the board of directors of the Transferee Company shall determine a record date, being a date subsequent to the filing of the order of the Court sanctioning the Scheme with the Registrar of Companies, Uttar Pradesh and Uttarakhand ("**Demerger Record Date**") for the completion of all allotments of fully paid-up equity shares of face value Rs. 10/- each to the shareholders of the Transferor Company as on the Demerger Record Date.*
- 4.2 The board of directors of the Transferee Company and the Transferor Company have determined the share exchange ratio as 1:20. For every 20 (twenty) equity shares of face value Re. 1/- each held in the Transferor Company, as on the Demerger Record Date, the equity shareholders of Transferor Company shall be issued 1 (one) equity share of face value Rs. 10/- each of the Transferee Company, credited as fully paid-up in the Transferee Company. Accordingly, a total of 79,64,056 fresh equity shares of face value Rs 10/- each will be issued by the Transferee Company. The Transferee Company shall, without any further act or deed, issue and allot to every equity shareholder of the Transferor Company on the Demerger Record Date, the requisite number of equity shares in the Transferee Company. The said equity shares in the Transferee Company to be issued to the shareholders of the Transferor Company pursuant to this Clause 4.2 shall rank pari passu in all respects with the existing*



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- equity shares of the Transferee Company.
- 4.3 It is hereby clarified that no equity shares shall be issued by the Transferee Company to any equity shareholder of the Transferor Company in respect of fractional entitlements, if any, of such equity shareholder, at the time of issue and allotment of equity shares by the Transferee Company. The board of directors of the Transferee Company shall instead consolidate all such fractional entitlements, (ignoring any fraction remaining after such consolidation), and thereupon shall issue and allot equity shares in lieu thereof to a director or officer of the Transferee Company or such other person as the board of directors of the Transferee Company shall appoint in this behalf ("**Trustee**") who shall hold such equity shares in trust for all such equity shareholders of the Transferor Company who are entitled to such fractional balances, with the express understanding that such Trustee, be bound by the express understanding to cause the sale of such shares at such time(s), at such price(s) and to such person(s) as the Trustee may deem fit and the net sale proceeds thereof, deposited with the Transferor Company (i.e., after deduction there from of expenses incurred in connection with the sale), shall be distributed by the Transferor Company to the relevant equity shareholders of the Transferor Company (as on the Demerger Record Date) in proportion to their respective fractional entitlements.
- 4.4 The exchange ratio stated in Clause 4.2 herein has been determined by the boards of directors of the Transferee Company and the Transferor Company based on their independent judgment after taking into consideration the recommendation of share exchange ratio provided by independent valuers, PricewaterhouseCoopers Private Limited.
- 4.5 On the approval of the Scheme by the members of the Transferee Company pursuant to Section 391 of the Act (as defined in the Scheme), it shall be deemed that the said members have also accorded their consent under Section 81(1A) of the Act or other provisions of the Act as may be applicable for the aforesaid issuance of equity shares of the Transferee Company to the shareholders of the Transferor Companies.
- 4.6 The Transferor Company presently has a subsisting employee stock option plan for its employees termed as the Jubilant Employees Stock Option Plan, 2005 ("**Jubilant ESOP**"). Pursuant to the Jubilant ESOP, Jubilant Employees Welfare Trust ("**Trust**") has been set up to hold the equity shares for and on behalf of the employees. The Trust constituted under the Jubilant ESOP, to the extent it holds equity shares of the Transferor Company, shall be issued equity shares of the Transferee Company pursuant to Section III of this Scheme in accordance with the share exchange ratio set out in Clause 4.2 herein. In respect of the employee stock options granted prior to the Scheme becoming effective, the Employee(s) (as defined in the Jubilant ESOP) who are the beneficiaries of the Jubilant ESOP would be allotted not only the equity shares of the Transferor Company but also the equity shares of the Transferee Company (in accordance with the share exchange ratio set out in Clause 4.2 herein) that are issued to the Trust in accordance with the provisions of Section III of this Scheme, when such Employee(s) pay the exercise price in accordance with the Jubilant ESOP, upon the Scheme becoming effective and upon the demerger and vesting of the Demerged Undertaking with the Transferee Company.
- 4.7 Any Option (as defined in the Jubilant ESOP) vested with the employee(s) of the Demerged Undertaking pursuant to the Jubilant ESOP prior to the Effective Date shall continue to the benefit of such employee(s) upon the Scheme becoming effective and upon the demerger and vesting of the Demerged Undertaking with the Transferee Company.
- 4.8 With effect from the Demerger Appointed Date, and subject to any corrections and adjustments as may, in the opinion of the board of directors of the Transferee Company be required, all the assets and liabilities of the Demerged Undertaking shall be recorded at their book value.
- 4.9 Pursuant to the demerger and vesting of the Demerged Undertaking with the Transferee Company, the difference, arising between:
- a) The net book value of assets and liabilities of the Demerged Undertaking; and
  - b) The aggregate of the issued and paid up share capital pursuant to the equity shares allotted pursuant to this Scheme;
- shall be recorded as:
- (i) Capital reserve (available for issue of bonus shares);
  - (ii) Securities premium account (available for all purposes permitted under Section 78 of the Companies Act, 1956);
  - (iii) General reserve (to be treated as a free reserve); and
  - (iv) Surplus in profit and loss account (to be treated as such)

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- in the books of the Transferee Company roughly in the same proportion as the proportion of such reserves and surplus in the books of the Transferor Company immediately before the demerger of the Demerged Undertaking with the Transferee Company.*
- 4.10 *The Transferor Company shall reduce from its accounts, the book value of the Demerged Undertaking. The value of the Demerged Undertaking reduced as above shall be debited by the Transferor Company to the following reserves:*
- Capital reserve;*  
*Securities premium reserve;*  
*General reserve; and*  
*Surplus in profit & loss account*
- roughly in the same proportion as they appear in the books of the Transferor Company immediately before the demerger of the Demerged Undertaking with the Transferee Company.*
- 4.11 *The Transferee Company's opening reference balance sheet as of the Demerger Appointed Date, giving effect to this Scheme, duly certified, is annexed as Schedule 5 (as provided in the Scheme). The Transferor Company's opening reference balance sheet as of the Demerger Appointed Date, duly certified, giving effect to this Scheme, is annexed as Schedule 6 (as provided in the Scheme)."*

***Listing of the Equity Shares Issued by JIL***

The provisions of the Scheme in relation to the listing of the Equity Shares is reproduced below:

- “5.1 *Equity shares issued by the Transferee Company to the shareholders of the Transferor Company, as on the Demerger Record Date, in accordance with the provisions of this Scheme, shall be listed and admitted to trading on the Stock Exchanges, where the equity shares of the Transferor Company are listed and are admitted to trading.*
- 5.2 *The Stock Exchanges, at which the equity shares of the Transferor Company are listed, shall list the equity shares of the Transferee Company, in accordance with applicable laws, rules, circulars and notifications.*
- 5.3 *New equity shares allotted to the shareholders of the Transferor Company in the Transferee Company pursuant to the Scheme shall remain frozen in the depositories system till listing/ trading permission is granted by the Stock Exchanges.*
- 5.4 *The equity shares of the Transferee Company, issued to a shareholder in lieu of the locked-in equity shares of the Transferor Company, shall remain locked-in for the remainder of the lock-in period applicable to such shareholder for the equity shares of the Transferor Company.*
- 5.5 *Statutory exemptions for inter-se transfer of promoter shareholding in the Transferor Company is deemed to be available for the shareholding of the promoters in the Transferee Company in relation to any transfer of shares between them.”*

Further, in accordance with the provisions of the SEBI Circular, 25% of the new Equity Shares, i.e. 1,25,341 Equity Shares, issued pursuant to the Scheme shall be locked in for a period of three years from the date of listing of such new Equity Shares at the Stock Exchanges.

**3.2 SUMMARY OF FINANCIAL AND OPERATING INFORMATION**

The following summary financial and operating information is derived from our audited financial statements for the six period ended September 30, 2010 and for fiscals 2010, 2009 and 2008. as described in the Auditor's Report in "***Financial Information- Financial Information of our Company***". These Financial statements have been prepared in accordance with the Indian GAAP and the Companies Act. The summary financials and operating information presented below should be read in conjunction with the financial statements, the notes thereto included in the sections titled "***Financial Information- Financial Information of our Company***" and "***Management's Discussion and Analysis of Financial Condition and Results of Operations***".

**JUBILANT INDUSTRIES LIMITED**  
**(Formerly known as Hitech Shiksha Limited)**  
**BALANCE SHEET**

		(₹ In Lacs)
<b>Particulars</b>		<b>As at 30th September, 2010</b>
<b>SOURCES OF FUNDS</b>		
<b>Shareholder's Funds</b>		
Share Capital (Including Share Capital Suspense A/c)	801.4	
Reserves & Surplus	26,702.9	
		27,504.3
<b>Loan Funds</b>		
Secured Loans		-
Deferred Tax Liabilities (Net)		915.2
		<b>28,419.5</b>
<b>APPLICATION OF FUNDS</b>		
<b>Fixed Assets</b>		
Gross Block	14,559.6	
Less: Depreciation	5,197.8	
Net Block	9,361.8	
Capital Work-in-Progress	1,604.1	
		10,965.9
<b>Investments</b>		0.8
<b>Current Assets, Loans &amp; Advances</b>		
Inventories	9,856.1	
Sundry Debtors	9,087.5	
Cash & Bank Balances	54.5	
Loans & Advances	7,935.9	
	26,934.0	
<b>Less: Current Liabilities &amp; Provisions</b>		
Liabilities	7,981.4	
Provisions	1,499.8	
	9,481.2	
<b>Net Current Assets</b>		17,452.8
		<b>28,419.5</b>

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**JUBILANT INDUSTRIES LIMITED**  
**(Formerly known as Hitech Shiksha Limited)**  
**PROFIT AND LOSS ACCOUNT**

**(₹ in Lacs)**

Particulars	For the Half year ended 30th September, 2010
<b>Income</b>	
Sales & Services	31,933.4
Less: Excise Duty on Sales	(1,291.9)
<b>Net Sales &amp; Services</b>	<b>30,641.5</b>
Other Income	75.8
Increase/(Decrease) in Stocks	(2,415.3)
<b>Total Income</b>	<b>28,302.0</b>
<b>Expenditure:</b>	
Manufacturing & Other Expenses	25,065.9
Depreciation & Amortisation	243.9
Interest	41.6
	<b>25,351.4</b>
<b>Profit Before Tax</b>	<b>2,950.6</b>
Income Tax	
- Current Tax (Including Wealth Tax)	925.6
- Deferred Tax Charge/ (Credit)	(56.1)
	<b>869.5</b>
<b>Profit After Tax</b>	<b>2,081.1</b>
Balance Brought Forward from Previous period (Opening balance as at 1st April, 2010 pursuant to scheme of Amalgamation & Demerger)	9,848.0
<b>Balance Available for Appropriation</b>	<b>11,929.1</b>
<b>Balance Carried To Balance Sheet</b>	<b>11,929.1</b>
<b>Basic Earnings Per Share of Rs.10 each (In Rupees-Not Annualized)</b>	<b>26.0</b>
<b>Diluted Earnings Per Share of Rs.10 each (In Rupees-Not Annualized)</b>	<b>26.0</b>

**JUBILANT INDUSTRIES LIMITED**
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**JUBILANT INDUSTRIES LIMITED**  
**(Formerly known as Hitech Shiksha Limited)**  
**CASH FLOW STATEMENT**

**(₹ In Lacs)**

<b>Particulars</b>	<b>For the Half year ended 30th September, 2010</b>
<b>A. Cash Flow arising from Operating Activities :</b>	
<b>Net profit before tax</b>	2,950.6
Adjustments for:	
Depreciation & Amortisation	243.9
Loss/(Profit) on Sale of Fixed Assets (Net)	0.6
Interest (Net)	41.6
Provision for Gratuity & Leave Encashment	86.8
Bad Debts/Irrecoverable Advances written off (net of write-in)	54.1
Profit on Sale of Current Investments	(0.2)
Income from Current Investment (Non Trade) - Dividend	(14.5)
	412.3
<b>Operating Profit before Working Capital Changes</b>	<b>3,362.9</b>
Adjustments for :	
(Increase)/Decrease in Trade and other Receivables	(3,545.3)
(Increase)/Decrease in Inventories	3,079.6
Increase/(Decrease) in Current Liabilities & Provisions	(1,323.4)
<b>Cash generated from Operations</b>	<b>1,573.8</b>
Direct Taxes Paid (net of refunds)	(4.0)
<b>Net Cash Inflow/(Outflow) in course of Operating Activities</b>	<b>1,569.8</b>
<b>B. Cash Flow arising from Investing Activities :</b>	
Acquisition/Purchase of Fixed Assets/CWIP	(1,083.6)
(Purchase)/Sale of Investments (net)	41.7
Increase/(Decrease) in JLL Current Account(Refer Note 4 of Schedule "G")	(5,814.9)
Interest Received	1.1
Dividend Received	14.5
<b>Net Cash Inflow/(Outflow) in course of Investing Activities</b>	<b>(6,841.2)</b>
<b>C. Cash Flow arising from Financing Activities :</b>	
Proceeds from/Repayment of Long Term & Short Term Borrowings	(9,709.0)
Interest Paid	(42.7)
<b>Net Cash Inflow/(Outflow) in course of Financing Activities</b>	<b>(9,751.7)</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash equivalents (A+B+C)</b>	<b>(15,023.1)</b>
Add: Cash & Cash Equivalents at the beginning of Year(As per Scheme of Amalgamation & Demerger)	15,077.6
<b>Cash &amp; Cash Equivalents at the close of the Year</b>	<b>54.5</b>

**JUBILANT INDUSTRIES LIMITED**  
(Formerly known as Hitech Shiksha Limited)  
**BALANCE SHEET**

(₹ In Lacs)

Particulars	As at 31st March, 2010	As at 31st March, 2009	As at 31st March, 2008
<b>SOURCES OF FUNDS</b>			
<b>Shareholder's Funds</b>			
Share Capital	5.00	1.00	1.00
Share Application Money Pending Allotment		1.00	1.00
	5.00	2.00	2.00
	<b>5.00</b>	<b>2.00</b>	<b>2.00</b>
<b>APPLICATION OF FUNDS</b>			
<b>Current Assets, Loans &amp; Advances</b>			
Cash & Bank Balances	4.00	1.14	1.23
	4.00	1.14	1.23
<b>Less: Current Liabilities &amp; Provisions</b>			
Liabilities	0.20	0.08	0.08
Provisions		0.16	0.08
	0.20	0.24	0.16
<b>Net Current Assets</b>	3.80	0.90	1.07
<b>Miscellaneous Expenditure</b>	-	1.10	0.93
<b>Profit &amp; Loss Account (Debit Balance)</b>	1.20	-	-
	<b>5.00</b>	<b>2.00</b>	<b>2.00</b>

**JUBILANT INDUSTRIES LIMITED**  
**(Formerly known as Hitech Shiksha Limited)**  
**PROFIT AND LOSS ACCOUNT**

(₹ In Lacs)

Particulars	For the year ended 31st March, 2010
<b>Income</b>	
Other Income	1.0
	<b>1.0</b>
<b>Expenditure:</b>	
Other Expenses	1.1
Preliminary Expenses Written Off	1.1
	<b>2.2</b>
<b>Profit before Tax</b>	<b>(1.2)</b>
Provision for Taxation	-
<b>Profit After Tax</b>	<b>(1.2)</b>
Balance Brought Forward from Previous Period	
<b>Balance Carried to Balance Sheet</b>	<b>(1.2)</b>
<b>Basic &amp; Diluted Earning Per Share (In Rupees)</b>	<b>(6.0)</b>

**Note:** All the expenses have been carried forward to the Balance Sheet as preliminary and/ or pre-operative expenditure for FY 2008 & FY 2009 and no Profit and Loss Account was prepared.



**JUBILANT INDUSTRIES LIMITED**
**INFORMATION MEMORANDUM**

**JUBILANT INDUSTRIES LIMITED**  
(Formerly known as Hitech Shiksha Limited)  
**CASH FLOW STATEMENT**

(₹ In Lacs)

<b>Particulars</b>	<b>For the year ended 31st March, 2010</b>
<b>A. Cash flow arising from Operating Activities:</b>	
<b>Net Profit / (Loss) before tax</b>	(1.20)
<b>Adjustment for:</b>	
Preliminary Expenses Written Off	1.10
Share Application Money Written Back	(1.00)
<b>Operating profit / (Loss) before Working Capital Changes</b>	(1.10)
<b>Adjustment for:</b>	
Current Liabilities & Provision	(0.04)
<b>Cash flow from Operations</b>	(1.14)
<b>Net Cash flow in course of Operating Activities</b>	<b>(1.14)</b>
<b>B. Cash flow arising from Financing Activities:</b>	
Proceeds from Issue of Share Capital (Including Share Application Money)	4.00
<b>Net Cash Flow In Course of Financing Activities</b>	<b>4.00</b>
<b>Net Increase in Cash &amp; Cash Equivalents (A+B)</b>	2.86
Add: Cash & Cash Equivalents at the beginning of Year	1.14
<b>Cash &amp; cash Equivalents at the close of the year</b>	<b>4.00</b>

**Note:** The Cash Flow was not required to be prepared for FY 2008 & 2009 as the company was a Small & Medium Sized Company (SMC) as per Companies (Accounting Standards) Rules, 2006.

**3.3 GENERAL INFORMATION**
**Incorporation**

Our Company was incorporated on February 23, 2007 in Kanpur, Uttar Pradesh as a private limited company in the name and style of „Hitech Shiksha Private Limited” under the Companies Act, 1956 with the Registrar of Companies, Uttar Pradesh and Uttarakhand (“RoC”). With effect from March 16, 2010, our Company became a public limited company and the name of our Company was changed to „Hitech Shiksha Limited” and subsequently on June 8, 2010 our name was changed to our present name „Jubilant Industries Limited”.

**Corporate Identity Number:** U24100UP2007PLC032909

**Registered Office of our Company**

Jubilant Industries Limited  
Bhartiagram, Gajraula, District Jyotiba Phoolay Nagar  
Uttar Pradesh 244 223, India  
Tel: +91-5924-252351 - 60  
E-mail: investorsjil@jubl.com  
Website: www.jubilantindustries.com

**Corporate Office of our Company**

Jubilant Industries Limited  
1A, Sector 16A, Institutional Area, Noida  
Uttar Pradesh 201 301, India  
Tel : +91-120-251-6601, +91-120-251-6611  
Fax : +91-120-251-6629

**Address of the Registrar of Companies**

Registrar of Companies, Uttar Pradesh and Uttarakhand  
10/499 B, Allenganj, Khalasi Line  
Kanpur  
Uttar Pradesh 208 002, India

**Changes in our Registered Office since incorporation**

The company’s registered office was shifted from Kanpur to Noida w.e.f. December 7, 2009 and subsequently to our present address viz Bhartiagram, Gajraula, District Jyotiba Phoolay Nagar, Uttar Pradesh 244 223, w.e.f June 25, 2010.

**Directors**

S.No.	Name	Designation
1.	Mr. Hari S. Bhartia	Chairman (Non-Executive)
2.	Mr. Priyavrat Bhartia	Director (Non- Executive)
3.	Mr. Ananda Mukherjee	CEO and Whole Time Director
4.	Mr. Ghanshyam Dass	Independent Director
5.	Mr. R. Bupathy	Independent Director
6.	Mr. S.K. Roongta	Independent Director

**Company Secretary and Compliance Officer**

Ms. Sonia Niranjana Das  
Company Secretary  
Jubilant Industries Limited  
1A, Sector 16A,  
Institutional Area, Noida

**JUBILANT INDUSTRIES LIMITED****INFORMATION MEMORANDUM**

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Uttar Pradesh 201 301, India  
Tel: +91-120-251-6601, +91-120-251-6611  
Fax : +91-120-251-6629  
Email : investorsjil@jubl.com

**Auditors**

M/s K. N. Gutgutia & Co.  
Chartered Accountants  
11 K, Gopala Tower  
25 Rajendra Place  
New Delhi 100 008, India  
Tel: +91-11-25713944  
Fax: +91-11-25818644  
E-mail: kng1938@vsnl.net

**Bankers to Company**

ING Vysya Bank Limited  
15, K G Marg, Mercantile House,  
9th Floor, New Delhi 110001, India  
Tel: +91-11-6651 0000  
Fax: +91-11-6651 0152  
E-mail: atulg@ingvysyabank.com

Corporation Bank Limited  
10th floor, Industrial Finance Branch,  
HT House, Kasturba Gandhi Marg,  
New Delhi-110001  
Tel: 011-23704691-93  
Fax: 011-23704677  
E-mail: cb447@corpbank.co.in

**Registrar & Share Transfer Agent**

Alankit Assignments Limited  
Alankit House, 2E/21  
Jhandewalan Extension, New Delhi - 110055, India  
Tel: +91 (011) 23541234, 42541234  
Fax: +91 (011) 42541967  
Website: www.alankit.com  
E-mail: rta@alankit.com  
Contact Person: Mr. Y K Singhal

**Authority for Listing**

Pursuant to the Scheme, SML and PMSL stand amalgamated with JLL with effect from the Amalgamation Appointed Date and the Demerged Undertaking was vested in our Company with effect from the Demerger Appointed Date. The Scheme provides that the Equity Shares issued by JIL to the shareholders of JLL pursuant to the Scheme as on the Demerger Record Date as well as its existing Equity Shares, shall be listed and admitted to trading on the Stock Exchanges (without JIL undertaking any initial public offering of its Equity Shares), where the equity shares of JLL are listed and are admitted to trading. However, in accordance with the SEBI Circular, SEBI by its letter no. CFD/DIL/SP/RGA/OW/3157/2011 dated January 13, 2011 has granted relaxation from the strict enforcement of Rule 19(2)(b) of the SCRR.

Such listing and admission for trading is not automatic and is subject to fulfillment by our Company of listing criteria of BSE and NSE for such issues. BSE by its letter no. DCS/AMAL/SP/IP/959/2010-11 dated December 16, 2010 and NSE by its letter no. NSE/LIST/154795-4 dated December 28, 2010 granted in-principle approval for listing of the shares of the Company subject to certain terms and conditions..

**Eligibility Criterion**

There being no initial public offering or rights issue, the eligibility criteria in terms of Chapters III and IV of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 are not applicable. However, in accordance with the SEBI Circular, SEBI by its letter no. CFD/DIL/SP/RGA/OW/3157/2011 dated January 13, 2011 granted relaxation from the strict enforcement of Rule 19(2)(b) of the SCRR.

Our Company has submitted this Information Memorandum, containing information about itself, for making this Information Memorandum available to public through their websites, i.e., [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com). Our Company has made this Information Memorandum available on its website, [www.jubilantindustries.com](http://www.jubilantindustries.com).

Our Company will publish an advertisement in one English and one Hindi newspaper with nationwide circulation containing its details in line with the requirements of the above mentioned circular. The advertisement will draw specific reference to the availability of this Information Memorandum on its website.

**Prohibition by SEBI**

Our Company, Directors, our Promoters, other Companies promoted by the Promoters and companies with which our Company's Directors are associated as directors have not been prohibited from accessing the capital markets under any order or direction passed by SEBI.

**General Disclaimer of our Company**

Our Company accepts no responsibility for statements made otherwise than in the Information Memorandum or in the advertisement referred to above to be published in terms of SEBI Circular SEBI/CFD/SCRR/01/2009/03/09 or any other material issued by or at the instance of us and anyone placing reliance on any other source of information would be doing so at his or her own risk. All information shall be made available by our Company to the public and shareholders at large and no selective or additional information would be available for a section of the investors in any manner.

### 3.4 CAPITAL STRUCTURE

Upon issue and allotment of shares pursuant to the Scheme, the share capital of our Company as at the date of filing of this Information Memorandum is as follows:

(₹ in lakhs)

Particulars	Aggregate value at face value
<b>(A) Authorised Share Capital</b> 1,00,00,000 (one crore) Equity Shares of ₹ 10 each	1,000
<b>(B) Issued, Subscribed and Paid-Up Capital before the Scheme</b> 50,000 (fifty thousand) Equity Shares of ₹ 10 each	5
<b>(C) Issue in terms of the Scheme</b> 79,64,056 Equity Shares of ₹ 10 each	796
<b>(D) Paid up Capital after the Scheme</b> 80,14,056 Equity Shares of ₹ 10 each	801
<b>(E) Securities Premium Account</b> Before the Scheme After the Scheme	Nil 8,371.80

The details of increase and change in authorized share capital of our Company after the date of incorporation till filing of the Information Memorandum is as follows:

Date	No. of Equity Shares	Face Value (₹)	Authorised Capital (₹)	Particulars
February 23, 2007	1,00,000	10	10,00,000	On incorporation
May 26, 2010	10,00,000	10	1,00,00,000	Increased the authorized capital by passing shareholders' resolution pursuant to Section 94 of Companies Act
October 12, 2010	1,00,00,000	10	10,00,00,000	Increased the authorized capital by passing shareholders' resolution pursuant to Section 94 of Companies Act

#### Notes to the Capital Structure:

##### 1) Equity Share Capital History of our Company

Date of Allotment	No. of Equity Shares	Cumulative No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Cumulative Paid-up Capital (₹)	Nature of Allotment / Remarks	Consideration
Incorporation March 07, 2007	10,000	10,000	10	10	1,00,000	Subscribers to Memorandum of Association	Cash
January 07, 2010	40,000	50,000	10	10	5,00,000	Preferential allotment to Jubilant Infrastructure Limited	Cash
November 27, 2010	79,64,056	80,14,056	10	-	8,01,40,560	Issued pursuant to the Scheme of Amalgamation and Demerger	Pursuant to the Scheme

##### 2) Details of Equity shares allotted to/ acquired by the Promoters of the Company, their relatives and associates, and their Directors, from the date of approval of the Scheme by the High Court till the date of submission of this Information Memorandum.

NIL

### 3) Details of shareholding of the Promoters and Promoter Group

Name of Promoter	Date of Allotment / Acquisition	Nature of Issue and Reason for Allotment / Transfer	No. of Equity Shares	Face Value (₹)	Issue / Acquisition Price	Consideration	Percentage of Pre-Scheme Capital	Percentage of Post-Scheme Capital	Lock-in-Period	Number of Pledged Equity Shares	Percentage of Pledged Equity Shares
Mr. Shyam S. Bhartia	November 27, 2010	Pursuant to the Scheme	69,996	10	Pursuant to the Scheme	Pursuant to the Scheme	Nil	0.87	Nil	Nil	Nil
Mr. Hari S. Bhartia	November 27, 2010	Pursuant to the Scheme	18,044	10	Pursuant to the Scheme	Pursuant to the Scheme	Nil	0.23	Nil	Nil	Nil
Jubilant Capital Private Limited	November 27, 2010	Pursuant to the Scheme	1,050,382	10	Pursuant to the Scheme	Pursuant to the Scheme	Nil	13.10	Nil	Nil	Nil
Jubilant Securities Private Limited	November 27, 2010	Pursuant to the Scheme	934,947	10	Pursuant to the Scheme	Pursuant to the Scheme	Nil	11.67	Nil	150,900	1.88
Jaytee Private Limited	November 27, 2010	Pursuant to the Scheme	380	10	Pursuant to the Scheme	Pursuant to the Scheme	Nil	0.005	Nil	Nil	Nil
Jubilant Retail Holdings Private Limited	November 27, 2010	Pursuant to the Scheme	938,898	10	Pursuant to the Scheme	Pursuant to the Scheme	Nil	11.72	Nil	Nil	Nil
Vam Holdings Limited	November 27, 2010	Pursuant to the Scheme	284,070	10	Pursuant to the Scheme	Pursuant to the Scheme	Nil	3.54	Nil	Nil	Nil
Nikita Resources Private Limited	November 27, 2010	Pursuant to the Scheme	175,227	10	Pursuant to the Scheme	Pursuant to the Scheme	Nil	2.19	Nil	Nil	Nil
Torino Overseas Limited	November 27, 2010	Pursuant to the Scheme	38,522	10	Pursuant to the Scheme	Pursuant to the Scheme	Nil	0.481	Nil	Nil	Nil
Cumin Investments Limited	November 27, 2010	Pursuant to the Scheme	120,000	10	Pursuant to the Scheme	Pursuant to the Scheme	Nil	1.497	Nil	Nil	Nil
Rance	November	Pursuant to the	120,000	10	Pursuant to the	Pursuant to the	Nil	1.497	Nil	Nil	Nil

**JUBILANT INDUSTRIES LIMITED**
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Name of Promoter	Date of Allotment / Acquisition	Nature of Issue and Reason for Allotment / Transfer	No. of Equity Shares	Face Value (₹)	Issue / Acquisition Price	Consideration	Percentage of Pre-Scheme Capital	Percentage of Post-Scheme Capital	Lock-in-Period	Number of Pledged Equity Shares	Percentage of Pledged Equity Shares
Investments & Holdings Limited	27, 2010	Scheme			Scheme	Scheme					
Ms. Kavita Bhartia	November 27, 2010	Pursuant to the Scheme	514	10	Pursuant to the Scheme	Pursuant to the Scheme	Nil	0.01	NIL	NIL	NIL
Mr. Priyavrat Bhartia	November 27, 2010	Pursuant to the Scheme	154	10	Pursuant to the Scheme	Pursuant to the Scheme	Nil	0.002	NIL	NIL	NIL
Mr. Shamit Bhartia	November 27, 2010	Pursuant to the Scheme	6,462	10	Pursuant to the Scheme	Pursuant to the Scheme	Nil	0.081	NIL	NIL	NIL
Jubilant Infrastructure Limited	December 4, 2009	Purchase from existing shareholders;	10,000	10	₹ 1	Cash	100	0.125	NIL	NIL	NIL
Jubilant Infrastructure Limited	January 7, 2010	Preferential allotment	40,000	10	₹ 10	Cash	100	0.499	NIL	NIL	NIL

- 4) Details of the aggregate number of Equity Shares purchased or sold by the Promoters and/or by the Directors of our Company which is a Promoter of our Company and/or by the Directors of our Company and their immediate relatives within six months immediately preceding the date of filing Information Memorandum.  
Nil
- 5) Details of the maximum and minimum price at which purchases and sales referred to above were made, along with the relevant dates.  
N.A
- 6) Details of all financing arrangements whereby the Promoter Group, the Directors of our Company which is a Promoter of our Company, the Directors of our Company and their relatives have financed the purchase by any other person of securities of our Company other than in the normal course of the business of the financing entity during the period of six months immediately preceding the date of filing the Information Memorandum.  
Nil

**7) Details of transfers among the Promoters during the period from date of approval of Scheme till the date of Information Memorandum.**

Nil

**8) Details of Lock-in of shares of Promoters (Pre-Scheme)**

Nil



**9) Shareholding pattern of our Company before the Scheme (Pre-Scheme)**

Category Code	Category of Shareholder	No. of Share holders	Total No. of Equity Shares	No. of Equity Shares held in Dematerialized Form	Total Shareholding as % of Total No. of Equity Shares		Equity Shares Pledged or Otherwise Encumbered	
					As a % of (A+B)	As a % of (A+B+C)	Number of Equity Shares	As a Percentage
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX) = (VIII) / (IV)*100
<b>(A)</b>	<b>Promoter and Promoter Group</b>							
<b>(1)</b>	<b>Indian</b>	0	0	0	0	0	0	0
(a)	Individuals/ Hindu Undivided Family	0	0	0	0	0	0	0
(b)	Central Government/ State Government(s)	0	0	0	0	0	0	0
(c)	Bodies Corporate	1*	50,000	0	100	100	0	0
(d)	Financial Institutions/ Banks	0	0	0	0	0	0	0
(e)	Any Other (specify)	0	0	0	0	0	0	0
	<b>Sub-Total (A)(1)</b>	<b>1*</b>	<b>50,000</b>	<b>0</b>	<b>100</b>	<b>100</b>	<b>0</b>	<b>0</b>
<b>(2)</b>	<b>Foreign</b>							
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	0	0	0	0	0	0	0
(b)	Bodies Corporate	0	0	0	0	0	0	0
(c)	Institutions	0	0	0	0	0	0	0
(d)	Any Other (specify)	0	0	0	0	0	0	0
	<b>Sub-Total (A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b>	<b>1*</b>	<b>50,000</b>	<b>0</b>	<b>100</b>	<b>100</b>	<b>0</b>	<b>0</b>
<b>(B)</b>	<b>Public shareholding</b>							
(1)	Institutions							

**JUBILANT INDUSTRIES LIMITED**
**INFORMATION MEMORANDUM**

Category Code	Category of Shareholder	No. of Share holders	Total No. of Equity Shares	No. of Equity Shares held in Dematerialized Form	Total Shareholding as % of Total No. of Equity Shares		Equity Shares Pledged or Otherwise Encumbered	
					As a % of (A+B)	As a % of (A+B+C)	Number of Equity Shares	As a Percentage
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX) = (VIII) / (IV)*100
(a)	Mutual Funds/UTI	0	0	0	0	0	0	0
(b)	Financial Institutions/ Banks	0	0	0	0	0	0	0
(c)	Central Government/ State Government(s)	0	0	0	0	0	0	0
(d)	Venture Capital Funds	0	0	0	0	0	0	0
(e)	Insurance Companies	0	0	0	0	0	0	0
(f)	Foreign Institutional Investors	0	0	0	0	0	0	0
(g)	Foreign Venture Capital Investors	0	0	0	0	0	0	0
(h)	Any Other (specify)	0	0	0	0	0	0	0
	<b>Sub-Total (B)(1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
(2)	Non-institutions	0	0	0	0	0	0	0
(a)	Bodies Corporate	0	0	0	0	0	0	0
(b)	Individuals - i. Individual shareholders holding nominal share capital up to ₹ 1 lakh. ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh.	0	0	0	0	0	0	0
(c)	Any Other (specify)	0	0	0	0	0	0	0
	<b>Sub-Total (B)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Total Public Shareholding</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**JUBILANT INDUSTRIES LIMITED**
**INFORMATION MEMORANDUM**

Category Code	Category of Shareholder	No. of Share holders	Total No. of Equity Shares	No. of Equity Shares held in Dematerialized Form	Total Shareholding as % of Total No. of Equity Shares		Equity Shares Pledged or Otherwise Encumbered	
					As a % of (A+B)	As a % of (A+B+C)	Number of Equity Shares	As a Percentage
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX) = (VIII) / (IV)*100
	(B)= (B)(1)+(B)(2)							
	<b>TOTAL (A)+(B)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
(C)	Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	0	0	0	0
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>1*</b>	<b>50,000</b>	<b>0</b>	<b>100</b>	<b>100</b>	<b>0</b>	<b>0</b>

*\*Jubilant Infrastructure Limited, a wholly owned subsidiary of Jubilant Life Sciences Limited, holds the entire capital, in its own name and jointly with seven other persons.*

**10) Details of Shareholders holding more than one percent of the share capital of our Company (Pre-Scheme)**

Name of Shareholder	No. of Equity Shares	% of Equity Share capital
Jubilant Infrastructure Limited	50,000	100
<b>Total</b>	<b>50,000</b>	<b>100</b>

**11) Details of Lock-in of Shares of Promoters (Post-Scheme)**

Nil

**12) Shareholding Pattern of our Company after Implementation of the Scheme (Post-Scheme) as on November 27, 2010 and as on the date of this Information Memorandum:**

Category code	Category of Shareholder	Number of Shareholders	Total number of shares	Number of Shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Shares pledged or otherwise encumbered	
					As a percentage of (A+B)	As a percentage of (A+B+C)	Number of shares	As a percentage
(A)	Shareholding of Promoter and Promoter Group							
(1)	Indian							
(a)	Individuals/ Hindu Undivided Family	5	95,170	95,170	1.19	1.19	0	0
(b)	Central Government/ State	0	0	0	0.00	0.00	0	0

**JUBILANT INDUSTRIES LIMITED**
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Category code	Category of Shareholder	Number of Shareholders	Total number of shares	Number of Shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Shares pledged or otherwise encumbered	
					As a percentage of (A+B)	As a percentage of (A+B+C)	Number of shares	As a percentage
	Government(s)							
(c)	Bodies Corporate	7	3,433,904	3,381,844	42.85	42.85	150,900	1.88
(d)	Financial Institutions/ Banks	0	0	0	0	0	0	0
(e)	Any Other (specify)	0	0	0	0	0	0	0
	<b>Sub-Total (A)(1)</b>	<b>12</b>	<b>3,529,074</b>	<b>3,477,014</b>	<b>44.04</b>	<b>44.04</b>	150,900	1.88
<b>(2)</b>	<b>Foreign</b>							
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	0.00	0.00	0	0
(b)	Bodies Corporate	3	278,522	0	3.48	3.48	0	0
(c)	Institutions	0	0	0	0.00	0.00	0	0
(d)	Any Other (specify)	0	0	0	0.00	0.00	0	0
	<b>Sub-Total (A)(2)</b>	<b>3</b>	<b>278,522</b>	<b>0</b>	<b>3.48</b>	<b>3.48</b>	<b>0</b>	<b>0</b>
	<b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b>	<b>15</b>	<b>3,807,596</b>	<b>3,477,014</b>	<b>47.51</b>	<b>47.51</b>	150,900	1.88
<b>(B)</b>	<b>Public Shareholding</b>							
<b>(1)</b>	<b>Institutions</b>							
(a)	Mutual Funds/ UTI	52	394,313	393,743	4.92	4.92	0	0
(b)	Financial Institutions/ Banks	22	57,275	55,612	0.71	0.71	0	0
(c)	Central Government/ State Government (s)	0	0					
(d)	Venture Capital Funds	0	0					
(e)	Insurance Companies	1	52,615	52,615	0.66	0.66	0	0
(f)	Foreign Institutional Investors	96	1,485,425	1,485,265	18.54	18.54	0	0

**JUBILANT INDUSTRIES LIMITED**
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Category code	Category of Shareholder	Number of Shareholders	Total number of shares	Number of Shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Shares pledged or otherwise encumbered	
					As a percentage of (A+B)	As a percentage of (A+B+C)	Number of shares	As a percentage
(g)	Foreign Venture Capital Investors	0						
(h)	Any Other (specify)	0						
(h-i)	Foreign Financial Institutions	1	585,360	585,360	7.30	7.30	0	0
	<b>Sub-Total (B)(1)</b>	<b>172</b>	<b>2,574,988</b>	<b>2,572,595</b>	<b>32.13</b>	<b>32.13</b>	<b>0</b>	<b>0</b>
<b>(2)</b>	<b>Non-institutions</b>							
(a)	Bodies Corporate	770	659,395	596,368	8.23	8.23	0	0
(b)	Individuals -							
	i. Individual shareholders holding nominal share capital up to ` 1 lakh.	23,117	727,590	502,835	9.08	9.08	0	0
	ii. Individual shareholders holding nominal share capital in excess of ` 1 lakh.	1	12,960	0	0.16	0.16	0	0
(c)	Any Other (specify)							
(c-i)	The Custodian Special Court	1	2,850	0	0.04	0.04	0	0
(c-ii)	Trust	7	192,818	192,818	2.41	2.41	0	0
(c-iii)	Non-Resident Individuals	1,202	35,859	17,214	0.45	0.45	0	0
	<b>Sub-Total (B)(2)</b>	<b>25,098</b>	<b>1,631,472</b>	<b>1,309,235</b>	<b>20.36</b>	<b>20.36</b>	<b>0</b>	<b>0</b>
	<b>Total Public Shareholding (B) = (B)(1)+(B)(2)</b>	<b>25,270</b>	<b>4,206,460</b>	<b>3,881,830</b>	<b>52.49</b>	<b>52.49</b>	<b>0</b>	<b>0</b>
	<b>TOTAL (A)+(B)</b>	<b>25,285</b>	<b>8,014,056</b>	<b>7,358,844</b>	<b>100.00</b>	<b>100.00</b>	150,900	1.88
<b>(C)</b>	<b>Shares held by Custodians and against which Depository Receipts have been issued</b>							

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Category code	Category of Shareholder	Number of Shareholders	Total number of shares	Number of Shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Shares pledged or otherwise encumbered	
					As a percentage of (A+B)	As a percentage of (A+B+C)	Number of shares	As a percentage
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>25,285</b>	<b>8,014,056</b>	<b>7,358,844</b>	<b>100.00</b>	<b>100.00</b>	150,900	1.88

**13) Details of Shareholders holding more than one percent of the share capital of our Company (Post-Scheme)**

S. No.	Shareholders Name	No. of Equity Shares	Shares as a % of Total Number of Equity Shares
1	Jubilant Capital Private Limited	1,050,382	13.11
2	Jubilant Retail Holding Private Limited	938,898	11.72
3	Jubilant Securities Private Limited	934,947	11.67
4	GA Global Investments Limited	585,360	7.30
5	Diligent Services Private Limited	351,133	4.38
6	Vam Holdings Limited	284,070	3.54
7	Deutsche Securities Mauritius Limited	225,382	2.81
8	Dynamic Power Canadian Growth Fund	209,025	2.61
9	Jubilant Employees Welfare Trust	192,086	2.40
10	Nikita Resources Private Limited	175,227	2.19
11	Cumin Investments Limited	120,000	1.50
12	Rance Investment Holding Limited	120,000	1.50
13	Blackrock India Equities Fund (Mauritius) Limited	106,128	1.32
	<b>Total</b>	<b>5,292,638</b>	<b>66.04</b>

**14) A list of top 10 shareholders of our Company and the number of Equity Shares held by them is as under:**
**a) Pre-Scheme**

S. No.	Shareholders Name	No. of Equity Shares	% of Issued Capital
1	Jubilant Infrastructure Limited	50,000	100
2	None	NIL	NIL
3	None	NIL	NIL
4	None	NIL	NIL
5	None	NIL	NIL
6	None	NIL	NIL
7	None	NIL	NIL
8	None	NIL	NIL
9	None	NIL	NIL
10	None	NIL	NIL
	<b>Total</b>	<b>50000</b>	<b>100</b>

**b) As on the date of this Information Memorandum (Post-Scheme):**

S. No.	Shareholders Name	No. of Equity Shares	% of Issued Capital
1	Jubilant Capital Private Limited	1,050,382	13.11
2	Jubilant Retail Holding Private Limited	938,898	11.72
3	Jubilant Securities Private Limited	934,947	11.67
4	GA Global Investments Limited	585,360	7.30

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5	Diligent Services Private Limited	351,133	4.38
6	Vam Holdings Limited	284,070	3.54
7	Deutsche Securities Mauritius Limited	225,382	2.81
8	Dynamic Power Canadian Growth Fund	209,025	2.61
9	Jubilant Employees Welfare Trust	192,086	2.40
10	Nikita Resources Private Limited	175,227	2.19
	<b>Total</b>	<b>4,946,510</b>	<b>61.73</b>

c) As on 10 days prior to the date of this Information Memorandum:

S. No.	Shareholders Name	No. of Equity Shares	% of Issued Capital
1	Jubilant Capital Private Limited	1,050,382	13.11
2	Jubilant Retail Holding Private Limited	938,898	11.72
3	Jubilant Securities Private Limited	934,947	11.67
4	GA Global Investments Limited	585,360	7.30
5	Diligent Services Private Limited	351,133	4.38
6	Vam Holdings Limited	284,070	3.54
7	Deutsche Securities Mauritius Limited	225,382	2.81
8	Dynamic Power Canadian Growth Fund	209,025	2.61
9	Jubilant Employees Welfare Trust	192,086	2.40
10	Nikita Resources Private Limited	175,227	2.19
	<b>Total</b>	<b>4,946,510</b>	<b>61.73</b>

d) As on two years prior to the date of this Information Memorandum:

S. No.	Shareholders Name	No. of Equity Shares	% of Issued Capital
1	Mr. Gopal H. Sutwala	9,900	99
2	Mrs. Rekha Sutwala	100	1
3	None	NIL	NIL
4	None	NIL	NIL
5	None	NIL	NIL
6	None	NIL	NIL
7	None	NIL	NIL
8	None	NIL	NIL
9	None	NIL	NIL
10	None	NIL	NIL
	<b>Total</b>	<b>10,000</b>	<b>100</b>

- 15) Pursuant to the Scheme, Jubilant Employees Welfare Trust shall be issued Equity Shares of our Company in accordance with the share exchange ratio set forth in the Scheme. Further, in respect of employee stock options granted pursuant to the Jubilant ESOP, prior to the Scheme becoming effective, the Employees (as defined in Jubilant ESOP) who are the beneficiaries of such employee stock option would be allotted not only the equity shares of JLL but also the Equity Shares of our Company in accordance with the share exchange ratio set forth in the Scheme when such Employee(s) pay the exercise price in accordance with the Jubilant ESOP. In addition, any Option (as defined in Jubilant ESOP) vested with the employees of the Demerged Undertaking pursuant to the Jubilant ESOP prior to the Effective Date (as defined in the Scheme) shall continue to the benefit of such employee(s). For further details, see “*Scheme of Amalgamation and Demerger*”. However, our Company has not instituted any employee stock option scheme or employee stock purchase scheme.
- 16) As on the date of filing this Information Memorandum, there are no outstanding financial instruments or any other right, which would entitle the Promoters or shareholders or any other person any option to receive Equity Shares.

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- 17) In accordance with the provisions of the SEBI Circular, 6267 Equity Shares of Rs. 10 each of the Company JLL, are locked in up to November 24, 2013.
  - 18) As on the date of this Information Memorandum, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments into Equity Shares.
  - 19) We have not issued any Equity Shares out of revaluation reserve or reserves without accrual of cash resources.
  - 20) At any given time, there shall be only one denomination of the Equity Shares of our Company and our Company shall comply with such disclosure and accounting norms specified by SEBI from time to time. The Equity Shareholders of our Company do not hold any warrant, option or convertible loan or debenture, which would entitle them to acquire further Equity Shares in the Company.
  - 21) Our Company has 25,285 shareholders as on the date of filing this Information Memorandum.
  - 22) The Equity Shares held by the Promoters are not subject to any pledge except 150,900 equity shares constituting 1.88% of total issued capital, post scheme, held by Jubilant Securities Limited.
  - 23) Information on shareholding of the Directors and key managerial personnel is given in “***Our Management***”.
  - 24) As on date there are no partly paid-up Equity Shares.



**3.5 Statement of Special Tax benefits**

The Statement of Tax Benefits applicable to company received from K. N. Gutgutia & Company, Chartered Accountants, is as under :

**STATEMENT OF TAX BENEFITS**

23<sup>rd</sup> November, 2010

Jubilant Industries Limited  
(Formerly known as Hitech Shiksha Ltd)  
1A- SECTOR 16A

NOIDA-201301

Dear Sirs,

Re: Tax benefits in connection with the proposed listing of 8,014,056 Equity Shares of Rs.10/- each

We acknowledge receipt of the request letter dated 23<sup>rd</sup> November, 2010 seeking our advice on the various benefits available to the Company and its shareholders under the Indian Direct Tax Laws. We understand that our advice will be incorporated in the Information Memorandum to be issued in connection with the proposed listing of Equity Shares of Rs.10/- each.

In this connection, we have to state that, subject to the fulfillment of the respective requirements of the relevant provisions, the following tax benefits will *inter-alia* be available on the basis of the current tax laws presently in force in India.

The benefits discussed hereunder are not exhaustive and are only intended to provide general information to the investors and hence is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications.

Our advice in respect of the various tax benefits is based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and the interpretation of the current tax laws in force in India.

Several of these benefits are dependent on the company or its shareholders fulfilling the conditions prescribed/ specified under the relevant provisions of the statute and rules made there under. Hence, the ability of the company or its shareholders to achieve the tax benefits is dependent upon their fulfilling such conditions. Hence, We do not express any opinion or provide any assurance as to whether:

- The Company or its shareholders will continue to obtain these benefits in future; or
- The conditions prescribed for availing the benefits, where applicable, have been / would be met with.

**I. UNDER THE INCOME TAX ACT, 1961 (HEREINAFTER REFERRED TO AS THE IT ACT):**

**A. BENEFITS AVAILABLE TO THE COMPANY:**

- (i) The Company will be entitled to claim exemption for interest on bonds under section 10(15) of the IT Act.
- (ii) The Company will be entitled to claim depreciation allowance at the prescribed rates on assets under section 32 of the IT Act. Further, subject to fulfillment of conditions prescribed in section 32(1)(iia) of the IT Act, the Company will be entitled to claim accelerated depreciation of 20 per cent of the actual cost of certain new machinery or plant which has been acquired and installed after 31<sup>st</sup> March, 2005 . If, however, the assets are put to use for less than 180 days in the year in which they are acquired, the rate of accelerated depreciation will be 10 per cent.
- (iii) The Company will be entitled to claim against the future taxable profit, balance of carried forward losses, to the extent allocated by Jubilant Life Sciences Limited to it on demerger, computed under the Income Tax Laws.
- (iv) Dividend income referred to in section 115-O earned by the Company from domestic companies, will be exempt under section 10(34) of the IT Act. Similarly income received by the Company in respect of units of Mutual Funds specified under section 10(23D) will be exempt under section 10(35) of the IT Act.
- (v) Income arising on transfer of equity shares or units of an equity oriented fund held by the Company will be exempt under section 10(38) of the IT Act if the said asset is a long-term capital asset and securities transaction tax has been charged on the said transaction. However, the said exemption will not be available to the Company while computing the book profit and income-tax payable under section 115JB.
- (vi) The long-term capital gains arising to the Company from the transfer of listed securities or units, as defined, not covered under point (v) above shall be chargeable to tax at the rate of 20% (plus applicable surcharge and cess) of the capital gains computed after indexing the cost of acquisition or at the rate of 10% (plus applicable surcharge and cess) of the capital gains computed before indexing the cost of acquisition, whichever is lower.
- (vii) The long-term capital gains not covered under points (v) and (vi) above shall be chargeable to tax at the rate of 20% (plus applicable surcharge and cess) of the capital gains computed after indexing the cost of acquisition / improvement.
- (viii) Short-term capital gains arising on transfer of equity shares or units of an equity oriented fund held by the Company will be chargeable to tax at the rate of 15% (plus applicable surcharge and cess) as per the provisions of section 111A of the IT Act if securities transaction tax has been charged on the said transaction.
- (ix) In accordance with and subject to the conditions, including the limit of investment of Rs.50 lacs, and to the extent specified in section 54EC of the IT Act, capital gains arising on transfer of long-term capital assets of the Company shall be exempt from capital gains tax if the gains are invested within six months from the date of transfer in the purchase of long-term specified assets.
- (x) Unabsorbed Depreciation, if any, for an assessment year can be carried forward & set off against any source of income of subsequent years as per section 32 of the Income Tax Act, 1961.

- (xi) As per section 115JAA (1A), the company is eligible to claim credit for Minimum Alternative Tax paid in any assessment year from income tax payable in subsequent years as per other provisions of the Income Tax Act, 1961.

**B. BENEFITS AVAILABLE TO THE SHAREHOLDERS OF THE COMPANY:**

**1. RESIDENTS:**

- (i) Dividend income earned on shares of the Company will be exempt in the hands of shareholders under section 10(34) of the IT Act.
- (ii) Income arising on transfer of the shares of the Company will be exempt under section 10(38) of the IT Act if the said shares are long-term capital assets and securities transaction tax has been charged on the said transaction. However, shareholders being companies will not be able to claim the above exemption while computing the book profit and income-tax payable under section 115JB.
- (iii) The long-term capital gains accruing to the shareholders of the Company from the transfer of the shares of the Company otherwise than as mentioned in point (ii) above shall be chargeable to tax at the rate of 20% (plus applicable surcharge and cess) of the capital gains computed after indexing the cost of acquisition or at the rate of 10% (plus applicable surcharge and cess) of the capital gains computed before indexing the cost of acquisition, whichever is lower.
- (iv) In case of an individual or Hindu Undivided Family, where the total taxable income as reduced by long-term capital gains is below the basic exemption limit, the long-term capital gains will be reduced to the extent of the shortfall and only the balance long-term capital gains will be subjected to such tax in accordance with the proviso to sub-section (1) of section 112 of the IT Act.
- (v) Short-term capital gains arising on transfer of the shares of the Company will be chargeable to tax at the rate of 15% (plus applicable surcharge and cess) as per the provisions of section 111A of the IT Act if securities transaction tax has been charged on the said transaction. In case of an individual or Hindu Undivided Family, where the total taxable income as reduced by short-term capital gains is below the basic exemption limit, the short-term capital gains will be reduced to the extent of the shortfall and only the balance short-term capital gains will be subjected to such tax in accordance with the proviso to sub-section (1) of section 111A of the IT Act.
- (vi) In accordance with, and subject to the conditions, including the limit of investment of Rs.50 lacs, and to the extent specified in section 54EC of the IT Act, long-term capital gains arising on transfer of the shares of the Company not covered under point (ii) above shall be exempt from capital gains tax if the gains are invested within six months from the date of transfer in the purchase of long-term specified assets.
- (vii) In accordance with, and subject to the conditions and to the extent specified in section 54F of the IT Act, long-term capital gains arising on transfer of the shares of the Company not covered under point (ii) above held by an individual or Hindu Undivided Family shall be exempt from capital gains tax if the net sales consideration is utilised, within a period of one year before, or two years after the date of transfer, for the purchase of a new residential house, or is utilised for construction of a residential house within three years.

**2. NON-RESIDENTS:**

- (i) Dividend income earned on shares of the Company will be exempt in the hands of shareholders under section 10(34) of the IT Act.
- (ii) Income arising on transfer of the shares of the Company will be exempt under section 10(38) of the IT Act if the said shares are long-term capital assets and securities transaction tax has been charged on the said transaction. However, shareholders being companies will not be able to claim the above exemption while computing the book profit and income-tax payable under section 115JB.
- (iii) In accordance with, and subject to section 48 of the IT Act, capital gains arising on transfer of shares of the Company which are acquired in convertible foreign exchange and not covered under point (ii) above shall be computed by converting the cost of acquisition, expenditure in connection with such transfer and full value of the consideration received or accruing as a result of the transfer into the same foreign currency as was initially utilised in the purchase of shares and the capital gains computed in such foreign currency shall be reconverted into Indian currency, such that the aforesaid manner of computation of capital gains shall be applicable in respect of capital gains accruing / arising from every reinvestment thereafter in, and sale of shares of the Company.
- (iv) The long-term capital gains accruing to the shareholders of the Company from the transfer of the shares of the Company otherwise than as mentioned in points (ii) and (iii) above shall be chargeable to tax at the rate of 20% of the capital gains computed after indexing the cost of acquisition or at the rate of 10% of the capital gains computed before indexing the cost of acquisition, whichever is lower.
- (v) Short-term capital gains arising on transfer of the shares of the Company will be chargeable to tax at the rate of 15% as per the provisions of section 111A of the IT Act if securities transaction tax has been charged on the said transaction.
- (vi) In accordance with, and subject to the conditions, including the limit of investment of Rs.50 lacs, and to the extent specified in section 54EC of the IT Act, long-term capital gains arising on transfer of the shares of the Company not covered under point (ii) above shall be exempt from capital gains tax if the gains are invested within six months from the date of transfer in the purchase of long-term specified assets.
- (vii) In accordance with, and subject to the conditions and to the extent specified in section 54F of the IT Act, long-term capital gains arising on transfer of the shares of the Company not covered under point (ii) above held by an individual or Hindu Undivided Family shall be exempt from capital gains tax if the net sales consideration is utilised, within a period of one year before or two years after the date of transfer, for the purchase of a new residential house, or is utilised for construction of a residential house within three years.
- (viii) Under the provisions of section 90(2) of the IT Act, a non-resident will be governed by the provisions of the Agreement for Avoidance of Double Taxation (AADT) between India and the country of residence of the non-resident if the said provisions are more beneficial than the provisions under the IT Act.

Besides the above benefits available to non- residents, Non-Resident Indians (NRIs) have the option of

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being governed by the provisions of Chapter XII-A of the IT Act which *inter alia* entitles them to the following benefits in respect of income from shares of an Indian Company acquired, purchased or subscribed to in convertible foreign exchange:

- (a) Under section 115E of the IT Act, NRIs will be taxed at 10% (plus applicable surcharge and cess) on long-term capital gains arising on sale of shares of the Company which are acquired in convertible foreign exchange and are not covered under point (ii) above which are acquired in convertible foreign exchange.
- (b) Under section 115F of the IT Act, and subject to the conditions and to the extent specified therein, long-term capital gains arising to NRIs from transfer of shares of the Company acquired out of convertible foreign exchange not covered under point (b) above acquired out of convertible foreign exchange shall be exempt from capital gains tax if the net consideration is invested within six months of the date of transfer of the asset in any specified asset or in any saving certificates referred to in clause (4B) of section 10 of the IT Act.
- (c) In accordance with the provisions of section 115G of the Act, NRIs are not obliged to file a return of income under section 139(1) of the IT Act, if their only source of income is income from investments or long-term capital gains earned on transfer of such investments or both, provided tax has been deducted at source from such income as per the provisions of Chapter XVII-B of the IT Act.
- (d) In accordance with the provisions of section 115H of the IT Act, when NRIs become assessable as resident in India, they may furnish a declaration in writing to the Assessing Officer along with their return of income for that year under section 139 of the IT Act to the effect that the provisions of Chapter XII-A shall continue to apply to them in relation to such investment income derived from the specified assets for that year and subsequent assessment years until such assets are transferred or converted into money.
- (e) As per the provisions of section 115-I of the IT Act, NRIs may elect not to be governed by the provisions of Chapter XII-A for any assessment year by furnishing their return of income for that year under section 139 of the IT Act, declaring therein that the provisions of Chapter XII-A shall not apply to them for that assessment year and accordingly their total income for that assessment year will be computed in accordance with the other provisions of the IT Act. The said Chapter *inter alia* entitles NRIs to the benefits stated thereunder in respect of income from shares of an Indian company acquired, purchased or subscribed in convertible foreign exchange.

3. **FOREIGN INSTITUTIONAL INVESTORS (FIIs):**

- (i) Dividend income earned on shares of the Company will be exempt in the hands of shareholders under section 10(34) of the IT Act.
- (ii) Income arising on transfer of the shares of the Company will be exempt under section 10(38) of the IT Act if the said shares are long-term capital assets and securities transaction tax has been charged on the said transaction.
- (iii) Under section 115AD(1)(b)(iii) of the IT Act, income by way of long-term capital gains arising from the transfer of shares held in the Company not covered under point (ii) above will be chargeable to tax at the rate of 10% (plus applicable surcharge and cess).
- (iv) Short-term capital gains arising on transfer of the shares of the Company will be chargeable to tax at the rate of 15% (plus applicable surcharge and cess) as per the provisions of section 111A of the IT Act if securities transaction tax has been charged on the said transaction.

- (v) Under section 115AD(1)(b)(ii) of the IT Act, income by way of short- term capital gains arising from the transfer of shares held in the Company not covered under point (iv) above will be chargeable to tax at the rate of 30% (plus applicable surcharge and cess).
- (vi) Under the provisions of section 90(2) of the IT Act, a FII will be governed by the provisions of the Agreement for Avoidance of Double Taxation (AADT) between India and the country of residence of the FII if the said provisions are more beneficial than the provisions under the IT Act.

4. MUTUAL FUNDS:

Under section 10(23D) of the IT Act, any income earned by a Mutual Fund registered under the Securities and Exchange Board of India Act, 1992, or a Mutual Fund set up by a public sector bank or a public financial institution, or a Mutual Fund authorised by the Reserve Bank of India would be exempt from income-tax, subject to such conditions as the Central Government may by notification in the Official Gazette specify in this behalf.

II. UNDER THE WEALTH TAX ACT, 1957 AND THE GIFT TAX ACT, 1958:

- (i) „Asset“ as defined under Section 2(ea) of the Wealth-tax Act, 1957 does not include shares in companies and hence, the shares of the Company held by a shareholder are not liable to wealth-tax.
- (ii) Gift tax is not leviable in respect of any gifts made on or after 1<sup>st</sup> October, 1998 and in respect of non-monetary gifts made on or after 1<sup>st</sup> September, 2004. Therefore, any gift of shares of the Company will not attract gift-tax. However, the same is taxable under section 56(2) of the Income Tax Act, 1961.

**Note:** The tax benefits available to the Company and its shareholders will be varied/changed on applicability of revised Direct Tax Code 2010 which is proposed to be made applicable w.e.f. 1<sup>st</sup> April 2012.

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

B. R Goyal  
Partner  
Membership No.: 12172

**SECTION 4 - ABOUT THE COMPANY****4.1 INDUSTRY OVERVIEW****Agri Products**

Agriculture which accounts for one fifth of GDP, provides sustenance to two-thirds of India's population. Successive five-year plans have laid stress on self-sufficiency and self-reliance in food grains production and concerted efforts in this direction have resulted in substantial increase in agriculture production and productivity. In India's success in agriculture sector, not only in terms of meeting total requirement of food grains but also generating exportable surpluses the significant role played by chemical fertilizers is well recognized and established. the annual consumption of fertilizers in nutrient terms (N, P & K), has increased from 0.7 lakh MT in 1951-52 to 249.09 lakh MT 2008-09, while per hectare consumption of fertilizers, which was less than 1 Kg in 1951-52 has risen to the level of 128.60 Kg (estimated) in 2008-09. (Source: Annual Report 2009-2010, Department of Fertilizers, Ministry of Chemicals & Fertilizers, GoI)

**Performance Polymers****Consumer Products Division**

Consumer product division includes woodworking adhesives, footwear adhesives, wood finishes and epoxies.

We believe that rapid urbanization, changes in socio economic structure, greater awareness among consumers about wood coatings, increased activity in construction and furniture impact the demand for adhesives, epoxies and wood coatings.

**Food Polymers**

We believe we are one of the major suppliers of Solid Poly Vinyl Acetate (SPVA). SPVA is the major raw material for making gum base for chewing gum and bubble gum.

**Latex**

Vinyl Pyridine latex (VP) is used to impregnate manmade fabrics and enable the adhesion of fabrics to the rubber of automobile tires and/or conveyor belts.

We believe that increased economic activity has resulted in growth in industrial production which in turn has increased the use of conveyers and hence conveyor fabric. This leads to increased requirement for tire cord and conveyor belting fabric and hence vinyl pyridine latex requirement.

**Application Polymers Division (APD)**

We sell Poly Vinyl Acetate (PVA) based adhesives in three application areas, namely:

- PSA -Pressure Sensitive Adhesives. Used in manufacturing of tapes and labels.
- Lamination Adhesives - This is used for bonding film to paper/paper board like posters, calendars, book covers, greeting cards, etc.
- Packaging - This is used as adhesive for side pasting in carton making and corrugation.

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Poly urethane (PU) adhesives are manufactured for making flexible packaging laminates used by the converting industry. These laminates are used for making pouches for packaging of edible oils, coffee, tobacco, biscuits, shampoo, detergents, etc.



**4.2 BUSINESS OVERVIEW**

Our Company was incorporated on February 23, 2007 and is a part of the Jubilant Bhartia Group. Consequent to the implementation of the Scheme, the agricultural products division, the performance polymer division and the IMFL business of JLL stand vested in JIL. For further details, see, “**Introduction- Scheme of Amalgamation and Demerger**”. Our agricultural products, performance polymers and IMFL businesses deliver broad range of technology based products and solutions to customers in India and abroad. Such products have wide application in industries such as pharmaceuticals, agrochemicals, textiles and foods.

Over the years, this business has attained a significant size in India and our Company aims at scaling up its business in global markets. We attribute our growth and success to the strategic vision of our management. To this end our strategic focus is to innovate, collaborate and accelerate the process of catering to the needs of the customers through delivery of good quality services and products. Our products are manufactured at state of the art manufacturing plants at Gajraula, Uttar Pradesh, Kapasan, Rajasthan, Nira, Maharashtra, Sahibabad, Uttar Pradesh and Samlaya, Gujarat. Our business works closely with customers using research and development to introduce intelligent system solutions and sophisticated products to cater to the requirements of our consumer's needs.

Set forth below is a brief description of our agricultural products, performance polymers and IMFL divisions:

***(1) Agricultural products division***

Our agricultural products division is classified into four segments of crop nutrition, plant growth regulators, crop protection and industrial chemicals. All our agricultural products are sold under the brand name „Ramban“. Our sales are primarily to the North and Central part of India and is well known in these markets by the farming community for its quality, consistency and reliability.

***Products and services***

- (a) Crop nutrition: This category of products such as fertilizers aid in increasing the crop yield and quality of plants and help condition the soil to protect plants against crop disease. Our primary agricultural product is the „Ramban“ Single Super Phosphate (“SSP”) fertilizer. In addition, we also market other agricultural products such as Bentosulph (Bentonite Sulphur 90%), Sulphagold (Sulphur 90% DP), Ramban Bhoo Sanjeevani (organic manure) and Nutra Plus (NPK 20:20:20).
- (b) Plant growth regulators: Our plant growth regulator products primarily aid to increase plant growth and balance maturity by curtailing the unwanted vegetative growth, thus increasing the yield and quality of the plant. Our leading products in this segment are „Vam-C“ (Chlormequat chloride 50% SL), Ripex (Ethephon 39% SL), Power Plus (Triacontanol 0.05% granules).
- (c) Crop protection: Our crop protection products cover a wide range of pesticides, insecticides, herbicides and fungicides that cover different aspects of crop protection at various stages including from seed sowing to harvesting. Ikon (Imidacloprid 17.8% SL), Cartex (Catap Hydrochloride 4%), Atler (Alphamethrin 10% EC), Cymax (Chlorpyrifos 50% + Cypermethrin 5% EC) and Raider (Chlorpyrifos 20% EC) are some of our insecticide and pesticide products. In addition, Fire (Pretilachlor 50% EC), Clodinox (Clodinofof Propargyl 15% WP) form a part of our herbicide product portfolio and Vozim (Carbendazim 50% WP), Hexon (Hexaconazole 5% EC) and Vozim Plus (Carbendazim 12% Mencozeb 63% WP) form a part of our fungicides products. We currently do not manufacture any of our crop protection products and only trade such products at present that are bought out and sold through our existing distribution channels.
- (d) Industrial chemicals: We manufacture Sulphuric Acid and Sodium Silico Fluoride in this category. Sulphuric Acid is used for both captive consumption in SSP production and sold commercially for industrial use in the soap and detergent industry or to other manufacturers of fertilizers, sugar refiners, colours, dyes, paper and the aluminum industry. Sodium Silico Fluoride is marketed to the glass industry

and used as a raw material for glass manufacturing.

### ***Facilities***

We manufacture crop nutrition products and industrial chemicals in-house at our facilities located at Gajraula, Uttar Pradesh and Kapasan, Rajasthan.

SSP is manufactured at plants in Gajraula and Kapasan which have a total capacity of 429,000 MT per annum. Our manufacturing facility at Gajraula, Uttar Pradesh has a production capacity of 165,000 MT of SSP and our facility at Kapasan, Rajasthan has a production capacity of 264,000 Mt of SSP. Both these units are equipped to produce both Powder SSP and Granulated SSP.

Sulphuric Acid is manufactured in Gajraula with a production capacity of 68,640 MT per annum and Sodium Silico Fluoride is manufactured at Kapasan with a production capacity 1,440 MT per annum.

### ***Sales, Marketing and Distribution***

Our agricultural products are distributed through regional distributors, who further channel the products through institutional buyers, such as agricultural agencies or co-ops, or through private resellers, who ultimately sell or provide the product to farmers. In addition our operating geography is further segmented on the basis of crops and marketing strategies are designed depending upon specific crops, areas and products.

### ***(2) Performance Polymer Division***

We believe we are a leading manufacturer of polymer-based applications which are designed to deliver user-specific applications. Our performance polymers are used in a wide range of industries, such as, furniture, , packaging, textiles and footwear.

Our performance polymers business is organized around four core product segments, consumer products, food polymers, latex and application polymers. Most of our performance polymers are manufactured at our facility at Gajraula.

#### ***(a) Consumer Products***

This business segment produces a range of products for woodworking adhesives, wood finishes, footwear adhesives and epoxy sealants. We manufacture three types of woodworking adhesives; premium adhesives which is used by consumers/architects; mid segment adhesives which is majorly used in projects and economy adhesives that is consumed by furniture manufacturers. Wood finishes is used to improve the aesthetics of wood substrate, footwear adhesives are used by architects and manufacturers depending on the end use and epoxy sealants are used to fill leakages in sanitary ware and water pipes. Our consumer products are marketed under the brand “Jivanjor” which has a strong presence in India through its wide distribution presence.

#### ***(b) Food Polymers***

Our Food Polymers business segment manufactures and markets solid poly vinyl acetate (“SPVA”), which is used as an ingredient in making gum base for chewing gum and bubble gum. Synthetic polymers, of which solid PVA is but one type, are the main gum base constituent in 90% of the gum base manufactured worldwide. We are also able to produce solid PVA through proprietary processes to international standards of food-grade quality in a kosher-certified PVA plant.

#### ***(c) Latex***

We produce and market various three kinds of latex namely, Vinyl Pyridine, Styrene Butadiene Rubber (“SBR”) and Nitrile Butadiene (“NBR”) latex under this business segment. Vinyl Pyridine and SBR are used in dipping of

tyre cord and conveyor belt fabric by tire manufacturers who have in-house dipping facilities and also by tire cord fabric dippers. In addition, they are also used to manufacture SBR Latex tyre carcasses, V-belts and conveyor belts. NBRs are used in automotive gasket binding applications.

**(d) Application Polymer Products**

Our application polymers business manufactures high quality polymer based applications designed to deliver user specific products and solutions and is engaged in manufacturing products for applications in lamination, flexible packaging, general packaging and pressure sensitive adhesives. This division provides products for industries such as construction chemicals, flexible packaging, lamination, packaging stickers, labels and tapes.

This division manufactures two product categories, namely Poly Vinyl Acetate (“PVA”) emulsions and Poly Urethane (“PU”) adhesives. PVA has three application areas, namely pressure sensitive adhesives which are used in manufacturing of tapes and labels; lamination adhesives which are used for bonding film to paper/paper boards such as posters, calendars, book covers and greeting cards; and packaging adhesives used for side pasting in carton making and corrugation. PU adhesives are used to produce flexible packaging laminates used primarily for making pouches to package products such as edible oils, coffee, shampoo and detergents.

During FY 2010 the revenues for this division declined mainly due to product rationalisation by eliminating products with negative contribution. Further in FY 2011 also the business growth is not upto internal expectation due to market conditions.

**Facilities**

Consumer Products: Our manufacturing operations for wood adhesives is located at our plant at Gajraula. The Gajraula plant has a manufacturing capacity of 16,000 MT per annum. Our manufacturing operations for footwear adhesives is located at our plant at Sahibabad. The Sahibabad plant has a manufacturing capacity of 2,800 kilo litres per annum. We do not manufacture epoxy sealants and only trade in them.

Food Polymers: Our food polymer products are manufactured at our plant at Gajraula. The plant has a manufacturing capacity of 10,000 MT per annum.

Latex: We manufacture all three categories of latex in our plant at Samlaya near Vadodara, Gujarat. The plant has a manufacturing capacity of 14,000 MT of latex per annum. In addition, we also have a research and development laboratory equipped with testing facilities for different latex products which is recognized by the Department of Science and Technology, GoI.

Application Polymer Products: Our application polymer products are manufactured at our plant at Gajraula. The plant has a manufacturing capacity of 3,600 MT per annum.

**Sales, Marketing and Distribution**

Consumer Products: Our entire range of consumer products are distributed through a pan India base of distributors who cater to retailers throughout the country. Sales promotions and frequent marketing activity to dealers and carpenters is regularly undertaken to promote our consumer products.

Food Polymers: Solid PVA is sold under the trade name of ‘Vamipol’ which is sold directly to chewing gum base suppliers globally.

Latex: Our latex products are sold directly to either tire manufacturers who have in house dipping facilities and to tire cord fabric dippers in both the domestic and overseas markets. We export our latex products to countries in Asia, Europe and Latin America.

Application Polymer Products : Our application polymer products are sold through our channel partners and original equipment manufacturers in India as well as abroad in Germany and Dubai.

***(3) IMFL division***

Our Company has been bottling IMFL products on a contractual basis for various established brands engaged in liquor business in India. Our capacity is 100,000 cases per month for IMFL. We have technological capacity to handle all sizes of bottles, with a configuration of five automatic/semi-automatic lines. All lines are equipped with the required Vats (used for blending alcohol) for storage of extra neutral alcohol and labeling machines which provides flexibility for bottling various sizes of IMFL. We also have a fully equipped, state of the art laboratory to support our bottling plant. Our bottling is at located at Nira, which is about 70 kms from Pune in Maharashtra.

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**4.3 HISTORY AND CERTAIN CORPORATE MATTERS**

Our Company was incorporated on February 23, 2007 in Kanpur, Uttar Pradesh as a private limited company in the name and style of „Hitech Shiksha Private Limited“ under the Companies Act, 1956 with the Registrar of Companies, Uttar Pradesh and Uttarakhand (“RoC”). With effect from March 16, 2010, our Company became a public limited company and the name of our Company was changed to „Hitech Shiksha Limited“ and subsequently on June 8, 2010 our name was changed to our present name „Jubilant Industries Limited“. Further, pursuant to the Scheme sanctioned by the Hon’ble High Court of Allahabad by its Orders, the Demerged Undertaking stands vested in our Company. For further details, see, “*Introduction- Scheme of Amalgamation and Demerger*”.

The registered office of our Company is located at Bhartiagram, Gajraula, District Jyotiba Phoolay Nagar, Uttar Pradesh 244 223, India.

The corporate identity number assigned to our Company is U24100UP2007PLC032909.

**4.3.1 Main objects of our Company**

Set forth below are the main objects of our Company:

1. to manufacture, fabricate, produce, mix or prepare, refine, extract, process, formulate, pack, repack, finish, buy, sell, import, export, distribute, acquire, hire, trade, deal in and deal with, store, enrich, mine, brew, distill, dehydrate, blend and generally to carry on business in or otherwise deal in:
  - (a) all kinds of fertilizers (straight, complex and mixed fertilizers), manures, chemicals source materials, ingredients, mixtures, derivatives and compounds thereof, and agricultural and industrial chemicals including ammonium sulphate, ammonium chloride, anhydrous ammonium, sodium nitrate, calcium nitrate, potassium nitrate, ammonium nitrate, calcium ammonium nitrate, ammonium sulphate nitrate, urea, calcium cyanamide, single super phosphates, triple super phosphates, chelates with various metals and with various legends e.g. proteins, amides, acids, alcohol etc. and chemicals as soil conditioner, bio catalyst and bio stimulants for plant and other chemicals including fine chemicals and pharmaceutical chemicals, any and all classes and kinds of inorganic and organic, compounds and cosmetics, petrochemicals and gases or any other allied product or any compounds thereof, petroleum products, auxiliaries, aromatic chemicals, salt and marine minerals, insecticides, pesticides, herbicides, vermifuges, fungicides, germicides, dips sprays, foliar sprays, disinfecting preparations, fumigators, and other germ killing materials, fats, drugs, medicines & provisions and remedies of all kinds for agricultural, horticulture, floriculture and aquaculture purposes, trees, plantations (indoor and outdoor), gardening, sport complexes and other purposes or as remedies for human and animals and whether produced from vegetable, mineral, gaseous or any other matters or substances by and any process whether chemical, mechanical or electrical, perfumery materials, and all kinds of animal nutrition including niacin and various choline salts like choline chloride, choline bitrate, choline hydrogen citrate, choline bicarbonate, betaine hydrochloride, choline salicylate.
  - (b) vinyl acetate monomer, acetaldehyde, acetic acid, acetic anhydride, ethyl alcohol, ethyl acetate, polyvinyl acetate, polymers and co-polymers of vinyl acetate, monomer acetalate to polymer and vinyl chloride monomer, polyvinyl alcohol, polyvinyl acetyls including polyvinyl formal and polyvinyl butyral, ethylene-vinyl alcohol, ethylene-vinyl acetate, ethylene acrylic acids, ethylene methacrylate, homo and copolymer of lactic acid and lactides, homo and copolymer of styrene, butadiene, vinyl pyridine, acrylonitrile, unsaturated acids, acetates, acrylates, synthetic and natural resins and their product, emulsions and latexes for use in paints and building products, bitumen and asphalt modifications, various gaskets, rubber and rubber products, foam rubber, rubber compounding materials, soaps, detergents, washing and cleaning compounds, packages, oils, oilseeds and other agricultural and horticultural products, impact modifiers, food polymers, adhesives, paper coatings, coating compositions and paint raw materials, printing and writing inks and artists’ materials, textiles, binders, wire enamel, floorings, phonographic records, specialty coatings, forest wood products or any

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- other use, chemicals, alkalies, acids, gases, oils, paints, pigments and other colouring materials, varnishes, lacquers, compounds, dyes and dye-stuffs, organic or mineral, basic and intermediates, paints and colours, printing inks and dry salters, all kinds of adhesives, binders and glues, primers, hardeners, sealants, art & craft materials, electroplating chemicals and other articles etc.
- (c) synthesis of all types of polymers using emulsion, solution, suspension, bulk polymerization techniques which include homopolymers, pre-polymers, co-polymers & blends etc. of vinyl acetate, vinyl pyridine, styrene, butadiene, acrylate, acrylonitrile, acetates, isocyanate, glycols, alcohols, acids and other monomers derived from both petrochemical & biobased sources as well as formulated products based on above.
- (d) any fats, dips, sprays, vermifuges, fungicides, insecticides, germicides, disinfecting preparations, fumigators, medicines and remedies of all kinds for agricultural, trees and fruit growing, gardening and other purposes or as remedies for humans and animals and whether produced from vegetable, mineral, gaseous, animal or any other matters of substances by any process whether, chemical, mechanical, electrical or otherwise.
- (e) all other constituents, ingredients, derivatives, raw materials, compounds, heavy chemicals, source materials, intermediate products, by products, formulations and preparations which use or require directly or indirectly the products mentioned in (a) to (d) above or any products wherein items (a) to (d) above, constitute ingredient(s).
- (f) custom research for any or all of the above
2. to initiate, acquire, set up, construct, establish, maintain, run, operate and manage business centres, hyper markets, departmental stores, super markets, shopping malls, disvount stores, speciality stores, shopping outlets, convenience stores, wholesale, cash and carry operations, non-store formats, farms, estates, plantations, commodity exchanges, warehouses, distribution centres, collection centres, agricultural input and extension centres, marketing terminals, mandis, pumps, terminals, depots, showrooms, storage tanks and offices, any or all of them within or outside India and for the purpose to give or take on lease or hire, to deal in, buy, sell, trade, import, export, market, distribute, process, pack, re-pack, brand, label, move, preserve, cold storage, manufacture, produce, fabricate, repair, wholesale, retail, exchange, stock, supply, indent or otherwise and to carry on the business of manufacturers, traders, dealers, agents, factors, importers, exporters, merchants, franchisees, selling agents, commission agents, sales organizers, distributors, stockists, del-credre agents, c & f agents, wholesalers, retailers, developers, processors, brand and trademark owners and holders, label owners and holders, logo owners and holders, franchise holders, designers, repairers, maintainers, consultants, service providers, of all commercial, industrial, scientific, household, domestic, forest, agricultural, food products, raw as well as processed, of all kinds, consumer goods, consumer durables, and other consumers" necessities of every kind, make and sorts, on ready or forward basis, including foods and beverages of all kinds, groceries, spices, condiments and other edible items, fruits and vegetables, cookeries, bakery, confectionary, dairy and dairy products, meat and poultry products, sea foods, packaged drinking water, mineral water, wine, liquor, all types of drinks including soft drinks and hard drinks, whether indian made or foreign made, flowers, cosmetic, pharmaceuticals, automobile, hardware, plants, machineries, equipments, apparatus, gadgets, appliances, computer hardware, computer parts, softwares, components, communication products and accessories of all kinds, communication equipments, information technology products, steel products, accessories, spare parts, tea, coffee and jute, fashion, apparels, garments, textiles, finished/grey fabrics, knitted, hosiery, linens, furnishing fabrics, fabrics of all kinds, readymade garments and clothing, lingerie, leather, rubber and plastic products, luggage and other bags, footwear, music, books, watches, gifts, toys, sports items, stationary, glass wares, enamel wares, earthenwares, porcelain wares, plastics, rubber, handicrafts, antiques, accessories, home décor items, furniture and fittings, personal care products, healthcare & beauty products, metals, precious and semi precious stones, jewellery, paper and paper products, perfumery, engineering goods, electrical & electronic goods, apparatus, gadgets, utensils, and all other types of general goods, consumables, materials, accessories, commodities and equipments or any other general merchandising or

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service of every nature, types and description, packing materials/building materials of all kinds, all chemicals, fertilizers, pesticides, insecticides, other similar products, all kinds of petroleum, petroleum products and by products, petrochemicals, fuel, oil, crude including other related products, dyes, paints, agricultural inputs and to undertake all agricultural and allied activities, dairy, poultry, animal husbandry, fishery, processing, cold storage, packaging activities and to deal in, trade, export or import including raising of crops and plantations and to produce all types of agricultural produce, manufacture of all agro based products, processed foods, dairy products, animal products, sea foods and to set up, acquire, merge, enter into joint ventures, invest, buy, sell, dispose of, contract, sub contract in whole or in part for this purpose.

**4.3.2 Changes in the Memorandum of Association of our Company**

S. No.	Date of Change	Type of Meeting	Type of resolution	Brief particulars of Change
1.	March 16, 2010	Extra-Ordinary General Meeting	Special	Converted to a Public Limited Company
2.	May 26, 2010	Extra-Ordinary General Meeting	Ordinary	Authorised capital increased from ₹ 10 lakh to ₹ 1 crore.
3.	June 4, 2010	Extra-Ordinary General Meeting	Special	Change in object clause by substituting existing Clause III with new Clause III.
4.	June 8, 2010	Extra-Ordinary General Meeting	Special	Name changed to Jubilant Industries Limited
5.	October 12, 2010	Extra-Ordinary General Meeting	Ordinary	Authorised capital increased from ₹ 1 crore to ₹ 10 crore.

**4.3.3 Major Events**

Date/Period	Major Event
February 23, 2007	Incorporated as Private Limited Company under the Companies Act, 1956
December 4, 2009	Our Company became wholly owned subsidiary of Jubilant Infrastructure Limited and also indirect wholly owned subsidiary of JLL (formerly Jubilant Organosys Limited)
December 7, 2009	Our Company shifted its registered office from Kanpur, Uttar Pradesh to Noida, Uttar Pradesh
March 16, 2010	Our Company was converted into a Public Limited Company
June 8, 2010	The name of our Company was changed to Jubilant Industries Limited
June 25, 2010	Our Company shifted its registered office from Noida, Uttar Pradesh to its current registered office situated at Bhartiagram, Gajraula – 244 223, District Jyotiba Phoolay Nagar, Uttar Pradesh
October 28, 2010 and November 8, 2010	The Hon'ble High Court of Allahabad, approved the Scheme among JLL, Speciality Molecules Limited (SML), Pace Marketing Specialities Limited (PMSL) and Jubilant Industries Limited (JIL) pursuant to which SML and PMSL stand amalgamated with JLL and the Demerged Undertaking stand vested from JLL to our Company.
November 15, 2010	The above Scheme came into effect from the date of filing of the Order along with Form 21 with the Registrar of Companies, Uttar Pradesh and Uttarakhand, with retrospective effect from the Demerger Appointed Date.

**4.3.4 Subsidiaries of the Company**

Nil

**4.3.5 Shareholders' Agreement**

There are no shareholder agreements as on date of filing of this Information Memorandum.

**4.3.6 Strategic/ Financial Partners and other material contracts**

Our Company does not have any strategic/financial partners or has entered into any material contracts other than in the ordinary course of business



**4.4 OUR MANAGEMENT**
**BOARD OF DIRECTORS**

The general supervision, direction and management of the operation and business of our Company is vested in our Board, which exercises its powers subject to the Memorandum and Articles of Association and the requirements of Indian law.

Our Company currently has six Directors on its Board. The following table sets forth the details of our Board of Directors as of the date of this Information Memorandum:

Name, Father's name, address & occupation	DIN	Designation	Age	Directorship in other Companies
Mr. Hari S. Bhartia  <b>Father's name:</b> Mr. Mohan Lal Bhartia  <b>Address:</b> 2, Amrita Shergil Marg, New Delhi – 110003  <b>Occupation :</b> Industrialist	00010499	Chairman (Non-Executive)	54	<ul style="list-style-type: none"> <li>- Jubilant Life Sciences Limited</li> <li>- Jubilant Chemsys Limited</li> <li>- Jubilant Biosys Limited</li> <li>- Jubilant Infrastructure Limited</li> <li>- Jubilant Clinsys Limited</li> <li>- Jubilant First Trust Healthcare Limited</li> <li>- Vam Holdings Limited</li> <li>- Geo-Enpro Petroleum Limited</li> <li>- Jubilant Foodworks Limited</li> <li>- Television Eighteen India Limited</li> <li>- IBN 18 Broadcast Limited</li> <li>- Shriram Pistons &amp; Rings Limited</li> <li>- Network 18 Media &amp; Investments Limited</li> <li>- Jubilant Enpro Private Limited</li> <li>- Enpro Oil Private Limited</li> <li>- Jubilant Securities Private Limited</li> <li>- Nikita Resources Private Limited</li> <li>- Jaytee Private Limited</li> <li>- B &amp; M Hotbreads Private Limited</li> <li>- B T Telecom (India) Private Limited</li> <li>- American Orient Capital Partners (India) Private Limited</li> <li>- Focus Brands Trading (India) Private Limited</li> <li>- Jubilant Retail Consolidated Private Limited</li> <li>- Jubilant Retail Holding Private Limited</li> <li>- Jubilant Retail Private Limited</li> <li>- Vanthys Pharmaceutical Development Private Limited</li> <li>- Jubilant Bhartia Foundation</li> <li>- PSI Supply NV</li> <li>- Jubilant Pharmaceuticals NV</li> <li>- Jubilant Pharma NV</li> <li>- Jubilant Pharma Pte Limited</li> <li>- Cadista Holdings Inc.</li> <li>- Jubilant Cadista Pharmaceuticals Inc.</li> <li>- Jubilant Life Sciences Holdings Inc, USA</li> <li>- Jubilant Clinsys Inc.</li> <li>- Jubilant Discovery Services Inc.</li> <li>- Jubilant Energy (Holding) B.V.</li> <li>- Jubilant Energy Limited Canada</li> <li>- Hollister Stier Laboratories LLC</li> <li>- HSL Holdings Inc.</li> <li>- Jubilant Energy NV, Netherlands</li> <li>- Jubilant Innovation (USA) Inc.</li> <li>- Jubilant Life Sciences International Pte</li> </ul>



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Name, Father's name, address & occupation	DIN	Designation	Age	Directorship in other Companies
				Limited - Jubilant Biosys (Singapore) Pte Limited - Jubilant Drug Development Pte Limited - Jubilant Biosys (BVI) Limited - Jubilant Life Sciences (BVI) Limited - Jubilant Draximage Inc. - 6963196 Canada Inc. - 6981364 Canada Inc. Jubilant Innovation Pte Limited
Mr. Priyavrat Bhartia  <b>Father's name:</b> Mr. Shyam S. Bhartia  <b>Address:</b> 19, Friends Colony (West), New Delhi-110 065  <b>Occupation :</b> Industrialist	00020603	Director (Non-Executive)	34	- The Hindustan Times Limited - Earthstone Holding (One) Private Limited - The Birla Cotton Spinning & Weaving Mills Limited - HT Interactive Media Properties Limited - Go4cricket.com (India) Private Limited - HT Media Limited - Udit (India) Limited - HT Vision Limited - Earthstone Holding Private Limited - Firefly e-Ventures Limited - HT Digital Media Holdings Limited (formerly known as Hindustan Media Limited) - HT Education Limited - Earthstone Holding (Two) Private Limited - Earthstone Holding (Three) Private Limited - High Street Capital Private Limited (formerly known as SAR Portfolio Consultants Private Limited) - HT Burda Media Limited - Shine Foundation - Jubilant Realty Private Limited - HT Mobile Solutions Limited - Jubilant Enpro Private Limited - Hindustan Media Ventures Limited
Mr. Ananda Mukherjee  <b>Father's name:</b> Mr. Debabrata Mukherjee  <b>Address:</b> E-474, GK II, New Delhi – 110048  <b>Occupation:</b> Service	03297589	CEO and Whole Time Director	51	- Canonical Infotech Solutions Private Limited
Mr. Ghanshyam Dass  <b>Father's name:</b> Mr. Sansar Chand Sharma  <b>Address:</b> 31 A, Sobha Emerald, Sobha Suburb 1A, Behind Jakkur Flying Club, Jakkur, Bangalore – 560064  <b>Occupation :</b> Financial Advisor	01807011	Independent Director	58	- Jain Irrigation Systems Limited - Dhanlakshmi Bank Limited - Mayar Infrastructure Development Private Limited - BIO Pure Limited - Carbon Clean Solutions Private Limited
Mr. R. Bupathy	00022911	Independent	59	- Geojit BNP Paribas Financial Services

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Name, Father's name, address & occupation	DIN	Designation	Age	Directorship in other Companies
<b>Father's name:</b> Mr. V. S. Ramanathan  <b>Address:</b> F-208, First Floor, "Kakanad", First Street, Anna Nagar East, Chennai – 600102  <b>Occupation :</b> Practicing Chartered Accountant		Director		Limited - Geojit Technologies Limited
<b>Mr. S. K. Roongta</b>  <b>Father's name:</b> Mr. Ramniwas Roongta  <b>Address:</b> D-91, DLF Phase V, Gurgaon, 122 009, Haryana  <b>Occupation:</b> Retired Chairman (SAIL)	00309302	Independent Director	60	- Axis Bank Limited - Neyveli Lignite Corporation Limited - Shipping Corporation of India Limited

**Brief profile of our Directors**

**Mr. Hari S. Bhartia**, aged 54 years, is the Chairman (Non-Executive) of our Company. He is also the co-chairman and managing director of Jubilant Life Sciences Limited. Mr. Bhartia holds a bachelors' degree in chemical engineering from the Indian Institute of Technology, Delhi. He was awarded the Distinguished Alumni award from the Indian Institute of Technology, Delhi in 2000. He has over 25 years of experience in the pharmaceuticals, specialty chemicals, biotechnology, foods, oil and gas (exploration and production), aerospace and information technology sectors and has been instrumental in developing strategic alliances and affiliations with leading global companies. He has been involved in various capacities with the Indian Institute of Technology, Delhi and has also been the Chairman on the board of governors of the Indian Institute of Technology, Kanpur, besides being a member in numerous educational, scientific and technological programs of the Government of India. Presently, he is the President of the Confederation of Indian Industry and Chairman, Indian Institute of Management, Raipur.

**Mr. Priyavrat Bhartia**, aged 34 years, is a Non- Executive Director on our Board. He holds a bachelors' degree in Economics from Dartmouth College, USA and a Masters degree in Business Administration from Stanford University (USA). Mr. Priyavrat Bhartia is a Whole-time Director of HT Media Limited and is also a director with a number of companies including Birla Cotton Spinning and Weaving Mills Limited, Jubilant Enpro Private Limited, Hindustan Media Ventures Limited, HT Burda Media Limited and Firefly e-Ventures Limited.

**Mr. Ananda Mukherjee**, 51 years, is our CEO and Whole Time Director. He holds a bachelors' degree with honors in mechanical engineer from National Institute of Technology, Durgapur and a post graduate in Management from Indian Institute of Management, Calcutta where he was a gold medallist. He has experience of around 27 years in the manufacturing industry. At Jubilant Life Sciences Limited (prior to the Scheme), as the chief operating officer of the agri and performance polymers business, he was responsible for the overall functioning of the agri and performance polymers business including consumer products ("Jivanjor" brand of adhesives and wood finishes), fertilisers, agronutrient products, performance chemicals, food and latex polymers. He has previously handled commercial, materials management, stores and inventory, international business, corporate strategy, sales and marketing functions in various organizations including Havells India Limited, as Vice President-International

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Business, Sterlite Optical Technologies Limited as Head - International Marketing & Corporate Strategy, BOC India Limited as Head (Corporate Commercial) and Tata Motors Limited.

**Mr. Ghanshyam Dass**, 58 years, is an Independent Director on our Board. He holds bachelor's degree with honors in Economics from Delhi University, New Delhi, and masters' degree in Linguistics (an Inter Disciplinary Course) from Jawaharlal Nehru University, New Delhi. Currently, he is a Senior Advisor of KPMG. He has over 32 years of experience in domestic, international banking and capital markets. He is familiar with the regulatory and business environment in USA, European Union, South East Asia, The Middle East, India and other major money-center locations. He joined NASDAQ OMX Group in 2000 and up until February 2009, he was Managing Director – Asia Pacific & Middle East, prior to which he was the General Manager and Chief Executive of Majan International Bank (a subsidiary of Commerz Bank A. G., Frankfurt, Germany) in the Sultanate of Oman. He also worked on several assignments, including the British Bank of the Middle East for two years as the chief executive officer for its India operations, and with the Hongkong and Shanghai Banking Corporation for over ten years as manager – South Asia & Middle East, Financial Institutions Group amongst other assignments. In his early career, he spent over nine years with US Educational Foundation in India (as Research Assistant to a Senior Fullbright Scholar), Bank of India, Wells Fargo Bank, San Francisco (as Assistant Representative for India) and Marine Midland Bank, N.A, New York (before being seconded to Hongkong and Shanghai Banking Corporation, India in January 1986).

**Mr. R. Bupathy**, 59 years, is an Independent Director on our Board. He is a Fellow member of Institute of Chartered Accountants of India ("ICAI"). He is also a past president of the ICAI. He is the founder partner, of R. Bupathy & Co, Chartered Accountants, an Indian public accounting firm, which is a member of AGN International Global Network. He is also a Member on the Advisory Board of Vel's Institute of Business Administration. Other important positions held by him include memberships of Education Committee of International Federation of Accountants, an Apex Body for Accountants worldwide for the term 2003-2006; Central Board Advisory Committee, CBDT; Board Member, Insurance Regulatory Authority of India, Study Group constituted by World Bank for the Study of Corporate Governance in India, National Accounting Standard Committee of Department of Company Affairs and Accounting Standard Board of the SEBI. He was Director of Accounting Research Foundation, ICAI for a period of eight years and also Chairman of International Fiscal Association India Branch – Southern Region Chapter for the term 2006 - 2008. He is a recipient of the Paramacharya Award and also Certification Award given by Confederation of Asia Pacific Accountants for his contributions to the Accounting Profession.

**Mr. S.K. Roongta**, 60 years, is an Independent Director on our Board. He holds a bachelors' degree in Electrical Engineering from Birla Institute of Technology and Science, Pilani, Post Graduate Diploma in Business Management – International Trade from Indian Institute of Foreign Trade, New Delhi and is a Fellow of All India Management Association. He joined Steel Authority of India Limited in 1972 as Executive (Marketing) and rose to the position of executive Chairman in August 2006. He was the first Chairman of International Coal Ventures Limited. He was appointed as a member of the executive committee of the World Steel Association, Brussels. He is Chairman of "Panel of Experts on Reforms in public sector undertakings, Planning Commission and Steel Committee, FICCI. He is also member of General Body of BITS, Pilani; Board of Governors, IIT, Bhubaneswar; Governing Body, JKL University and Committee of Experts for formulating draft "Code of ethics for Employees in CPSEs" Ministry of Heavy Industry & Public Enterprises, GoI.

**Date of expiration of current term of office of Director and Executive Director**

The Directors of our Company are liable to retire by rotation. However, Mr. Ananda Mukherjee, was appointed as the CEO and Whole Time Director by our shareholders for a period of five years with effect from November 15, 2010 till November 14, 2015.

**Nature of any family relationship between any of the Directors:**

Mr. Priyavrat Bhartia is nephew of Mr. Hari S. Bhartia. Apart from this no other Director of our Company is related to any other Director of our Company.

**Details of arrangement or understanding with major shareholders, customers, suppliers or others, pursuant**

**JUBILANT INDUSTRIES LIMITED**
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**to which of the Directors was selected as a director or member of senior management.**


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Nil

**Details of service contracts entered into by the directors with our Company providing for benefits upon termination of employment.**

None

**Details of Borrowing Powers**

In terms of the Articles of Association, our Board may, from time to time, at its discretion subject to the provisions of Sections 292 and 293 of the Act, raise or borrow from any source and secure the payment of any sum or sums of money for the purpose of the Company.

The Board may raise or secure the repayment of such sum or sums in such manner and upon such terms and conditions as they think fit, and, in particular, by the issue of bonds, perpetual or redeemable debentures or any mortgage or other security or the undertaking of the whole or any part of the property of our Company (both present and future), including its uncalled capital for the time being. Provided that debentures with the rights to allotment of or conversion into shares shall not be issued except with the sanction of our Company in general meeting and subject to the provisions of the Act.

Pursuant to a resolution passed at the Extraordinary General Meeting of our Company held on October 12, 2010 consent of the members of our Company was accorded to our Board of Directors pursuant to Section 293(1)(d) of the Companies Act, 1956 for borrowing from time to time any sums of money which together with money already borrowed by our Company shall not exceed in the aggregate at any time ₹ 50,000 lakhs (Rupees Fifty Thousand Lakhs only) irrespective of the fact that that the monies to be borrowed, together with the monies already borrowed (apart from temporary loans obtained from our Company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up capital of our Company and its free reserves, that is to say, reserves not set apart for any specific purpose.

Further, pursuant to the resolution passed at the Extraordinary General Meeting of our Company held on October 12, 2010 consent of the members of our Company was accorded to the Board of Directors of our Company pursuant to Section 293(1)(a) of the Companies Act, 1956 for authorising and empowering them to charge the whole or substantially the whole of one or more undertakings of our Company wherever situated, present and future, in favour of Scheduled Banks, Foreign Banks, Financial Institutions, NBFCs, Mutual Funds, Insurance Companies or any other category of lender, in India or abroad to secure loans in Indian Rupees or Foreign Currency, guarantees, working capital facilities and/or any other financial assistance obtained/to be obtained from one or more of the aforesaid Lender(s) upto an aggregate amount not exceeding ₹ 50,000 lakhs (Rupees Fifty Thousand Lakhs only) together with interest at the respective agreed rates, additional interest, compound interest, liquidated damages, commitment charges, premia on pre-payment or on redemption, Trustee's remuneration, costs, charges, expenses, and all other monies, including any increase on account of revaluation/ devaluation/ fluctuation in the rates of foreign currencies involved, payable by our Company to aforesaid Lender(s) in terms of their respective Loan Agreements/Trustees' Agreements/Letter of sanctions/ Memorandum of terms and conditions, Bonds or any other security document entered into/to be entered into/issued/to be issued by our Company in respect of the said loans / credit facilities / debentures/ financial assistance.

**Compensation of CEO and Whole Time Director**

In terms of the Board resolution dated November 15, 2010, with effect from November 15, 2010 till November 14, 2015, the following remuneration is payable to Mr. Ananda Mukherjee, CEO and Whole Time Director:

Salary	₹ 46.53 lakhs
Commission	Up to ₹ 50.00 lakhs

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Perquisites	₹ 62.12 lakhs
Amount of compensation paid by our Company during the last financial year	Nil
Benefits in kind granted on an individual basis	Nil

Further, our Board or the Remuneration Committee may increase his remuneration to a maximum of ₹ 2.50 crores in accordance with the limits prescribed for managerial remuneration under the Companies Act.

No portion of the compensation as mentioned above was paid pursuant to a bonus or profit sharing plan.

The above said remuneration and perquisites shall be subject to the ceiling laid down in sections 198, 309 and other applicable provisions of the Companies Act.

**Compensation of our Non-Executive Directors**

Our Non- Executive Directors are entitled to a sitting fee of ₹ 20,000 per Board meeting. We also pay to such Directors ₹ 10,000 per Audit Committee meeting, ₹ 2,500 per Investor Grievance meeting and ₹ 5,000 per Remuneration Committee meeting.

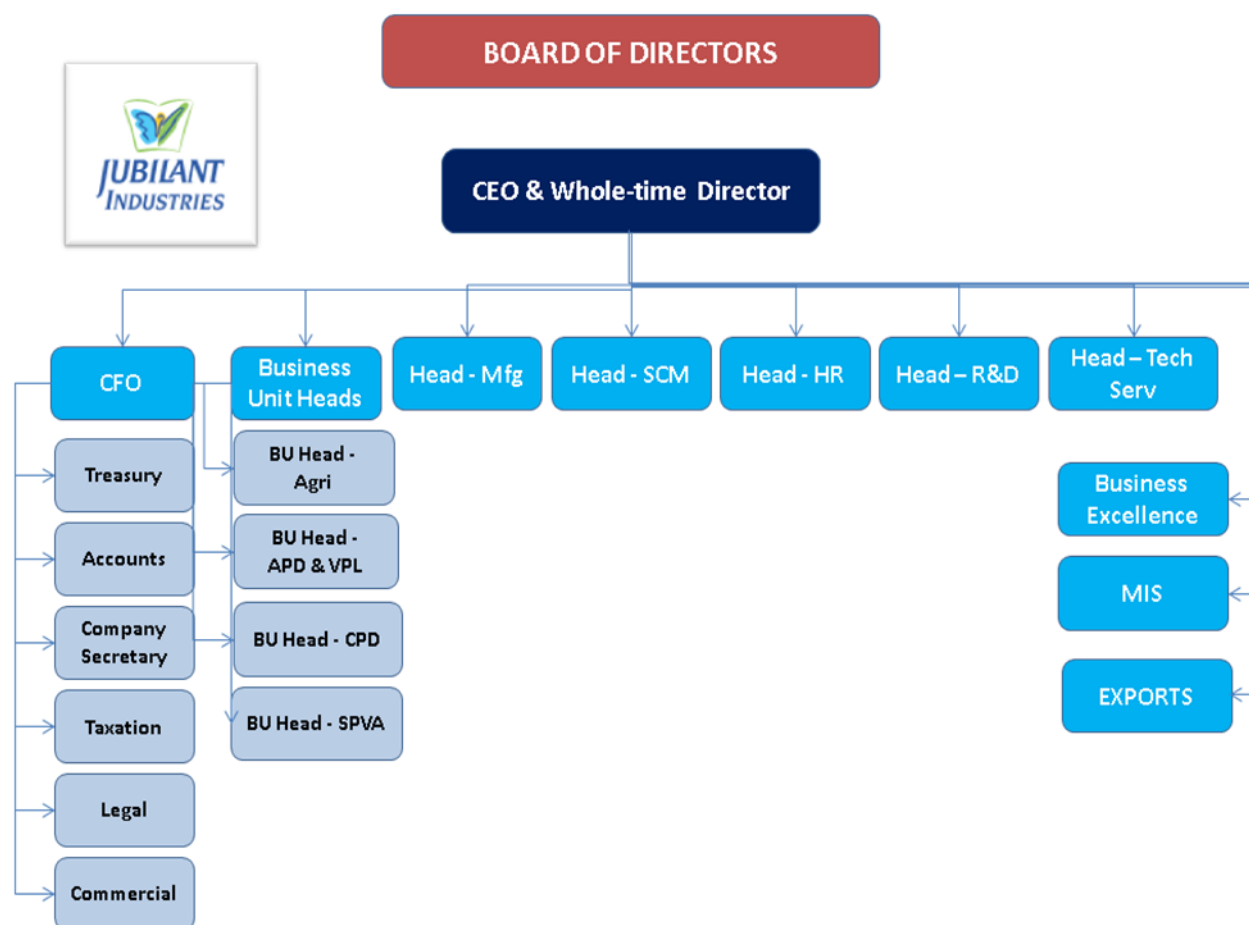
The Non- Executive Directors are also entitled to payment of annual commission up to ₹ 5 lakhs per Director, as approved by our shareholders.

**Shareholding of the Directors**

S No.	Name of the Director	No. of Equity Shares held
1.	Mr. Hari S. Bhartia	18,044
2.	Mr. Priyavrat Bhartia	154
3.	Mr. Ananda Mukherjee	Nil
4.	Mr. Ghanshyam Dass	Nil
5.	Mr. R. Bupathy	Nil
6.	Mr. S.K. Roongta	Nil

**Interest of directors**

All our Directors may be deemed to be interested to the extent of fees payable to them, if any, for attending meetings of the Board or a committee thereof as well as to the extent of other remuneration, commission and reimbursement of expenses payable to them, if any, under the Articles of Association, and to the extent of remuneration paid to them, if any for services rendered as an officer or employee of our Company. Our Directors may also be regarded as interested in the Equity Shares, if any, held by them or by the companies/firms/ventures promoted by them or that may be allotted to the companies, firms, trusts, in which they are interested as Directors, members, partners, trustees and Promoter, pursuant to the Scheme. All Directors be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.



## Corporate Governance

In compliance with the provisions of listing agreement to be entered into between our Company and the Stock Exchanges (“**Listing Agreement(s)**”), and the Companies Act, our Company has constituted different committees, including Audit Committee, Investors Grievance Committee and Remuneration Committee.

Our Board functions either as a full Board or through various committees constituted to oversee specific operational areas. The executive management of our Company provides the Board detailed reports on its performance periodically.

Currently, our Board of Directors has 6 (six) Directors and the Chairman of the Board of Directors is a Non-Executive Director. In compliance with Clause 49 of the equity listing agreement, our Company has 1 (one) Executive Director and 5 (five) non-executive Directors which includes 3 (three) independent Directors, on our Board of Directors.

Our Company in terms of this Information Memorandum intends to list its equity shares on Stock Exchanges and intends to comply with the requirements under the respective Listing Agreement of the Stock Exchanges. We are in compliance with the requirements of corporate governance set forth in terms of Clause 49 of the Listing Agreement(s), particularly those relating to the composition of the Board of Directors, constitution of committees including the Audit Committee and Investor Grievance Committee.

**Committees of our Board:****(a) Audit Committee**

The Audit Committee currently comprises the following members

- (i) Mr. R. Bupathy (Chairman and Independent Director);
- (ii) Mr. Ghanshyam Dass (Member and Independent Director); and
- (iii) Mr. S. K. Roongta (Member and Independent Director).

Ms. Sonia Niranjana Das, Company Secretary is the Secretary of the Committee

**Terms of Reference:**

The terms of reference of Audit Committee are the reviewing of all matters specified in clause 49 of the Listing Agreement(s) and Section 292A of the Companies Act, 1956, which, *inter-alia*, include the following:

1. Overseeing of our Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to our Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to the Statutory Auditors for any other services rendered by the Statutory Auditors.
4. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
  - a) Matters required to be included in the Director's Responsibility Statement to be included in our Board's report in terms of clause (2AA) of section 217 of the Companies Act; Changes, if any, in accounting policies and practices and reasons for the same;
  - b) Major accounting entries involving estimates based on the exercise of judgment by the management;
  - c) Significant adjustments made in the financial statements arising out of audit findings;
  - d) Compliance with listing and other legal requirements relating to financial statements;
  - e) Disclosure of any related party transactions; and
  - f) Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to our Board for approval .
6. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
7. Reviewing the 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.
8. Discussion with internal auditors any significant findings and follow up there on.
9. 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 our Board.
10. Discussing with statutory auditors before the audit commences, about the nature and scope of audit as well



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as post-audit discussion to ascertain any area of concern.

11. Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
12. To review the functioning of the Whistle Blower mechanism, in case the same is existing.
13. Reviewing the Management discussion and analysis of financial condition and results of operations.
14. Reviewing the Statement of significant related party transactions submitted by management.
15. Reviewing Management letters / letters of internal control weaknesses issued by the Statutory Auditors.
16. Reviewing the Internal audit reports relating to internal control weaknesses.
17. Reviewing the appointment, removal and terms of remuneration of the Chief Internal Auditor.
18. 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 & background, etc. of the candidate.
19. 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 up steps in this matter.

Carrying out any other function as may be required from time to time under the Listing Agreement, Companies Act and other statutes.

**(b) Investor Grievance Committee**

The Investor Grievance Committee currently comprises the following members:

- (i) Mr. S. K. Roongta (Chairman and Independent Director);
- (ii) Mr. Priyavrat Bhartia (Member and Non- Executive Director); and
- (iii) Mr. Ananda Mukherjee (Member and CEO and Whole time Director).

Ms. Sonia Niranjana Das, Company Secretary is the Secretary of the Committee.

**Terms of Reference:**

1. The Investors Grievance Committee aims at redressal of shareholder complaints and overseeing investor services.
2. To expedite the process of share transfers, the Board of our Company has delegated the power of share transfer to the Investors Grievance Committee which attends to share transfer formalities once in a fortnight.
3. The Committee approves the matters relating to:
  - Transfer or transmission of shares
  - Issue of duplicate share certificates
  - Non-receipt of balance sheet



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- Non-receipt of dividend
- Review or redressal of investors' grievances
- Other areas of investor service

**(c) Remuneration Committee**

The Remuneration Committee currently comprises the following members:

- (i) Mr. Ghanshyam Dass (Chairman and Independent Director);
- (ii) Mr. R. Bupathy (Member and Independent Director); and
- (iii) Mr. S. K. Roongta (Member and Independent Director).

Ms. Sonia Niranjana Das, Company Secretary is the Secretary of the Committee.

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

**Terms of reference:**

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

**Key Management Personnel**

Our Company is managed, controlled and directed by our Board. Our Board has appointed Mr. Ananda Mukherjee as the CEO and Whole Time Director with effect from the Effective Date. He was chief operating officer for the Agri products division and performance polymer division (demerged business) of Jubilant Life Sciences Limited, immediately prior to the Effective Date. His appointment has been approved by our shareholders in their Extra Ordinary General Meeting held on November 15, 2010.

**Key Managerial Personnel**

The following are the key managerial personnel of our Company:

Name, Designation and Qualification Age and experience	Date of Joining	Key Responsibilities	Details of service contracts including termination / retirement benefits	Previous Employment	No. of Equity shares of ₹ 10 each
Mr. Sandeep Kumar Shaw  <b>Designation:</b> Chief Financial Officer (CFO)  <b>Qualifications:</b> B.Com (Honours) – 1988, ICWAI – 1990, CA – 1991  <b>Age:</b> 42 years  <b>Experience:</b> 19 years	November 17, 2010	Budgeting, control of financial policies and other financial activities	Provident Fund, Gratuity and other amenities and benefits as per the rules of our Company	Jindal Water Infrastructure Limited	Nil

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<b>Name, Designation and Qualification Age and experience</b>	<b>Date of Joining</b>	<b>Key Responsibilities</b>	<b>Details of service contracts including termination / retirement benefits</b>	<b>Previous Employment</b>	<b>No. of Equity shares of ₹ 10 each</b>
<b>Mr. C. Narasimha Reddy</b>  <b>Designation:</b> Business Unit Head - Agribusiness  <b>Qualifications:</b> B.Sc Agri '81  <b>Age:</b> 52 years  <b>Experience:</b> 29 years	September 22, 2010*	Achieving budget targets in Agri business, manufacturing, sales, marketing and liason with government authorities	Provident Fund, Gratuity and other amenities and benefits as per the rules of our Company	Nagarjuna Fertilizers and Chemicals Limited	Nil
<b>Mr. Dr. Jagdish Kestur Rao</b>  <b>Designation:</b> Business Unit Head – Latex & APD  <b>Qualifications:</b> M.Sc 1984, PhD  <b>Age:</b> 49 years  <b>Experience:</b> 22 years	April 9, 2008*	Achieving budget targets, domestic and International Expansion and Explore Inorganic Growth	Provident Fund, Gratuity and other amenities and benefits as per the rules of our Company	Henkel Tereson India Limited	Nil
<b>Mr. R Jayendran</b>  <b>Designation:</b> Business Unit Head – CPD  <b>Qualifications:</b> M.A. 1987, Post Graduate Diploma in Management  <b>Age:</b> 47 years  <b>Experience:</b> 25 years	January 1, 1999*	Achieving budget targets, Business Strategy for the CPD Biz and WWA, WF and Epoxy Product Lines and Marketing functions	Provident Fund, Gratuity and other amenities and benefits as per the rules of our Company	Indian Emulsions Private Limited	Nil
<b>Mr. Puneet Mathur</b>  <b>Designation:</b> Business Unit Head – SPVA  <b>Qualifications:</b> M.Sc 1985, MBA „87  <b>Age:</b> 50 years	December 20, 2001*	Achieving budget targets, International Expansion, Explore Inorganic Growth and new launches	Provident Fund, Gratuity and other amenities and benefits as per the rules of our Company	Coca Cola India Private Limited	30

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Name, Designation and Qualification Age and experience	Date of Joining	Key Responsibilities	Details of service contracts including termination / retirement benefits	Previous Employment	No. of Equity shares of ₹ 10 each
Experience: 23 years					

*Pursuant to the Scheme, the services of these employees have been transferred from JLL to our Company on the Effective Date*

**Details of any arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the key managerial personnel, was selected as a director or member of senior management.**

Nil

**Shareholding of Key Managerial Personnel**

Except as mentioned above, none of the Key Managerial Personnel have any shareholding in our Company.

**Interests of Key Management Personnel**

The key management personnel of our Company do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business.

None of our key management personnel have been paid any consideration of any nature from our Company, other than their remuneration.

**EMPLOYEES**
**Employee Stock Option Scheme and Employee Stock Purchase Scheme**

Pursuant to the Scheme, Jubilant Employees Welfare Trust shall be issued Equity Shares of our Company in accordance with the share exchange ratio set forth in the Scheme. Further, in respect of employee stock options granted pursuant to the Jubilant ESOP, prior to the Scheme becoming effective, the Employees (as defined in Jubilant ESOP) who are the beneficiaries of such employee stock option would be allotted not only the equity shares of JLL but also the Equity Shares of our Company in accordance with the share exchange ratio set forth in the Scheme when such Employee(s) pay the exercise price in accordance with the Jubilant ESOP. In addition, any Option (as defined in Jubilant ESOP) vested with the employees of the Demerged Undertaking pursuant to the Jubilant ESOP prior to the Effective Date (as defined in the Scheme) shall continue to the benefit of such employee(s). For further details, see “*Scheme of Amalgamation and Demerger*”. However, our Company has not instituted any employee stock option scheme or employee stock purchase scheme.



**Other Benefits to the Officers of our Company**

Except the payment of salaries and perquisites, no amount or benefit has been paid or given within the two preceding years or intended to be paid or given to any employee and there is no consideration for payment of giving of the benefit.

**4.5 PROMOTERS AND GROUP COMPANIES OF OUR COMPANY**

The promoters of our Company are:

1. Mr. Shyam S. Bhartia
2. Mr. Hari S. Bhartia

	<p><b>Mr. Shyam S. Bhartia</b>, aged 57 years, holds a bachelors' degree in commerce from St. Xavier's College, Calcutta University. He is a qualified cost and works accountant from, and a fellow member of the Institute of Cost and Works Accountants of India. He has 32 years of experience in the pharmaceuticals, specialty chemicals, foods, oil and gas, aerospace and information technology sectors. He is the chairman and managing director of Jubilant Life Sciences Limited. He also serves on the board of several companies such as Jubilant Foodworks Limited, Chambal Fertilizers and Chemicals Limited, and Zuari Industries Limited. He has served on the board of governors of Indian Institute of Technology, Kanpur and Indian Institute of Management, Ahmedabad. He has also been the Chairman of the Chemicals Committee of FICCI and is currently a member of the executive committee of FICCI.</p> <p>His voter's identification number is ARE0030130. His driving license number is P03062002314963.</p> <p>Mr. Shyam S. Bhartia holds 69,996 Equity Shares of ₹ 10 each of our Company.</p>
	<p><b>Mr. Hari S. Bhartia</b>, aged 54 years, is the Chairman and Director of our Company. Mr. Bhartia holds a bachelors' degree in chemical engineering from the Indian Institute of Technology, Delhi. He was awarded the Distinguished Alumni award from the Indian Institute of Technology, Delhi in 2000. He has over 25 years of experience in the pharmaceuticals, specialty chemicals, biotechnology, foods, oil and gas (exploration and production), aerospace and information technology sectors and has been instrumental in developing strategic alliances and affiliations with leading global companies. He is the Co-Chairman and Managing Director of Jubilant Life Sciences Limited. He also serves on the Board of several companies such as Jubilant Foodworks Limited, Television Eighteen India Limited, GeoEnpro Petroleum Limited, and Shriram Pistons &amp; Rings Limited. He has been involved in various capacities with the Indian Institute of Technology, Delhi and has also been the Chairman on the board of governors of the Indian Institute of Technology, Kanpur, besides being a member in numerous educational, scientific and technological programs of the Government of India. Presently, he is the President of the Confederation of Indian Industry and Chairman Indian Institute of Management, Raipur.</p> <p>His voter's identification number is SJE1449891. His driving license number is P03102006512241.</p> <p>Mr. Hari S. Bhartia holds 18,044 Equity Shares of ₹ 10 each of our Company.</p>

**PROMOTER GROUP AND GROUP COMPANIES**

Our Promoter Group comprises, Ms. Kavita Bhartia, Mr. Priyavrat Bhartia, Mr. Shamit Bhartia, Jubilant Capital Private Limited, Jubilant Securities Private Limited, Jaytee Private Limited, Jubilant Retail Holding Private Limited, Vam Holdings Limited, Nikita Resources Private Limited, Torino Overseas Limited, Cumin Investments Limited, Rance Investments & Holdings Limited and Jubilant Infrastructure Limited.

**GROUP COMPANIES**

Following are the group companies of our Company:

**JUBILANT INDUSTRIES LIMITED**
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1. Jubilant Life Sciences Limited (formerly Jubilant Organosys Limited)
2. Jubilant Foodworks Limited
3. Asia Healthcare Development Limited
4. Jubilant Clinsys Limited (formerly Clinsys Clinical Research Limited)
5. Jubilant Biosys Limited
6. Jubilant Chemsys Limited
7. Jubilant First Trust Healthcare Limited
8. Jubilant DraxImage Limited (formerly Draximage India Ltd.)
9. Jubilant Innovation (India) Limited
10. Cadista Holdings Inc.
11. Jubilant Cadista Pharmaceuticals Inc. (formerly Cadista Pharmaceuticals Inc.)
12. Colvant Sciences, Inc.
13. Jubilant Life Sciences Holdings, Inc. (formerly Clinsys Holdings Inc.)
14. Jubilant Clinsys Inc. (formerly Clinsys Clinical Research, Inc.)
15. HSL Holdings Inc.
16. Hollister-Stier Laboratories LLC
17. DAHI LLC.
18. Jubilant Life Sciences (USA) Inc. (formerly Jubilant Organosys (USA) Inc.)
19. Draximage LLC.
20. Jubilant Draximage (USA) Inc. (formerly DSPI Inc., USA)
21. Deprenyl Inc., USA
22. Draxis Pharma LLC
23. Draxis Pharma Inc.
24. Jubilant Discovery Services Inc.
25. DAHI Animal Health (UK) Limited
26. Draximage (UK) Limited
27. Jubilant Pharma Pte. Limited
28. Jubilant Life Sciences International Pte. Limited (formerly Jubilant Organosys International Pte. Limited )
29. Jubilant Biosys (Singapore) Pte. Limited
30. Jubilant Drug Development Pte. Limited
31. Jubilant Innovation Pte. Limited
32. Jubilant Life Sciences (Shanghai) Limited (formerly Jubilant Organosys (Shanghai) Limited)
33. Draximage Limited, Cyprus
34. Draximage Limited, Ireland
35. Jubilant Pharma N.V.
36. Jubilant Pharmaceuticals N.V.
37. PSI Supply N.V.
38. Jubilant Innovation (BVI) Limited
39. Jubilant Life Sciences (BVI) Limited (formerly Jubilant Organosys (BVI) Limited)
40. Jubilant Biosys (BVI) Limited
41. Jubilant DraxImage Inc. (formerly Draxis Specialty Pharmaceuticals Inc.)
42. 6963196 Canada Inc.
43. 6981364 Canada Inc.
44. Jubilant Innovation (USA) Inc.
45. Jubilant Bhartia Foundation
46. Jubilant Enpro Private Limited
47. Enpro Exports Private Limited
48. Enpro Oil Private Limited
49. Tower Promoters Private Limited
50. U C Gas & Engineering Limited
51. Asia Infrastructure Development Company Private Limited
52. Western Drilling Contractors Private Limited
53. Jubilant Realty Private Limited

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- 54. Jubilant Properties Private Limited
- 55. India Country Homes Private Limited
- 56. Jubilant E & P Ventures Private Limited
- 57. Jubilant Retail Private Limited
- 58. Jubilant Motorworks Private Limited
- 59. Jubilant Retail Consolidated Private Limited
- 60. B & M Hot Breads Private Limited
- 61. GPS Stock Brokers Private Limited
- 62. Dyno Enpro Oil field Chemicals Private Limited
- 63. Jubilant Oil and Gas Private Limited
- 64. Jubilant Offshore Drilling Private Limited
- 65. Jubilant Energy (Kharsang) Private Limited
- 66. Jubilant Energy (NEPL-V) Private Limited
- 67. Focus Brands Trading India Private Limited
- 68. Jubilant Life Sciences (Switzerland) AG, Schaffhausen

**SECTION 5 – FINANCIAL INFORMATION****FINANCIAL INFORMATION OF GROUP COMPANIES**

Ms. Kavita Bhartia, Mr. Priyavrat Bhartia, Mr. Shamit Bhartia, Jubilant Capital Private Limited, Jubilant Securities Private Limited, Jaytee Private Limited, Jubilant Retail Holding Private Limited, Vam Holdings Limited, Nikita Resources Private Limited, Torino Overseas Limited, Cumin Investments Limited and Rance Investments & Holdings Limited and Jubilant Infrastructure Limited form our Promoter Group.

The group companies of our Company are as mentioned in “*Promoters and Group Companies*”.

Set forth below are selected financial information, certain details and capital structure of two of our listed Group Companies and our top three unlisted Group Companies in terms of their turnover.

**JUBILANT LIFE SCIENCES LIMITED (formerly Jubilant Organosys Limited)**

Jubilant Life Sciences Limited was originally incorporated as Vam Organic Chemicals Limited on June 21, 1978. It changed its name to Jubilant Organosys Limited w.e.f. November 23, 2001 and then to Jubilant Life Sciences Limited w.e.f. October 1, 2010. Its registered office is situated at Bhartiagram, Gajraula-244223, District Jyotiba Phoolay Nagar, Uttar Pradesh.

JLL is an integrated pharmaceuticals group, offering a range of products and services to the global pharmaceuticals and life sciences industry. It has presence across the pharmaceutical value chain, offering products and services ranging from proprietary products, exclusive synthesis, active pharmaceutical ingredients, contract manufacturing of sterile injectables and non-sterile products, radiopharmaceuticals, allergenic extracts, generic dosage forms, drug discovery services, medicinal chemistry services, clinical research services and healthcare services.

**Board of Directors of Jubilant Life Sciences Limited are:**

1. Mr. Shyam S. Bhartia
2. Mr. Hari S. Bhartia
3. Dr. Jag Mohan Khanna
4. Mr. Shyamsundar Bang
5. Mr. Surendra Singh
6. Mr. H K Khan
7. Mr. Shardul S. Shroff
8. Mr. Abhay Havaladar
9. Dr. Naresh Trehan
10. Dr. Inder Mohan Verma

**Shareholding of our Company’s Promoters in Jubilant Life Sciences Limited as on December 31, 2010 is as under:**

- Mr. Shyam S. Bhartia – 13,99,935 Equity Shares of ₹ 1 each
- Mr. Hari S. Bhartia – 3,60,885 Equity Shares of ₹ 1 each

The authorised share capital comprises of 65,50,00,000 Equity Shares of ₹ 1 each and its issued, subscribed and paid up capital is 15,92,81,139 Equity Shares of ₹ 1 each.

Shareholding pattern of Jubilant Life Sciences Limited as on December 31, 2010 is as under :

Category code	Category of Shareholder	Number of Shareholders	Total number of shares	Number of Shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Shares pledged or otherwise encumbered	
					As a percentage of (A+B)	As a percentage of (A+B+C)	Number of shares	As a percentage
<b>(A)</b>	<b>Shareholding of Promoter and Promoter Group</b>							
<b>(1)</b>	<b>Indian</b>							
(a)	Individuals/ Hindu Undivided Family	5	1903435	1903435	1.20	1.20	0	0
(b)	Central Government/ State Government(s)	0	0	0	0.00	0.00	0	0
(c)	Bodies Corporate	6	67678144	67636929	42.49	42.49	7228300	10.68
(d)	Financial Institutions/ Banks	0	0	0	0.00	0.00	0	0
(e)	Any Other (specify)	0	0	0	0.00	0.00	0	0
	<b>Sub-Total (A)(1)</b>	<b>11</b>	<b>69581579</b>	<b>69540364</b>	<b>43.68</b>	<b>43.68</b>	<b>7228300</b>	<b>10.39</b>
<b>(2)</b>	<b>Foreign</b>							
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	0.00	0.00	0	0
(b)	Bodies Corporate	3	5570445	0	3.50	3.50	0	0
(c)	Institutions	0	0	0	0.00	0.00	0	0
(d)	Any Other (specify)	0	0	0	0.00	0.00	0	0
	<b>Sub-Total (A)(2)</b>	<b>3</b>	<b>5570445</b>	<b>0</b>	<b>3.50</b>	<b>3.50</b>	<b>0</b>	<b>0</b>
	<b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b>	<b>14</b>	<b>75152024</b>	<b>69540364</b>	<b>47.18</b>	<b>47.18</b>	<b>7228300</b>	<b>9.62</b>
<b>(B)</b>	<b>Public Shareholding</b>							
<b>(1)</b>	<b>Institutions</b>							



**JUBILANT INDUSTRIES LIMITED**
**INFORMATION MEMORANDUM**

Category code	Category of Shareholder	Number of Shareholders	Total number of shares	Number of Shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Shares pledged or otherwise encumbered	
					As a percentage of (A+B)	As a percentage of (A+B+C)	Number of shares	As a percentage
(a)	Mutual Funds/ UTI	44	4914104	4902704	3.09	3.09	0	0
(b)	Financial Institutions/ Banks	22	1145547	1112287	0.72	0.72	0	0
(c)	Central Government/ State Government (s)	0	0					
(d)	Venture Capital Funds	0	0					
(e)	Insurance Companies	1	66052	66052	0.04	0.04	0	0
(f)	Foreign Institutional Investors	93	33457218	33454018	21.01	21.08	0	0
(g)	Foreign Venture Capital Investors	0						
(h)	Any Other (specify)	0						
(h-i)	Foreign Financial Institutions	1	11707200	11707200	7.35	7.35	0	0
	<b>Sub-Total (B)(1)</b>	<b>161</b>	<b>51290121</b>	<b>51242261</b>	<b>32.20</b>	<b>32.20</b>	<b>0</b>	<b>0</b>
<b>(2)</b>	<b>Non-institutions</b>							
(a)	Bodies Corporate	828	13274872	12014198	8.33	8.33	0	0
(b)	Individuals -							
	i. Individual shareholders holding nominal share capital up to ₹ 1 lakh.	26115	14660534	10175282	9.20	9.20	0	0
	ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh.	1	259200	0	0.16	0.16	0	0
(c)	Any Other (specify)							
(c-i)	The Custodian Special Court	1	57000	0	0.04	0.04	0	0
(c-ii)	Trust	7	3869402	3869402	2.43	2.43	0	0

**JUBILANT INDUSTRIES LIMITED**
**INFORMATION MEMORANDUM**

Category code	Category of Shareholder	Number of Shareholders	Total number of shares	Number of Shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Shares pledged or otherwise encumbered	
					As a percentage of (A+B)	As a percentage of (A+B+C)	Number of shares	As a percentage
(c-iii)	Non-Resident Individuals	1211	717986	344446	0.45	0.45	0	0
	<b>Sub-Total (B)(2)</b>	<b>28163</b>	<b>32838994</b>	<b>26403328</b>	<b>20.62</b>	<b>20.62</b>	<b>0</b>	<b>0</b>
	<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>28324</b>	<b>84129115</b>	<b>77645589</b>	<b>52.82</b>	<b>52.82</b>	<b>0</b>	<b>0</b>
	<b>TOTAL (A)+(B)</b>	<b>28338</b>	<b>159281139</b>	<b>147185953</b>	<b>100.00</b>	<b>100.00</b>	<b>7228300</b>	<b>4.54</b>
(C)	Shares held by Custodians and against which Depository Receipts have been issued							
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>28338</b>	<b>159281139</b>	<b>147185953</b>	<b>100.00</b>	<b>100.00</b>	<b>7228300</b>	<b>4.54</b>

**Standalone Financial Performance of Jubilant Life Sciences Limited is as under:**
*In ₹ lakhs*

	Financial Year		
	2008	2009	2010
Sales	197,674.90	243072.20	244620.00
Reserves (excluding revaluation reserve);	136396.6	148423.5	215697.2
Profit after Tax	39226.70	26074.10	36310.00
Earnings per share (Basic) (₹)	27.26	17.70	24.60
Diluted Earnings Per Share (₹)	21.96	15.25	21.24
Net Asset Value	318,521.70	399,125.50	438,423.80

\* (Net Fixed Assets + Investment + Net Current Assets)

**Market Price Data & Share Price Performance**

The equity shares of Jubilant Life Sciences Limited are listed on BSE and NSE. The details of highest and lowest market price its shares during the preceding six months is as under:

Month	BSE		NSE	
	HIGH (₹)	LOW (₹)	HIGH (₹)	LOW (₹)
August 2010	374.00	324.00	374.00	322.80
September 2010	366.65	333.25	368.20	330.60
October 2010	345.25	300.40	345.00	300.00
November 2010	324.80	265.30	327.95	265.30
December 2010	290.40	267.50	293.00	268.00
January 2011	288.85	222.00	288.85	195.35

Further, the details of highest and lowest market price of its shares during the preceding three years are set forth below:

**JUBILANT INDUSTRIES LIMITED**
**INFORMATION MEMORANDUM**

Financial Year ended March 31	BSE		NSE	
	HIGH (₹)	LOW (₹)	HIGH (₹)	LOW (₹)
2010	365.00	94.00	362.65	93.15
2009	390.95	85.00	400.00	84.00
2008	378.00	244.00	380.00	251.10

All Investor Grievances of JLL are forwarded to and replied through the Registrar and Transfers Agent of JLL.

**JUBILANT FOODWORKS LIMITED** (formerly Domino's Pizza India Limited)

Jubilant FoodWorks Limited was incorporated on March 16, 1995. Its registered office is situated at B-214, Phase II, Distt. Gautambudh Nagar, Noida – 201305 U.P.\*\*. It changed its name from Domino's Pizza India Limited to Jubilant FoodWorks Limited w.e.f. September 24, 2009.

\* Registered office shifted w.e.f. January 10, 2011.

JFL runs Domino's Pizza Stores as the Master Franchisee of Domino's Pizza Overseas Franchising B.V..

**Board of Directors of Jubilant FoodWorks Limited are:**

1. Mr. Shyam S. Bhartia
2. Mr. Hari S. Bhartia
3. Mr. Ajay Kaul
4. Mr. Vishal Marwaha
5. Mr. Arun Seth
6. Mr. Phiroz Vandrevala
7. Ms. Ramni Nirula

**Shareholding of our Company's promoters in Jubilant FoodWorks Limited as of December 31, 2010 is as under:**

- a) Mr. Shyam S. Bhartia – 1 Equity Share of ₹ 10 each
- b) Mr. Hari S. Bhartia – 1 Equity Share of ₹ 10 each

The share capital of Jubilant FoodWorks Limited comprises as on December 31, 2010 comprises of 64,440,356 Equity Shares of ₹ 10 each.

**Shareholding pattern of Jubilant FoodWorks Limited as of December 31, 2010 is as under:**

	Category of Shareholder	Number of Share holders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
					As a percentage of (A+B) <sup>1</sup>	As a percentage of (A+B+C)	Number of shares	As a percentage
	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)=(VIII)/(IV)*100
(A)	Shareholding of Promoter and Promoter Group <sup>2</sup>							
1	Indian							

**JUBILANT INDUSTRIES LIMITED**
**INFORMATION MEMORANDUM**

	Category of Shareholder	Number of Share holders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
					As a percentage of (A+B) <sup>1</sup>	As a percentage of (A+B+C)	Number of shares	As a percentage
	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)=(VIII)/(IV)*100
(a)	Individuals/ Hindu Undivided Family	4	4	0	0.00	0.00	0	0.00
(b)	Central Government/ State Government(s)	0	0	0	0.00	0.00	0	0.00
(c)	Bodies Corporate	6	34,655,455	34,655,455	53.78	53.78	0	0.00
(d)	Financial Institutions/ Banks	0	0	0	0.00	0.00	0	0.00
(e)	Any Others(Specify)	0	0	0	0.00	0.00	0	0.00
	<b>Sub Total(A)(1)</b>	<b>10</b>	<b>34,655,459</b>	<b>34,655,455</b>	<b>53.78</b>	<b>53.78</b>	<b>0</b>	<b>0.00</b>
<b>2</b>	<b>Foreign</b>							
a	Individuals (Non-Residents Individuals/ Foreign Individuals)	0	0	0	0	0	0	0
b	Bodies Corporate	1	4,837,481	0	7.51	7.51	0	0.00
c	Institutions	0	0	0	0.00	0.00	0	0.00
d	Any Others(Specify)	0	0	0	0.00	0.00	0	0.00
	<b>Sub Total(A)(2)</b>	<b>1</b>	<b>4,837,481</b>	<b>0</b>	<b>7.51</b>	<b>7.51</b>	<b>0</b>	<b>0.00</b>
	<b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b>	<b>11</b>	<b>39,492,940</b>	<b>34,655,455</b>	<b>61.29</b>	<b>61.29</b>	<b>0</b>	<b>0.00</b>
<b>(B)</b>	<b>Public shareholding</b>						<b>NA</b>	<b>NA</b>
<b>1</b>	<b>Institutions</b>							
(a)	Mutual Funds/ UTI	23	6,178,406	6,178,406	9.59	9.59		
(b)	Financial Institutions / Banks	1	515	515	0.00	0.00		
(c)	Central Government/ State Government(s)	0	0	0	0.00	0.00		
(d)	Venture Capital Funds	0	0	0	0.00	0.00		
(e)	Insurance Companies	0	0	0	0.00	0.00		
(f)	Foreign Institutional Investors	48	13,591,980	13,591,980	21.09	21.09		
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0.00		

**JUBILANT INDUSTRIES LIMITED**
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	Category of Shareholder	Number of Share holders	Total number of shares	Number of shares held in demateriali zed form	Total shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
					As a percentage of (A+B) <sup>I</sup>	As a percentage of (A+B+C)	Number of shares	As a percentage
	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)=(VIII)/(IV)*100
(h)	Any Other (specify)	0	0	0	0.00	0.00		
	<b>Sub-Total (B)(1)</b>	<b>72</b>	<b>19,770,901</b>	<b>19,770,901</b>	<b>30.68</b>	<b>30.68</b>		
<b>B 2</b>	<b>Non-institutions</b>							
(a)	Bodies Corporate #	570	1,950,481	1,950,481	3.03	3.03		
(b)	Individuals							
I	Individuals -i. Individual shareholders holding nominal share capital up to Rs 1 lakh	10,539	1,274,200	1,274,198	1.98	1.98		
II	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	14	1,747,349	1,747,349	2.71	2.71		
(c)	Any Other							
(c-i)	Trust	6	2,065	2,065	0.00	0.00		
(c-ii)	Non-Resident Indians	146	28,521	28,521	0.04	0.04		
(c-iii)	Clearing Members	245	101,229	101,229	0.16	0.16		
(c-iv)	Hindu Undivided Families	271	72,670	72,670	0.11	0.11		
	<b>Sub-Total (B)(2)</b>	<b>11,791</b>	<b>5,176,515</b>	<b>5,176,513</b>	<b>8.03</b>	<b>8.03</b>		
<b>(B)</b>	<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>11,863</b>	<b>24,947,416</b>	<b>24,947,416</b>	<b>38.71</b>	<b>38.71</b>	<b>NA</b>	<b>NA</b>
	<b>TOTAL (A)+(B)</b>	<b>11,874</b>	<b>64,440,356</b>	<b>59,602,869</b>	<b>100.00</b>	<b>100.00</b>	<b>NA</b>	<b>NA</b>
<b>(C)</b>	Shares held by Custodians and against which Depository Receipts have been issued	<b>0</b>	<b>0</b>	<b>0</b>	<b>NA</b>	<b>0.00</b>	<b>NA</b>	<b>NA</b>
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>11,874</b>	<b>64,440,356</b>	<b>59,602,869</b>	<b>100.00</b>	<b>100.00</b>	<b>NA</b>	<b>NA</b>

**Standalone Financial Performance of Jubilant FoodWorks Limited is as under:**
*In ₹ lakhs*

**JUBILANT INDUSTRIES LIMITED**
**INFORMATION MEMORANDUM**

	Financial Year		
	2008	2009	2010
Sales	21,115.67	28,060.92	42,393.14
Reserves (excluding revaluation reserve);	(4,151.27)	(3,421.01)	5,261.40
Profit after Tax	855.29	730.26	3,296.97
Earnings per share (₹)	1.47	1.26	5.54
Diluted Earnings Per Share (₹)	1.47	1.26	5.54
Net Asset Value	6,832.97	10,640.01	12,602.94

\* (Net Fixed Assets + Investment + Net Current Assets)

**Market Price Data & Share Price Performance**

The equity shares of Jubilant FoodWorks Limited are listed on BSE and NSE. The details of highest and lowest market price its shares during the preceding six months is as under

MONTH	BSE		NSE	
	HIGH (₹)	LOW (₹)	HIGH (₹)	LOW (₹)
August 2010	558.00	345.30	557.90	345.30
September 2010	559.00	466.00	558.95	465.25
October 2010	539.85	476.70	539.50	475.00
November 2010	636.45	512.00	636.30	502.20
December 2010	670.70	498.80	672.00	487.30
January 2010	661.00	525.75	661.70	525.00

**Details of Initial Public Offer (IPO) of Jubilant FoodWorks Limited are as under:**

- Year of issue : 2010
- a. Type of issue : Public
- b. Amount of issue : ₹ 3,287.22 million
- c. Date of closure of issue : January 20, 2010
- d. The issue was in a Compulsory Demat issue
- e. The issue price of the security : ₹145 per Share
- f. The current market price : ₹ 524.10 (Closing Price on NSE as on February 2, 2010)
- g. Particulars of changes in the capital structure, if any, since the date of issue (February 2010)

Date of Allotment	No. of Shares Allotted	Paid Up Capital before Allotment (₹)	Paid Up Capital after Allotment (₹)
April 29, 2010	3,38,790	63,62,17,460	63,96,05,360
July 2, 2010	3,82,370	63,96,05,360	64,34,29,060
October 12, 2010	97,450	64,34,29,060	64,44,03,560
January 5, 2011	17,700	64,44,03,560	64,45,80,560

All Investor Grievances of JFL are forwarded to and replied through the Registrar and Transfers Agent of JFL.

Utilization of issue proceeds of ₹ 3,287.22 million is as under :

- Payment of share to selling shareholders (net off of share of offer related expenses) – ₹ 2,595.93 million
- Prepayment of term loans – ₹ 350 million
- For general corporate purposes including payment of Vendors (other than Capital Goods Vendors) and offer related expenses – ₹ 341.29 million

**JUBILANT LIFE SCIENCES (SHANGHAI) LIMITED (formerly Jubilant Organosys (Shanghai) Limited)**

## JUBILANT INDUSTRIES LIMITED

## INFORMATION MEMORANDUM

Jubilant Life Sciences (Shanghai) Ltd. was originally incorporated as Jubilant Organosys (Shanghai) Ltd. on March 25, 2004. It changed its name to Jubilant Life Sciences (Shanghai) Limited w.e.f. October 20, 2010. Its registered office is situated at Room No .321, No.500 Bingke Road, Waigaoqiao Free Trade Zone, Shanghai - 200131, China.

It is engaged in the business of undertaking sales and distribution of the products of Jubilant Life Sciences Ltd. in China. It also trades in advance intermediaries such as Pyridine and its derivatives and fine chemicals. Further, it also sources raw materials for Jubilant Life Sciences Ltd.

Its authorised and paid up capital is RMB 16,52, 837 (USD 200,000)

Its entire capital is held by Jubilant Pharma Pte. Limited., a wholly owned subsidiary of Jubilant Life Sciences Limited.

### Financial Performance of Jubilant Life Sciences (Shanghai) Limited is as under:

*In RMB '000*

	Financial Year		
	2008	2009	2010
Sales	407,409	278,265	342,713
Reserves (excluding revaluation reserve);	(3,622)	(17,654)	(2,354)
Profit after Tax	(373)	(14,033)	15,301
Earnings per share (RMB)	(1.87)	(70.16)	76.50
Diluted Earnings per share (RMB)	(1.87)	(70.16)	76.50
Net Asset Value*	(1,969)	(16,002)	(1,383)

\* (Net Fixed Assets + Investment + Net Current Assets)

## HOLLISTER-STIER LABORATORIES LLC.

Hollister-Stier Laboratories LLC was incorporated on February 18, 1999. Hollister Stier LLC was acquired by JLL through its step down subsidiaries effective from June 1, 2007. Its registered office is situated at Corporation Trust Centre, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801.

It is engaged in the business of contract manufacturing of sterile injectable vials, syringes and lyophilized products. Additionally, it is also a manufacturer of allergenic extracts.

Its authorized and issued capital comprises of 1000 units. Its entire capital is held by HSL Holdings Inc., a wholly owned ultimate subsidiary of Jubilant Life Sciences Limited (through intermediate subsidiaries).

### Board of Managers of Hollister-Stier Laboratories LLC are:

1. Mr. Shyam S. Bhartia
2. Mr. Hari S. Bhartia
3. Mr. R. Sankaraiah

### Standalone Financial Performance of Hollister-Stier Laboratories LLC is as under:

*In USD '000*

	Financial Year		
	2008	2009	2010
Sales	70,334	80,167	111,167
Reserves (excluding revaluation reserve);	43,798	42,660	54,210
Profit after Tax	10,518	4,863	14,550
Earnings per share (USD)	10,517.93	4,862.64	14,549.86
Diluted earnings per share (USD)	10,517.93	4,862.64	14,549.86
Net Asset Value	108,954	122,602	132,838

**JUBILANT INDUSTRIES LIMITED**
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\* (Net Fixed Assets + Investment + Net Current Assets)

**ENPRO OIL PRIVATE LIMITED**

Enpro Oil Private Limited was originally incorporated as Ariake Extracts (India) Ltd w.e.f. August 5, 1991. Its registered office is situated at Plot 1A, Sector-16A, Noida-201301, U.P. \* *The Company has shifted its registered office from Chamber No 1517, 15th Floor, Devika Towers, 6, Nehru Place, New Delhi-110019 to Plot 1A, Sector-16A, Noida-201301, U.P w.e.f 1<sup>st</sup> December, 2010 vide Company Law Board order dated 11<sup>th</sup> November, 2010. However new Certificate of Registration confirming alteration of Registered Office clause from the Registrar of Companies, Kanpur is still awaited..*

It is engaged in the business of running & operating hyper markets & super markets cum malls. It also provides management support services in relation to offshore drilling units.

**Board of Directors of Enpro Oil Private Limited**

- (i) Mr. Shyam. S. Bhartia
- (ii) Mr. Hari.S. Bhartia
- (iii) Mrs. Kavita Bhartia
- (iv) Mr. Shamit Bhartia
- (v) Mr. Takesh Mathur

Its authorised capital comprises of 5,00,00,000 equity shares of ₹ 10 each and issued and paid up capital comprises of 4,25,87,944 equity shares of ₹ 10 each.

**Shareholding of our Company's promoters in Enpro Oil Private Limited is as under:**

- i) Mr. Shyam S. Bhartia – 31,413 Equity Share of ₹ 10 each
- ii) Mr. Hari S. Bhartia – 31,413 Equity Share of ₹ 10 each

**Standalone Financial Performance of Enpro Oil Private Limited is as under:**

In ₹ lakhs

	FY 2008	FY 2009	FY 2010
Sales	10,071.47	16,975.15	28,600.90
Reserves (excluding revaluation reserve)	(912.74)	(3,622.70)	(7,153.40)
Profit after Tax	(4,800.03)	(7,588.23)	(6,991.13)
Earnings per share (₹)	(31.25)	(21.79)	(17.67)
Diluted earnings per share (₹)	(31.25)	(21.79)	(17.00)
Net Asset Value	10,180.19	12,082.14	10,045.22

\* (Net Fixed Assets + Investment + Net Current Assets)

In addition to the five group companies whose details are provided above, set forth below is certain information pertaining one of our Promoter Group company, Jubilant Infrastructure Limited and the pre-Scheme details of Speciality Molecules Limited and Pace Marketing Specialities Limited.

**JUBILANT INFRASTRUCTURE LIMITED**

Jubilant Infrastructure Limited was incorporated on April 17, 2006. Its registered office is situated at 1-A, Sector 16-A, Noida-201 301, UP, India.

It is sector specific Special Economic Zone (SEZ) for Chemicals and Pharmaceutical in Gujarat. Jubilant Infrastructure Limited is a wholly owned subsidiary of JLL.

**Board of Directors of Jubilant Infrastructure Limited**



**JUBILANT INDUSTRIES LIMITED**
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- (i) Mr. Shyam. S. Bhartia
- (ii) Mr. Hari.S. Bhartia
- (iii) Mr. Shyamsundar Bang
- (iv) Mr. Rajagopal Sankaraiah

Its authorised capital comprises of 3,50,00,000 equity shares of ₹ 10 each and issued and paid up capital comprises of 3,26,94,000 equity shares of ₹10 each.

**Shareholding of our Company's promoters in Jubilant Infrastructure Limited is as under:**

None of our Promoters hold any shares in Jubilant Infrastructure Limited.

**Standalone Financial Performance of Jubilant Infrastructure Limited is as under:**

	<i>In ₹ lakhs</i>		
	FY 2008	FY 2009	FY 2010
Sales	-	-	49.24
Reserves (excluding revaluation reserve)	(25.7)	-	809.85
Profit after Tax	(21.8)	(2.53)	(11.52)
Earnings per share (₹)	(0.001)	(0.0001)	(0.0004)
Diluted earnings per share (₹)	(0.001)	(0.0001)	(0.0004)
Net Asset Value*	2159.31	2761.76	3734.25

\* (Net Fixed Assets + Investment + Net Current Assets)

**FINANCIALS AND SHAREHOLDING PATTERN OF SPECIALITY MOLECULES LIMITED AND PACE MARKETING SPECIALITIES LIMITED (PRE-MERGER):**

**SPECIALITY MOLECULES LIMITED (SML)**

SML was a wholly owned subsidiary of JOL. SML was originally incorporated as a private limited company under the Companies Act, 1956, on January 29, 1998 under the name Speciality Molecules Private Limited in the State of Maharashtra. Later, vide certificate issued by Registrar of Companies, Maharashtra dated October 14, 2008, it was converted into a public limited company and its name was changed to Speciality Molecules Limited. Subsequently, vide certificate issued on May 20, 2009 by the Registrar of Companies, U. P. & Uttarakhand, its registered office was shifted to Uttar Pradesh from Maharashtra. The registered office of SML was situated at Bhartiagram, Gajraula-244223, District Jyotiba Phoolay Nagar, U.P. It was engaged in the business of developing, manufacturing and selling of specialty intermediaries which include primarily Pyridine derivatives used in the pharmaceuticals and Life Sciences Industries. The authorized, issued, subscribed and paid-up capital of SML on June 30, 2010 was as under:-

Share Capital	Amount in ₹
Authorized capital 10,000,000 equity shares of ₹ 10 each	100,000,000
Total	100,000,000
Issued, subscribed & paid-up share capital 580,000 equity shares of ₹ 10 each	5,800,000
Total	5,800,000

Standalone Financial Performance of SML is as under:

	<i>In ₹ lakhs</i>		
	FY 2008	FY 2009	FY 2010
Sales	1862.87	2792.07	3102.07
Reserves (excluding revaluation reserve)	442.48	984.68	2048.86
Profit after Tax	105.21	542.20	152.18
Earnings per share (₹)	105.21	542.20	129.00

**JUBILANT INDUSTRIES LIMITED**
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Diluted earnings per share (₹)	105.21	350.27	129.00
Net Asset Value*	624.67	1418.07	2181.11

\* (Net Fixed Assets + Investment + Net Current Assets)

**PACE MARKETING SPECIALITIES LIMITED (PMSL)**

PMSL was incorporated as a private limited company under the Companies Act, 1956 on September 16, 1981 under the name Smridhi Services Private Limited by Registrar of Companies, Delhi and Haryana, at Delhi. Later, it was converted into a public limited company under the name Smridhi Services Limited. Subsequently, vide certificate dated February 13, 1987 issued by Additional Registrar of Companies, Delhi & Haryana, it's name was changed to Pace Marketing Specialities Limited. Further, vide certificate dated July 2, 2010, it's registered office was shifted to Uttar Pradesh by the Registrar of Companies U.P. & Uttarakhand. The registered office of PMSL was presently situated at C-2 & C-3, Site-IV, Sahibabad Industrial Area, Sahibabad, District Ghaziabad, U.P - 201010. PMSL was engaged in the business of contract manufacturing of adhesives. The authorized, issued, subscribed and paid-up capital of PMSL as on June 30, 2010 was as under:-

Share Capital	Amount in ₹
Authorized capital 500,000 equity shares of ₹10 each	5,000,000
Total	5,000,000
Issued, subscribed & paid-up share capital 202,000 equity shares of ₹ 10 each	2,020,000
Total	2,020,000

**STANDALONE FINANCIAL PERFORMANCE OF PMSL IS AS UNDER:**

In ₹ lakhs

	FY 2008	FY 2009	FY 2010
Sales	366.10	371.11	403.66
Reserves (excluding revaluation reserve)	235.00	248.69	232.63
Profit after Tax	16.41	14.47	-17.27
Earnings per share (₹)	8.12	7.16	-8.55
Diluted earnings per share (₹)	8.12	7.16	-8.55
Net Asset Value*	276.71	286.92	268.22

\* (Net Fixed Assets + Investment + Net Current Assets)

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**JUBILANT INDUSTRIES LIMITED**  
**FINANCIAL INFORMATION OF OUR COMPANY**

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**INFORMATION MEMORANDUM**

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**AUDITORS' REPORT ON THE FINANCIAL STATEMENTS OF JUBILANT INDUSTRIES LIMITED FOR THE SIX MONTHS ENDED 30<sup>th</sup> SEPTEMBER, 2010**

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To the Board of Directors of Jubilant Industries Limited (formerly Hitech Shiksha Ltd)

1. We have examined the attached Balance Sheet of Jubilant Industries Limited („the Company“)(formerly Hitech Shiksha Ltd ) as at September 30, 2010 and also the Profit and Loss Account, the Cash Flow Statement for the period of six months ended on that date and the accompanying Notes and schedules thereto(hereinafter referred to as Financial Statements). These Financial Statements are the responsibility of the Company's Management and have been prepared by the Management and also has been approved by the Board of Directors of the Company in their meeting held on 27<sup>th</sup> November, 2010. Our responsibility is to express an opinion on these Financial Statements based on our examination.
2. In forming our opinion we have conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosure in the Financial Statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation in Financial Statements. We believe that our audit provides a reasonable basis for our opinion.
3. Based on our audit and in our opinion and to the best of our information and according to the explanations given to us, the attached Financial Statements give a true and fair view in conformity with the generally accepted accounting principles in India and applicable accounting standards notified by the Central Government of India under Companies (Accounting Standards) Rules, 2006.;
  - a) In the case of the Balance Sheet, of the state of affairs of the company as at September 30, 2010;
  - b) In the case of the Profit and Loss Account, of the profit of the company for the said period ended September 30, 2010; and
  - c) In the case of the Cash Flow Statement, of the cash flows of the company for the said period ended September 30, 2010
4. We are independent firm of Chartered Accountants with respect to the Company pursuant to the rules promulgated vide Clause 4, Part I, The Second Schedule, The code of conduct of the Institute of Chartered Accountants of India and within the meaning of the Companies Act, 1956.

5. This report is for inclusion in the Information Memorandum of the Company in connection with the proposed listing of Equity Shares under Chapter VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, and is not to be used, referred to or distributed for any other purpose without our prior written consent.

**for K N Gutgutia & Co.**

Firm Registration Number 304153E

Chartered Accountants

**B R Goyal**

Partner

Membership No. 12172

**Place:** Noida

**Date:** 27<sup>th</sup> Nov , 2010

**JUBILANT INDUSTRIES LIMITED**
**INFORMATION MEMORANDUM**
**JUBILANT INDUSTRIES LTD**
**(formerly Hitech Shiksha Ltd)**
**Balance Sheet**
**(₹ in million)**

Particulars	Schedules	As at 30th Sept, 2010	As at 1st April, 2010
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' Funds</b>			
Share Capital(Including Share Capital Suspense A/c)	A	80.14	80.14
Reserves & Surplus	B	2,670.29	2,462.18
		2,750.43	2,542.32
<b>Loan Funds</b>	C		
Secured Loans		-	970.90
<b>Deferred Tax Liabilities (Net)</b>	D	91.52	97.13
		2,841.95	3,610.35
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>	E		
Gross Block		1,455.96	1,454.73
Less: Depreciation		519.78	495.47
Net Block		936.18	959.26
Capital Work-in-Progress		160.41	53.42
		1,096.59	1,012.68
<b>Investments</b>	F	0.08	4.23
<b>Current Assets, Loans and Advances</b>	G		
Inventories		985.61	1,293.57
Sundry Debtors		908.75	574.63
Cash & Bank Balances		5.45	1,507.76
Loans and Advances(Refer Note 4 of Schedule "G")		793.59	196.70
		2,693.40	3,572.66
<b>Less: Current Liabilities &amp; Provisions</b>	H		
Liabilities		798.14	927.16
Provisions		149.98	52.06
		948.12	979.22
<b>Net Current Assets</b>		1,745.28	2,593.44
		2,841.95	3,610.35

**Notes to Accounts & Significant Accounting Policies**
**N**
**Schedule "A" to "H" and "N" referred above form an integral part of the Balance Sheet.**

In terms of our review report of even date attached.

For and on behalf of the Board

**For K. N. Gutgutia & Co.**

Firm Registration Number : 304153E

Chartered Accountants

**B. R. Goyal**

Partner

Membership No. 12172

**Hari S. Bhartia**

Chairman

**Noida**
**Date : 27th November,2010**
**Sonia Niranjana Das**

Company Secretary

**Sandeep Kr. Shaw**

Chief Financial Officer

**Ananda Mukherjee**

CEO &amp; Whole Time Director

**JUBILANT INDUSTRIES LTD  
(formerly Hitech Shiksha Ltd)  
Profit and Loss Account**
**(₹ in million)**

For the period ended,	Schedules	30.09.10
<b>INCOME</b>		
Sales & Services	I	3,193.34
Less: Excise Duty on Sales		<u>(129.19)</u>
Net Sales & Services		3,064.15
Other Income	J	7.58
Increase/(Decrease) in Stocks	K	<u>(241.53)</u>
		<u>2,830.20</u>
<b>EXPENDITURE</b>		
Manufacturing & Other Expenses	L	2,506.59
Depreciation & Amortisation		24.39
<b>Interest</b>	M	<u>4.16</u>
		<u>2,535.14</u>
<b>Profit Before Tax</b>		<u>295.06</u>
Income Tax		
- Current Tax (including Wealth Tax)		92.56
- Deferred Tax Charge/(Credit)		<u>(5.61)</u>
		<u>86.95</u>
<b>Profit After Tax</b>		208.11
Balance Brought Forward from Previous period(Opening balance as at 1st Apr,2010 pursuant to Scheme of Amalgamation & Demerger)		984.80
<b>Balance Available For Appropriation</b>		<u>1,192.91</u>
<b>Balance Carried To Balance Sheet</b>		<u>1,192.91</u>
<b>Basic Earnings Per Share of ₹ 10 each (In Rupees-Not Annualized)</b>	N	25.97
<b>Diluted Earnings Per Share of ₹ 10 each (In Rupees-Not Annualized)</b>	N	25.97
<b>(Refer Note 6 of Schedule "N")</b>		
<b>Notes to Accounts &amp; Significant Accounting Policies</b>	N	
<b>Schedule "I" to "N" referred above form an integral part of the Profit &amp; Loss Account.</b>		

In terms of our report of even date attached.

For and on behalf of the Board

**For K. N. Gutgutia & Co.**

Firm Registration Number : 304153E

Chartered Accountants

**B. R. Goyal**  
Partner

Membership No. 12172

**Hari S. Bhartia**  
Chairman

**Noida**  
**Date : 27th November,2010**
**Sonia Niranjana Das**  
Company Secretary

**Sandeep Kr. Shaw**  
Chief Financial Officer

**Ananda Mukherjee**  
CEO & Whole Time Director

**JUBILANT INDUSTRIES LTD  
CASH FLOW STATEMENT**

(₹ in million)

For the period ended,	30.09.10
<b>A. Cash Flow arising from Operating Activities :</b>	
Net profit before tax	295.06
Adjustments for:	
Depreciation & Amortisation	24.39
Loss/(Profit) on Sale of Fixed Assets (Net)	0.06
Interest (Net)	4.16
Provision for Gratuity & Leave Encashment	8.68
Bad Debts/Irrecoverable Advances written off (net of write-in)	5.41
Profit on Sale of Current Investments	(0.02)
Income from Current Investment (Non Trade) - Dividend	(1.45)
	41.23
<b>Operating Profit before Working Capital Changes</b>	<b>336.29</b>
Adjustments for :	
(Increase)/Decrease in Trade and other Receivables	(354.53)
(Increase)/Decrease in Inventories	307.96
Increase/(Decrease) in Current Liabilities & Provisions	(132.34)
<b>Cash generated from Operations</b>	<b>157.38</b>
Direct Taxes Paid (net of refunds)	(0.40)
<b>Net Cash Inflow/(Outflow) in course of Operating Activities</b>	<b>156.98</b>
<b>B. Cash Flow arising from Investing Activities :</b>	
Acquisition/Purchase of Fixed Assets/CWIP	(108.36)
(Purchase)/Sale of Investments (net)	4.17
Increase/(Decrease) in JLL Current Account(Refer Note 4 of Schedule "G")	(581.49)
Interest Received	0.11
Dividend Received	1.45
<b>Net Cash Inflow/(Outflow) in course of Investing Activities</b>	<b>(684.12)</b>
<b>C. Cash Flow arising from Financing Activities :</b>	
Proceeds from/Repayment of Long Term & Short Term Borrowings	(970.90)
Interest Paid	(4.27)
<b>Net Cash Inflow/(Outflow) in course of Financing Activities</b>	<b>(975.17)</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash equivalents (A+B+C)</b>	<b>(1502.31)</b>
Add: Cash & Cash Equivalents at the beginning of Year(As per Scheme of Amalgamation & Demerger)	1507.76
<b>Cash &amp; Cash Equivalents at the close of the Year</b>	<b>5.45</b>
<b>Cash &amp; Cash Equivalents Comprise:</b>	
Cash and Bank Balances	5.45
Unrealised Exchange Difference on Foreign Currency Cash and Cash Equivalents	-
	<b>5.45</b>

**Notes:**

- 1) Cash flow statement has been prepared under the indirect method as set out in the Accounting Standard 3 (AS-3)-" Cash Flow Statements", notified by the Central Government of India.
- 2) Purchase of fixed assets includes movement of Capital Work-in-Progress during the year.
- 3) The Cash Flow Statement is based upon the opening figure as at 1st April 2010, consequent to the demerger of certain business and merged into this company.

In terms of our report of even date attached.

For and on behalf of the Board

**For K. N. Gutgutia & Co.**

Firm Registration Number : 304153E

Chartered Accountants

**B. R. Goyal**

Partner

Membership No. 12172

**Hari S. Bhartia**

Chairman

**Noida**

Date : 27th November, 2010

**Sonia Niranjana Das**

Company Secretary

**Sandeep Kr. Shaw**

Chief Financial Officer

**Ananda Mukherjee**

CEO &amp; Whole Time Director

**JUBILANT INDUSTRIES LIMITED**
**INFORMATION MEMORANDUM**
**Schedules forming part of the Balance Sheet**
**(₹ in million)**

	As at 30th Sept, 2010	As at 1st April, 2010
<b>A SHARE CAPITAL(Including Share Capital Suspense A/c)</b>		
<b>Authorised</b>		
10,000,000 Equity Shares of ₹ 10 each(Proposed)	100.00	100.00
(As at 1st April,2010 - 10,000,000 Equity Shares of ₹ 10 each)	100.00	100.00
<b>Issued &amp; Subscribed</b>		
50,000 Equity Shares of ₹10 each	0.50	0.50
(As at 1st April,2010 - 50,000 Equity Shares of ₹ 10 each)	0.50	0.50
<b>Paid up</b>		
50,000 Equity Shares of ₹ 10 each **	0.50	0.50
(As at 1st April,2010 - 50,000 Equity Shares of ₹ 10 each)	0.50	0.50
** Held by its Holding Company -Jubilant Infrastructure Ltd.		
<b>Share Capital Suspense Account</b>		
7,964,056 equity shares of Re. 10 each to be allotted and issued pursuant to the Scheme of Amalgamation & Demerger with Jubilant Life Sciences Ltd(formerly Jubilant Organosys Limited) for consideration other than cash	79.64	79.64
	80.14	80.14



**JUBILANT INDUSTRIES LIMITED**
**INFORMATION MEMORANDUM**
**Schedules forming part of the Balance Sheet**
**(₹ in million)**

	As at 30th Sept, 2010	As at 1st April, 2010
<b>B RESERVES AND SURPLUS</b>		
Capital Reserve (1)	24.62	24.62
Securities Premium Account(1)	837.18	837.18
General Reserve (1)	615.58	615.58
Surplus as per Profit & Loss Account(1)	1,192.91	984.80
Total	<u>2,670.29</u>	<u>2,462.18</u>

(1) Created/to be created on implementation of Scheme of Amalgamation & Demerger of the undertakings of JLL.

**JUBILANT INDUSTRIES LIMITED**
**INFORMATION MEMORANDUM**
**Schedules forming part of the Balance Sheet**
**(₹ in million)**

	As at 30th Sept, 2010	As at 1st April, 2010
<b>C LOANS</b>		
Secured		
A. Loans From Bank		
-Term Loans/Working Capital	-	970.90
	<u>-</u>	<u>970.90</u>

**JUBILANT INDUSTRIES LIMITED**
**INFORMATION MEMORANDUM**
**Schedules forming part of the Balance Sheet**

	As at 30th Sept, 2010	(₹ in million) As at 1st April, 2010
<b>D DEFERRED TAX LIABILITY</b>		
Deferred Tax Liabilities	104.73	103.18
Deferred Tax Assets	13.21	6.05
Deferred Tax Liabilities(Net)	<u>91.52</u>	<u>97.13</u>
(Refer Note 4 of Schedule "N")		

**JUBILANT INDUSTRIES LIMITED**
**INFORMATION MEMORANDUM**
**JUBILANT INDUSTRIES LIMITED  
SCHEDULES FORMING PART OF THE BALANCE SHEET**
**F** **FIXED ASSETS**

(₹ in million)

Description	GROSS BLOCK-COST/BOOK VALUE				DEPRECIATION / AMORTIZATION				NET BLOCK	
	Total as at 1st April 2010(1)	Additions/ adjustments during the period	Deductions/ adjustments during the period	Total as at 30th Sept 2010	Total as at 1st April 2010(1)	Additions/ adjustments during the period	Deductions/ adjustments during the period	Total as at 30th Sept 2010	As at 30th Sept 2010	As at 1st April 2010(1)
<b>Land</b>										
(a) Freehold	17.32			17.32					17.32	17.32
(b) Leasehold	204.26			204.26	0.23			0.23	204.03	204.03
<b>Buildings</b>										
(a) Factory	199.35			199.35	33.69	3.08		36.77	162.58	165.66
(b) Others	48.34			48.34	1.66	0.41		2.07	46.27	46.68
<b>Plant &amp; Machinery</b>	954.11	1.26		955.37	446.52	19.08		465.60	489.77	507.59
<b>Vehicles</b>	1.45			1.45	1.36			1.36	0.09	0.09
<b>Office Equipments</b>	17.13	0.11	0.16	17.08	6.98	1.27	0.08	8.17	8.91	10.15
<b>Furniture &amp; Fixtures</b>	12.77	0.02		12.79	5.03	0.55		5.58	7.21	7.74
<b>TOTAL</b>	1,454.73	1.39	0.16	1,455.96	495.47	24.39	0.08	519.78	936.18	959.26
<b>Capital Work in Progress, Capital Advances &amp; Project Expenses Pending Capitalization</b>										
									160.41	53.42
<b>1) Values as per Scheme of Amalgamation and Demerger(Scheme).</b>									<b>1,096.59</b>	<b>1,012.68</b>

**JUBILANT INDUSTRIES LIMITED**
**INFORMATION MEMORANDUM**

Schedules forming part of the Balance Sheet

(₹ in million)

			As at 30th Sept, 2010	As at 1st April, 2010
<b>F</b>	<b>INVESTMENTS : (At Cost)</b>			
<b>Number</b>	<b>Face value per unit</b>	<b>All unquoted unless otherwise specified</b>		
		<b>Non Trade Investments</b>		
448 (448)	₹ 10	Voith Paper Fabrics India Ltd.-Equity Shares fully paid up(Quoted)	0.08	0.08
530 (530)	₹ 10	Minerva Holding Ltd.-Equity Shares fully paid up(1)	-	-
132 (132)	₹ 100	Kashipur Holdings Ltd.-Equity Shares fully paid up(1)	-	-
		<b>Current Investments</b>		
		<b>Investment in Mutual Fund</b>		
- (414752)	₹ 10	LIC MF Income Plus-Fund Daily Dividend Plan	-	4.15
			0.08	4.23
		Aggregate NAV of Current Investments	-	4.15
		Aggregate amount of quoted investments		
		-cost	0.08	0.08
		-market value	0.09	0.08

Notes:

(1) Allotted free of cost.

(2) Figures in ( ) are in respect of : 1st April,2010

**JUBILANT INDUSTRIES LIMITED**
**INFORMATION MEMORANDUM**
**Schedules forming part of the Balance Sheet**

	As at 30th Sept, 2010	(₹ in million) As at 1st April, 2010
<b>G CURRENT ASSETS, LOANS AND ADVANCES</b>		
<b>Current Assets</b>		
<b>Inventories: (Including in Transit &amp; with Third Parties)</b>		
- Raw Materials	503.82	587.59
- Stores, Spares, Process Chemicals, Fuels & Packing Material	99.64	71.61
- Process Stocks	171.89	144.17
- Finished Goods (including Trading Goods)	210.26	490.20
	<u>985.61</u>	<u>1,293.57</u>
<b>Sundry Debtors</b>		
<b>Unsecured</b>		
- Over Six Months - Good (1)	99.46	121.25
- Doubtful	9.03	27.91
- Other Debts - Good (1)	809.29	453.38
	<u>917.78</u>	<u>602.54</u>
Less: Provision for Doubtful Debts	<u>9.03</u>	<u>27.91</u>
	<u>908.75</u>	<u>574.63</u>
<b>Cash &amp; Bank Balances</b>		
- Cash in hand and as Imprest	0.30	0.39
- With Scheduled Banks		-
- On Current Accounts(2)	2.58	1,507.30
- On Deposit Accounts(3)	2.57	0.07
	<u>5.45</u>	<u>1,507.76</u>
<b>Loans And Advances</b>		
<b>(Unsecured, Considered good)</b>		
- Jubilant Life Sciences Ltd (JLL) Current A/c-Non Interest Bearing (4)	581.49	-
- Advances recoverable in cash or in kind or for value to be received (5)	162.24	158.38
- Deposits	13.34	10.04
- Deposits/Balances with Excise / Sales Tax Authorities	33.64	25.80
- Advance Payment of Income Tax/Wealth Tax (including TDS)	2.73	2.33
- MAT Credit Entitlement	0.15	0.15
	<u>793.59</u>	<u>196.70</u>
	<u>2,693.40</u>	<u>3,572.66</u>

(1) Includes, Subsidy receivable:

- a) Due over six months - ₹ 53.90 million.(1st April 2010- ₹ 43.26 million).  
b) Others - ₹ 357.80 million (1st April 2010- ₹ 172.46 million).

(2) Includes, ₹ Nil(1st April 2010- ₹ 1,500 million) in Escrow Account consequent upon allotment of Shares as on 31st March, 2010.

(3) Includes, Margin Money - ₹ Nil(1st April 2010- ₹ 0.07 million).

(4) Represents monies to be received consequent to running the business on trust by JLL during the period of reporting.

(5) Includes ₹ 40.01 million(1st April 2010- ₹ 36.47 million) Export Benefits Receivables.

**JUBILANT INDUSTRIES LIMITED**
**INFORMATION MEMORANDUM**
**Schedules forming part of the Balance Sheet**

	As at 30th Sept, 2010	(₹ in million) As at 1st April, 2010
<b>H CURRENT LIABILITIES AND PROVISIONS</b>		
<b>A) Current Liabilities</b>		
Sundry Creditors and Expenses Payable	513.96	789.59
Acceptances	213.05	65.30
Trade Deposits & Advances	44.28	56.13
Interest Accrued but not due	0.65	0.31
Other Liabilities	26.20	15.83
	<u>798.14</u>	<u>927.16</u>
<b>B) Provisions</b>		
For Income Tax, Wealth Tax & FBT	92.89	0.33
For Retirement/Post retirement Employee Benefits	57.09	48.41
For Others(1)	-	3.32
	<u>149.98</u>	<u>52.06</u>
<b>Total (A+B)</b>	<u>948.12</u>	<u>979.22</u>

(1) Include Provision of loss of ₹ Nil(1st April 2010- ₹ 3.32 million) on marked to market of unutilised forward covers outstanding.

**Schedules forming part of the Profit and Loss Account**

		(₹ in million)
<b>For the period ended,</b>		<b>30.09.10</b>
<b>I SALES &amp; SERVICES</b>		
Sales		3,182.23
Manufacturing Services		11.11
		<u>3,193.34</u>
<b>J OTHER INCOME</b>		
Income from Current Investments (Non-Trade) - Dividend		1.45
Profit on Sale of Trade Investments		0.02
Miscellaneous Receipts		6.11
		<u>7.58</u>



**Schedules forming part of the Profit and Loss Account**

		(₹ in million)
For the period ended,		30.09.10
<b>K INCREASE/(DECREASE) IN STOCKS</b>		
Stock at close	-Process	171.89
Stock at close	-Finished	210.26
		382.15
Stock at commencement	-Process**	144.17
Stock at commencement	-Finished**	490.20
		634.37
Increase/ (Decrease) in Stocks		(252.22)
Less: Increase/Decrease of Finished & Process Stock of IMFL Business		10.69
		(241.53)
<b>** As per Scheme of Amalgamation &amp; Demerger(Scheme)</b>		
<b>L MANUFACTURING AND OTHER EXPENSES</b>		
Purchases - Traded Goods		28.03
Raw & Process Materials Consumed (1)		1561.59
Power and Fuel		86.97
Excise Duty (2)		1.61
Stores, Spares, Chemicals & Packing Materials Consumed		172.95
Processing Charges		1.10
Repairs - Plant & Machinery		22.18
- Buildings		2.61
Salaries, Wages, Bonus, Gratuity & Allowances		197.00
Contribution to Provident & Superannuation Fund		12.10
Staff Welfare Expenses		9.19
Rent		7.34
Rates & Taxes		2.48
Insurance [Net of recoveries - ₹ 0.57 million]		3.19
Advertisement, Publicity & Sales Promotion		14.04
Traveling & Other Incidental Expenses		27.49
Office Maintenance		20.27
Vehicle Running & Maintenance		1.72
Printing & Stationery		1.92
Communication Expenses		6.60
Staff Recruitment & Training		4.25
Legal , Professional & Consultancy Charges		6.54
Freight & Forwarding (including Ocean freight)		162.59

**JUBILANT INDUSTRIES LIMITED**
**INFORMATION MEMORANDUM**
**Schedules forming part of the Profit and Loss Account**

	(₹ in million)
<b>For the period ended,</b>	<b>30.09.10</b>
<b>SCHEDULE "L" (CONT.)</b>	
Miscellaneous Expenses	5.55
Financial Charges (includes Foreign Exchange Fluctuation gain of ₹ 0.12 million and Bank Charges)	4.78
Discounts & Claims to Customer and Other Selling Expenses	122.57
Commission on Sales	14.71
Loss/(Gain) on sale/disposal/discard of Fixed Assets	0.06
Loss/(Gain) on sale of Raw Materials	(0.25)
Bad Debts / irrecoverable Advances & receivables written off /provided for (Net of amount written off - ₹ 18.88 million adjusted against Provision)	5.41
	<u>2,506.59</u>

- (1) Raw Material Consumption includes the internal transfer of materials from the business retained at JLL.  
 (2) Excise duty expense denotes provision on stock differential and other claims/payment.

**Schedules forming part of the Profit and Loss Account**

	(₹ in million)
<b>For the period ended,</b>	<b>30.09.10</b>
<b>M INTEREST</b>	
On Overdrafts & other Borrowings	4.27
	<u>4.27</u>
Less: Interest Income	(0.11)
	<u>4.16</u>

**N NOTES TO THE ACCOUNTS AND SIGNIFICANT ACCOUNTING POLICIES****1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES:****A. Basis of Accounting/ Preparation**

The financial statements of Jubilant Industries Ltd.(the Company) have been prepared and presented under the historical cost convention with the exception of certain assets which has been accounted for at their respective Fair Values on Amalgamation on the accrual basis of accounting in accordance with the accounting principles generally accepted in India ("GAAP") and comply with the mandatory accounting standards notified by the Central Government of India and with the relevant provisions of the Companies Act, 1956. The Financial Statements are presented in Indian rupees rounded off to the nearest million

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of financial statements and the results of operations during the reporting periods. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results could vary from these estimates. Any revision to accounting estimates is recognised in the period in which such results are known/materialised.

**B. a. Fixed Assets and Depreciation**

- (i) Fixed Assets are stated at original cost net of tax/duty credits availed, if any, less accumulated depreciation/impairment. The cost of fixed assets includes effect of exchange differences on long term foreign currency borrowings, freight and other incidental expenses related to the acquisition and installation of the respective assets. Borrowing costs directly attributable to fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalized. In case of fixed assets acquired at the time of amalgamation of certain entities with Company, the same are recognised at book value/fair value ascertained by the valuers.

Insurance spares / standby equipments are capitalised as part of the mother assets and are depreciated at the applicable rates, over the remaining useful life of the mother assets. Such spares are charged off, on issue for Consumption.

Expenses on start up and commissioning of the project including Trial Run Expenses (Net of trial run receipts, if any) for projects and/or substantial expansion up to the date of commencement of commercial production/ stabilisation of the project are capitalised.

- (ii) Depreciation is provided on Straight Line Method at rates mentioned and in the manner specified in Schedule XIV to the Companies Act, 1956 (as amended), on the original cost/ acquisition cost of assets and read with the statement as mentioned herein under. Certain plants were classified as continuous process plants from the financial year ended 31-03-2000 and such classification has been done on technical assessment, (relied upon by the auditor being a technical matter) and depreciation on such assets has been provided accordingly.

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

- a. R&D related Equipments & Machineries: ten years.
- b. Motor Vehicles: five years.

**JUBILANT INDUSTRIES LIMITED**
**INFORMATION MEMORANDUM**

- c. Computer & Information Technology related assets: three to five years.
- d. Certain employee perquisite – related assets: five years, being the period of the perquisite scheme.

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

Depreciation on exchange fluctuation capitalised is charged over the remaining useful life of assets in line with accounting policy N. 1.(F).

**b. Intangible assets and amortization**

Intangible assets are recorded at the consideration paid for acquisition. Intangible assets are amortised over their estimated useful lives subject to a maximum period of ten years on straight-line basis, commencing from the date the asset is available to the Company for its use.

Cost incurred for product development leading to Market Authorisations are recognised as intangible assets and amortised on a straight-line basis over a period of five to ten years from the date of regulatory approval. Subsequent expenditures on development of such products are also added to the cost of intangibles.

Expenditure for acquisition and implementation of Software systems is recognised as intangible assets and amortised on straight-line over a period of five year.

**c. Leased Assets**

- (i) Leasehold Land value is not amortised in view of the long tenure of the un-expired lease period/option of conversion to freehold at the expiry of lease tenure.
- (ii) Other lease assets: Assets, if any, acquired under finance lease are capitalised at the lower of their fair value and the present value of the minimum lease payment in line with the Accounting Standard 19(AS-19)-“Leases”, notified by the Central Government of India. In respect of operating leases, lease rentals are charged to Profit and Loss Account.

**C. Valuation of Inventories**

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

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

Raw materials	Weighted average method
Stores and spares	Weighted average method
Work-in-process and finished goods (manufactured)	Variable Cost at weighted average including an appropriate share of production overheads
Finished goods (traded)	Actual cost of purchase
Goods in transit	Actual cost of purchase

Cost includes all direct costs, cost of conversion and appropriate portion of overheads and such other costs incurred as to bring the inventory to its present location and condition inclusive of excise duty wherever applicable. Cost formula used is based upon weighted average cost.

**D. Investments**

Long Term investments (non-trade) if any, are valued at cost unless there is a decline, other than temporary, in their value as at the date of Balance Sheet.

Current Investments are valued at Lower of cost and fair value.

**E. Income Tax****Current Tax**

Current tax expense is based on the provisions of Income Tax Act 1961 and judicial interpretations thereof as at the Balance Sheet date and takes into consideration various deductions and exemptions to which the Company is entitled to as well as the reliance placed by the Company on the legal advices received by it.

**Deferred Tax**

Deferred tax charge or credit reflects the tax effects of timing differences between accounting income and taxable income for the period. 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 is written-down or written-up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realised.

**Minimum Alternate Tax**

Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which MAT credit becomes eligible to be recognized as an asset in accordance with the recommendation contained in the Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Profit and Loss Account and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that company pay normal income tax during the specified period.

**F. Foreign Currency Conversions/ Translation**

Transactions in foreign currency are recorded at the exchange rate prevailing on/or closely approximating to the date of transactions. Monetary Assets and Liabilities are restated at the rate prevailing at the period end or at the spot rate at the inception of forward contract where forward cover for specific asset/liability has been taken and in respect of such forward contracts the difference between the contract rate and the spot rate at the inception of the forward contract is recognised as income or expense in Profit & Loss Account over the life of the contract. All other outstanding forward contracts on the closing date are marked to market and resultant gain or loss is recognised as income or expense in the Profit and loss Account.

**G. Provisions, Contingent Liability and Contingent Assets**

The Company recognizes a provision when there is a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation in respect of which a reliable estimate can be made.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resource. Contingent Assets are not recognized/disclosed. Provisions, Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet Date.

**H. Research & Development**

Revenue expenditure on Research and Development is included under the natural heads of expenditure.

Capital expenditure on Research and Development (R&D) is capitalised as fixed assets. Development cost including regulatory cost and legal expenses leading to Market Authorization relating to the new and improved product and/or process development is recognised as an intangible asset to the extent that it is expected that such asset will generate future economic benefits. Other Research & Development cost is expensed as incurred.

**I. Employee Benefits**

- Short term employee benefit and contribution to defined contribution plans e.g. recognised provident fund, employee state insurance and superannuation scheme are recognized as expense on accrual at the undiscounted amount in the profit & loss account.
- Gratuity and leave encashment which are defined benefits are recognised in the profit and loss account based on actuarial valuation using projected unit credit method as at balance sheet date by an independent actuary. Actuarial gains and losses arising from the experience adjustment and change in actuarial assumption are immediately recognized in the Profit and Loss account as income or expense.
- In respect of one of the units at Sahibabad, Contributions toward Gratuity Fund & Superannuation Scheme are made to trust, administered by the Company (PMSL). The accounts of the same are kept with Life Insurance Corporation of India under their group schemes.

**J. Borrowing Cost**

Borrowing cost includes ancillary cost. Borrowing cost attributable to acquisitions and construction of qualifying assets are capitalized as a part of the cost of such assets up-to the date as mentioned in Note No. B(a)(i) above. Other borrowing costs are charged as expenses in the year in which they arise.

**K. Revenue Recognition**

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

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

Any sales for which the Company has acted as an agent without assuming the risks and rewards of ownership have been reported on a net basis.

Export incentives/ benefits are accounted for on accrual basis and as per the principles given under Accounting Standard 9 (AS-9) on "Revenue Recognition", notified by the Central Government of India

**L. Segment Reporting**

The accounting policies adopted for segment reporting are in line with accounting policies of the Company. Revenue, Expenses, Assets and Liabilities have been identified to segments on the basis of their relationship to operating activities of the segments (taking in account the nature of products and services and risks & rewards associated with them) and internal management information systems and the same is reviewed from time to time to realign the same to conform to the Business Units of the Company. Revenue, Expense, 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 Revenue/Expense/Assets/Liabilities", as the case may be.

**M. Earnings Per share**

The basic earnings per share is calculated by dividing the net profit after tax for the year by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, net profit after tax during the year and the weighted average number of shares outstanding during the year are adjusted for the effect of all dilutive potential equity shares. The dilutive potential equity shares are deemed converted as of the beginning of the year unless they have

been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares)

**N. Impairment of Fixed Assets**

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the assets belongs is less than the carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Profit and Loss Account. A previously recognized impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

2. The Board of Jubilant Life Sciences Ltd (JLL) (formerly Jubilant Organosys Ltd.) has approved a Scheme of Amalgamation and Demerger (Scheme) at its meeting held on 8th July, 2010. Under the Scheme, Specialty Molecules Limited (SML) a wholly owned subsidiary of JLL and Pace Marketing Specialties Limited (PMSL) an exclusive contract manufacturer of adhesives for Consumer Product Division of the JLL is to merge with JLL as on 31st March 2010. The Agri and Performance Polymer Business of the JLL (along with PMSL) will be demerged into Jubilant Industries Limited (JIL) on 1st April 2010. On amalgamation shareholders of PMSL will be issued 5,01,364 equity shares of the company as consideration for amalgamation and the equity share capital of SML will be cancelled as the same is held wholly by JLL. On demerger, shareholders of the JLL will get one equity share of ₹ 10 each of the company for every twenty equity shares of ₹ 1 each held in JLL. The equity shares of company will be listed on BSE and NSE.

The said scheme was approved by the Court with the appointed date as 1st April, 2010. Effective from the appointed date, during the period of reporting the operations of JIL were run for and on its behalf by JLL on Trust, and accordingly the economic benefits attributable to JIL has accrued to JIL and the accounts of JIL have been drawn up from appointed date, 1st April, 2010 to 30th September, 2010.



**3. Contingent liabilities**

- a) Claims/Demands in respect of which proceeding or appeals are pending and are not acknowledged as debts on account of:

(₹ in million)

	<b>As at 30th Sept,2010</b>	<b>As at 1st April,2010</b>
Central Excise	11.43	0.68
Customs	69.03	33.22
Sales Tax	40.29	41.37
Income Tax	-	-
Service Tax	-	-
Others	56.71	55.91

- b) Outstanding guarantees furnished by Banks on behalf of the Company/by the Company including in respect of Letters of Credits is ₹ 55.21 million (1<sup>st</sup> April 2010- ₹ 497.17 million).
- c) Exports obligation undertaken by the Company under EPCG scheme to be completed over a period of five/eight years on account of import of Capital Goods at concessional import duty remaining outstanding is ₹ Nil (1<sup>st</sup> April 2010- ₹ 4.66 million). Similarly Export obligation under Advance License Scheme/DFIA scheme on duty free import of specific raw materials, remaining outstanding is ₹ 8.1 million (1<sup>st</sup> April 2010- ₹ 89.04 million).

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

( ₹ in million)

	<b>As at 30th Sept,2010</b>	<b>As at 1st April,2010</b>
<b>Deferred Tax Assets</b>		
Provision for Leave Encashment and Gratuity	11.64	0.41
Accumulated Losses as per Tax Laws	-	5.64
Others	1.57	-
	<b>13.21</b>	<b>6.05</b>
<b>Deferred Tax Liabilities</b>		
Accelerated Depreciation/Amortisation	104.73	103.18
	<b>104.73</b>	<b>103.18</b>
<b>Deferred Tax Liabilities (Net)</b>	<b>91.52</b>	<b>97.13</b>

**JUBILANT INDUSTRIES LIMITED**
**INFORMATION MEMORANDUM**
**Notes to the Accounts**
**5. Segment Reporting :**

i) Based on the guiding principles given in Accounting Standard 17 (AS-17) on " Segment Reporting", notified by the Central Government under the Companies (Accounting Standard) Rules,2006.The Company's Primary Business Segments are organized around customers on industry and product lines as under :

- a. Agri Products : i) Single Super Phosphate ii) Agro chemicals for Crop Products.
- b. Performance Polymers : i) food polymer ( Solid PVA), ii) VP Latex and SBR Latex , iii) consumer products and iv) application polymer products.
- c. Others

**ii) Inter Segment Transfer Pricing**

Inter Segment Transfer prices are based on market prices.

iii ) The Financial information about the primary business segments is presented in the table given below:

(₹ in million)

	Particulars	Agri Products		Performance Polymers		Others		Total	
		30.09.10	01.04.10	30.09.10	01.04.10	30.09.10	01.04.10	30.09.10	01.04.10
1)	<b>Revenue</b>	1,565.42	-	1,616.81	-	11.11	-	3,193.34	-
	Less: Inter Segment Revenue	-	-	-	-	-	-	-	-
	Less: Excise Duty on Sales	2.64	-	126.55	-	-	-	129.19	-
	<b>Net sales</b>	<b>1,562.78</b>	<b>-</b>	<b>1,490.26</b>	<b>-</b>	<b>11.11</b>	<b>-</b>	<b>3,064.15</b>	<b>-</b>
2)	<b>Segment results</b>	211.99	-	137.80	-	3.69	-	353.48	-
	Less : Interest (Net)							4.16	-
	Other un-allocable expenditure (net of un-allocable income)							54.26	-
	<b>Total Profit Before Tax</b>	<b>211.99</b>	<b>-</b>	<b>137.80</b>	<b>-</b>	<b>3.69</b>	<b>-</b>	<b>295.06</b>	<b>-</b>
3)	<b>Capital Employed</b> (Segment Assets - Segment Liabilities)								
	<b>Segment Assets</b>	1,513.05	1,674.64	1,578.18	1,272.02	113.47	135.58	3,204.70	3,082.24
	<b>Add: Common Assets</b>							585.37	1,507.33
	<b>Total Assets</b>	<b>1,513.05</b>	<b>1,674.64</b>	<b>1,578.18</b>	<b>1,272.02</b>	<b>113.47</b>	<b>135.58</b>	<b>3,790.07</b>	<b>4,589.57</b>
	<b>Segment Liabilities</b>	261.39	444.68	506.14	426.89	87.70	103.98	855.23	975.55
	<b>Add: Common Liabilities</b>							92.89	3.67
	<b>Total Liabilities</b>	<b>261.39</b>	<b>444.68</b>	<b>506.14</b>	<b>426.89</b>	<b>87.70</b>	<b>103.98</b>	<b>948.12</b>	<b>979.22</b>
	<b>Segment Capital Employed</b>	1,251.66	1,229.96	1,072.04	845.13	25.77	31.60	2,349.47	2,106.69
	<b>Add: Common Capital Employed</b>							492.48	1,503.66
	<b>Total Capital Employed</b>	<b>1,251.66</b>	<b>1,229.96</b>	<b>1,072.04</b>	<b>845.13</b>	<b>25.77</b>	<b>31.60</b>	<b>2,841.95</b>	<b>3,610.35</b>

**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 organization 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.

**Notes to the Accounts**

For the period ended,	30.09.10
<b>6. Earnings Per Share(EPS)</b>	
I. (A) Profit Computation for Basic Earnings Per Share of ₹ 10 each	
Net Profit as per Profit and Loss Account available for Equity Shareholders ₹ in million	208.11
II. Weighted average number of equity shares for Earnings Per Share computation	
A) For Basic Earnings Per Share** Nos	8,014,056
B) For Diluted Earnings Per Share** Nos	8,014,056
III. Earnings Per Share (Weighted Average)	
Basic ₹	25.97
Diluted ₹	25.97

\*\* Includes 7,964,056 equity shares of ₹ 10 each to be allotted and issued pursuant to scheme of Amalgamation & Demerger for consideration other than cash.

7. Comparative figures as at 1st April,2010 have been regrouped/rearranged wherever considered necessary to conform to this period classification or presentation and in respect of Cash Flow and P&L Account, such figures have not been given in view of first period of operation, post demerger.

**Signatures to Schedule "A" to "N" forming part of the Balance Sheet and Profit and Loss Account.**

In terms of our report of even date attached.

For and on behalf of the Board

For K.N. Gutgutia & Company

Firm Registration Number : 304153E

Chartered Accountants

B. R. Goyal

Partner

Membership No 12172

Hari S. Bhartia

Chairman

Noida

Date : 27th November,2010

Sonia Niranjana Das

Company Secretary

Sandeep Kr. Shaw

Chief Financial Officer

Ananda Mukherjee

CEO & Whole Time Director

**K.N. GUTGUTIA & COMPANY  
CHARTERED ACCOUNTANTS**

**AUDITORS' REPORT TO THE MEMBERS OF  
HITECH SHIKSHA LIMITED**

1. We have audited the attached Balance Sheet of HITECH SHIKSHA LIMITED as at 31st March 2010 and the related Profit and Loss Account for the year ended on that date, and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An Audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government in terms of Section 227 (4A) of the Companies Act, 1956, and on the basis of such checks as considered appropriate and according to the information and explanation given to us during the course of our audit, we enclose in the Annexure hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments mentioned in the Annexure referred to in above paragraph, we report that:
  - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of the books of the Company.
  - c) The Balance Sheet, Profit and Loss Account and the Cash Flow Statement dealt with by the report are in agreement with the Books of Account of the Company.
  - d) In our opinion, the Profit & Loss Account, Balance Sheet and Cash Flow Statement comply with the mandatory Accounting Standards referred to in Sub-Section 3 (c) of Section 211 of the Companies Act, 1956.
  - e) According to the information and explanation given to us and on the basis of written representations received from the Directors as on 31st March 2010 of the Company and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31<sup>st</sup> March 2010, from being appointed as a Director in terms of clause (g) of Sub Section (1) of Section 274 of the Companies Act, 1956.
  - f) In our opinion and to the best of our information and according to the explanations given to us, the said Accounts read with the Notes and Significant Accounting Policies, there on give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

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**K.N. GUTGUTIA & COMPANY**  
**CHARTERED ACCOUNTANTS**

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- (i) In the case of the Balance Sheet, of the state of affairs of the company as at 31st March 2010.
- (ii) In the case of the Profit and Loss Account, of the Loss of the Company for the year ended on that date; and
- (iii) In the case of the Cash Flow Statement, of the Cash Flows of the Company for the year ended on that date.

For K.N. GUTGUTIA & CO.

Chartered Accountants

  
B.R. Goyal

Partner

Place : Noida

Dated : 30th April, 2010

Membership No. 12172

Firm Registration No.: 304153E



**K.N. GUTGUTIA & COMPANY**  
**CHARTERED ACCOUNTANTS**

**ANNEXURE TO THE AUDITORS' REPORT**  
**Re: HITECH SHIKSHA LIMITED**

Referred to in paragraph 3 of our report of even date on the accounts of the year ended 31<sup>st</sup> March 2010.

- i) The company does not have any fixed assets.
- ii) The company does not have any inventory.
- iii) The Company has not granted / taken any loan to/from any Company covered in the register maintained under section 301 of the Companies Act 1956. Accordingly, Paragraph 4 (iii)(a) to (g) of the Order are not applicable.
- iv) In view of no operations in the company, internal controls system is in the process of being set up.
- v) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that there was no transaction that needed to be entered into the register maintained under Section 301 of the Companies Act 1956.
- vi) The company has not accepted any public deposit during the year.
- vii) The requirement of Internal Audit System is not there during the year.
- viii) The Central Government has not prescribed maintenance of the cost records under section 209(1)(d) of the Companies Act, 1956 in respect to the company's any products.
- ix) (a) According to the records examined by us, the company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees state insurance, income tax , wealth tax, custom duty, cess and other statutory dues wherever applicable. According to the information and explanations given to us, no undisputed arrears of statutory dues were outstanding as at 31<sup>st</sup> March, 2010 for a period of more than six months from the date they became payable.  
(b) According to the records of the Company, there was no dues of sale tax, income-tax, customs, wealth-tax, excise duty, cess which have not been deposited on account of disputes.
- x) The Company has accumulated losses of Rs.109,914/- as at 31st March 2010. The Company incurred cash loss during the financial year covered by our audit.However, there was no cash loss during the immediately preceeding financial year.

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**K.N. GUTGUTIA & COMPANY**  
**CHARTERED ACCOUNTANTS**

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- xi) Based on our audit procedures and the information given by the management, no amount has been borrowed from the bank, hence, question of default in repayment to bank does not arise.
- xii) Based on our examination of the records and the information and explanations given to us, the Company has not granted any loans and/ or advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) Clause (xiii) of the Order is not applicable to the Company as the Company is not a Chit fund Company or nidhi /mutual benefit fund/ society.
- xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures, and other investments. Accordingly, the provisions of clause 4 (xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xv) According to the information and explanations given to us, Company has not given any guarantees for loans taken by others from bank or financial institutions.
- xvi) According to the information and explanations given to us, no term loans have been raised during the year.
- xvii) According to the information & explanation given to us and on an overall examination of the balance sheet of the company, we report that the no funds has been raised on short-term basis, hence the question of applying short term funds to long term does not arise.
- xviii) During the year , the Company has made preferential allotment of shares to the Holding Company and the same is not , prima facie, prejudicial to the interests of the members of the company.
- xix) During the year covered by our audit report the Company has not issued secured debentures.
- xx) The Company has not raised any money by public issues during the year covered by our report.
- xxi) Based upon the audit procedures performed and as per the information and explanations given to us by the management, no fraud on or by the Company has been noticed or reported during the course of our audit.

For K.N. GUTGUTIA & CO.

Chartered Accountants

  
B.R.Goyal

Partner

Place : Noida

Dated : 30th April, 2010

Membership No. 12172

Firm Registration No.: 304153E



**JUBILANT INDUSTRIES LIMITED**
**INFORMATION MEMORANDUM**
**HITECH SHIKSHA LTD**
**BALANCE SHEET**
**(Rs.)**

As at 31st March ,	Schedules	2010	2009
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' Funds</b>			
Share Capital	A	500,000	100,000
Share Application Money Pending Allotment		-	100,392
		500,000	200,392
		500,000	200,392
<b>APPLICATION OF FUNDS</b>			
<b>Current Assets, Loans and Advances</b>	B		
Cash & Bank Balances		400,407	113,959
		400,407	113,959
<b>Less: Current Liabilities &amp; Provisions</b>	C		
Liabilities		20,517	8,017
Provisions		-	16,138
		20,517	24,155
<b>Net Current Assets</b>		379,890	89,804
<b>Miscellaneous Expenditure</b>	D	-	110,588
<b>Profit &amp; Loss Account ( Debit Balance )</b>	E	120,110	-
		500,000	200,392

**Notes to Accounts & Significant Accounting Policies**
**H**
**Schedule "A" to "E" and "H" referred above form an integral part of the Balance Sheet.**

In terms of our report of even date attached.

For and on behalf of the Board

For **K.N.Gutgutia & Co.**  
Chartered Accountants

**B.R.Goyal**  
Partner  
Membership No. 12172  
Firm Registration Number : 304153E

**R Sankaraiah**  
Director

**Prakash C Bisht**  
Director

**Place : Noida**  
Date : 30th April, 2010

**HITECH SHIKSHA LTD**
**PROFIT AND LOSS ACCOUNT**

		(Rs.)	
For the year ended 31st March,	Schedules	2010	2009
<b>INCOME</b>			
Other Income	F	100,392	-
		100,392	-
<b>EXPENDITURE</b>			
Other expenses	G	109,914	-
Preliminary Expenses Written Off		110,588	-
		220,502	-
<b>Profit Before Tax</b>		(120,110)	-
Provision for Tax		-	-
<b>Profit After Tax</b>		(120,110)	-
Balance Brought Forward from Previous Period		-	-
<b>Balance Carried To Balance Sheet</b>		(120,110)	-
Basic & Diluted Earning per share		(6.01)	-

**Notes to Accounts & Significant Accounting Policies**

H

**Schedule "F" to "G" and "H" referred above form an integral part of the Balance Sheet.**

In terms of our report of even date attached.

For and on behalf of the Board

For **K.N.Gutgutia & Co.**  
Chartered Accountants

**B.R.Goyal**  
Partner  
Membership No. 12172  
Firm Registration Number : 304153E

**R Sankaraiah**  
Director

**Prakash C Bisht**  
Director

**Place : Noida**  
Date : 30th April, 2010

**HITECH SHIKSHA LTD**
**CASH FLOW STATEMENT**
**(Rs.)**

For the year ended 31st March,	2010	2009
<b>A. Cash flow arising from Operating Activities :</b>		
Net Profit / (Loss) before tax	(120,110)	-
Adjustment for: i) Preliminary Expenses Written Off	110,588	
ii) Share Application Money Written Back	(100,392)	
Operating Profit / (Loss) before Working Capital Changes	(109,914)	-
Adjustment for: i) Miscellaneous Expenditure	-	(110,588)
ii) Current Liabilities & Provision	(3,638)	24,155
Cash flow from Operations	(113,552)	(86,433)
<b>Net Cash Flow in course of Operating Activities</b>	<b>(113,552)</b>	<b>(86,433)</b>
<b>B. Cash flow arising from Financing Activities :</b>		
i) Proceeds from Issue of Share Capital(including Share Application Money)	400,000	200,392
<b>Net Cash Flow in course of Financing Activities</b>	<b>400,000</b>	<b>200,392</b>
<b>Net Increase in Cash &amp; Cash equivalents (A+B)</b>	<b>286,448</b>	<b>113,959</b>
<b>Add: Cash &amp; Cash Equivalents at the beginning of Year</b>	<b>113,959</b>	<b>-</b>
<b>Cash &amp; Cash Equivalents at the close of the Year</b>	<b>400,407</b>	<b>113,959</b>

**Notes:**

1) Cash Flow statement has been prepared under the indirect method as set out in the Accounting Standard 3 (AS-3)-"Cash Flow Statements", notified by the central government under the Companies(Accounting Standard) Rules,2006.

2)Amounts in brackets are for cash outflows.

3)Previous Year's figures have been regrouped/rearranged wherever found necessary to confirm to this year's clasification.

In terms of our report of even date attached.

For and on behalf of the Board

For **K.N.Gutgutia & Co.**

Chartered Accountants

**B.R.Goyal**

Partner

Membership No. 12172

Firm Registration Number : 304153E

**R Sankaraiah**

Director

**Prakash C Bisht**

Director

**Place : Noida**

Date : 30th April, 2010

**JUBILANT INDUSTRIES LIMITED**
**INFORMATION MEMORANDUM**
**HITECH SHIKSHA LTD**
**SCHEDULES FORMING PART OF THE BALANCE SHEET**
**(Rs.)**

As at 31st March,	2010	2009
<b>A. SHARE CAPITAL</b>		
<b>Authorised</b>		
100,000 Equity Shares of INR 10 Each	1,000,000	1,000,000
(Previous Year 100,000 Shares of Rs.10 Each)	1,000,000	1,000,000
<b>Issued , Subscribed &amp; Paid Up</b>		
50,000 Equity Shares of INR 10 Each	500,000	100,000
Held by holding company-Jubilant Infrastructure Limited	500,000	100,000
(Previous Year 10,000 Equity Shares of Rs.10 Each)		
Add: Share Application money received pending allotment	-	100,392
	500,000	200,392
<b>B. CURRENT ASSETS, LOANS AND ADVANCES</b>		
<b>Cash &amp; Bank Balances</b>		
- Cash in hand	-	46,142
- With Scheduled Banks on Current Account	400,407	67,817
	400,407	113,959
<b>C. CURRENT LIABILITIES AND PROVISIONS</b>		
<b>A) Current Liabilities</b>		
Sundry Creditors and Expenses Payable	20,517	8,017
	20,517	8,017
<b>B) Provisions</b>		
Others	-	16,138
	-	16,138
	20,517	24,155
<b>D. MISCELLANEOUS EXPENDITURE</b> (to the extent not written off or adjusted)		
Preliminary & Preincorporation Expenses	-	110,588
	-	110,588
<b>E. PROFIT &amp; LOSS ACCOUNT</b>		
Balance as per Profit & Loss Account	120,110	-
	120,110	-

**HITECH SHIKSHA LTD**
**SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT**
**(Rs.)**

For the year ended 31st March,	2010	2009
<b>F. OTHER INCOME</b>		
Miscellaneous Income	100,392	-
	100,392	-
<b>G. OTHER EXPENSES</b>		
Auditors Remuneration	10,000	-
Rates & Taxes	2,500	-
Financial Charges (includes Foreign Exchange Fluctuation loss Nil (PYr Nil)) & Bank Charges	878	-
Miscellaneous expenses	96,536	-
	109,914	-

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<b>JUBILANT INDUSTRIES LIMITED</b>	<b>INFORMATION MEMORANDUM</b>
<b>H NOTES TO THE ACCOUNTS AND SIGNIFICANT ACCOUNTING POLICIES</b>	

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Notes to the Balance Sheet as at 31st March 2010 and Profit and Loss Account for the year ended on that date.

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES:**

**A. Basis of Accounting/ Preparation**

The financial statements of Hitech Shiksha Ltd.(the Company) 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 mandatory accounting standards notified by the Central Government of India and with the relevant provisions of the Companies Act, 1956. The Financial Statements are presented in Indian rupees.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of financial statements and the results of operations during the reporting periods. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results could vary from these estimates. Any revision to accounting estimates is recognised in the period in which such results are known/materialised.

**B. Income Tax**

**Current Tax**

Current tax expense is based on the provisions of Income Tax Act“1961 and judicial interpretations thereof as

at the Balance Sheet date and takes into consideration various deductions and exemptions to which the Company is entitled to as well as the reliance placed by the Company on the legal advices received by it.

**Deferred Tax**

Deferred tax charge or credit reflects the tax effects of timing differences between accounting income and taxable income for the period. 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 substantially 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 is written-down or written-up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realised.

**C. Provisions, Contingent Liability 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. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resource. Contingent Assets are not recognised/disclosed. Provisions, Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet Date.

**JUBILANT INDUSTRIES LIMITED**
**INFORMATION MEMORANDUM**

- . During the year, the company was acquired by Jubilant Infrastructure Limited, Noida as wholly owned subsidiary for a consideration of Rs.10,000/- only. Further the Company raised its equity share capital by Rs.4 Lacs by issue of 40,000 Equity Shares of Rs.10 Each to its holding company Jubilant Infrastructure Limited.

**3. Related Party Transactions**

Following is the list of related parties:

**Ultimate Holding Company**

Jubilant Organosys Limited, India

**Holding Company**

Jubilant Infrastructure Limited

**Fellow Subsidiary companies**

Jubilant Pharma PTE Ltd Singapore, Jubilant Pharma NV, Jubilant Pharmaceuticals NV, PSI Supply NV, Clinsys Holdings Inc, Clinsys Clinical Research Inc, Draximage Limited Cyprus, Draximage Limited Ireland, Draximage LLC USA, Jubilant Innovation BVI Ltd, DSPI Inc USA, Deprenyl Inc USA, Draxis Speciality Pharmaceuticals Inc, 6963196 Canada Inc, 6981364 Canada Inc, DAHI LLC, DAHI Animal Health (UK) Ltd, Draximage UK Ltd, Cadista Holdings Inc, Cadista Pharmaceuticals Inc, Colvant Sciences Inc, HSL Holdings Inc, Hollister Stier Laboratories LLC, Jubilant Organosys International Pte. Ltd, Jubilant Organosys (Shanghai) Ltd, Jubilant Organosys (USA) Inc, Jubilant Organosys (BVI) Ltd, Jubilant Biosys (BVI) Ltd, Jubilant Biosys (Singapore) Pte Ltd, Jubilant Biosys Ltd, Jubilant Discovery Services Inc, Jubilant Drug Development Pte. Ltd, Jubilant Chemsys Ltd, Clinsys Clinical Research Ltd, Jubilant First Trust Healthcare Ltd, Asia Healthcare Development Ltd, Speciality Molecules Ltd, Jubilant Innovation Pte Ltd, Cadista Pharmaceuticals (UK) Limited, Draximage India Limited, Jubilant Innovation Inc USA, Draxis Pharma Inc USA, Draxis Pharma LLC USA

**Other Entities**

Vanthys Pharmaceuticals Development P Ltd

4. The Company has not started commercial operations as at 31.03.2010.
5. Miscellaneous Expenses in the Balance Sheet as at 31.03.2009 represents preliminary expenses to the extent not written off. Total preliminary expenses have been written off during the year.
6. Previous year's figures have been regrouped/ rearranged where ever found necessary to conform to current year's classification.

In terms of our report of even date attached.

For and on behalf of the Board

For **K.N. Gutgutia & Co.**

Chartered Accountants

**B. R. Goyal**

Partner

Membership No. 12172

Firm Registration No. : 304153E

Place : Noida

Date: 30th April, 2010

**R Sankaraiah**

Director

**Prakash C Bisht**

Director

**Auditor's Report****To the members of,****Hi-Tech Shiksha Pvt Ltd**

We have audited the attached Balance Sheet of Hi-Tech Shiksha Pvt Ltd. (the Company) as at March 31<sup>st</sup>, 2009. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain a reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examination, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

- a) We have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purpose of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books.
- c) The Balance Sheet, dealt with by this report are in agreement with the books of account.
- d) In our opinion, the Balance Sheet, dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
- e) On the basis of written representations received from the Directors, we report that none of the Directors is disqualified as on March 31<sup>st</sup>, 2009 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.
- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the companies Act, 1956, 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 Balance Sheet, of the state of affairs of the Company as at March 31<sup>st</sup>, 2009.

Place : Kanpur

Date : 28 AUG 2009



For Sudhindra Jain & Co.  
Chartered Accountants

(Pawan Kumar Jain)  
Partner

M.No. 78257



**HITECH SHKSHA PVT.LTD**  
2A/244, AZAD NAGAR, KANPUR  
**Balance Sheet as at 31st March 2009**

PARTICULARS	SCHEDULE E	Amount (Rs.) 2008-09	Amount (Rs.) 2007-08
<b>SOURCES OF FUNDS:</b>			
<b>Shareholders' Funds</b>			
Share Capital	A	100,000.00	100,000.00
Share Application Money		100,392.00	100,392.00
		<u>200,392.00</u>	<u>200,392.00</u>
<b>Total</b>		<u><b>200,392.00</b></u>	<u><b>200,392.00</b></u>
<b>APPLICATION OF FUNDS:</b>			
<b>Current Assets, Loans, and Advances:</b>			
<b>Current Assets</b>			
Cash & Bank Balances	B	113,959.00	123,286.00
		<u>113,959.00</u>	<u>123,286.00</u>
(a)			
<b>Less :Current Liabilities &amp; Provisions</b>			
<b>Current Liabilities</b>			
Sundry Creditors	C	8,017.00	8,017.00
Provisions	D	16,138.00	8,427.00
		<u>24,155.00</u>	<u>16,444.00</u>
(b)			
<b>Net Current Assets (a-b)</b>		<u><b>89,804.00</b></u>	<u><b>106,842.00</b></u>
Miscellaneous Expenditure	E	110,588.00	93,550.00
<b>Total</b>		<u><b>200,392.00</b></u>	<u><b>200,392.00</b></u>

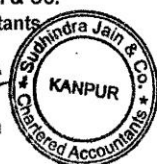
Accounting Policies & Notes to Accounts

F

Auditor's Report : AS per our separate report of even date attached subject to Notes on Accounts Attached.

For Sudhindra Jain & Co.  
Chartered Accountants

Pawan Kumar Jain  
Partner



For Hitech Shiksha Pvt. Ltd

*Santosh* *Pooja Bhargava*

Director

Director

Place : Kanpur

Date : **28 AUG 2009**

**HITECH SHKSHA PVT.LTD**

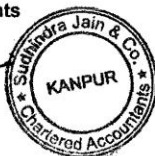
2A/244, AZAD NAGAR, KANPUR

**SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31 st MARCH 2009**

	Amount (Rs.) 2008-09	Amount (Rs.) 2007-08
<b>SCHEDULE -A</b>		
<b><u>SHARE CAPITAL:</u></b>		
<b>AUTHORISED:</b>		
(1,00,000 Equity Shares of Rs.10/- each)	1,000,000.00	1,000,000.00
<b>ISSUED, SUBSCRIBED &amp; PAID UP :</b>		
(10,000 Equity Shares of Rs.10/- each)	100,000.00	100,000.00
	<b>100,000.00</b>	<b>100,000.00</b>
<b>SCHEDULE -B</b>		
<b><u>CASH &amp; BANK BALANCES:</u></b>		
Cash in hand	46,142.00	47,042.00
Union Bank of India, Kanpur	67,817.00	76,244.00
	<b>113,959.00</b>	<b>123,286.00</b>
<b>SCHEDULE -C</b>		
<b><u>SUNDRY CREDITORS :</u></b>		
Adesh Tandon & Associates	7,865.00	7,865.00
Shri Ganesh Ji Maharaj	152.00	152.00
	<b>8,017.00</b>	<b>8,017.00</b>
<b>SCHEDULE -D</b>		
<b><u>PROVISIONS :</u></b>		
Audit Fee Payable	8,273.00	8,427.00
Compliance Fee Payable	7,865.00	-
	<b>16,138.00</b>	<b>8,427.00</b>
<b>SCHEDULE -E</b>		
<b><u>MISCELLANEOUS EXPENDITURE</u></b>		
Preliminary Expenses	67,116.00	67,116.00
Preoperative Expenses	43,472.00	26,434.00
	<b>110,588.00</b>	<b>93,550.00</b>

For Sudhindra Jain & Co.  
Chartered Accountants

Pawan Kumar Jain  
Partner



Place : Kanpur

Date : **28 AUG 2009**

For Hitech Shiksha Pvt. Ltd

Director

Director

Hi-Tech Shiksha Pvt. Ltd., Kanpur

Schedule-F

**NOTES TO THE ACCOUNT**

**Significant Accounting Policies**

1. **Basis of Accounting**  
The financial statements are prepared under historical cost convention on a going concern basis in accordance with the applicable accounting standards issued by the Institute of Chartered Accountants of India and relevant provisions of the Companies Act, 1956.
2. **Use of Estimates**  
The preparation of financial statements requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and notes thereto. Differences between actual results and estimates are recognized in the period in which they materialize.
3. **Investment : NIL**
4. **Miscellaneous Expenditure**  
Preliminary expenses are amortised over a period of 5 years.
5. Pre-operative expenses pending allocation will be adjusted at the time of commencement of Business. Pre-operative expenses incurred during the year are as given below:

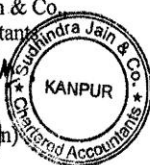
Particulars	2008-2009	2007-2008
(1) Audit Fee	Rs. 8273.00	Rs. 8427.00
(2) Compliance Audit Fee	Rs 7865.00	Rs. 7865.00
(3) Bank Charges & commission	NIL	Rs. 337.00
(4) Stationery & Printing	NIL	Rs. 620.00
(5) Legal Charges	Rs 500.00	—
<b>Total</b>	<b>Rs 16,638.00</b>	<b>Rs 17,249.00</b>

6. **Notes on Accounts**  
Remuneration to whole time Directors - NIL
7. **Remuneration to Auditors**  

	<u>2008-2009</u>	<u>2007-2008</u>
Audit Fee (inclusive of Service Tax)	8,273.00	8,427.00
8. Additional information as required under Para 4 of part II to Schedule – VI of the Companies Act, 1956  
Nil Nil
9. The Company was incorporated on 23.02.2007 and has not started commercial operation as at 31.03.2009.
10. Figures of the previous year have been regrouped/recasted , wherever it is necessary and wherever it is required.

For Sudhendra Jain & Co.  
Chartered Accountants

(Pawan Kumar Jain)  
Partner



For Hi-Tech Shiksha (P) Ltd.

*Sudhendra*

(Director)

*Pradyumn*

(Director)

Place: Kanpur

Dated: **28 AUG 2009**

**Auditor's Report**  
**To the members of,**  
**Hi-Tech Shiksha Pvt Ltd**

We have audited the attached Balance Sheet of Hi-Tech Shiksha Pvt Ltd. (the Company) as at March 31<sup>st</sup>, 2008. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain a reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

- a) We have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purpose of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books.
- c) The Balance Sheet, dealt with by this report are in agreement with the books of account.
- d) In our opinion, the Balance Sheet, dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
- e) On the basis of written representations received from the Directors, we report that none of the Directors is disqualified as on March 31<sup>st</sup>, 2008 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.
- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the companies Act, 1956, 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 Balance Sheet, of the state of affairs of the Company as at March 31<sup>st</sup>, 2008.

Place : Kanpur

Date : 29.08.2008

For Sudhindra Jain & Co.  
Chartered Accountants

(Pawan Kumar Jain)  
Partner  
M.No. 78257





**HITECH SHKSHA PVT.LTD**  
2A/244, AZAD NAGAR, KANPUR  
**Balance Sheet as at 31st March 2008**

PARTICULARS	SCHEDULE	Amount (Rs.) 2008	Amount (Rs.) 2007
<b>SOURCES OF FUNDS:</b>			
<b>Shareholders' Funds</b>			
Share Capital	A	100,000.00	100,000.00
Share Application Money		100,392.00	-
		<u>200,392.00</u>	<u>100,000.00</u>
<b>Total</b>		<u><b>200,392.00</b></u>	<u><b>100,000.00</b></u>
<b>APPLICATION OF FUNDS:</b>			
<b>Current Assets ,Loans, and Advances:</b>			
<b>Current Assets</b>			
Cash & Bank Balances	B	123,286.00	53,483.00
(a)		<u>123,286.00</u>	<u>53,483.00</u>
<b>Less :Current Liabilities &amp; Provisions</b>			
<b>Current Liabilities</b>			
Sundry Creditors	C	8,017.00	10,620.00
Provisions	D	8,427.00	8,427.00
(b)		<u>16,444.00</u>	<u>19,047.00</u>
<b>Net Current Assets (a-b)</b>		<u><b>106,842.00</b></u>	<u><b>34,436.00</b></u>
<b>Miscellaneous Expenditure</b>	E	93,550.00	65,564.00
<b>Total</b>		<u><b>200,392.00</b></u>	<u><b>100,000.00</b></u>

Accounting Policies & Notes to Accounts

F

Auditor's Report : AS per our separate report of even date attached subject to Notes on Accounts Attached.

For Sudhindra Jain & Co.  
Chartered Accountants

Pawan Kumar Jain  
Partner

Place : Kanpur  
Date : 29.08.2008



For Hitech Shiksha Pvt. Ltd.

*Pranay Bhagat Sharma*  
Director

Director

**HITECH SHKSHA PVT.LTD**  
2A/244, AZAD NAGAR, KANPUR  
**SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31 st MARCH 2008**

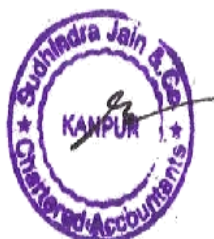
	<u>Amount (Rs.) 2008</u>	<u>Amount (Rs.) 2007</u>
<b>SCHEDULE -A</b>		
<b><u>SHARE CAPITAL:</u></b>		
<b><u>AUTHORISED:</u></b>		
(1,00,000 Equity Shares of Rs.10/- each)	<u>1,00,000.00</u>	<u>1,00,000.00</u>
<b><u>ISSUED, SUBSCRIBED &amp; PAID UP :</u></b>		
(10,000 Equity Shares of Rs.10/- each)	<u>100,000.00</u>	<u>100,000.00</u>
	<b><u>100,000.00</u></b>	<b><u>100,000.00</u></b>
<b>SCHEDULE -B</b>		
<b><u>CASH &amp; BANK BALANCES:</u></b>		
Cash in hand	47,042.00	48,483.00
Union Bank of India, Kanpur	76,244.00	5,000.00
	<b><u>123,286.00</u></b>	<b><u>53,483.00</u></b>
<b>SCHEDULE -C</b>		
<b><u>SUNDRY CREDITORS :</u></b>		
Law Emporium	-	1,540.00
Adesh Tandon & Associates	7,865.00	8,979.00
Shri Ganesh Ji Maharaj	152.00	101.00
	<b><u>8,017.00</u></b>	<b><u>10,620.00</u></b>
<b>SCHEDULE -D</b>		
<b><u>PROVISIONS :</u></b>		
Audit Fee Payable	8,427.00	8,427.00
	<b><u>8,427.00</u></b>	<b><u>8,427.00</u></b>
<b>SCHEDULE -E</b>		
<b><u>MISCELLANEOUS EXPENDITURE</u></b>		
Preliminary Expenses	67,116.00	56,379.00
Preoperative Expenses	26,434.00	9,185.00
	<b><u>93,550.00</u></b>	<b><u>65,564.00</u></b>

For Sudhindra Jain & Co.  
Chartered Accountants

For Hitech Shiksha Pvt. Ltd

Pawan Kumar Jain  
Partner

Place : Kanpur  
Date :29.08.2008



*Pawan Kumar Jain*  
Director

*Sudhindra Jain*  
Director

Hi-Tech Shiksha Pvt. Ltd., Kanpur

Schedule-F

NOTES TO THE ACCOUNT

Significant Accounting Policies

1. Basis of Accounting  
The financial statements are prepared under historical cost convention on a going concern basis in accordance with the applicable accounting standards issued by the Institute of Chartered Accountants of India and relevant provisions of the Companies Act, 1956.
2. Use of Estimates  
The preparation of financial statements requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and notes thereto. Differences between actual results and estimates are recognized in the period in which they materialize.
3. Investment : NIL
4. Miscellaneous Expenditure  
Preliminary expenses are amortised over a period of 5 years.
5. Pre-operative expenses pending allocation will be adjusted at the time of commencement of Business. Pre-operative expenses incurred during the year are as given below:

Particulars	2007-2008	2006-2007
(1) Audit Fee	Rs. 8427.00	Rs. 8427.00
(2) Compliance Audit Fee	Rs. 7865.00	-
(3) Bank Charges & commission	Rs. 337.00	-
(4) Stationery & Printing	Rs. 620.00	Rs. 758.00
<b>Total</b>	<b>Rs 17,249.00</b>	<b>Rs. 9,185.00</b>

6. Notes on Accounts  
Remuneration to lwhole time Directors - NIL
7. Remuneration to Auditors  

	<u>2007-2008</u>	<u>2006-2007</u>
Audit Fee (inclusive of Service Tax)	8,427.00	8,427.00
8. Additional information as required under Para 4 of part II to Schedule – VI of the Companies Act, 1956  
- Nil
9. The Company was incorporated on 23.02.2007 and has not started commercial operation as at 31.03.2008.
10. Figures of the previous year have been regrouped/recasted , wherever it is necessary and wherever it is required.

For Sudhindra Jain & Co.,  
Chartered Accountants

(Pawan Kumar Jain)  
Partner

Place: Kanpur  
Dated: 29.08.2008



For Hi-Tech Shiksha (P) Ltd.

(Director) (Director)

**6 MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS****Overview of the business of our Company**

Our Company was incorporated on February 23, 2007 and is a part of the Jubilant Bhartia Group. Consequent to the implementation of the Scheme, the Demerged Undertaking stand vested in JIL. For further details, see, "*Introduction- Scheme of Amalgamation and Demerger*". Our agricultural products, performance polymers and IMFL businesses deliver broad range of technology based products and solutions to customers in India and abroad. Such products have wide application in industries such as pharmaceuticals, agrochemicals, textiles and foods.

Over the years, this business has attained a significant size in India and our Company aims at scaling up its business in global markets. We attribute our growth and success to the strategic vision of our management. To this end our strategic focus is to innovate, collaborate and accelerate the process of catering to the needs of the customers through delivery of good quality services and products. Our products are manufactured at state of the art manufacturing plants at Gajraula, Uttar Pradesh, Kapasan, Rajasthan, Nira, Maharashtra, Sahibabad, Uttar Pradesh and Samlaya, Gujarat. Our business works closely with customers using research and development to introduce intelligent system solutions and sophisticated products to cater to the requirements of our consumer's needs. For further details of our business, see "*Business Overview*".

**Significant developments subsequent to the last balance sheet date**

The Hon'ble High Court of Allahabad, pursuant to its Orders has approved the Scheme, pursuant to which SML and PMSL stand amalgamated with JLL and the Demerged Undertaking stands vested from JLL to our Company.

**Factors affecting our Company's results of operations**

Our Company's results of operations are primarily affected by the following factors:

- Cost of raw materials;
- Regulatory controls and changes in public policy, such as removal of price controls or other pressures on pricing or reduction/removal of subsidies for certain agricultural products;
- Availability and usage of wood;
- Availability of cost effective funding sources;
- Emergence of new technologies like „Hot Melts“ and their increased use; and
- Competition.

**Results of operations**

The table below sets forth, for the periods indicated, certain revenue and expenses items for our operations, expressed as a percentage of net sales.



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Particulars	6 Months Ended 30 September, 2010		Year Ended 31 March , 2010	
	Amount Rs in Lacs	% of Total Income	Amount Rs in Lacs	% of Total Income
<b>Income</b>				
Sales & Services	30,641.5	99.8%	-	0.0%
Other Income	75.8	0.2%	1.0	100.0%
<b>Total Income</b>	<b>30,717.3</b>	<b>100.0%</b>	<b>1.0</b>	<b>100.0%</b>
Increase/(Decrease) in Stocks	(2,415.3)	-7.9%	-	0.0%
<b>Total</b>	<b>28,302.0</b>	<b>92.1%</b>	<b>1.0</b>	<b>100.0%</b>
<b>Expenditure:</b>				
Material Cost	15,896.2	51.7%	-	0.0%
Manufacturing Expenses	2,874.2	9.4%	-	0.0%
Staff Cost	2,182.9	7.1%	-	0.0%
Selling and Operating Expenses	4,112.6	13.4%	2.2	220.0%
<b>Total Manufacturing &amp; Other Expenses</b>	<b>25,065.9</b>	<b>81.6%</b>	<b>2.2</b>	<b>220.0%</b>
<b>Operating Profits</b>	<b>3,236.1</b>	<b>10.5%</b>	<b>(1.2)</b>	<b>-120.0%</b>
Depreciation/Amortisation	243.9	0.8%	-	0.0%
Interest (net)	41.6	0.1%	-	0.0%
<b>Profit before Tax</b>	<b>2,950.6</b>	<b>9.6%</b>	<b>(1.2)</b>	<b>-120.0%</b>
Total Provision for Taxation:	869.5	2.8%	-	0.0%
<b>Profit After Tax</b>	<b>2,081.1</b>	<b>6.8%</b>	<b>(1.2)</b>	<b>-120.0%</b>

*Non Comparability of operations during the abovementioned two reporting periods*

Since the Demerger Appointed Date was April 1, 2010 the operations for the previous period are not comparable to the operations of the six month period ended September 30, 2010.

*Operations run on Trust*

Effective from the Demerger Appointed Date, during the period of reporting the operations of our Company were run for and on its behalf by JLL on trust, and accordingly the economic benefits attributable to our Company has accrued to our Company and the accounts of our Company have been drawn up from April 1, 2010 to September 30, 2010.

*Change in Accounting Policy*

The miscellaneous expenditure and preliminary expenses were carried to the balance sheet till Fiscal Year 2009, to be amortized on commencement of business. In Fiscal Year 2010 the entire accumulated miscellaneous expenditure amounting to ₹ 1.10 lakhs was charged to Profit and Loss Account.

*Critical Accounting Policies*

For critical accounting policies used in the preparation of accounts see “**Financial Information- Financial Information of our Company**”.

**SECTION 7 – OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS**

*Except as described below, our Company believes it is not involved in any legal proceedings and in the opinion of our Company no proceedings are threatened, which may have, or which have had, during the 12 months preceding the date of this Information Memorandum, a material adverse effect on our Company's business or our Group Companies', financial position, profitability or results of operations. Our Company does not believe that the number of proceedings in which our Company or our Group Companies' is involved, is unusual for a company of its size.*

**LITIGATION AGAINST OUR COMPANY**

The Hon'ble High Court of Allahabad, by its Orders, has approved the Scheme, pursuant to which SML and PMSL stand amalgamated with JLL and the Demerged Undertaking stand vested in JIL with effect from the Demerger Appointed Date. The Orders along with Form 21 was filed with the RoC on the Effective Date.

Pursuant to the Scheme with effect from the Demerger Appointed Date, the Company shall bear the burden and the benefits of any legal or other proceedings initiated in respect of the Demerged Undertaking. If any suit, appeal or other proceeding of whatever nature by or against JLL in respect of the Demerged Undertaking be pending, the same shall not abate, be discontinued or in any way be prejudicially affected by reason of the transfer of the Demerged Undertaking or of anything contained in the Scheme but the proceedings shall be continued, prosecuted and enforced by or against the Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against JLL as if the Scheme had not been made. Upon the Scheme coming into effect on the Effective Date (as defined in the Scheme) with effect from the Demerger Appointed Date, the Company has undertaken to have such legal or other proceedings initiated by or against JLL in respect of the Demerged Undertaking, transferred in its name and to have the same continued, prosecuted and enforced by or against the Company to the exclusion of JLL. The Company has also undertaken to handle all legal or other proceedings which may be initiated against JLL after the Effective Date relating to the Demerged Undertaking in respect of the period up to the Effective Date, in its own name and account and further undertaken to pay all amounts including interest, penalties, damages, etc. which JLL may be called upon to pay or secure in respect of any liability or obligation relating to JLL for the period up to the Effective Date, in respect of the Demerged Undertaking.

***Criminal Cases***

There are five criminal proceedings pending against our Company, details of which are set forth below:

1. The Chief Agricultural Officer, Muktsar filed a complaint (no. 280/A/2005) against Jubilant Organosys, Dr. J.C. Chawla, and the Chief Managing Director of Jubilant Organosys Limited, (without naming him), before the Chief Judicial Magistrate, Muktsar, for non compliance/adulteration of samples of fertilizers under sections 19 (A), (C) and 19 (VIII) of Fertilizers Control Order, 1985 read with section 7.12 AA of the Essential Commodities Act, 1955. The matter is currently pending.
2. The Chief Agricultural Officer, Taran Taran filed a complaint (FIR No. 37/2008) against the dealer, Jubilant Organosys and its responsible officer at police station, Sarai Amant Khan, Taran Taran for adulteration of a sample of SSP collected from the dealer on May 7, 2007 for not meeting the standards prescribed under the Fertiliser Control Order, 1985.. The matter is currently pending.
3. The Chief Agricultural Officer, Taran Taran filed a complaint (FIR No. 125/2008) against the dealer, Jubilant Organosys and its responsible officer at police station, Jhabal, Taran Taran for adulteration of a sample of SSP collected from the dealer on May 7, 2007 for not meeting the standards prescribed under the Fertiliser Control Order, 1985.. The matter is currently pending.
4. The Agricultural Department, Dhaulpur filed a complaint against Jubilant Organosys before the Chief Judicial Magistrate, Dhaulpur, for adulteration of a sample of SSP collected from one of the dealers of Jubilant Organosys, Mr. Sunheri Lal, for not meeting the standards prescribed under the Fertiliser Control Order, 1985. The matter is currently pending.

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5. The Sub-divisional Agricultural Officer cum Fertilizer Inspector, Faridabad, Haryana filed a complaint against Jubilant Organosys and the responsible officer nominated by Jubilant Organosys under the Fertiliser Control Order, 1985, before the Chief Judicial Magistrate, Faridabad, Haryana for adulteration of sample of Ramban Bentosulf (sulphur bentonite 90%) supplied to the dealer during the month of August 2008. The matter is currently pending.

***Civil Suits***

There are three civil proceedings pending against our Company, details of which is set forth below:

1. Shreedhar Organic Industries Private Limited filed a suit (Suit No. 433/1993) in February 1993 against VAM Organics Chemicals Limited before the High Court of Bombay for the recovery of a sum of ₹ 500.00 lakhs along with interest on account of loss of reputation/customers due to certain alleged deficiencies in the quality of products manufactured by Jubilant Organosys Limited.
2. Rajasthan State Mines and Minerals Limited raised a demand for a sum of approximately ₹ 2.53 million towards increase in the royalty by the Government of India by a notification (no. GSR/329(E)) dated April 10, 2003 for the year 2003-2004. Since there was a demand for a sum of ₹ 2.53 million and notice for suspending Jubilant Organosys as the supplier of rock phosphate, Jubilant Organosys filed writ petition before High Court of Rajasthan. The High Court of Rajasthan in its ad-interim order dated September 11, 2006 granted conditional stay wherein pending disposal of the writ petition the above demand was modified to the extent that 50% of the difference of amount would be paid by Jubilant Organosys and a surety would be given for the remaining 50%. In the meanwhile, the supply of rock phosphate could continue. Aggrieved by the above order Jubilant Organosys filed an appeal before the Division Bench of Jodhpur High Court which has stayed the operation of the order dated September 11, 2006 by its order dated October 19, 2006 and issued notices to the opposite parties. The said notification affects the whole fertilizer industry as the demand is not only against Jubilant Organosys but the whole of industry. However, as of March 31, 2009 Jubilant Organosys provides for ₹ 2.53 million as contingent liability in its books of accounts. The matter is currently pending.
3. Rajasthan State Mines and Minerals Limited raised a demand of ₹5.24 million by notice dated March 12, 2008, as difference of royalty on rock phosphate. The said demand has been made on account of an upward revision of royalty payable and additional implication of sales tax chargeable on additional royalty for the supplies of rock phosphate made during the period November 2006 to March 2007 and April 2007 to February 2008 to Jubilant Organosys. Aggrieved by the demand notice of the state eight affected industries including Jubilant Organosys have filed a writ petition before the High Court of Rajasthan at Jodhpur. The High Court of Rajasthan at Jodhpur stayed the demand and has asked Jubilant Organosys and others to deposit the one fourth of the demand in court and rest to be furnished as surety. The matter is currently pending.

***Central Excise and Service Tax Matters***

There is one central excise and service tax proceeding pending against our Company, details of which is set forth below:

Our Company paid an excess duty of ₹ 6.82 lakhs on account of data entry errors in the computer. Refund claims have been rejected by the lower authorities on the grounds of unjust enrichment. Appeals have been filed against the aforesaid orders, which are pending before the CESTAT.

***Sales Tax Matters***

There are two sales tax proceedings pending against our Company, details of which are set forth below:

1. The assessing officer has assessed the value of the gypsum content of the SSP resulting in trade tax amounting to ₹ 344.55 lakhs for the period between April 2002 to December 2007. The assessment orders have been upheld by the Joint Commissioner and the Sales Tax Tribunal. Our Company has filed revision applications before the High Court of Allahabad upon payment of 50% of the disputed amount.

2. An additional tax amounting to ₹ 123.38 lakhs has been levied on PU Adhesives, pending statutory forms and other minor issues.

### ***Customs Cases***

There are three customs proceedings pending against our Company, details of which are set forth below:

1. The customs appraiser at JNPT has not given the benefit of exemption notification, applicable to fertilizers in relation to payment of SAD, to our Company on import of Sulphur Bentonite fertilizer for trading. Our Company has filed an appeal before the Commissioner (Appeals). The total amount of duty and interest involved in this dispute is ₹ 247.11 lakhs in respect of licence for which EODC is not received..
2. The Assistant Commissioner, Customs at Kandla has ordered recovery of customs duty and interest thereon on import of goods by our Company in relation to two licenses for which Export Obligation Discharge Certificate (“EODC”) was not submitted. Our Company has filed an appeal along with a stay application before the Commissioner (Appeals) at Ahmedabad. In respect of the first licence, EODC has been received. The total amount of duty and interest involved in this dispute is ₹ 566.47 lakhs.
3. Two show cause notices have been issued for recovery of customs duty and interest thereon for import of goods by our Company, for which EODC were not submitted. The total amount involved in this dispute is ₹ 281.70 lakhs.

In addition to the above following cases pertaining to PMSL, being part of Demerged Undertaking, shall also stand transferred in the name of the Company:

1. A show cause notice has been issued by the Commissioner, Ghaziabad denying CENVAT credit of ₹ 106.56 lakhs taken on CVD involved in imported goods which was paid/ debited through DEPB scheme and not in cash. The same show cause notice has sought recovery of ₹ 0.76 lakhs being the amount of exemption wrongly claimed under the relevant notification (No. 64/95).
2. A bond furnished by the Company for ₹ 42.05 lakhs for the period between February 11, 1992 to March 31, 1993 was encashed by the relevant department without any intimation to the Company. The amount was subsequently paid back to the Company. Thereafter, the Company filed an appeal in 2003 before the High Court of Allahabad claiming interest on the said amount.
3. A show cause notice has been issued by the Assistant Commissioner, Ghaziabad denying CENVAT credit of ₹ 0.15 lakhs on certain items which allegedly are not covered under the definition of capital goods. The show cause notice also denies CENVAT credit of service tax of ₹ 0.04 lakhs on GTA services.
4. A show cause notice has been issued by the Commissioner, Ghaziabad seeking to impose Service tax amounting to ₹ 131.93 Lakh under “Business Support Services” on job work charges received from JLL pursuant to an agreement dated March 29, 2007 in terms of which PMSL has leased all their infrastructure facilities to JOL. The Company is in the process of filing a reply to the show cause notice.

## **LITIGATION AGAINST OUR PROMOTERS**

### ***Criminal Cases***

There are two criminal proceedings pending against our Promoters, details of which are set forth below:

1. The Chief Agricultural Officer, Muktsar filed a complaint (no. 280/A/2005) against Dr. J.C. Chawla, and the Chief Managing Director of Jubilant Organosys Limited, (without naming him), before the Chief Judicial Magistrate, Muktsar, for non compliance/adulteration of samples of fertilizers under sections 19 (A), (C) and 19 (VIII) of Fertilizers Control Order, 1985 read with section 7.12 AA of the Essential Commodities Act, 1955. Mr. Shyam S. Bhartia, the Managing Director of Jubilant Organosys Limited,

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filed a special leave petition (SLP (CRL) No. 8493/2008) before the Supreme Court of India against the order of the High Court at Chandigarh dismissing a petition which Mr. Shyam S. Bhartia had filed under section 482 of the Criminal Procedure Code, 1973 for quashing the complaint before the Chief Judicial Magistrate (because Jubilant Organosys Limited had already nominated Mr. J.C. Chawla, as the responsible officer under the Fertiliser Control Order, 1985). The Supreme Court of India stayed the proceedings before the Chief Judicial Magistrate on November 27, 2008. Further, by order dated December 8, 2008, the Supreme Court of India confirmed the stay of further proceedings only against Mr. Shyam S. Bhartia, till further order. The special leave petition is currently pending.

2. Mr. Atul Kakkar filed a criminal case (No. 311/2005) against Jubilant Organosys Limited, Mr. Shyam S. Bhartia and Mr. Hari Bhartia before the Court of Judicial Magistrate at Agra, under sections 239, 406 and 420 of Indian Penal Code, 1860 alleging that the Jubilant Organosys Limited had fraudulently transferred 50 shares owned by him in favour of Ms. Varsha Maheshwari which were actually stolen from his possession. Jubilant Organosys has filed a petition (No. 13019/2005) before the High Court of Allahabad for quashing of the proceedings. The High Court of Allahabad has stayed the proceedings of the criminal case before the Judicial Magistrate at Agra. The matter is currently pending.

**LITIGATION AGAINST OUR DIRECTORS**

Apart from the cases mentioned under “*Cases Against Promoters – Criminal Cases*” and “*Cases against Company – Criminal Cases*” there is one criminal proceeding pending against our director, Mr. Ananda Mukherjee, details of which are set forth below:

1. Mr. Vimal Kumar Pasricha, proprietor of Naina Traders, Agra filed a criminal complaint against Mr. Ananda Mukherjee, and four other employees of Jubilant Organosys, before the Additional Chief Judicial Magistrate, Agra alleging that that accused have forged the documents, withdrawn his advance of ₹ 0.20 lakhs, and scheme money of ₹ 0.70 lakhs and threatened him. Further, Mr. Pasricha claimed that the Company has not accounted for the stocks amounting to ₹ 5.60 lakhs returned to Mr. Puneet Gupta on May 29, 2007. Mr. Pasricha produced his letter stating return of goods addressed to company with the signature of Mr. Puneet Gupta. On the above complaint, the Court ordered that non-bailable warrants be issued against all accused persons. Mr. Ananda Mukherjee and others filed an application (Crim. Misc. Application No. 18648/2009) before the High Court of Allahabad against the order of the Additional Chief Judicial Magistrate on March 13, 2008 summoning Mr. Mukherjee and others to face trial. The High Court of Allahabad by order dated July 29, 2009 stayed the proceedings before the Additional Chief Judicial Magistrate, Agra against Mr. Mukherjee and others. Mr. Puneet Gupta and another also filed an application (Crim. Misc Application No. 12407/2009) before the High Court of Allahabad, Agra against the said order of the Additional Chief Judicial Magistrate. The High Court of Allahabad by order dated August 31, 2009 stayed the proceedings before the Additional Chief Judicial Magistrate against Mr. Puneet Gupta and others. The matter is currently pending.

**LITIGATION AGAINST OUR GROUP COMPANIES**
**Jubilant Life Sciences Limited (“JLL”) (formerly Jubilant Organosys Limited)**
***Criminal cases***

There are two criminal proceedings pending against Jubilant Life Sciences Limited. Brief details of these cases is set forth below.

1. The Zila Panchayat filed complaints (Nos. 491/2003, 2741/2002, 2742/2002, 2733/2002, 2731/2002) against Jubilant Organosys before the Chief Judicial Magistrate, Amroha alleging that a factory operated by Jubilant Organosys was running without obtaining license from the panchayat and causing environmental degradation. Jubilant Organosys filed applications before the High Court of Allahabad (Misc. Application Nos. 18402, 18403, 18404, 18405, 18406/2005) which stayed the proceedings before Chief Judicial Magistrate by its order dated December 19, 2005. The matter is currently pending.



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2. Kamlesh Devi filed a criminal complaint in the Court of Learned Chief Judicial Magistrate, JP Nagar, Uttar Pradesh, against certain officials of Gajraula plant (namely, Ashok Rai, BS Gurjar, Vinod Trivedi and Suresh Sirohi) that on 11.7.2010 the accused persons usurped the monthly payment of ₹ 3,000 agreed to be paid to her for laying discharge line through her fields and further threatened and assaulted her. Pursuant to an order dated October 12, 2010 the Court of II Additional Civil Judge (JD/JM JP Nagar) summoned the accused persons. Against the said summoning order dated October 12, 2010, the accused persons have filed a petition under section 482 of the Code of Criminal Procedure, 1973 praying for quashing the proceedings before the Learned II Additional Civil Judge

***Civil Suits***

There are two material civil litigations pending against Jubilant Life Sciences Limited. Brief details of these cases are set forth below.

1. Bagad Nadi Pradooshan Mukti Morcha, Gajraula filed a public interest litigation against the Union of India, and Jubilant Organosys and others before the High Court of Allahabad seeking an injunction on the operation of factories of Jubilant Organosys alleging that waste was being dumped in the river Bagad causing damage to farmers, cattle, human life and health. The matter is currently pending.
2. Janardan Kundalikrao Pharande and others filed a public interest litigation (PIL/240/2009) against the Ministry of Environment and Forests, Government of India, Jubilant Organosys and others before the High Court of Bombay inter alia praying, *inter alia*, for cancellation of grant of consent and certificate of environment clearance issued by the Ministry of Environment and Forests, Government of India to Jubilant Organosys Limited for operation and expansion of its molasses based distillery unit from 90 kilo litres per day to 200 kilo litres per day and for setting up of a new 12 mega watts captive power plant at the factory located at Nira, Pune. Mr. Pharande alleges that the operation of the Nira factory was causing damage to life by increasing the death of the villagers nearby especially infants and various species of birds, insects and other living beings.

***Arbitration Proceedings***

There is one material arbitration proceeding pending against Jubilant Life Sciences Limited. Brief details of this case is set forth below.

Coimex Trading Company, initiated arbitration proceedings against Jubilant Organosys before the International Court of Arbitration, Paris claiming approximately USD 5.10 lakhs (as damages approximately USD 3.60 lakhs and as demurrage of approximately USD 1.50 lakhs) on the ground that Jubilant Organosys had lifted 7,200 cubic meters out of 14,000 cubic meters of alcohol agreed to be purchased. Jubilant Organosys alleges that the agreement dated July 10, 2008 was modified by a subsequent agreement dated July 28, 2008 whereby the quantity of alcohol to be purchased was modified from 14,000 cubic meters to 7,200 cubic meters and the rate was increased from USD 538 per cubic meters to USD 626.78 per cubic meters. Jubilant Organosys alleges that it had honoured the modified contract by lifting the entire quantity of 7,200 metric tones and had paid the higher price agreed under the modified contract. Jubilant Organosys further alleges that since they had performed the subsequent contract in its entirety, there was no question of any liability. By notice dated June 8, 2009 the International Court of Arbitration, Paris sought from Jubilant Organosys its consent for appointing a single arbitrator appointed by the International Court of Arbitration, which was agreed to by Jubilant Organosys. The matter is currently pending.

***Statutory Notices***

The Zila Panchayat at J.P. Nagar served a notice on October 5, 2000 demanding a compensation of ₹ 2,774 lakhs allegedly for creating lagoons on their lands, percolation of poisonous water stored in lagoons resulting in loss of crops, cattle of the farmers and poisonous fly ash on national highway causing damage to the health of people. The District Magistrate issued a recovery certificate alongwith 10% collection charges inflating the demand to ₹ 3,048 lakhs. The demand was raised ex parte. Jubilant Organosys filed a writ petition (No. 44611/2002) before the High Court of Allahabad which stayed the operation of the said demand notice on October 11, 2002. The matter is currently pending.

***Direct Tax Proceedings***

Details of direct tax proceedings pending against JLL are set forth below:

1. The Additional Commissioner of Income Tax (“**ACIT**”), Moradbad passed an assessment order dated December 14, 2010 for assessment year (“A.Y.”) 2007-08 and disallowed certain amounts aggregating to ₹4551.35 lakhs and imposed a demand of ₹ 17 lakhs thereon against which JLL filed an appeal before the Commissioner of Income Tax (Appeals) (“**CIT(A)**”), Bareilly where matter is pending for adjudication.
2. The ACIT, Moradabad passed an assessment order dated December 24, 2009 for A.Y 2006-07 and disallowed certain amounts aggregating to ₹ 207.00 lakhs and imposed a demand of ₹ 78.00 lakhs thereon, against which JLL filed an appeal (no. 331/2010) before the CIT(A), Bareilly which was partly allowed vide order dated March 26, 2010 and a disallowance of ₹ 154.20 lakhs *was rejected*, against which the Additional Commissioner of Income Tax (“**DCIT**”), Moradabad preferred an appeal (no. 3393/2010) before the Income Tax Appellate Tribunal (“**ITAT**”), New Delhi. JLL has also filed appeal before the ITAT (no.3314/Del/2010). The matters are currently pending.
3. The ACIT, Moradabad passed an assessment order dated December 30, 2008 for the A.Y. 2005-06, against JLL whereby it disallowed certain amounts aggregating to ₹ 658.80 lakhs, and imposed a demand of ₹ 242.80 lakhs thereon. JLL filed appeal (no. 372/Add. CIT/R-1/MBD/08-09) before the CIT(A), Bareilly which was partly allowed vide order dated July 2, 2009 and a disallowance of ₹ 652.60 lakhs was rejected, against which the Deputy Commissioner of Income Tax (“**DCIT**”), Moradabad preferred an appeal (no. 3920/2009) before the ITAT, New Delhi. The matter is currently pending.
4. The DCIT, Moradabad passed an assessment order dated March 17, 2008 for A.Y.2004-05 against JLL whereby it disallowed certain amounts aggregating to ₹ 1,169.00 lakhs and imposed a demand of ₹ 541.80 lakhs thereon. Aggrieved by such order, JLL filed an appeal (no. 942(B)/DCIT/Range-1/MBD/07-08) before the CIT(A), Bareilly, which allowed a relief of ₹ 694.00 lakhs against disallowances by order dated July 24, 2008. JLL preferred an appeal (no. 3104/Del/2008) before the ITAT, New Delhi against the said order of the CIT(A), Bareilly. The DCIT, Moradabad also an preferred appeal (no. 3242/2009) before the ITAT, New Delhi. The matters are currently pending.
5. The Additional.CIT, Moradabad passed an assessment order dated March 31, 2006 for A.Y.2003-2004 followed by order under sections 154, 251 and 143(3) of the Income Tax Act dated October 15, 2010 whereby the book profit of JLL were increased by an amount of ₹ 2,653.50 lakhs and a demand of ₹ 310.90 lakhs was imposed on JLL. JLL filed an appeal before the CIT(A), Bareilly on November 16, 2010. The matter is currently pending.
6. The Assistant Commissioner of Income Tax (“**Assistant CIT**”), Moradabad passed an assessment order dated March 31, 2003 for A.Y. 2000-2001 whereby a demand of ₹ 34.90 lakhs was imposed on JLL. Thereafter, by a notice dated March 30, 2007 and an order dated December 28, 2007 of the Assistant CIT, Moradabad, a demand of ₹ 17.00 lakhs was imposed on account of allegations that a sum of ₹ 439.00 lakhs being the loss of companies amalgamated with JLL was not charged to the profit and loss account, but had thereafter been deducted from the net profit while computing the book profit. JLL filed appeal (no. 520/ACIT/R-1/Mbd/08-09) before CIT(A), Bareilly against such order dated December 28, 2007. The CIT(A), Bareilly by an order dated October 14, 2008 partially allowed the appeal. JLL and the ACIT, Moradabad, both filed appeals (no. 61/Del/09 and no. 303/Del/09, respectively) before the ITAT, New Delhi. The ITAT, New Delhi allowed the appeal filed by JLL by order dated March 31, 2010. Aggrieved by the said order of the ITAT, New Delhi, the CIT, Moradabad filed an appeal before the High Court of Allahabad. The matter is currently pending.
7. The Assistant CIT, Bareilly passed a regular assessment order dated March 29, 2000 for A.Y. 1998-1999, against which, JLL preferred an appeal before CIT(A), Bareilly. The CIT(A), Bareilly set aside the assessment order dated March 29, 2000. The Assistant CIT, Moradabad passed an assessment order dated March 31, 2003 whereby it disallowed an amount aggregating to ₹ 889.20 lakhs and imposed a demand of ₹ 84.90 lakhs, against which JLL preferred an appeal (no. 945/Mbd/03-04) before CIT(A), Bareilly.

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- The CIT(A), Bareilly by an order dated July 10, 2003 partly allowed the appeal. JLL and the Assistant CIT, Moradabad filed appeals (no. 4307/Del/03 and no. 4409/Del/03, respectively) before the ITAT, New Delhi against the decision of the CIT(A), Bareilly. The matters are currently pending.
8. The ACIT, Moradabad passed an assessment order dated November 17, 1998 for A.Y.1997-1998 followed by an assessment order dated March 10, 2004 for an addition of ₹ 487.40 lakhs to the income of JLL and imposed a demand of ₹ 241.50 lakhs. JLL filed an appeal (no.1435/Mbd/04-05) before the CIT(A), Bareilly. The CIT(A), Bareilly allowed the appeal by an order dated April 21, 2004. Consequently the Commissioner of Income Tax ("CIT"), Moradabad preferred an appeal (no. 3262/D/2004) before the ITAT, New Delhi. The said appeal was dismissed by order dated December 7, 2006. Aggrieved by the order of the ITAT, New Delhi, the CIT, Moradabad filed an appeal before the High Court of Allahabad. The matter is currently pending.
  9. The DCIT, Moradabad passed an assessment order dated December 10, 1997 for the A.Y. 1996-1997 whereby it imposed a demand of ₹ 65.00 lakhs on JLL. Thereafter, by a notice dated June 12, 1998, a demand of ₹ 216.30 lakhs was imposed on account of escape of income on the basis of excess claim aggregating to ₹ 324.10 lakhs. The said demand was confirmed by an order dated March 28, 2001. JLL filed appeal (no. 10/JCIT/Asstt/Mbd/2001-02) before the CIT(A), Moradabad who remanded the matter to the DCIT, Moradabad. The DCIT, Moradabad passed an order dated March 31, 2003 against which JLL filed an appeal (no. 946/mbd/03-04) with the CIT(A), Bareilly. The CIT(A), Bareilly partly allowed by an order dated June 27, 2003. Aggrieved by the said order of CIT(A), the DCIT, Moradabad filed an appeal (no. 4385/Del/03) before the ITAT, New Delhi which was dismissed by an order dated June 26, 2008. Aggrieved by the order of the ITAT, New Delhi, the CIT, Moradabad filed an appeal before the High Court of Allahabad. The matter is currently pending.
  10. Pursuant to an assessment order dated February 27, 1997 for A.Y. 1994-1995, the Joint Commissioner of Income Tax, Moradabad by a notice dated May 21, 2001, reopened proceedings against JLL. Accordingly, a fresh assessment order dated March 31, 2003 was passed by the ACIT, Moradabad which imposed a demand of ₹ 231.00 lakhs on JLL. JLL preferred an appeal (no. 943/Mbd/03-04) against the aforesaid order before the CIT(A), Bareilly. The CIT(A), Bareilly partly allowed the appeal by an order dated June 27, 2003. Aggrieved by the said order, JLL and the ACIT, Moradabad filed appeals (no. 4305/Del/2003 and no. 4384/Del/2003, respectively) before the ITAT, New Delhi, both of which were disposed off by order dated November 7, 2008. Against such order, JLL filed miscellaneous application (no. M.A. 259) before the ITAT, New Delhi for rectification of error apparent on the face of record which was allowed by the ITAT vide order dated February 18, 2010. Aggrieved by the order of the ITAT, New Delhi, the CIT, Moradabad filed an appeal before the High Court of Allahabad. The matter is currently pending.
  11. The DCIT, Calcutta passed an order dated March 31, 1995 for A.Y. 1993-1994 disallowing certain amounts aggregating to ₹ 479.80 lakhs. JLL filed an appeal (no. 17/CIT(A)-IV/95-96) before CIT(A), Calcutta which was partly allowed by the CIT(A) by an order dated March 15, 1996. Thereafter, JLL received a notice dated November 28, 2001 proposing to withdraw tax credit of ₹ 173.00 lakhs which was granted by an order dated March 16, 2000. Consequently, JLL filed a writ petition (no. 49/2002) in the High Court of Allahabad. The High Court of Allahabad by an order dated January 10, 2002 allowed the interim relief that no effect shall be given to the orders passed by Income Tax Authorities. The matter is currently pending.
  12. The DCIT, Calcutta passed an order dated March 31, 1992 for A.Y. 1989-90 against JLL whereby it disallowed certain amounts aggregating to ₹ 239.40 lakhs and imposed a demand of ₹ 94.00 lakhs. Aggrieved by the order, JLL preferred an appeal (no. 27/CIT(A)-XI/SR-4/92-93) before the CIT(A), Calcutta. The CIT(A), Calcutta partly allowed a relief aggregating to ₹ 102.40 lakhs by an order dated September 18, 1992. JLL has preferred an appeal (no. 777/Cal/93) before the ITAT, Calcutta. The matter is currently pending.
  13. The DCIT, Calcutta passed an assessment order dated March 27, 1991 for A.Y.1988-89 imposing a demand of ₹ 140.60 lakhs on JLL. JLL preferred an appeal (no. 21/CIT(A)/-XI/91-92) before the CIT(A),



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Calcutta against disallowances to the extent of ₹ 177.60 lakhs. The CIT(A), Calcutta partly allowed the appeal by an order dated March 30, 1992 to the extent of ₹ 40.00 lakhs. JLL filed an appeal (no. 2965(Cal)) before the ITAT, Calcutta. The ITAT, Calcutta partly allowed our appeal by an order dated March 7, 2000 to the extent of ₹ 16.60 lakhs, against which, the CIT, Calcutta has filed appeal (no. 203/2000) before the High Court of Allahabad. The matter is currently pending.

***Central Excise and Service Tax Matters***

Details of central excise and service tax proceedings pending against JLL are set forth below:

1. JLL paid duty under protest on captive consumption of Acetic Anhydride for the period from April 1, 1985 to February 28, 1986. The refund claim filed on March 3, 1987 was rejected by the Assistant Commissioner ("AC") and the order was upheld by the Commissioner (Appeals). The Customs Excise and Service Tax Appellate Tribunal (CESTAT) allowed a credit of the amount in the CENVAT account, which was credited to CENVAT account in September 2005. The tax department has filed an appeal in the High Court against the order of the CESTAT. The total amount involved is ₹ 167.30 lakhs.
2. JLL paid an excess duty of ₹ 1.15 lakhs on account of data entry errors in the computer. Refund claims have been rejected by the lower authorities on the grounds of unjust enrichment. Appeals have been filed against the aforesaid orders, which are pending before the CESTAT.
3. JLL availed CENVAT credit of ₹ 12.59 lakhs on denaturants which was reversed in December 2002 on account of an audit objection. The AC allowed the amount to be credited to the CENVAT credit account, as the audit objection was not sustainable. The Department had filed an appeal against the order of the AC and has issued a show cause notice for recovery of such amount. The appeal filed by the tax department has been rejected.
4. JLL has availed a CENVAT credit attributable to molasses used for manufacture of Extra Neutral Alcohol ("ENA"). The said CENVAT credit was reversed and the Joint Commissioner has issued a show cause notice proposing to demand an amount of ₹ 36.99 lakhs at the rate of 10.2% of the value of ENA.
5. JLL has claimed a rebate on duty to be paid on export of goods. The Deputy Commissioner rejected the said claim of JLL. JLL filed an appeal before the Commissioner (Appeals) who has partly allowed the appeal. Revisions have been filed before the Government of India.
6. A truck of JLL with finished goods was seized by the Preventive Officers in the factory on account of variation in the book stock and physical stock. JLL furnished fixed deposit of ₹ 91,000 for release of truck along with finished goods (Construction Chemicals). The show cause notice is pending with the Additional Commissioner as the issue has been remanded back by the Commissioner (Appeals) with the direction for providing the seized records to the Company and thereafter, adjudicating the matter. The amount involved is ₹ 4.22 lakhs.
7. The tax department proposed to disallow a CENVAT credit availed by JLL on molasses, on account of alleged shortages of molasses. The Commissioner allowed the credit, as there was no substantial evidence on record to prove the alleged shortages. The appeal filed by the Department was rejected by the CESTAT. The tax department has filed a reference before the High Court. The total amount in dispute is ₹ 57.61 lakhs.
8. The AC, Hapur, has issued a show cause notice for demand of service tax on services received from overseas consultants for different plants during the period from August 16, 2002 to March 31, 2003 and from April 1, 2003 to March 31, 2004. The CESTAT, for the earlier period, has held that AC has no jurisdiction to issue such demands. The Department has filed an appeal before High Court at Allahabad against the CESTAT order which has been admitted. The total amount involved is ₹ 19.43 lakhs.
9. The tax department filed an appeal against the decision of the Joint Commissioner rejecting the show cause notice issued by the tax department proposing to disallow CENVAT credit on account of loss in weight of molasses in storage for the period from February 2003 to September 2004. The appeal has been allowed. The total amount involved is of ₹ 12.66 lakhs.

10. The Commissioner has issued a show cause notice for recovery of the rebate claim of the duty paid on finished products amounting to ₹ 94.44 lakhs on the grounds that it was not admissible for goods exported in fulfilment of obligation under an advance license. The appeal filed by the department against the decision of the Assistant Commissioner granting such refund has been allowed and the decision upheld by the revisionary authority. A writ petition has been filed in the High Court of Karnataka.
11. The service tax paid in excess during a month was adjusted against the liability for the subsequent period. The Department disallowed such adjustment of ₹ 17.04 lakhs and imposed a penalty of ₹ 17.04 lakhs on JLL. An appeal has been filed before the CESTAT which granted a stay order. The matter is pending before the CESTAT. Alternatively, refund claims have been filed which have been rejected by the Assistant Commissioner and upheld by the Commissioner (Appeals). Appeals have been filed before the CESTAT.
12. The Department has treated Praxair as a related party for the sale of carbon dioxide manufactured using part of their plant and machinery. An appeal against such an order was allowed by the Commissioner (Appeals). The Department has filed an appeal in the CESTAT which is not maintainable on facts as well as in law. The disputed amount is ₹ 15.14 lakhs.
13. The tax department has demanded an interest of ₹ 3.03 lakhs from JLL on differential duty paid through the CENVAT account. JLL has filed its reply to the notice. The total amount involved is ₹ 3.03 lakhs.
14. The Additional Commissioner has confirmed the demand for recovery of CENVAT credit availed by JLL on the inputs as the amount of credit reversed on removals was less than the CENVAT availed on receipt of such inputs in the factory. On appeal, the Commissioner (Appeals) ordered payment of interest on the duty paid by JLL for the period 2007-08. JLL has filed an appeal before the CESTAT. The total amount involved is ₹ 3.03 lakhs.
15. The Additional Commissioner has disallowed CENVAT credit claimed by JLL on capital goods and inputs on account of audit objections by the tax department for the period 2003-04 and 2004-05 and a penalty has also imposed. The appeal filed before the Commissioner (Appeals) was partly allowed by order dated March 31, 2010. An appeal has been filed before the CESTAT. The total amount involved is ₹ 18.39 lakhs.
16. The Commissioner, Noida has confirmed a demand of service tax amounting to ₹ 152.57 lakhs on the amounts paid to the merchant bankers for managing and under writing issued of foreign currency convertible bonds by JLL. The order also imposes penalty of an equal amount. An Appeal has been filed by JLL before the CESTAT. The total amount involved is ₹ 305.14 lakhs.
17. The service tax on goods transporter services was paid through the CENVAT account by JLL, which was objected to by the tax department. The tax department demanded an interest of ₹ 0.32 lakhs on the amount of tax for the period of delay in payment of tax. The demands were set aside by the Commissioner (Appeals) and Commissioner (Appeals). An appeal is being filed with the CESTAT by JLL. The total amount involved is ₹ 17.29 lakhs.
18. A CENVAT credit of ₹ 17.29 lakhs was reversed as sale/removal of RS and ENA from Nira was in excess of the inputs. The request for restoration of such credit was rejected by the Assistant Commissioner. An appeal has been filed with the Commissioner (Appeals) by JLL. The total amount involved is ₹ 17.29 lakhs.
19. The tax department has issued a show cause notice seeking recovery of rebate from JLL and has filed revision against the decision of the Commissioner (Appeals) for grant of rebate. The total amount involved is ₹ 1.69 lakhs.
20. The Deputy Maritime Commissioner, Raigad has issued show cause notices proposing to disallow rebate claims amounting to ₹ 7.47 lakhs for exports effected from premises of other manufacturers by JLL. JLL has filed replies to the show cause notices and the total amount involved is ₹ 7.47 lakhs.

21. The tax department has issued a show cause notice to JLL demanding a duty on the Niacin being used by CADCHEM for manufacture of Niacin Rich Feed Pre-mix. The total amount involved is ₹ 50.70 lakhs.
22. The tax department has issued a show cause notice demanding service tax of ₹ 0.75 lakhs on the expenses allocated to adhesive business towards common expenses of the export department by JLL. The total amount involved is ₹ 0.75 lakhs.
23. The tax department has filed an appeal before the High Court of Allahabad against the CESTAT decision allowing CENVAT credit on the inputs used for manufacture of capital goods in the factory of JLL. The total amount involved is ₹ 2.48 lakhs.
24. The tax department has rejected the rebate claim of JLL on export of Acetic Anhydride from Mumbai on the grounds that such export should take place directly from the factory. The order has been upheld by the Commissioner (Appeals). A revision application is being filed before the GoI by JLL. The total amount involved is ₹ 37.68 lakhs.
25. JLL has claimed an exemption of ₹ 8.95 lakhs under the service tax notification 18/2009-ST dated July 7, 2009 in respect of payments made to overseas commission agents. The tax department has denied the said claim by raising an show cause notice alleging non submission of copies of agreements/ contracts with the commission agents. A reply to the show cause notice has been filed by JLL. The total amount involved is ₹ 8.95 lakhs.
26. The tax department has rejected the rebate claim of ₹ 25.01 lakhs on export of acetic anhydride from Mumbai on the grounds that such export should take place directly from the factory. Subsequently, the Commissioner (Appeals) allowed the rebate claim. In response to the same, the tax department has filed an appeal before the revision authority, GoI.
27. A claim for refund of excess service tax paid was filed by JLL. The matter was remanded back to the Assistant Commissioner for documentary verification by Commissioner (Appeals). The Assistant Commissioner has issued a show cause notice which is pending for adjudication. The total amount involved is ₹ 2.25 lakhs.
28. The Government of the State of Uttar Pradesh with effect from April 1, 2004, imposed an import fee of Rs.1.50 per litre on import of denatured spirit into the State of Uttar Pradesh. The company had imported denatured spirit from Brazil and has transported the same into the State of Uttar Pradesh. The company had challenged the levy before the High Court of Judicature at Allahabad. The High Court has allowed the writ petition on November 1, 2004 and has held that the State of Uttar Pradesh has no legislative competence to impose such fee. The State of Uttar Pradesh has filed a special leave petition before the Supreme Court of India, which has been admitted by the Supreme Court of India. The Supreme Court of India has declined the request of the State of Uttar Pradesh to stay the operation of the High Court of Judicature at Allahabad order in respect of denatured alcohol imported by the Company.

### ***Customs Cases***

Details of customs proceedings pending against JLL are set forth below:

1. Drawback claim of JLL for 98% of the duty paid on re-export has been disallowed and is in appeal before the Commissioner (Appeals). A revision application has been filed before the GoI. The disputed amount is ₹ 3.25 lakhs.
2. 33 show cause notices have been issued for recovery of customs duty and interest thereon for import of goods cleared without payment of duty against advance licences for which Export Obligation Discharge Certificates have not been submitted by JLL. The total amount involved is ₹ 360.72 lakhs.
3. Exemption of ₹ 25.00 lakhs was claimed by JLL under „Target plus scheme“ pertaining to importation of PVA and Natrosol has been denied on the ground that a certificate issued by the officers confirming the installation and use of imported capital goods in the factory was not submitted by JLL. A reply to the

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show cause notice has been submitted by JLL contending that the goods imported were not capital goods but inputs in respect of which such requirement was not relevant. The show cause notice is pending for adjudication. The total amount involved is ₹ 25.00 lakhs.

4. Three show cause notices have been issued by the Deputy Commissioner, Delhi for recovery of customs duty and interest thereon amounting to ₹ 44.43 lakhs for import of goods cleared without payment of duty against EPCG licences for which Export Obligation Discharge Certificates have not been submitted by the Company. However, the Company has completed export obligations with respect to the said show cause notices. The Company has submitted the required documents with the customs authorities and the Director General of Foreign Trade whereas documents to be submitted to the EODC is pending.

***Sales Tax Matters***

Details of sales tax proceedings pending against JLL are set forth below:

1. The Supreme Court has partly allowed the appeal of the state of U.P. and directed the Assessing Authority to adjudicate the show cause notice issued to JLL seeking to delete High Speed Diesel Oil ("HSD") from its recognition certificate which allowed JLL to purchase HSD at lower rate of tax against Form 3B (2.5% or 5%). The decision of the assessing authority will operate prospectively from the date of issue of show cause notice and cover the period from April 2000 to March 2007. The disputed amount is ₹ 28.34 lakhs. The issue is to be adjudicated by the Assessing Officer.
2. JLL had purchased raw material within the state of U.P. after taking the benefit of lower rate of sales tax by furnishing Form 3B. The concession was available for manufacture and sale of goods within the state of U.P. However, JLL transferred part of the production to its branches, for further sale in states other than the state of U.P. The penalty was imposed by the Assessing Officer taking into account the value of the goods transferred outside the state of U.P. and the tax liability if such goods were sold in the state of U.P. The decision was upheld by the first and second Appellate Authority. However, the High Court set-aside the penalty on the ground that the company was entitled to complete exemption from payment of sales tax during the relevant period (1983-84) and consequently, no penalty could be imposed, if the goods were transferred out of the state. The disputed amount is ₹ 2.38 lakhs. The Supreme Court has admitted the SLP filed by the Government of U.P. against the decision of the High Court.
3. The sales tax authorities, in different states, have raised demand mainly on account of non-submission of sales tax forms for claiming lower rate of sales tax or stock transfers. The demands are being contested in appeal as the forms have been received subsequent to the completion of original assessment. The disputed amount is ₹ 131.60 lakhs.

**Jubilant Foodworks Limited ("JFL")**
***Criminal Cases***

There are 13 criminal cases filed against JFL and certain officials, pending before various courts in India. The details of the criminal cases are set forth below:

1. The Food Inspector, Directorate of Prevention of Food Adulteration, Government of NCT of Delhi, filed a complaint (no. 152/PF/DA/07) before the Metropolitan Magistrate, Patiala House Courts, New Delhi against area manager Mr. Kush Kumar, directors Mr. Shyam S. Bhartia, Mr. Hari S. Bhartia and Mr. Ajay Kaul, ex-directors, Mr. Mukesh Gupta, Mr. Bodhiswar Rai, Mr. Gaurav Mathur, Mr. Hetal Madhukant Gandhi, and Mr. Anil Ahuja, and JFL alleging violation of section 2(x) of the PFA Act read with Rules 32B, C, D, E, F and I of the PFA Rules. JFL filed a petition (criminal misc no. 461/2008) before the High Court of Delhi for offsetting aside pending complaint proceedings in the court of the Metropolitan Magistrate. The High Court of Delhi by an order dated January 22, 2009 quashed the proceedings in the lower court with respect to directors, Mr. Shyam S. Bhartia and Mr. Hari S. Bhartia, and ex-Directors Mr. Mukesh Gupta, Mr. Bodhiswar Rai, Mr. Gaurav Mathur, Mr. Hetal Madhukant Gandhi and Mr. Anil Ahuja. The matter is currently pending against Mr. Kush Kumar, Mr. Ajay Kaul and JFL.

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2. The Food Inspector, Government of Haryana, filed a complaint (no. 254/2006) against JFL and its store manager, Mr. Vijay Shankar Tripathi before the Chief Judicial Magistrate, Gurgaon alleging non-conformity of a sample of tomato blend taken from one of its stores, with the standards prescribed for tomato sauce under the PFA Rules.
3. The Food Inspector, Government of Haryana, filed a complaint (no. 17/3/2005) against JFL's store manager Mr. Vipin Chandra, before the Chief Judicial Magistrate, Karnal, alleging non-conformity of a sample of tomato blend taken from one of its stores, with the standards prescribed for tomato sauce under the PFA Rules. The matter is currently pending.
4. The Food Inspector, Government of Haryana, filed a complaint (No. P.F.A 3/2007) against JFL's District Manager Mr. Rakesh Kumar, before the Chief Judicial Magistrate, Panchkula, alleging non-conformity of tomato blend with the standards prescribed under the PFA Rules. The matter is currently pending.
5. Ms. Nidhi Bhasin filed a criminal complaint (No. 223/Misc/2001) before the Additional Metropolitan Magistrate, Andheri, Mumbai, against JFL, its ex-employees Mr. Ashwini Arora and Mr. Vishal Kapoor, under sections 295(A), 500 and 34 of the IPC alleging that she discovered a piece of ham in the vegetarian pizza she had ordered. The matter is currently pending.
6. Mr. Amitabh Arya filed a first information report ("FIR") (No. 262/2009) dated April 23, 2009 in the police station at Mohanlalgunj, Lucknow, against all the employees at JFL's store at C-1 Ashiana, Kanpur Road, Lucknow, under section 295(A) of the Indian Penal Code, alleging that he discovered a piece of ham in the non-vegetarian pizza he had ordered. The police filed charge sheet. Subsequently, Mr. Jaswant Singh and others filed a writ petition in 2010 against Mr. Amitabh Arya, State of U.P. and others for quashing of the said charge sheet before the High Court of Allahabad. The High Court of Allahabad, stayed the arrest of all accused. The matter is currently pending.
7. The Food Inspector, Gautam Budh Nagar, Government of Uttar Pradesh, filed a complaint (No. 2378/2009) before the Additional Chief Judicial Magistrate, Gautam Budh Nagar, Uttar Pradesh, against JFL and District Manager Mr. Pradip Kumar, on account of description of certain vegetable oils used by JFL as 'best ever' and the heart of healthy family, alleging violation of the PFA Rules. The matter is currently pending.
8. Ms. Meenakshi lodged an FIR (No. 679/2003) in the police station, Punjabi Bagh, New Delhi, against JFL's delivery personnel Mr. Adesh Kumar, on account of injuries sustained by her in an accident involving Mr. Kumar. The Metropolitan Magistrate, Rohini, Delhi, has filed a charge-sheet on September 7, 2003 under sections 279 and 337 of the IPC. The matter is currently pending.
9. The Food Inspector, Shimla, filed a complaint No. 2378/2009 before Chief Judicial Magistrate, Shimla against JFL and JFL's store manager Mr. Gurpreet Singh on account of non-conformity and adulteration of sample of cheese blend with the standard prescribed under the PFA Rules, 1955. JFL has also filed a petition in High Court, Shimla for quashing of Complaint No. 2378/2009 pending before Chief Judicial Magistrate, Shimla. The matter is currently pending.
10. The Food Inspector, Pune filed a complaint bearing R.C.C. No.403981/2010 before Chief Judicial Magistrate, Pune against JFL, its commissary manager Mr. Deepak Kumar and store manager Mr. Vijay Kumar alleging adulteration of sample of Paneer and its non-conformity with the standard prescribed under the PFA Rules. The matter is currently pending.
11. The Food Inspector, Directorate of Prevention of Food Adulteration (PFA), Government of NCT of Delhi, filed a complaint No. 86/2010 before Additional Chief Metropolitan Magistrate, Patiala House Courts, New Delhi against JFL, commissary manager Mr. Kapil Sharma, District Manager Mr. Tarun Kumar and store manager Mr. Amit Kumar Jain of JFL on account of description of certain sauce used by our Company as "Proprietary Food", alleging violation of section 2(ix) (g) and (k) of the PFA Act, 1954 and Rule 37 of PFA Rules, 1955. The matter is currently pending.



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12. Mohd. Iqbal lodged an FIR (No. 414/2010) under sections 279 and 337 of the IPC in the police station, Amberpet, Hyderabad, against JFL's delivery personnel Mr. Rambagu, on account of injuries sustained by his wife Mrs. Khaja Begum in an accident involving Mr. Rambagu. The IV Chief Metropolitan Magistrate, at Hyderabad, granted bail to Mr. Rambagu. The matter is currently pending.
13. The labour department has filed a case bearing No. 13864/2010 before Chief Judicial Magistrate, Lucknow against JFL's two employees Mr. Tarun Bhasin and Mr. Sandeep Kumar for violation under The Payment of Bonus Act, 1965. The matter is currently pending.

***Civil Cases***

There are three material civil cases filed against JFL pending before various tribunals in India. The details of these civil cases are set forth below.

1. Mr. Giri Raj, a Government parking contractor filed a suit (Case No. 239/2010) before Civil Judge (Sr. Division), Ghaziabad, against JFL, Municipal Corporation of Ghaziabad and others praying to direct the parties to pay him parking charges as per terms and condition of his contract with the Government. The matter is currently pending.
2. Mr. Kishore B. Kapdi filed a case (C.S. No. 200/2009) before Civil Judge, Gandhidham against Harsimran (Gandhidham) Owners Association and another for injunction regarding property on which JFL's store is situated. Mr. Kapdi filed an application to implead JFL as a party in suit as JFL is in possession of property in dispute. Mr. Kapdi also filed an application for amendment of plaint. The matter is currently pending.
3. Dr. Shashi Ranjan Gupta and another (CS(OS) No. 1019/2009) filed a suit before the High Court, Delhi against Sparylac Paints Corporation, JFL and others inter alia for declaration of title to a certain property, recovery of possession of the said property, recovery of unpaid arrears of property taxes amounting to approximately ₹ 14.00 lakhs and pendente lite and future use and occupation charges at ₹ 2.50 lakhs per month till such time JFL hands over vacant and peaceful possession of the said property. The matter is currently pending.

***Arbitration Matters***

There is one material arbitration proceeding involving JFL, the brief details of which are set forth below.

Mr. Yaseen Sharief filed a petition (C.M.P No. 56/2008) in the High Court of Karnataka, Bangalore, under section 11(5) of the Arbitration and Conciliation Act, to appoint an arbitrator to decide the dispute between Mr. Sharief and JFL under the terms of a collaboration agreement dated March 1, 2003. The High Court of Karnataka, by order dated February 20, 2009, appointed Mr. Prem Kumar, as sole arbitrator. By order dated October 18, 2010, Arbitrator passed an award for ₹ 19.41 lakhs in favour of JFL. JFL is in the process of filing execution proceedings against Mr Yaseen Sharief.

***Statutory Notices***

Details of statutory notices issued against JFL are set forth below:

1. The Office of the Commissioner of Central Excise, Mumbai, issued six show cause cum demand notices (Nos. 15A-144/2005/4712- 4717) dated October 11, 2005 with respect to stores of JFL at Vile Parle (West), Lokhandwala, Essel World Vile and Malad, in Mumbai, alleging classification of non-vegetarian pizzas, chicken wings, vegetable pizzas, jalapeno dips and cheese dips under the chapter headings 1601.10, 2001.10 and 2103.10 of the Central Excise Tariff Act respectively attracting central excise duty amounting to ₹ 38.50 lakhs for the period from October 2000 to March 2005. The Additional Commissioner, Central Excise, Mumbai, by order dated December 30, 2005, held that jalapeno and cheese dips manufactured by JFL are classifiable under chapter heading 1601.10 attracting central excise duty of ₹ 0.10 lakhs and chicken wings manufactured by JFL were classifiable under chapter heading 1601.10, attracting central excise duty of ₹ 1.10 lakhs and penalty of ₹ 1.30 lakhs, amounting to ₹ 2.50 lakhs. JFL has filed an appeal (No. 33-37/MV/2006) before the Commissioner of

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- Appeals, Mumbai, challenging the said order. By order dated July 6, 2006, the Commissioner of Appeals remanded the case to the Additional Commissioner, Central Excise, Mumbai. Subsequently the Commissioner of Central Excise, Mumbai, filed an appeal dated December 13, 2006 (Appeal No. E/3051/06-MUM) before the Customs Excise and Service Tax Appellate Tribunal (CESTAT), Mumbai, against the order of the Commissioner of Central Excise (Appeals). The matter is currently pending.
2. The Deputy Commissioner of Income Tax, Circle 10(1), by way of an assessment order dated March 17, 2006 disallowed claim of JFL for deductions of a total of ₹ 178.90 lakhs including ₹ 38.80 lakhs on account of franchise fee/royalty paid to Domino,s Pizza International and ₹ 109.10 lakhs on account of advertisement and publicity expenses while computing JFLs total income for the assessment year 2003-2004. JFL filed an appeal (No. 07/06-07) dated July 3, 2006 before the Commissioner of Income Tax (Appeals-XIII), New Delhi against the said assessment order. The Commissioner of Income Tax (Appeals-XIII), New Delhi passed an order dated October 18, 2010 in the matter. The Income Tax Department has filed an appeal against the CIT(A) order in ITAT dated January 13, 2011.
  3. The Deputy Commissioner of Income Tax, Circle 10(1), by way of an assessment order dated December 26, 2006 disallowed JFLs claim for deductions of a total of ₹ 91.00 lakhs including ₹ 67.30 lakhs on account of advertisement and publicity expenses while computing JFLs total income for the assessment year 2004-2005. JFL has filed an appeal (No. 341/2006-07) dated January 8, 2007 before the Commissioner of Income Tax (Appeals)-XIII, New Delhi against the said assessment order. The Commissioner of Income Tax (Appeals-XIII), New Delhi passed an order dated October 19, 2010 in the matter. The Income Tax Department has filed an appeal against the CIT(A) order in ITAT dated January 13, 2011.
  4. The Assistant Commissioner of Income Tax, Circle 10(1), New Delhi, by way of an assessment order dated December 28, 2007 disallowed JFLs claim for deductions of a total of ₹ 45.00 lakhs including ₹ 35.80 lakhs on account of franchise fee/royalty paid to Domino,s Pizza International while computing total income of JFL for the year 2005-2006. JFL filed an appeal (No. 134/2007-08) dated January 17, 2007 before the Commissioner of Income Tax (Appeals)-XIII, New Delhi against the said assessment order. The Commissioner of Income Tax (Appeals-XIII), New Delhi passed an order dated October 28, 2010 in the matter. The Income Tax Department has filed an appeal against the CIT(A) order in ITAT dated January 13, 2011.
  5. The Income Tax Officer, for assessment year 2006-2007 disallowed JFLsclaim for deductions of a total amount of ₹ 82.70 lakhs including ₹ 80.40 lakhs on account of franchise fee/royalty paid to Domino,s Pizza International while computing JFLs total income for the year 2006-2007. JFL filed an appeal dated January 28, 2009 before the Commissioner of Income Tax (Appeals)- New Delhi against the said assessment order. The case has been referred back to Incoem Tax Officer by CIT(A) and notice from Income Tax Officer is awaited
  6. The assessing officer for the assessment years 1999-2000 and 2000-2001, levied taxes the sales of pizza as sales of food under a brand name at the rate of 16% under Entry 4(iii) of Part E of the first schedule to the Tamil Nadu General Sales Tax Act, 1959 (now amended by the Tamil Nadu Value Added Tax Act, 2006), however, the assessing officer for the assessment years1997-1998 and 1998-1999 assessed tax at the rate of 2%. Aggrieved by the differential rate of tax JFL filed appeals (AP 71/2003, 72/2003, 104/2003 and 73/2003) for the assessment years 1997-1998 1998-1999, 1999-2000 and 2000-2001 before the Appellate Assistant Commissioner of Commercial Taxes VI. Subsequently, the assessing officer, revised the rate of tax for the assessment years 1997-1998 and 1998-1999 at 16%. The Appellate Assistant Commissioner of Commercial Taxes, VI by order dated June 30, 2003 allowed our appeals and assessed JFL for assessment years 1999-2000 and 2000-2001 under section 3-D of the the Tamil Nadu Value Added Tax Act, 2006 and set aside the assessment of the assessing officer and further restored the initial assessment at the rate of 2% for assessment years 1997-1998 and 1998-1999. However, the sales tax department has filed an appeal before the Sales Tax Appellate Tribunal, Chennai challenging the order of the Appellate Assistant Commissioner of Commercial Taxes, VI. The total amount of disputed tax involved is ₹ 114.80 lakhs. The matter is currently pending.
  7. The Income Tax Officer, for A.Y. 2007-2008 disallowed JFL's claim for deductions of a total of ₹ 126.1 lakh including ₹ 116.8 lakh on account of franchise fee/royalty paid to Domino,s Pizza International

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while computing JFL's total income for the A.Y. 2007-2008. JFL filed an appeal dated January 28, 2009 before the CIT (A)- New Delhi against the said assessment order. The matter is currently pending.

8. The Income Tax Officer, for A.Y. 2008-2009 disallowed JFLs claim for deductions of a total of ₹ 732.8 lakh including ₹ 712.4 lakh on account of franchise fee/royalty paid to Domino's Pizza International while computing JFL's total income for the A.Y. 2008-2009. JFL filed an appeal dated January 27, 2011 before the CIT (A)XIII- New Delhi against the said assessment order. The matter is currently pending.

***Legal Notices***

Details of material legal notices issued against JFL are set forth below:

1. JFL received a notice from USM Business Private Limited on behalf of Commissioner and Special Officer, Greater Hyderabad Municipal Corporation, in relation to payment of advertising fees for two wheelers operated by JFL. JFL replied to USM Business Private Limited claiming that two wheelers operated by JFL do not fall within the purview of section 421 of the Hyderabad Municipal Corporation Act, 1955, which covers regulation and control of advertisements.

**Asia Healthcare Development Limited**

Nil

**Jubilant Capital Private Limited ("JCPL")**
***Income Tax Matters***

Details of income tax proceedings pending against JCPL are set forth below:

1. The income tax assessing officer for the assessment year 1998-1999, raised a demand of ₹ 14.90 lakhs on account of the treatment of non compete fees as business income instead of capital receipt as contented by JCPL. Aggrieved by the said order, JCPL appealed before the appellate authorities who have upheld the contention of JCPL. The Income Tax Department filed a further appeal before the High Court, Delhi aggrieved by the order of ITAT. The matter is currently pending.
2. The income tax assessing officer for the assessment year 2003-2004, raised a demand of ₹ 52.00 lakhs on account of capital receipts treated as business income and un-reconciled shares in an investment as unexplained investment under section 69 of the Income Tax Act. While quantifying the demand, the assessing officer has not given set-off of brought forward losses against which JCPL filed an application for rectification to reduce to the demand to NIL, which is pending. Meanwhile, aggrieved by the order, JCPL has filed an appeal before the Commissioner of Income Taxes- Appeals, who has allowed the appeal.
3. The income tax assessing officer for the assessment year 2004-2005, raised a demand of ₹ 3.30 lakhs approximately on account of capital receipts treated as business income and addition under section 14A of the Income Tax Act, towards expenses incurred in relation to exempt income. Aggrieved by the order JCPL has filed an appeal before the Commissioner of Income Taxes- Appeal, who has partially allowed the appeal. On such relief the demand is reduced to ₹ 0.10 lakhs. Income tax department has filed an appeal before the ITAT against the order of the CIT (A).The matter is currently pending.
4. The assessing officer for the Income Tax assessment year 2004-2005 raised a demand of ₹ 21.80 lakhs disallowing claim of various expenses/losses in respect of Cougar Sales Agency Private Limited, since merged in the JCPL. Aggrieved by the said order JCPL has filed an appeal before the Commissioner of Income Tax Appeals which is pending.
5. The Income Tax Department has for the Assessment year 2009-10 has issued notice of scrutiny assessment which is pending.



**Jubilant Securities Private Limited (“JSPL”)**
***Income Tax Matters***

Details of income tax proceedings pending against JLL are set forth below:

1. The assessing officer for the assessment year 2003-04 raised a demand of ₹ 0.10 lakhs approximately, on capital receipts treated as business income. Aggrieved by the order JSPL has filed an appeal before the Commissioner of Income Taxes- Appeals, who has allowed the appeal of JSPL. The Income Tax department may further appeal to higher forum.
2. The assessing officer for the assessment year 2004-05 raised a demand of ₹ 12.80 lakhs on account of capital receipts treated as business income and disallowance under section 14A of the Income Tax Act towards expenses incurred in relation to exempt income. Further the officer levied penalty of ₹ 9.10 lakhs. Aggrieved by the orders JSPL has preferred further appeals which have been allowed, However the Income Tax Department has filed further appeals.
3. The assessing officer raised a demand of ₹ 11.20 lakhs and a penalty of ₹ 9.10 lakhs on addition of capital receipt as business income in respect of company named Shobhana Commercial Private Limited, since merged in the JSPL. The appeal of the JSPL before appellate authorities have has been allowed deleting the addition as well as penalty. The department has preferred appeal before High Court which is pending.
4. The assessing officer for the assessment year 2005-06 raised a demand of ₹ 564.90 lakhs denying exemption on long term capital gains claimed by the company, and assessing such income as business income. Aggrieved by the order, the company filed appeals before the Commissioner of Income Tax (Appeals) who have decided in favour of the company. The Income Tax Department has preferred further appeal before Income Tax Appellate Tribunal which has been dismissed. Income tax department has filed an appeal before the High Court, Delhi against the order of the ITAT.
5. The assessing officer for assessment year 2007-08 raised a demand of ₹ 2.70 lakhs towards disallowance of expenses incurred in relation to exempt income. Aggrieved by the order, the company filed appeals before the Commissioner of Income Tax – Appeals, who have decided in favour of JSPL. Income tax department has filed an appeal before the ITAT against the order of the CIT (A).
6. The Income Tax Department has for the Assessment year 2008-09 has raised a demand of ₹ 13.03 lakhs towards disallowance of expenditure incurred in relation to exempt income. JLL has preferred further appeal before the CIT (A). JLL has filed an application for rectification contending errors in rectification resulting in the demand of ₹ 13.03 lakhs which is pending.
7. Income Tax Department has served notice of assessment for the Assessment year 2009-10 .The matter is currently pending.

**Jubilant Clinsys Limited**

There is one case pending against Jubilant Clinsys Chemical Research Limited. For details of this case, see arbitration section of “*Litigation filed against Jubilant Biosys Limited*” below.

**Jubilant Biosys Limited**
***Income Tax Cases***

Details of tax proceedings pending against Jubilant Biosys Limited are set forth below:

1. The ACIT, Range, Noida passed an assessment order dated December 30, 2010 for A.Y. 2008-09 and disallowed certain amounts aggregating to ₹ 232 lakhs and imposed a demand of ₹ NIL thereon against

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which Jubilant Biosys Limited filed an appeal before the CIT(A), Ghaziabad where matter is pending for adjudication

2. The original assessment order for A.Y 2004-05 was passed by the assessing officer after making certain addition to total income as on December 19, 2006, u/s 143(3)(ii) of the Income Tax Act. Consequently, the assessing officer also initiated penalty proceedings against the assessee company u/s 271(1)(c) of the Income Tax Act for A.Y 2004-05 and passed the penalty order u/s 271(1)(c) of the Income Tax act dated March 27, 2009, and raised a demand of ₹ 6.00 lakhs against the assessing company. The assessee company had filed an appeal before CIT(A)-VII, New Delhi against the impugned order passed by the assessing officer u/s 271(1)(c) of the Act. The CIT(A) vide its order dated January 21, 2010, sustained the penalty raised by the Assessing officer. Aggrieved by the order of CIT(A), the assessee company has filed the appeal before ITAT, Delhi where the matter is still pending for adjudication.
3. The Income Tax officer (International Taxation), Ward-1(2), Bangalore had issued a showcause notice u/s 201(1) and 201(1A) to the assessee company to show cause why the withholding tax should not be deducted by the assessee company on the payment of ₹ 22.20 lakhs and ₹ 25.53 lakhs respectively for F.Y 2006-07 and 2007-08 made by it to M/s Schrödinger LLC of New York, U.S for purchase of Database software. The assessee company has duly submitted its reply before Income Tax Officer (International Taxation), Bangalore. The Income Tax Officer (International Taxation), Ward 1(2), Bangalore passed order under section 201(1) and 201(1A) read with section 195 of the Income Tax Act, 1961 for A.Y 2007-08 and A.Y 2008-09 dated October 1, 2010 against the assessee company and raised a demand of ₹ 2.22 lakhs and ₹ 2.55 lakhs for A.Y 2007-08 and A.Y 2008-09 along with interest under section 201(1A) of the Income Tax Act of ₹ 0.46 lakhs and ₹ 0.25 lakhs respectively. Against the order, the assessee company had filed the appeal to CIT (A)-IV, Bangalore. The CIT (A) has upheld the order passed by the Income Tax officer (International Taxation) vide its order ITA No 21 and 22/ R-19/CIT(A)-IV/08-09 dated November 31, 2009. Aggrieved by the order of CIT (A), the assessee company has filed the appeal to ITAT, Bangalore where the matter is still pending for adjudication.

***Arbitration Proceedings***

Details of arbitration proceedings pending against Jubilant Biosys Limited are set forth below:

Mr. A.M. Mallikarjuna has filed civil miscellaneous petition (no. 206/2009) before the High Court of Karnataka, Bangalore seeking the appointment of sole arbitrator to decide dispute between him, Jubilant Biosys Limited and Jubilant Clinsys Limited, involving two lease deeds dated September 8, 2008 pertinent to building no. 94, Industrial Suburb, Stage-II, Yeshwanthpur, Bangalore, which was let out through such lease deeds to Jubilant Biosys Limited and Jubilant Clinsys Limited. The petition was allowed by order dated October 13, 2009 and referred to sole arbitrator. The matter is currently pending.

**Jubilant Chemsys Limited**
***Income Tax Cases***

1. The ACIT, Range, Noida passed an assessment order dated December 30, 2010 for A.Y. 2008-09 and disallowed certain amounts aggregating to ₹ 232 lakhs and imposed a demand of ₹ NIL thereon against which the Jubilant Chemsys Limited filed an appeal before the CIT(A), Ghaziabad where matter is pending for adjudication.

**Jubilant First Trust Healthcare Limited**

Nil

**Jubilant Infrastructure Limited**

Nil

**Jubilant DraxImage Limited (formerly Draximage India Limited)**

Nil

**Jubilant Innovation (India) Limited**

Nil

**Cadista Holdings Inc.**

Nil

**Cadista Pharmaceuticals Inc.**

Nil

**Colvant Sciences, Inc.**

Nil

**Jubilant Life Sciences Holdings, Inc. (formerly Clinsys Holdings Inc.)**

Nil

**Clinsys Clinical Research, Inc.**

Nil

**HSL Holdings Inc.**

Nil

**Hollister-Stier Laboratories LLC**

Nil

**DAHI LLC.**

Nil

**Jubilant Life Sciences (USA) Inc. (formerly Jubilant Organosys (USA) Inc.)**

Nil

**Draximage LLC.**

Nil

**Jubilant Draximage (USA) Inc. (formerly DSPI Inc., USA)**

Nil

**Deprenyl Inc., USA**

Nil

**Draxis Pharma LLC**

Nil

**Draxis Pharma Inc.**

Nil

**Jubilant Discovery Services Inc.**

Nil

**DAHI Animal Health (UK) Limited**

Nil

**Draximage (UK) Limited**

Nil

**Jubilant Pharma Pte. Limited**

Nil

**Jubilant Organosys International Pte. Limited**

Nil

**Jubilant Biosys (Singapore) Pte. Limited**

Nil

**Jubilant Drug Development Pte. Limited**

Nil

**Jubilant Innovation Pte. Limited**

Nil

**Jubilant Life Sciences (Shanghai) Limited (formerly Jubilant Organosys (Shanghai) Limited)**

Nil

**Draximage Limited, Cyprus**

Nil

**Draximage Limited, Ireland**

Nil

**Jubilant Pharma N.V.**

Nil

**Jubilant Pharmaceuticals, N.V.**

*Civil Cases*

Details of civil proceeding pending against Jubilant Pharmaceuticals, N.V. is set forth below:

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Orifarm Holding A/S and Copyfarm A/S (hereinafter together referred as “**Copyfarm**”) filed a suit before the Court of Commerce, Ghent, Belgium against Jubilant Pharmaceuticals, N.V., claiming compensation for losses suffered on account of withdrawal of their marketing authorisation for the drug „Cetirizine” due to their failure to provide an acceptable bioequivalence study in the registration documents that resulted in Copyfarm no longer being allowed to market the drug „Cetirizine”. Copyfarm has claimed Euro 1.02 million towards damages suffered on account of, (a) various costs incurred including cost of unsold goods, cost of a new dossier, fees paid to authorities, etc amounting to Euro 477,585; and (b) loss of income of Euro 543,837. The matter is currently pending. Separately, Jubilant Pharmaceuticals N.V., has initiated proceedings before the Court of Ghent, against Synchron Research Services Private Limited, for failure to perform the bio-equivalence studies of various products in accordance with standards prescribed for such drugs in the EU. A judgment by default was passed by the Court of Ghent, Belgium on February 27, 2009, against Synchron for payment a provisional amount of approximately Euro 173,000 to Jubilant Pharmaceuticals N.V. To execute the decree Jubilant Pharmaceuticals N.V. has filed a suit in the court of Principal Civil Judge, Ahmedabad. The matter is currently pending.

**PSI Supply N.V.**

Nil

**Jubilant Innovation (BVI) Limited**

Nil

**Jubilant Organosys (BVI) Limited**

Nil

**Jubilant Biosys (BVI) Limited**

Nil

**Jubilant DraxImage Inc. (formerly Draxis Specialty Pharmaceuticals Inc.)**

There are four material litigations pending against Jubilant DraxImage Inc., the brief details of which are set forth below.

1. Mr. Swapan Bannerjee filed a statement of claim dated July 19, 2005 before the Superior Court of Justice, Ontario against Draxis Health Inc. (presently known as Jubilant DraxImage Inc.), Shire Biochem Inc., (“Shire”) Eli Lilly Canada Inc. and Eli Lilly and Co., (collectively “Eli Lilly”), seeking compensation and damages as a result of adverse side effects caused by the consumption of „Permax”, a drug manufactured by Eli Lilly. The Petitioners, Eli Lilly, and Shire (the “Negotiation Process Parties”) agreed to consent to certification and to avail themselves of the notice process to assess, through questionnaires, the number of potential class members and possible resolution of the claim. The Superior Court of Justice certified the claim as a class proceeding as against Eli Lilly and Shire. The parties agreed that the motion to certify the class proceeding as against Jubilant DraxImage Inc. would remain suspended until further notice. Mr. Banerjee claims that the consumption of “Permax” has caused adverse side effects, including the development of certain impulse control disorders. The Negotiation Process Parties continue to engage in settlement discussions and mediation is scheduled in this month. The Negotiation Process Parties have also put in place a schedule for documentary production and examinations for discovery, in the event that a settlement is not reached. The matter is currently pending.
2. Ms. France Lepine filed a motion for authorization to institute a class action dated March 3, 2009 before the Superior Court of Justice of Quebec against Draxis Specialty Pharmaceuticals Inc. (presently known as Jubilant DraxImage Inc.), Shire Biochem Inc., (“Shire”), Eli Lilly Canada Inc. and Eli Lilly and Co., (collectively “Eli Lilly”), seeking damages on account of adverse side effects caused by the consumption of „Permax”, a drug manufactured by Eli Lilly. This action has been advanced in a co-ordinated manner with the claim made by Mr. Swapan Bannerjee. This action was stayed on January 28, 2010, in order for the Negotiation Process Parties (as described in the case above) to continue to engage in settlement discussions.

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and the Superior Court of Justice of Ontario has agreed to create a sub-class of Quebec residents.. The matter is currently pending.

3. Dr. Joseph Knoll filed a statement of claim dated May 1, 1998 before the Ontario Court (General Division) seeking damages in respect of royalty based net profit from sales of drug called „Anipryl“ against Draxis Health Inc. (presently known as Jubilant DraxImage Inc.) and Deprenyl Animal Health, Inc (Deprenyl Animal Health Inc. was dissolved on December 18, 2008, and all of its assets and liabilities transferred to Jubilant Pharma Pte. Limited). The matter is currently pending.
4. Mr. Sabir Chaudhry filed a statement of claim dated November 21, 2003 before the Superior Court of Quebec (Montreal) against Draxis Pharma Inc. (presently known as Draxis Pharma General Partnership), seeking CAD 250,000 as damages for loss of salary pursuant to alleged wrongful dismissal from service. The Superior Court of Quebec (Montreal) dismissed the statement of claim vide its order dated June 20, 2005. Aggrieved by the said order, Mr. Sabir Chaudhry filed appeal before the Quebec Court of Appeal, which allowed such appeal vide order dated June 4, 2008. An amended statement of claim was filed by Mr. Chaudhary dated November 5, 2009, and these amendments were allowed by the Court on January 5, 2010. The revised claim of Mr. Chaudhary is now CAD 437,696. The hearing before the Superior Court of Quebec took place on November 22, 23, 24 and 26, 2010. On January 7, 2011, the Court has ruled against Mr. Chaudhury and has rejected all of Mr. Chaudhury’s claims. Mr Chaudhury has thirty days to appeal.

**6963196 Canada Inc.**

Nil

**6981364 Canada Inc.**

Nil

**Jubilant Innovation (USA) Inc.**

Nil

**Jubilant Bhartia Foundation**

Nil

**Jubilant Enpro Private Limited (“JEPL”)**
*Civil Cases*

Details of civil proceeding pending against JEPL is set forth below:

Mr. Vipin Malik filed a suit (No. 977/1998) against Enpro India Limited (the former name of JEPL) claiming ₹ 1,277.00 lakhs approximately before the Delhi High Court. Mr. Malik has alleged that the said amount was due to him on account of professional fees under an agreement dated August 22, 1994. Mr. Malik has also filed a First Appeal Against Order (FAO 54/2009) against JEPL before the Division Bench of Delhi High Court against the order dated July 18, 2008 passed by a single judge bench of Delhi High Court on review of its earlier order dated May 21, 2008 granting JEPL an unconditional leave to defend.

*Income Tax Cases*

Details of income tax proceedings pending against JEPL is set forth below:

1. The income tax assessing officer for the assessment year 1995-1996, disallowed a claim of expenses incurred in conducting project feasibility. The amount of tax involved is ₹ 0.70 lakhs. On appeal to the appellate authorities, the matter was decided in favour of JEPL. The Income Tax Department has filed an appeal before the High Court of Delhi. The matter is currently pending.

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2. The income tax assessing officer for the assessment year 1997-1998, has assessed non compete fee of ₹ 35.00 lakhs as a chargeable receipt as opposed to the treatment of JEPL of the same as capital receipt. The tax involved is ₹ 12.20 lakhs approximately. JEPL appealed to the appellate authorities claiming that non-compete fee received is a capital receipt. The appellate authority ruled in favour of JEPL. The Income Tax Department is in appeal before the High Court of Delhi against the said order of the Income Tax Appellate Tribunal. The income tax assessing officer for the assessment year 1998-1999, levied penalty under section 271(1)(c) of the Income Tax Act, 1961 of ₹ 23.00 lakhs. Commissioner of Income Tax – Appeals have allowed the appeal. The department has gone in further appeal before the Income Tax Appellate Tribunal (“ITAT”) and the matter is currently pending.
3. The income tax assessing officer for the assessment year 1999-2000 levied penalty under section 271(1)(c) of the Income Tax Act, 1961 of ₹ 6.30 lakhs approximately. JEPL’s appeal has been allowed by ITAT. The Income Tax department has filed further Appeal before the High Court of Delhi.
4. The income tax assessing officer for the assessment year 2004-2005 raised a total demand of tax of ₹ 346.70 lakhs approximately on account of disallowance of claims of deduction under section 80IB of the Income Tax Act, 1961, expenditure under section 14 A of the Income Tax Act, 1961 which was allegedly incurred in relation to income which is exempt from taxation and charge of interest under sections 234B/C and 220(2) of the Income Tax Act, 1961. JEPL appeal against the said assessment before the Commissioner of Income Tax – Appeals has is allowed. The Income Tax Department has filed further appeal before the ITAT
5. The income tax assessing officer for the assessment year 2005-2006 raised a total demand of tax of ₹ 141.50 lakhs on account of disallowance of claims of deduction under section 80IB of the Income Tax Act, 1961, expenditure under section 14 A of the Income Tax Act, 1961 which was allegedly incurred in relation to income which is exempt from taxation and charge of interest under sections 234B/C and 220(2) of the Income Tax Act, 1961. JEPL has filed an appeal against the said assessment before ITAT. JEPL has paid tax amounting to ₹ 141.50 lakhs on quantification of demand in July 2009.
6. The income tax assessing officer for the assessment year 2006-2007 raised a total demand of tax of ₹ 114.20 lakhs on account of disallowance certain expenditure under section 14 A of the Income Tax Act, 1961 which was allegedly incurred in relation to income which is exempt from taxation and charge of interest under sections 234B/C and 220(2) of the Income Tax Act, 1961. JEPL has filed an appeal against the said assessment before the Commissioner of Income Tax (Appeals), who has partially allowed the appeal and reducing the demand to ₹ 47.50 lakhs. , JEPL has paid the total tax amount. . Income Tax department has filed further appeals before Income Tax Appellate Tribunal. Income tax Department has issued notice for reopening of assessment on the limited issue of treating of unutilised portion of Duty Credit Entitlements of ₹ 31.40 lakhs as income of the previous year. The Company has filed its objections to the reopening of assessment.
7. Income Tax Department has raised a demand of Rs 982.58 lakhs in A.Y 2007-08 on assessment towards disallowance of expenditure of ₹ 461.62 Lakhs alleging it to be incurred towards earning exempt income and other additions of ₹ 102.73 lakhs, alleging as not being expenditure eligible for deduction/income liable to be included. JEPL has also filed appeal before Commissioner Appeals against the order of assessment. JEPL has filed a rectification application contending errors in making assessment which has resulted in additional demand of ₹ 745.53 lakhs, however the application is pending for disposal.
8. Income Tax Department has raised a demand of ₹ 478.39 lakhs in A.Y 2008-09 on assessment towards disallowance of expenditure of ₹ 1,101.92 lakhs alleging it to be incurred towards earning exempt income and other additions of ₹ 89 lakhs, alleging as not being expenditure eligible for deduction/income liable to be included. JEPL has also filed appeal before Commissioner Appeals against the order of assessment. JEPL has filed a rectification application contending errors in making assessment which has resulted in additional demand of ₹ 99.68 lakhs, however the application is pending for disposal.
9. Income tax Department has issued notice for scrutiny assessment for the A.Y 2009-10.

*Service Tax Cases*

Details of service tax proceedings pending against JEPL are set forth below:



1. The Service Tax Department has for the period September 1, 2000 to September 30, 2005 raised a total demand of ₹ 851.30 lakhs treating business support services rendered during that period as taxable management consultancy services, and denying the claim of exemption towards export of such services and other services, thereby imposing a tax of ₹ 351.20 lakhs and a further levying a and penalty of ₹ 500.10 lakhs under section 78 and 77 of the relevant service tax act. JEPL has filed an appeal before CESTAT, which is pending. Pending the disposal of appeal, JEPL has paid on direction CESTAT, an amount of ₹ 125.00 lakhs and balance demand has been stayed by the CESTAT. The Service Tax Department has further initiated proceedings for levy of service in respect of same services rendered during the period from October 2005 to April 2006 to the involving tax of around ₹ 11 Million. No demand has been raised as yet, as the proceedings are in progress and is yet to be concluded by the Service Tax Department.
2. The Service Tax Department for the period 2007-2008 to 2009-2010 denied rebate claims of ₹ 13.00 lakhs approximately on export of services. JEPL filed an appeal before the Commissioner of Central Excise- Appeals.. The Service tax Department has issued two showcause cum demand notice ₹ 230.70 lakhs for period Assessment years 2004-05 to A.Y 2009-10 on the issue of levy of service tax on reimbursement of expenses. The company has replied to the show cause notices.
3. The assessing officer for the assessment year 2006-2007 raised a total demand of ₹ 3.30 lakhs approximately on account of denial of claim of JEPL of refund on excess service tax paid. JEPL filed an appeal before the Commissioner of Central Excise- Appeals. The Sales Tax Authorities for the assessment year 1998-1999 raised a sales tax demand of ₹ 1.10 lakhs approximately on account of sales tax on sale of fixed assets. On appeal the matter has been remanded back to the assessing authorities for reconsideration. The Sales Tax Authorities for the assessment year 2002-2003 raised a sales tax demand of ₹ 1.90 lakhs approximately on account of sales tax on non submission of E1 forms. On appeal the matter has been remanded back to the assessing authorities for reconsideration. The Sales Tax Authorities for the assessment year 2003-2004 raised a sales tax demand of ₹ 0.60 lakhs approximately on account of sales tax on non submission of D forms. On appeal the matter has been remanded back to the assessing authorities for reconsideration.
4. Service Tax department has initiated proceedings for non-payment of service tax to the tune of ₹ 11.99 lakh, on services received from service provider from outside India, taking the services as taxable, whereas JEPL contends that these services are not taxable. No demand has been raised as yet, as the proceedings are in progress and is yet to be concluded by the Service Tax Department.

### **Enpro Exports Private Limited**

#### *Income Tax Cases*

Details of income tax proceeding pending against Enpro Exports Private Limited is set forth below:

The assessing officer for the Income Tax assessment years 1995-1996 to 1997-1998 raised an income tax demand of ₹ 1.74 million approximately on account of taxation of capital recovery in lease rent as income. Aggrieved by the order Enpro Exports Private Limited filed an appeal before Appellate Authorities which have decided in favour of the company. the Income Tax Department filed an further appeal before the High Court of Delhi.

### **Enpro Oil Private Limited**

#### *Civil Cases*

Details of civil proceeding pending against Enpro Oil Private Limited is set forth below:

Health and Glow Retiling Private Limited has filed a suit against Enpro Oil Private Limited and others before the Court of City Civil and Session Judge, Bangalore seeking an injunction against Food Express Stores from obstructing Health and Glow Retiling Private Limited carrying on business in the licensed premise. The Court of City Civil and Session Judge, Bangalore has granted temporary injunction to the Plaintiff against the Defendant.



*Taxation Cases*

Details of taxation proceeding pending against Enpro Oil Private Limited is set forth below:

1. The Commissioner of Central Excise by an order dated September 5, 2007 raised a demand of ₹ 62.90 lakhs on account of certain service tax dues along with cess and also levied a penalty of ₹ 100.00 lakhs. Enpro Oil India Private Limited has filed an appeal before the CESTAT for stay of the demand notice after depositing a prescribed sum of ₹ 20.00 lakhs.
2. Income Tax department has issued a notice of scrutiny assessment for the A.Y 2008-09 which is pending.

**Tower Promoters Private Limited***Income Tax Cases*

Details of income tax proceedings pending against Tower Promoters Private Limited are set forth below:

1. The assessing officer for the assessment year 2005-2006 raised an income tax demand of ₹ 324.80 lakhs approximately on account of treatment of capital subscription as income. Aggrieved by the said order Tower Promoters Private Limited filed an appeal before Commissioner of Income Tax (Appeals) who had decided in favour of Company. Aggrieved by the order of Commissioner of Income Tax – Appeals, the Income Tax Department has now filed an appeal before the Income Tax Appellate Tribunal, which has been rejected.
2. The assessing officer for the assessment year 2006-2007 disallowed deduction of income of ₹ 15.00 lakhs approximately on account of certain interest claims while calculating the taxable income. On account of the denial of claim there is no tax payable by Tower Promoters Private Limited. Aggrieved by the said order, Tower Promoters Private Limited has filed an appeal before the Income Tax Appellate Authority, Delhi, which has been rejected.

**U C Gas & Engineering Limited**

Nil

**Asia Infrastructure Development Company Private Limited**

Nil

**Western Drilling Contractors Private Limited**

Nil

**Jubilant Realty Private Limited**

Nil

**Jubilant Properties Private Limited**

Nil

**India Country Homes Private Limited***Income Tax Cases*

Details of income tax proceedings pending against India Country Homes Private Limited are set forth below:

**JUBILANT INDUSTRIES LIMITED**
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1. The assessing officer for the assessment year 1999-2000 levied a penalty under section 271(1)(c) raising an income tax demand of ₹ 0.40 million against India Country Homes Private Limited.
2. The assessing officer for the assessment year 2000- 2001 levied a penalty under section 271(1)(c) raising an income tax demand of ₹ 0.39 million against India Country Homes Private Limited

**Jubilant E & P Ventures Private Limited**

Nil

**Jubilant Retail Private Limited**

Nil

**Jubilant Motorworks Private Limited (formerly Jubilant Motors Private Limited)**
*Consumer Cases*

Details of consumer related proceeding pending against Jubilant Motorworks Private Limited is set forth below:

Mr. Sandeep C. Dhelaria has filed a consumer complaint (CC No. 142 of 2009) against Audi (India) and Jubilant Motors Private Limited before Karnataka State Consumer Disputes Redressal Commission at Bangalore for replacement of his car with new car and compensation of ₹ 10 lakhs. The Jubilant Motors (Opposite Party No. 2) has filed objections/reply to complaint filed by Sandeep C. Dhelaria.

**Jubilant Retail Consolidated Private Limited**

Nil

**B & M Hotbreads Private Limited**

Nil

**GPS Stock Brokers Private Limited**

Nil

**Dyno Enpro Oil Field Chemicals Private Limited**
*Taxation Cases*

Details of taxation proceeding pending against Dyno Enpro Oil Field Chemicals Private Limited is set forth below:

The assessing officer, for the Income Tax Assessment year 2004-05 has completed the income tax assessment, ex-parte, raising a demand of ₹ 10.20 lakhs on the company. Against the assessment order, the company has filed appeal before Commissioner of Income Tax – Appeals which has been allowed. The Income Tax Department may file further appeal against the appellate order.

*Civil Cases*

Details of civil proceeding pending against Dyno Enpro Oil Field Chemicals Private Limited is set forth below:

Dyno-Enpro Oil Fields Chemicals Private Limited filed two compounding applications under sections 166 and 210 of the Companies Act (relating to not holding the annual general meeting within the prescribed time and extension of the financial year by six months, without obtaining prior approval of the relevant Registrar of Companies respectively) before the Company Law Board, Northern Region Bench. The matter is currently

pending.

### **Jubilant Oil and Gas Private Limited ("JOGPL")**

#### *Civil Cases*

Details of civil proceedings pending against JOGPL are set forth below:

1. JOGPL (as operator of the Tripura Block) is involved in a dispute with DRIPL for alleged delays in mobilizing a rig. As a result, JOGPL incurred stand-by costs with other service providers and has claimed for liquidated damages from DRIPL of USD 4.50 lakhs and cost of hire of various equipments by it on behalf of DRIPL amounting to USD 0.79 lakhs. It has made a net claim of USD 3.05 lakhs against DRIPL on the aforesaid account after adjusting its invoice for USD 2.24 lakhs. JOGPL has further disputed DRIPL invoices to the extent of US\$28,650. JOGPL is also in possession of a performance bank guarantee amounting to ₹ 37.50 lakhs (equivalent to approximately USD0.83 lakhs) from DRIPL towards due performance of the contract. DRIPL has further failed to remove its rig from the well site. JOGPL has issued several reminders to DRIPL for removal of the rig followed by a notice of criminal trespass. DRIPL has disputed that it has committed criminal trespass. DRIPL has filed a civil suit before the Civil Judge (Senior Division), South Tripura – Udaipur inter alia praying that the demands raised by JOGPL to be quashed, a permanent injunction be granted against JOGPL encashing the bank guarantee and JOGPL be directed to pay the amounts owed to DRIPL with interest. DRIPL has also obtained an ex-parte injunction from the said court against encashment of the bank guarantee by JOGPL.
2. On November 27, 2009, GAIL alleged that JOGPL caused delays in commissioning and inspecting a work-over rig, to be used in the Kathalchari and Ambasa N Wells (which was provided by M/s Deewanchand Ramsaran Industries in Tripura Block). GAIL has alleged that such delays meant GAIL incurred various costs and that the consortium was affected as there may be additional financial implications and delays caused in completing the testing of the wells. GAIL has requested that JOGPL provide reasons as to why the procedure for removal of the operator, in the event of a material breach of contract, provided in the JOA for the Tripura Block, should not be initiated against JOGPL. JOGPL has replied to the said notice denying all of the allegations. JOGPL has not received any further communication in the matter from GAIL.
3. JOGPL (as operator of the Tripura Block) has disputed the amounts outstanding under a contract dated May 28, 2008 with Northstar Drillstem Testers (Cyprus) Limited ("Northstar") alleging that Northstar failed to deliver certain testing equipment to the Tripura site by the agreed date. JOGPL has disputed Northstar's invoice (approximately USD 3.67 lakhs) and has claimed for damages for breach of contract (approximately USD 11.02 lakhs). The matter is at a pre-litigation stage.
4. JOGPL is holding conciliation talks with BJ Services Company Middle East Limited ("BJ Services") pursuant to a contract dated September 26, 2007 whereby BJ Services failed to provide cementing and related services for the Cauvery Block. JOGPL has disputed and withheld the invoices of BJ Services (approximately USD 1.75 lakhs) and claimed compensation for damage to a well totaling USD 136.68 lakhs due to alleged negligence on the part of BJ Services. JOGPL may consider entering into arbitration proceedings if the conciliation / negotiations fail.

#### *Taxation Cases*

Details of taxation proceeding pending against JOGPL are set forth below:

1. Quippo Oil & Gas filed a writ petition before the High Court of Gauhati against the State Government of Tripura and others, including JOGPL, challenging the applicability of value added tax to contracts entered into with JOGPL and ONGC for providing drilling services and charter hire of rigs, respectively. JOGPL received a notice dated December 17, 2009, from the State Government of Tripura stating that Quippo's contract for drilling with JOGPL can be classified as works contract and attracted value added tax at the rate of 4 per cent. Further, pursuant to a notice dated February 3, 2010, JOGPL was asked to deposit the tax deducted from payments made to Quippo in the government treasury. Accordingly, JOGPL computed and withheld such amount from the payments made to Quippo. However, the amount (approximately ₹13.51 million) was not deposited with the State Government of Tripura. In the writ petition, Quippo has contended

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that the contracts do not fall within the category of works contract, as defined in section 2(36) of the Tripura Value Added Tax Act, 2004 and that there was no transfer of property involved in the execution of the contracts. Accordingly, as per Quippo, no value added tax was payable on such contracts and that JOGPL and ONGC could not be ordered by the State Government of Tripura to deduct tax at source from the bills raised by Quippo. Quippo has also pleaded that the High Court of Tripura declare section 4(3) of the Tripura Value Added Tax Act, 2004 and rule 7 of the Tripura Value Added Tax Rules, 2005, ultra vires and beyond the legislative competence of the State of Tripura. On August 10, 2010, the High Court of Gauhati directed JOGPL to deposit the deducted amount in a nationalized bank and not to make further deductions till the next date of hearing. JOGPL has complied with the order of the High Court and accordingly deposited the amount with the nationalized bank.

2. During the year ended March 31, 2008, JOGPL had received a demand of ₹ 32.86 lakhs together with penalty/interest of ₹ 60.00 lakhs to the extent determined/quantified in the order, from the service tax authorities for alleged non-payment of service tax on advisory and assisting services provided to various foreign entities for their operations in India. During the year ended March 31, 2009, JOGPL has deposited under protest 50% of the demand with the authorities. Further, during the year ended 31 March 2009, JOGPL has filed an appeal against the said demand which is pending for hearing with Customs, Excise and Service Tax Appellate Tribunal. The matter is currently pending.
3. During the year ended March 31, 2009, JOGPL received a show cause notice from the Commissioner of Service Tax for ₹ 2,330.98 lakhs (excluding interest/penalty). This show cause notice has been issued in respect of Mehsana, Cauvery and Tripura PSCs for alleged non-payment of service tax on services provided by the Operators to respective JV partners of each block during the period 2004-05 to 2007-08. JOGPL has filed a reply against the said notice with the appropriate authorities.
4. During the year ended March 31, 2010, JOGPL received a show cause notice from the Commissioner of Service Tax, Delhi amounting to ₹ 1,852.71 (including interest/penalty, to the extent quantified / determined in the notice). This show cause notice has been issued in respect of Mehsana, Cauvery, Golaghat and Tripura PSCs for alleged non-payment of service tax on services provided by the operator to respective JV partners of each block during the financial year 2008-09. JOGPL has filed a reply against the said notice with the appropriate authorities.
5. During the year ended March 31, 2011, JOGPL received a show cause notice from the Commissioner of Service Tax, Delhi amounting to ₹ 1,629.14 lakhs (including interest/penalty, to the extent quantified / determined in the notice). This show cause notice has been issued in respect of Mehsana, Cauvery, Golaghat and Tripura PSCs for alleged non-payment of service tax on services provided by the operator to respective JV partners of each block during the period 2009-10.
6. During the financial year ended March 31, 2010, JOGPL (as an operator of Tripura block) has received a show cause notice from the Commissioner, Central Excise and Service Tax, Shillong for ₹540.12 lakhs (JOGPL share ₹ 108.02 lakhs) (excluding interest/penalty). This show cause notice has been issued in respect of Tripura PSCs for alleged non-payment of service tax for the financial years ended March 31, 2005, 2006, 2007 2008. JOGPL has filed its reply against the said notice with the appropriate authorities.
7. During the financial year ended March 31, 2010, JOGPL (as an operator of Tripura block) has received a show cause notice from the Commissioner, Central Excise and Service Tax, Shillong for ₹ 891.87 lakhs (JOGPL share is ₹ 178.37 lakhs) (excluding interest/penalty). This show cause notice has been issued in respect of Tripura PSCs for alleged non-payment of service tax for the financial year ended March 31, 2009. JOGPL has filed a reply against the said notice with the appropriate authorities.
8. The tax assessment for A.Y. 2008-09 has been completed by tax authorities and order has been passed in December 2010. The said assessment has resulted in a demand of ₹ 321.26 lakhs in JOGPL. The Company has filed appeal before appellate authorities challenging the disallowances / additions made in its assessment. JOGPL has filed rectification application to rectify the mistakes in the assessment order passed as well as in demand raised. It has also filed stay petition before the assessing officer against the said assessment order to stay the demand.

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9. JOGPL has received a show cause notice from the Income Tax Officer for ₹ 15.39 lakhs alleging non deduction and non deposit of the tax deducted at source as mandated under the Income Tax Act, for the assessment year 2008-09. JOGPL has filed its reply with the appropriate authorities.
10. JOGPL has received show cause notice from the Income Tax Officer for ₹ 164.17 lakhs alleging non deduction and non deposit of the tax deducted at source as mandated under the Income Tax Act for the assessment year 2009-10. JOGPL has filed its reply with the appropriate authorities.
11. JOGPL has received notice from the Income Tax Officer for ₹ 197.45 lakhs alleging non deduction and non deposit of the tax deducted at source as mandated under the Income Tax Act for the assessment year 2009-10. JOGPL has filed its reply with the appropriate authorities.

**Jubilant Offshore Drilling Private Limited**
*Arbitration Proceeding*

Details of arbitration proceeding pending against Jubilant Offshore Drilling Private Limited is set forth below:

Arbitration proceedings have been initiated by Saipem (Portugal) Comercio Maritime LDA ("**Saipem**") against GSPC (operator of the KG Block), through notice dated March 31, 2008, pursuant to a dispute in relation to the contractual obligations of Saipem under the contract for services dated April 1, 2004 for offshore jack up drilling rig services on the KG Block off Andhra Pradesh coast. Saipem has alleged that GSPC asked it to undertake work for a longer duration and beyond the contractual scope of work, including, but not limited to, conducting directional drilling, which is in violation of contractual provisions. Pursuant to such dispute, the present proceedings were initiated. Saipem has pleaded for a grant of compensation at market rate. In addition, Saipem has also alleged that GSPC is required to bear tax obligations under the contract. Saipem has filed its reply to GSPC's statement of defence and counterclaim and has been granted permission to amend its statement of claim. The claim made by Saipem which is subject to arbitration proceedings is for USD143,452,321 while counter claim made by GSPC is USD 28,567,480.

*Taxation Cases*

Details of taxation proceeding pending against Jubilant Offshore Drilling Private Limited is set forth below:

1. Attwood Oceanic Pacific Limited ("Attwood") - GSPC as an operator has received a demand of ₹ 1,131.62 lakhs along with interest and a penalty of ₹ 1,100.00 lakhs from the Commissioner of Central Excise, Ahmedabad pertaining to service tax on the off-shore services received during the period from March 12, 2003 to March 31, 2007. In response to this demand, the operator has filed an appeal in the Custom Excise and Service Tax Appellate Tribunal (CESTAT) upon payment of an amount of ₹ 619.07 lakhs under protest to the tax authorities. The CESTAT has waived the requirement of deposit of the balance amount of service tax and penalties imposed upon the operator and for stay of recovery of the same during the pendency of the appeal.
2. The tax assessment for A.Y. 2008-09 has been completed by the tax authorities and order has been passed in December 2010. The said assessment has resulted in a demand of ₹ 66.56 lakh in JODPL. The Company has filed appeal before appellate authorities challenging the disallowances / additions made in its assessment. The Company has filed rectification application to rectify the mistakes in the demand raised before the assessing officer. It has also filed stay petition before the Assessing officer against the said Assessment order to stay the demand raised.

**Jubilant Energy (Kharsang) Private Limited (JEKPL)**
*Taxation Cases*

Details of taxation proceeding pending against Jubilant Energy (Kharsang) Private Limited is set forth below:

1. JEKPL has filed writ petition before Delhi High Court in December 2010 challenging retrospective

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- amendment to section 80-IB(9) of the Income Tax Act, 1956 as amended. The Delhi High Court in its interim order, passed in January 2011, has admitted its petition and issued notices to the Government of India and the Central Board of Direct Taxes to file their reply.
2. The tax assessment for A.Y. 2008-09 has been completed by tax authorities and order has been passed in December 2010. The said assessment has resulted in a demand of ₹ 477.59 lakhs in JEKPL. JEKPL has filed a rectification application against the said Assessment order which when given effect to, will reduce the demand from ₹ 477.59 lakhs to ₹ 374.22 lakhs. JEKPL has deposited the demand under protest after giving assuming the effect to its rectification application. JEKPL has also filed appeal before appellate authorities challenging the disallowances / additions made in its assessment.
  3. JEKPL has received show cause notices from the Income Tax Officer for ₹ 1.26 lakhs and ₹ 1.18 lakhs alleging non deduction and non deposit of the tax deducted at source as mandated under the Income Tax Act for the A.Y. 2008-09 and 2009-10 respectively.

***Arbitration Proceeding***

Details of arbitration proceeding pending against Jubilant Energy (Kharsang) Private Limited is set forth below:

GeoEnpro (Operator of the Kharsang PSC) and Geophysical Institute of Israel Arbitration (“**GII**”) are involved in arbitration proceedings relating to the quality of work undertaken by the GII under a contract dated December 13, 2007 for 3D seismic acquisition, processing and interpretation. GII has filed a claim amounting to USD 36.37 lakhs and ₹ 4.80 lakhs (along with interest and cost of litigations, etc.) against GeoEnpro on account of certain alleged dues which GeoEnpro had not paid to the GII. GeoEnpro has also filed a counterclaim for approximately ₹1,107.51 lakhs along with interest alleging that the said amount has already been paid to GII on account of defective services rendered by the GII. The matter is pending before an arbitral tribunal..

***Civil Cases***

Details of civil proceeding pending against Jubilant Energy (Kharsang) Private Limited is set forth below:

The operator of the Kharsang Field, Geo Enpro, has received a notice dated November 8, 2004 from the Conservator of Forests stating that under the Indian Forest Act, 1927 (“**Forest Act**”) the PML is required to be approved by the GoI prior to the grant of the PML. The notice also requires Geo Enpro to submit a proposal for the diversion of 11 square kilometres of forest area in the Kharsang Field, failing which, action will be initiated against Geo Enpro under the relevant provisions of the Forest Act.

**Jubilant Energy (NEPL-V) Private Limited**

Nil

**Focus Brands Trading India Private Limited**
***Arbitration Proceeding***

Details of arbitration proceeding pending against Focus Brands Trading India Private Limited is set forth below:

M/s. Innovations filed a company petition before the Hon’ble High Court of Delhi praying for winding up of Focus Brands Trading (India) Private Limited on the ground that Focus Brands Trading (India) Private Limited failed to pay its dues amounting to ₹ 68.93 lakhs (₹ 55.57 lakhs being the principal and ₹ 13.36 lakhs being the interest) to M/s. Innovations. Pursuant to an order of the Arbitration Tribunal at Milan - Campari International S.A.M., the distribution agreement and licence agreement with Focus Brands Trading (India) Private Limited was terminated to facilitate put option between DI CI. E. HOLDING B.V and Jubilant Enpro Private Limited. The said termination of the agreement was challenged by Focus Brands Trading (India) Private Limited before the High Court at Delhi. The High Court ordered Focus Brands Trading (India) Private Limited to appear before the arbitration proceedings at Milan filed by Campari International S.A.M.

***Income Tax Proceeding***

NIL



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**7.1 MATERIAL DEVELOPMENTS SINCE THE LAST BALANCE SHEET DATE, i.e. SEPTMEBER 30, 2010.**

- (i) The Hon'ble High Court of Allahabad, by its Orders, has approved the Scheme pursuant to which SML and PMSL stand amalgamated with JLL with effect from the Amalgamation Appointed Date and the agri products division, performance polymer division and IMFL division of JLL stand demerged into JIL with effect from the Demerger Appointed Date. The Orders along with Form 21 was filed with the RoC on the Effective Date.
- (ii) In accordance with the said Scheme, on November 27, 2010, 79,64,056 equity shares of ₹ 10 each of the Company were allotted to the shareholders of JLL, as per the entitlement ratio of 1:20 i.e. for every 20 (twenty) equity shares of face value Re. 1/- each held in JLL, as on the Demerger Record Date i.e. November 26, 2010, the equity shareholders of JLL were issued 1 (one) equity share of face value of ₹ 10 each of the Company.

**7.2 GOVERNMENT APPROVALS OR LICENSING ARRANGEMENTS**

Consequent to vesting of agri products division, performance polymer division and IMFL division of JLL with our Company, pursuant to the Scheme, all statutory licenses, no-objection certificates, permissions, registrations, approvals, consents, permits, quotas, entitlements or rights required to carry on the operations of the Demerged Undertaking or granted in relation to the Demerged Undertaking stand vested in or transferred to our Company, without further act or deed, and shall be appropriately transferred or assigned by the statutory authorities concerned herewith in favour of our Company upon vesting of the Demerged businesses pursuant to the Scheme. The benefit of all statutory and regulatory permissions, environmental approvals and consents including statutory licenses, permissions or approvals or consents required to carry on the operations of the Demerged Undertaking vest in and is available to our Company pursuant to the Scheme.

**SECTION 8 - REGULATORY AND STATUTORY DISCLOSURES****8.1 REGULATORY AND STATUTORY DISCLOSURES****Authority for Listing**

Pursuant to the Scheme, SML and PMSL stand amalgamated with JLL with effect from the Amalgamation Appointed Date and the Demerged Undertaking was vested in our Company with effect from the Demerger Appointed Date. The Scheme provides that the Equity Shares issued by JIL to the shareholders of JLL pursuant to the Scheme as on the Demerger Record Date as well as its existing Equity Shares, shall be listed and admitted to trading on the Stock Exchanges (without JIL undertaking any initial public offering of its Equity Shares), where the equity shares of JLL are listed and are admitted to trading. However, in accordance with the SEBI Circular, SEBI vide its letter no. CFD/DIL/SP/RGA/OW/3157/2011 dated January 13, 2011 granted relaxation from the strict enforcement of Rule 19(2)(b) of the SCRR..

Such listing and admission for trading is not automatic and will be subject to fulfillment by our Company of listing criteria of BSE and NSE for such issues. BSE by its letter no. DCS/AMAL/SP/IP/959/2010-11 dated December 16, 2010 and NSE by its letter no. NSE/LIST/154795-4 dated December 28, 2010 granted in-principle approval for listing of the Company's shares subject to certain terms and conditions contained therein.

**Prohibition by SEBI**

There is no prohibition on Jubilant Industries Limited, Promoters, Promoter Group, Directors, Group Companies, from accessing the capital market for any reasons by the SEBI or any other authorities.

None of the Directors of Jubilant Industries Limited is associated with the securities market in any manner and SEBI has initiated no action against them ever.

Jubilant Industries Limited, its Promoters, Group Companies, the Relatives (as per Companies Act, 1956) of Promoters, Group Companies are not identified as willful defaulters by Reserve Bank of India or other authorities.

**Eligibility Criterion**

There being no initial public offering or rights issue, the eligibility criteria in terms of Chapters III and IV of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 are not applicable. However, in accordance with the SEBI Circular, SEBI vide its letter no. CFD/DIL/SP/RGA/OW/3157/2011 dated January 13, 2011 granted relaxation from the strict enforcement of Rule 19(2)(b) of the SCRR.

Our Company has submitted this Information Memorandum, containing information about itself, for making this Information Memorandum available to public through their websites, i.e., [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com). Our Company has made this Information Memorandum available on its website, [www.jubilantindustries.com](http://www.jubilantindustries.com).

Our Company will publish an advertisement in one English and one Hindi newspaper with nationwide circulation containing its details in line with the requirements of the above mentioned circular. The advertisement will draw specific reference to the availability of this Information Memorandum on its website.

**Disclaimer Statement by our Company**

Our Company accepts no responsibility for statement made otherwise than in this Information Memorandum or in the advertisement to be published in relation to the Scheme or any other material issued by or at the instance of our Company and anyone placing reliance on any other source of information would be doing so at his or her own risk. All information shall be made available by our Company to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner.

**Caution**

Our Company accepts no responsibility for statements made otherwise than in this Information Memorandum or



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in the advertisement referred to above or any other material issued by or at the instance of our Company and that anyone placing reliance on any other source of information would be doing so at his own risk. Our Company shall make all information available to the equity shareholders and no selective or additional information would be available for a section of the equity shareholders in any manner whatsoever including at presentations, in research or sales reports, after filing of this Information Memorandum.

**Disclaimer with respect to jurisdiction**

This Information Memorandum has been prepared under the provisions of Indian laws and the applicable rules and regulations there under. Any disputes arising out of this Information Memorandum will be subject to the jurisdiction of the appropriate court(s) in New Delhi only.

**Disclaimer Clause of BSE**

The BSE had by its letter dated July 23, 2010 given its „no-objection“ with limited reference to those matters having a bearing on listing/ delisting/ continuous listing requirements within the provisions of the Listing Agreement, so as to enable JLL file the Scheme with the Hon’ble High Court.

By virtue of that „no-objection“ (as per clause 24(f) of the Listing Agreement) BSE’s name is being used in this Information Memorandum as one of the Stock Exchanges on which our Company’s securities are proposed to be listed.

As required, a copy of this Information Memorandum has been submitted to BSE. Further, BSE vide its letter no. DCS/AMAL/SP/IP/959/2010-11 dated December 16, 2010, granted in-principle approval for listing of the Company’s shares subject to certain terms and conditions contained therein.

**Disclaimer Clause of NSE**

The NSE had by its letter dated August 5, 2010 given its „no-objection“ with limited reference to those matters having a bearing on listing/ delisting/ continuous listing requirements within the provisions of the Listing Agreement, so as to enable Jubilant Life Sciences Limited to file the Scheme with the Hon’ble High Court.

By virtue of that „no-objection“ (as per clause 24(f) of the Listing Agreement) NSE’s name is being used in this Information Memorandum as one of the Stock Exchanges on which our Company’s securities are proposed to be listed.

As required, a copy of this Information Memorandum was been submitted to NSE. Further, NSE vide its letter no. NSE/LIST/154795-4 dated December 28, 2010 granted in-principle approval for listing of the Company’s shares subject to certain terms and conditions.

**Filing**

This Information Memorandum has been filed with BSE, Listing Department, at Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai, 400001 and with NSE, Listing Department, at Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai 400051. All the legal requirements applicable till the date of filing this Information Memorandum with the Stock Exchanges have been complied with.

**Listing**

Applications will be made to BSE and NSE for permission to deal in and for an official quotation of the Equity Shares of our Company. Our Company has nominated BSE as the Designated Stock Exchange for the aforesaid listing of the Equity shares. The Company has taken steps for completion of necessary formalities for listing and commencement of trading at BSE and NSE.

**Designated Stock Exchange**

The designated stock exchange is the BSE.

**Expert Opinion, if any**

Save and except as indicated elsewhere in this Information Memorandum, no other expert opinion has been obtained by our Company.

**Previous Public or Rights issues, if any during the last five years**

Nil

**Previous issues of securities otherwise than for cash**

Nil.

**Commission or brokerage on previous issues**

Nil

Except as disclosed below, neither our Company nor any other listed group company/subsidiary/associate made any capital issue in the last three years.

JLL raised approximately ₹ 387 crores pursuant to a qualified institutions' placement in March, 2010 in accordance with Chapter VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended.

Further, Jubilant FoodWorks Limited, raised ₹ 328.72 crores pursuant to an initial public offering in February 2010.

**Details of all outstanding debentures or bonds and redeemable preference shares and other instruments issued by Jubilant Industries Limited outstanding as on the date of Information Memorandum**

Nil

**Stock Market Data for Equity Shares of our Company**

BSE by its letter no. DCS/AMAL/SP/IP/959/2010-11 dated December 16, 2010 and NSE by its letter no. NSE/LIST/154795-4 dated December 28, 2010 have granted in-principle approval for listing of the Company's shares subject to certain terms and conditions. Further, in accordance with the SEBI Circular, SEBI by its letter no. CFD/DIL/SP/RGA/OW/3157/2011 dated January 13, 2011 granted relaxation from the strict enforcement of Rule 19(2)(b) of the SCRR. The Company is taking steps for completion of necessary formalities for listing and commencement of trading at BSE and NSE.

**Mechanism evolved for redressal of investor grievances in Jubilant Industries Limited****Details of the arrangements or mechanism evolved by Jubilant Industries Limited for redressal of investor grievances.**

Alankit Assignments Limited are the Registrars and Share Transfer Agents of our Company to accept the documents/requests/complaints from the investors/shareholders of our Company. All documents are received at the inward department, where the same are classified based on the nature of the queries/actions to be taken and coded accordingly.

Our Company has set up service standards for each of the various processors involved such as effecting the transfer/dematerialization of securities/change of address ranging from 7-21 days.

Alankit Assignments Limited maintains an age-wise analysis of the process to ensure that the standards are duly

**JUBILANT INDUSTRIES LIMITED**
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adhered and the Compliance Officer of our Company is vested with responsibility of addressing the Investor Grievance in coordination with Registrar & Share Transfer Agents.

The Compliance Officer may be contacted at the following address:

Ms. Sonia Niranjana Das,  
Company Secretary  
Jubilant Industries Limited  
1A, Sector 16A  
Institutional Area, Noida  
Uttar Pradesh 201 301, India  
Tel: +91-120-251-6601, +91-120-251-6611  
Fax: +91-120-251-6629

**Details of the number of investor complaints received during the three years preceding the filing Information Memorandum and the number of complaints disposed off during that period.**

Nil

**Details of the number of investor complaints pending on the date of filing Information Memorandum with the SEBI.**

N.A.

**Details of change, if any, in the auditors of Jubilant Industries Limited during the last three years, and reasons, thereof.**

M/s Sudhindra Jain & Co., Chartered Accountants, were Statutory Auditors of our Company since its incorporation, resigned as such w.e.f. December 14, 2009.

**Details of capitalization of reserves or profits (during last five years) by Jubilant Industries Limited.**

Nil

**Details of revaluation of assets, if any (during the last five years) by Jubilant Industries Limited.**

There is no revaluation of assets except as per the Scheme among JLL, SML, PMSL and our Company as sanctioned by the Hon'ble High Court of Allahabad by its Orders, net book value of PMSL (which was merged with JLLL and demerged into JIL) amounting to ₹ 148.75 lakhs have been considered at fair value amounting to ₹ 2,549.83 lakhs.

**Share allotment**

Our Company has executed Agreements with NSDL and CDSL for admitting its securities in demat form. The ISIN allotted to our Company's Equity Shares is INE 645L01011.

Equity Shares were allotted on November 27, 2010. The Equity Shares were issued in demat form to those shareholders who have provided necessary details to our Company and/or who were holding their shares in Jubilant Life Sciences Limited in demat form and physical shares certificates were sent to the other shareholders.

**8.2 MAIN PROVISIONS OF ARTICLES OF ASSOCIATION OF OUR COMPANY**

Interpretation	1. Unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which the Articles become binding on the Company. The marginal notes hereto are inserted for convenience and shall not affect the construction hereof and in these presents, unless there be something in the subject or context inconsistent therewith:-
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	<p>(a) “The Act” means the Companies Act, 1956 and includes, where the context so admits, any re-enactment or statutory modification thereof for the time being in force.</p> <p>(b) “These Articles” means these Articles of Association as originally framed or as altered, from time to time by Special Resolution in the General Meeting of the Company.</p> <p>(c) “The Company” means <b>JUBILANT INDUSTRIES LIMITED</b>.</p> <p>(d) “The Director or Directors” mean the Directors for the time being of the Company.</p> <p>(e) “The Board of Directors” or “The Board” means the Board of Directors for the time being of the Company.</p> <p>(f) “The Managing Director” means the Managing Director for the time being of the Company.</p> <p>(g) “The Manager” means the Manager for the time being of the Company.</p> <p>(h) “The Secretary” means the Secretary for the time being of the Company.</p> <p>(i) “The Office” means the Registered Office for the time being of the Company.</p> <p>(j) “The Register” means the Register of Members of the Company required to be kept under Section 150 of the Act.</p> <p>(k) “The Registrar” means the Registrar of Companies, Uttar Pradesh and Uttarakhand.</p> <p>(l) “Dividend” includes interim dividend.</p> <p>(m) “Month” means calendar month.</p> <p>(n) “Seal” means the Common Seal of the Company.</p> <p>(o) “Proxy” includes Attorney duly constituted under a Power of Attorney.</p> <p>(p) “In writing” and “Written” include printing, lithography and other modes of representing or reproducing words in visible form.</p> <p>Word imparting singular number also includes the plural number and vice versa. Word imparting person includes corporation.</p>
Table „A” not to apply	2. Save as reproduced herein, the regulations contained in table „A” in the Schedule to the Act shall not apply to the company.
Company not to purchase its own shares	3(a) Save as permitted by Section 77 of the Act, the funds of the Company shall not be employed in the purchase of or lent on the security of, shares of the Company and the Company shall not give, directly or indirectly, any financial assistance, whether by way of loan, guarantee, the provision of security, or otherwise, for the purpose of or in connection with any purchase of or subscription of shares in the company or any Company of which it may, for the time being, be a subsidiary. This Article shall not be deemed to affect the power of the Company to enforce repayment of loans to members or to exercise lien conferred by Article 31.

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Buy back of shares	3(b) Pursuant to applicable laws and notwithstanding anything else contained to the contrary in these Articles, the Company may acquire, purchase or buy back its own shares or other specified securities out of its free reserves or the securities premium account or the proceeds of any shares or other specified securities or by any other mode or manner and/or upon such terms and conditions and subject to such limits and such approvals as may be legally permissible.
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**S H A R E S**

Division of capital	<p>4 (a) The Authorised Share Capital of the Company shall be of such amount and be divided into such shares as mentioned in Clause V of the Memorandum of Association of the Company from time to time and the paid up capital of the company shall be minimum ₹. 5,00,000/- (Rupees Five Lacs) only.</p> <p>(b) The Preference Shares forming part of the Share Capital of the Company shall have such rights and privileges attached thereto in respect of dividend and return of Capital as shall be determined by the Company in general meeting prior to the issue of such Shares.</p>
Redeemable Preference Shares	<p>(c) Subject to the provisions of Section 80 of the Act and these Articles, the Company shall have power to issue Preference shares carrying a right to redemption out of profits which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purpose of such redemption or liable to be redeemed at the option of the Company and the Board may exercise such power in such manner as it may think fit.</p> <p>(d) The Board shall have the power to issue a part of the Authorised Capital by way of shares with differential rights as to dividend, voting or otherwise, at prices, premium, dividends, eligibility, volume, quantum, proportion and other terms and conditions as they deem fit, subject, however, to applicable legal provisions.</p>
Allotment of shares	5. Subject to the provisions of these Articles, the Board shall have powers to allot the shares to any person or otherwise dispose of the same, on such terms and conditions, at such times, either at par or at a premium, and for such consideration as the Board thinks fit. Provided that, where at any time (after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of shares in the Company made for the first time after its formation, whichever is earlier) it is proposed to increase the subscribed capital of the Company by the allotment of further shares, then, subject to the provisions of Section 81(1A) of the Act, the Board shall issue such shares in the manner set out in the Section 81(1) of the Act. Provided that, option or right to call of any shares shall not be given to any person except with the sanction of the Company in general meeting.
Return of allotments	6. As regards all allotment made from time to time the Company shall duly comply with Section 75 of the Act.
Restrictions on allotments	<p>7. If the Company offers any of its shares to the public for subscription:-</p> <p>(a) no allotment thereof shall be made, unless the amount stated in the prospectus as the minimum subscription has been subscribed, and the sum payable on application thereof has been paid to and received by the Company; whether in cash or by a cheque or other instrument which has been paid.</p> <p>(b) the amount payable on application on each share, shall not be less than 5 per cent of the nominal amount of share; and</p> <p>(c) the Company shall comply with the provisions of subsection (4) of Section 69 the Act. And if the Company shall propose to commence business after filing a statement in lieu of prospectus, the Board shall not make any allotment of shares payable in cash unless Sections 70 and 149 of the Act</p>

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	shall have been complied with.
Commissions and Brokerage	8. The Company may exercise the powers of paying commission conferred by Section 76 of the Act, provided that the rate per cent, or the amount of commission paid or agreed to be paid shall be disclosed in the manner as required by the said Section and the commission shall not exceed the percentage prescribed by the Act. Such commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other. The Company may also on any issue of shares or debentures pay such brokerage as may be lawful.
Shares at a discount	9. Subject to the provisions of section 79 of the Act, the Company may issue shares at discount of a class already issued
Installments of share to be duly paid	10. If by the conditions of allotment of any shares, the whole or part of the amount or issue price thereof shall be payable by installment, every such installment shall, when due, be paid to the Company by the person who, for the time being, shall be the registered holder of the share or by his executor or administrator.
Liability of joint-holders of shares	11. The joint-holders of a share shall be severally as well as jointly liable for the payment of all installments and calls due in respect of such share.
Trust not recognized	12. Save as herein otherwise provided, the Company shall be entitled to treat the registered holder of any shares as the absolute owner thereof and accordingly shall not, except as ordered by a Court of competent jurisdiction, or as by Statute required be bound to recognize any equitable or other claim to or interest in such shares on the part of any other person.
Who may be registered	13. Shares may be registered in the name of any person, company or other body corporate. Not more than three persons shall be registered as joint holders of any shares.

**CERTIFICATES**

Issue of Share Certificates	14. Subject to the provisions of The Companies (Issue of Share Certificate) Rules, 1960, or any statutory modification or re-enactment thereof, share certificates shall be issued as follows :- (a) The certificate to title to shares and duplicates thereof when necessary shall be issued under the Seal of the Company which shall be affixed in the presence of (i) two directors or persons acting on behalf of the directors under a duly registered Power of Attorney, and (ii) the secretary or some other person appointed by the Board for the purpose. The two directors or their attorneys and the secretary or other person shall sign the share certificate. Provided that, if the composition of the Board permits of it, at least one of the aforesaid two directors shall be a person other than a managing or whole-time director.
Members' right to Certificate	(b) Every member shall be entitled to have certificate in marketable lots free of charge for all the shares of each class registered in his name or, if any member so wishes, to several certificates each for one or more of such shares, but in respect of each additional certificate which does not comprise shares in lots or market units of trading, the Board may charge a fee of ₹ 2/- or such less sum as the Board may determine. Unless the conditions of issue of any shares otherwise provide, the Company shall either within three months after the date of allotment and on surrender to the Company of its letter of allotment or of its fractional coupons of requisite value (save in the case of issue against letters of acceptance or renunciation or in case of issue of bonus shares) or within two months of receipt of the application for registration of the transfer, subdivision, consolidation, renewal or exchange of any of its shares, as the case may be,



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	complete and have ready for delivery, the certificates of such shares. Particulars of every certificate issued, the shares to which it relates and the amount paid up thereon shall be entered in the Register maintained in the form set out in above Rules or, in a form as near thereto as circumstances admit against the name of the person to whom it has been issued indicating the date of issue. In respect of any shares held jointly by several persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate to one of several joint holders shall be sufficient delivery to all such holders.
As to issue of new certificate	(c) If any certificate of any share or shares be surrendered to the Company for sub-division or consolidation or if any certificate be defaced, torn, decrepit or worn out or where the cages on the reverse for recording transfers have been duly utilised then, upon surrender thereof to the Company, the Board may order the same to be cancelled and may issue a new certificate in lieu thereof; and if any certificate be lost or destroyed, then upon proof thereof to the satisfaction of the Board, and on such indemnity as the Board thinks fit being given, a certificate in lieu thereof shall be given to the party entitled to the shares to which such lost or destroyed certificate shall relate. Where a certificate has been issued in place of a certificate which has been defaced, lost or destroyed, it shall state on the face of it and against the stub or counterfoil that it is issued in lieu of a share certificate or is a duplicate issued for the one so defaced, lost or destroyed, as the case may be, and in the case of certificate issued in place of one which has been lost or destroyed, the word "duplicate" shall be stamped or punched in bold letters across the face thereof. For every certificate issued under this Article, there shall be paid to the Company such out of pocket expenses incurred by the Company in investigating evidence as the Board may determine
Fees on subdivision, consolidation of share, issue of new certificates etc.	(d) No fee shall be charged for sub-division and consolidation of share and debenture certificate and for sub-division of letters of allotment and split, consolidation, renewal and pucca transfer receipts into denomination corresponding to the market units of trading; for subdivision of renounceable letters of right; for issue of new certificates in replacement of those which are old, decrepit or worn out, or where the cages on the reverse for recording transfers have been fully utilised. Provided that the Company may charge such fees as may be agreed by it with the Stock Exchange with which its shares may be enlisted for the time being for issue of new certificates in replacement of those that are torn, defaced, lost or destroyed and for subdivision and consolidation of share and debenture certificates and for subdivision of letters of allotment and split, consolidation, renewal, and pucca transfer receipts into denominations other than those fixed for the market units of trading.
Particulars of new certificates to be entered in the Register	(e) Where a new share certificate has been issued in pursuance of paragraph (c) above, particulars of every such certificate shall also be entered in a Register of Renewed and Duplicate Certificates indicating against the name of the person to whom the certificate issued for the number and date of issue of the certificate in lieu of which the new certificate is issued and the necessary changes indicated in the Register by suitable cross-references in the „Remarks“ Column. All entries made in the Register or in the Register of Renewed and Duplicate Certificates shall be authenticated by the Secretary or such person as may be appointed by the Board for purposes of sealing and signing the share certificate under paragraph (a) hereof.

**CALLS**

	15. The Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the provisions of Section 91 of the Act, make such calls as the Board thinks fit upon the members in respect of all moneys unpaid on the shares held by them respectively, and not by the conditions of allotment thereof made payable at fixed times and each member shall pay the amount of every call so made to him to the persons and at the times and places appointed by the Board. A call may be
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	made payable by installments and shall be deemed to have been made when the resolution of the Board authorising such call was passed.
Restrictions on power to make calls and notice	16. In case of more than one Call, no call shall be made payable within one month after the last preceding call was payable. Not less than one month's notice of any call shall be given specifying the time and place of payment and to whom such call shall be paid.
When interest on Call payable	17.(a) If the sum payable in respect of any call or installment be not paid on or before the day appointed for payment thereof, the person from whom the sum is due shall pay interest at the rate of 12 percent per annum from the day appointed for the payment thereof to the time of the actual payment or at such lower rate (if any) as the Board may determine. (b)The Board shall be at liberty to waive payment of any such interest either wholly or in part.
Amount payable at fixed times or payable by installments as calls	18. If by the terms of issue of any share or otherwise any amount is made payable at any fixed time or by installments at fixed times, whether on account of the amount of the share or by way of premium, every such amount shall be payable as if it were a call duly made by the Board and of which due notice had been given and all the provisions herein contained in respect of calls shall relate to such amount or installment accordingly.
Evidence in actions by company against shareholders	19. On the trial or hearing of any action or suit brought by the Company against any shareholder or his representatives to recover any debt or money claimed to be due to the Company in respect of his share, it shall be sufficient to prove that the name of the dependent is, or was, when the claim arose, on the Register as a holder, or one of the holders of the number of shares in respect of which such claim is made, and that the amount claimed is not entered as paid in the books of the Company and it shall not be necessary to prove the appointment of the Board who made any call, nor that quorum was present at the board meeting, at which any call was made nor that the meeting at which any call was made duly convened or constituted, nor any other matter whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.
Payment of calls in advance	20. The Board may, if it thinks fit, subject to the provision of the Act, agree to and receive from any member willing to advance the same, whole or any part of the money due upon the shares held by him beyond the sums actually called for and upon the amount so paid or satisfied in advance or so much thereof as from time to time exceeds the amount of the call then made upon the shares in respect of which such advance has been made, the company may pay interest at such rate, as the Board of Directors may decide, provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced. The members shall not be entitled to any voting rights in respect of the moneys so paid by them until the same would but for such payment, become payable.
Revocation of call	21. A call may be revoked, extended or postponed at the discretion of the Board.

**FORFEITURE AND LIEN**

If call or installment not paid, notice may be given	22. If any member fails to pay any call or installment of a call or before the day appointed for payment of the same, the Board may at any time thereafter during such time as the call or installment remains unpaid, serve a notice on such member requiring him to pay the same, together with any interest that may have accrued and all the expenses that may have been incurred by the Company by reason of such non-payment.
Form of notice	23. The notice shall name a day (not being less than one month from the date of the notice) and a place or places on and at which such call or installment and such interest and expenses as aforesaid are to be paid. The notice shall also state that in the event of non-payment at or before the time, and at the place appointed, the shares in respect of which such call was made or installment is payable will be liable to be forfeited.



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If notice not complied with, shares may be forfeited	24.If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited, by a resolution of the Board to that effect.
Notice after forfeiture	25. When any shares have been so forfeited, notice of the resolution shall be given to the member in whose name it stood immediately prior to the forfeiture and entry of the forfeiture, with the date thereof, shall forthwith be made in the Register, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make such entry as aforesaid.
Forfeited share to become property of the Company	26.Any share so forfeited shall be deemed to be the property of the Company and the Board may sell, re-allot, or otherwise dispose of the same in such manner as it thinks fit.
Power to annul forfeiture	27. The Board may, at any time before any share so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as it thinks fit.
Liability on forfeiture	28. A person whose share has been forfeited shall cease to be a member in respect of the forfeited share, but shall notwithstanding, remain liable to pay, and shall forthwith pay to the Company, all calls, or installments, interest and expenses, owing upon or in respect of such share, at the time of the forfeiture, together with interest thereon, from time of forfeiture until payment, at 12 per cent per annum and the Board may enforce the payment thereof, or any part thereof, without any deduction or allowance for the value of the shares at the time of forfeiture, but shall not be under any obligation to do so.
Evidence of forfeiture	29. A duly verified declaration in writing that the declarant is a Director, Manager or Secretary of the Company and that certain shares in the Company have been duly forfeited on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares and such declaration and the receipt of the Company for the consideration, if any, given for the shares on the sale or disposition thereof, shall constitute a good title to such shares; and the person to whom any such share is sold shall be registered as the holder of such share and shall not be bound to see to the application of the purchase money, nor shall his title to such share be affected by any irregularity or invalidity in the proceedings in reference to such forfeiture, sale or disposition.
Forfeiture provisions to apply to non-payment in terms of issue	30. The provisions of Articles 22 to 29 hereof shall apply in the case of nonpayment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of a share or by way of premium, as if the same had been payable by virtue of call duly made or notified.
Company's lien on shares	31. The Company shall have a first and paramount lien on every share not being fully paid up registered in the name of each member (whether solely or jointly with others), and upon the proceeds of sales thereof for moneys called or payable at fixed time in respect of such share whether the time for the payment thereof shall have actually arrived or not and no equitable interest in any share shall be created except upon the footing and condition that Article 12 hereof is to have full effect. Such lien shall extend to all dividends from time to time declared in respect of such share. Unless otherwise agreed, the registration of a transfer of a share shall operate as a waiver of the Company's lien, on such share.
As to enforcing lien by	32. For the purpose of enforcing such lien, the Board may sell the share subject

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sale	thereto in such manner as it thinks fit, but no sale shall be made until such time for payment as aforesaid shall have arrived and until notice in writing of the intention to sell shall have been served on such member, his executor or administrator or his committee, curator bonis or other legal representatives as the case may be and default shall have been made by him or them in the payment of the moneys called or payable, at a fixed time in respect of such share for one month after the date of such notice.
Application of proceeds of sale	33. The net proceeds of the sale shall be received by the Company and applied towards payment of such part of the amount in respect of which the lien exists as is presently payable, and the residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the share before the sale) be paid to the person entitled to the share at the date of the sale.
Validity of sales in exercise of lien and after forfeiture	34. Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers herein before given, the Board may appoint some person to execute an instrument of transfer of the share sold and cause the purchaser's name to be entered in the Register in respect of the share sold, and the purchaser shall not be bound to the regularity of the proceedings, nor to the application of the purchase money, and after his name has been entered in the Register in respect of such share the validity of the sale shall not be impeached by any person, and the remedy of any person aggrieved by the sale shall be in damages only and against the company exclusively.
Board may issue new certificates	35. Where any share under the powers in that behalf herein contained is sold by the Board and the certificate in respect thereof has not been delivered to the Company by the former holder of such share, the Board may issue a new certificate for such share distinguishing it in such manner as it may think fit, from the certificate not so delivered up.

**TRANSFER AND TRANSMISSION**

Execution of transfer etc.	36. Save as provided in Section 108 of the Act, no transfer of a share shall be registered unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee has been delivered to the Company within the time prescribed by Section 108 of the Act together with the certificate or, if no such certificate is in existence, the Letter of Allotment of the share. The transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the Register in respect thereof. Each signature to such transfer shall be duly attested by the signature of one witness who shall add his address.
Applications by transferor	37. Application for the registration of the transfer of a share may be made either by the transferor or the transferee, provided that, where such application is made by the transferor, no registration shall, in the case of a partly paid share, be effected unless the Company gives notice of the application to the transferee in the manner prescribed by Section 110 of the Act and, subject to the provisions of these Articles, the Company shall, unless objection is made by the transferee within two weeks from the date of the receipt of the notice, enter in the Register the name of the transferee in the same manner and subject to same conditions as if the application for registration of the transfer was made by the transferee.
Form of transfer	38. Every instrument of transfer of shares shall be in the prescribed form and in accordance with Section 108 of the Act.
In what cases the Board may refuse to register transfer	39. Subject to the provisions of Sections 111 and 111A of the Act, or any statutory modification thereof, for the time being in force, the Board may at its absolute discretion and without assigning any reason, decline to register any transfer of shares and in particular may so decline in any case in which the Company has a

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	<p>lien upon the shares desired to be transferred or any of them remain unpaid or unless the transfer is approved by the Board and such refusal shall not be affected by the fact that the proposed transferee is already a member.</p> <p>Provided however, that the registration of a share shall not be refused on the grounds of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever.</p>
Transfer to minor etc.	40. Only fully paid up shares shall be transferred to a minor and such transfer shall be made through his guardian and to a person of unsound mind, through his legal representative.
Transfer to be left at office, when to be retained	41. Every instrument of transfer shall be left at the office for registration, accompanied by the certificate of the share to be transferred or, if no such certificate is in existence, by the Letter of Allotment of the share and such other evidence as the Board may require to prove the title of the transferor or his right to transfer the share. Every instrument of transfer which shall be registered shall be retained by the Company, but any instrument of transfer which the Board may refuse to register shall be returned to the person depositing the same.
Notice of refusal to register transfer	42. If the board refuses whether in pursuance of Article 39 or otherwise to register the transfer of, or the transmission by operation of law or the right to any share, the Company shall, within two months from the date on which the instrument of transfer or the intimation of such transmission, as the case may be, was lodged with the Company, send to the transferee and the transferor or the person giving intimation of such transmission, as the case may be, notice of the refusal.
No fee on registration of transfer probate etc.	43. No fee shall be charged for registration of transfer, grant of probate, grant of letters of administration, certificate of death or marriage, Power of Attorney or similar other instruments.
Transmission of Registered shares	44. The executor or administrator of a deceased member (not being one of several joint-holders) shall be the only person recognized by the Company as having any title to the share registered in the name of such member and, in case of the death of any one or more of the joint-holders of any registered shareholders, the survivor shall be the only person recognized by the Company as having any title to or interest in such share but nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on the share held by him jointly with any other person. Before recognizing any executor or Administrator, the Board may require him to obtain a grant of Probate or Letter of Administration or other legal representation, as the case may be, from a competent Court in India and having effect in the town where the office of the Company is situated; Provided nevertheless that in any case where the Board in its absolute discretion thinks fit, it shall be lawful for the Board to dispense with the production of Probate or Letter of Administration or such other legal representation upon such terms as to indemnity or otherwise as the Board, in its absolute discretion may consider adequate.
As to transfer of share of insane, deceased, or bankrupt members	45. Any committee or guardian of a lunatic (which term shall include one who is an idiot or non compos mentis) or any person becoming entitled to or to transfer a share in consequence of the death or bankruptcy or of insolvency of any member upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of his title as the Board thinks sufficient, may with the consent of the Board (which the Board shall not be bound to give), be registered as a member in respect of such share, or may, subject to the regulations as to transfer hereinbefore contained, transfer such share. This Article is hereinafter referred to as "The Transmission Article".
Election under the	46. (a) If the person so becoming entitled under the Transmission Article shall elect

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Transmission	<p>to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.</p> <p>(b) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing an instrument of transfer of the share.</p> <p>(c) All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of instruments of transfer of a share shall be applicable to any such notice or transfer as aforesaid as if the death, lunacy, bankruptcy or insolvency of the member had not occurred and the notice of transfer were a transfer signed by that member.</p>
Rights of person entitled to share under the Transmission Article	<p>(d) A person so becoming entitled under the Transmission Article (Article 45) to a share by reason of the death, lunacy, bankruptcy or insolvency of the holders shall, subject to the provisions of Article 79 and Section 206 of the Act, be entitled to the same dividends and other advantages as he would be entitled to if he were the registered holder of the share except that no such person (other than a person becoming entitled under the Transmission Article to the share of a lunatic) shall before being registered as a member in respect of the share, be entitled to exercise in respect thereof any right conferred by membership in relation to meetings of the company.</p> <p>Provided that the Board may at any time give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the share, until the requirements of the notice have been complied with.</p>
Nomination	<p>47 (a) Every Shareholder, Debenture holder or Depositor of the Company may at any time nominate, in the prescribed manner under Section 109A of the Act, a person to whom his Shares, Debentures or Deposits of the Company shall vest in the event of his death.</p> <p>(b) Where the Shares, Debentures or Deposits of the Company are held by more than one person jointly, the joint holders may together nominate, in the prescribed manner under Section 109A of the Act, a person to whom all the rights in the Shares, Debentures or Deposits of the Company shall vest in the event of death of all the joint holders.</p> <p>(c) Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, in respect of such Shares, Debentures or Deposits of the Company, where a nomination made in the prescribed manner under Section 109A of the Act, purports to confer on any person the right to vest the Shares, Debentures or Deposits of the Company, the nominee shall, on the death of the Shareholder, Debenture holder or Depositor of the Company or, as the case may be, on the death of the joint holders, become entitled to all the rights in the Shares, Debentures or Deposits of the Company in relation to such Shares, Debentures or Deposits of the Company to the exclusion of all other persons, unless the nomination is varied or cancelled in the manner prescribed under Section 109A of the Act.</p> <p>(d) Where the nominee is a minor, it shall be lawful for the holder of the Shares, Debentures or Deposits, to make the nomination to appoint, in the manner prescribed under Section 109A of the Act, any person to become entitled to Shares, Debentures or Deposits of the Company in the event of his death during the minority.</p>

**INCREASE AND REDUCTION OF CAPITAL**

Power to increase Capital	<p>48. The Company in general meeting may, from time to time by Ordinary Resolution, increase its share capital by the creation of new shares of such amount as it may think expedient. Subject to the provisions of the Act the new shares shall be issued on such terms and conditions and with such rights and</p>
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	privileges annexed thereto, as the General Meeting resolving upon the creation thereof shall direct.
On what conditions new shares may be issued	49. Subject to the provisions of any special rights or privileges for the time being attached to any issued shares, the new shares may be issued upon such terms and conditions and with such rights and privileges attached thereto as may be decided by the Company in general meeting.
Provisions relating to the issue	50. Before the issue of any new shares, the Company in general meeting may make provision as to the allotment and issue of the new shares, and in particular may determine to whom the same shall be offered in the first instance and whether at par or at a premium or, subject to the provisions of Section 79 of the Act, at a discount, in default of any such provisions, or so far as the same shall not extend, the new shares may be issued in conformity with the provisions of Article 5.
How far new shares to rank with existing shares	51. Except so far as otherwise provided by the conditions of issue or by these presents, any capital raised by the creation of new shares shall rank pari-passu with existing shares and shall be subject to the provisions herein contained with reference to the payment of dividends, calls and installments, transfer and transmission, forfeiture, lien surrender and otherwise.
Inequality in number of new shares	52. If, owing to any inequality in the number of new shares to be issued and the number of shares held by members entitled to have the offer of such new shares, any difficulty arises in the apportionment of such new shares or any of them amongst the members, such difficulty shall, in the absence of any direction in the resolution creating the shares, by the Company in general meeting, be determined by the Directors.
Reduction of capital etc.	53. Subject to the provisions of the Act, the Company may, by special resolution, reduce:- (a) its share capital, (b) any capital redemption reserve Account, or (c) any shares premium account

**ALTERATION OF CAPITAL**

Power to sub-divide and consolidate shares	54. The Company may in General Meeting alter the conditions of its Memorandum as follows : (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares.  (b) Sub-divide its existing shares or any of them into shares of smaller amount than fixed by the Memorandum so how-ever, that in the subdivision the proportion between the amount paid and the amount, if any, unpaid on each reduced shares shall be the same as it was in the case of the share from which the reduced share is derived;  (c) Cancel any shares which at the date of passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.
Sub-division into Preference and Equity	55. Subject to the provisions of Sections 85, 86, 87, 88 and 93 of the Act, the resolution whereby any shares are sub-divided may determine that, as between the holders of the shares resulting from such sub-division, one or more of such shares shall have some preference or special advantages as regards dividend, capital, voting, or otherwise over or as compared with the others or other.



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Surrender of the shares	56. Subject to the provisions of Sections 100 to 105 of the Act, the Board may accept from any member the surrender on such terms and conditions as shall be agreed, of all or any of his shares.
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**MODIFICATION OF RIGHTS**

Power to modify rights	57. Subject to the provisions of the Act, if at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of the class) may, whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of Special Resolution passed at a Separate General Meeting of the holders of the shares of that class. To every such Separate General meeting, the provisions of these Articles relating to general meetings shall apply.
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**BORROWING POWERS**

Power to borrow	58. The Board may, from time to time, at its discretion subject to the provisions of Sections 292 and 293 of the Act, raise or borrow from any source and secure the payment of any sum or sums of money for the purpose of the Company.
Conditions on which money can be borrowed	59. The Board may raise or secure the repayment of such sum or sums in such manner and upon such terms and conditions as they think fit, and, in particular, by the issue of bonds, perpetual or redeemable debentures or any mortgage or other security or the undertaking of the whole or any part of the property of the Company (both present and future), including its uncalled capital for the time being. Provided that debentures with the rights to allotment of or conversion into shares shall not be issued except with the sanction of the Company in general meeting and subject to the provisions of the Act.
Issue at discount etc. or with special privileges	60. Any debentures, bonds or other securities may be issued at a discount, premium or otherwise and with any special privileges as to redemption, surrender, drawings, allotment of shares, appointment of Director and otherwise. Debentures, bonds and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.
Instrument of transfer	61. Save as provided in Section 108 of the Act, no transfer of debentures shall be registered unless a proper instrument of transfer duly stamped and executed by the transferee has been delivered to the company together with the certificates of the debenture.
Notice of refusal to register transfer	62. Subject to the provisions of section 111A of the Act, if the Board refuses to register the transfers, the Company shall, within two months from the date on which the instrument of transfer was lodged with the Company, send notice of the refusal to the transferee and the transferor, giving reason for such refusal.

**GENERAL MEETINGS**

When Annual General Meetings to be held	63. The Company shall in each year hold in addition to any other meetings a general meetings as its Annual General Meeting. Every Annual General Meeting shall be held within such intervals as are specified in Section 166(1) of the Act and, subject to the provisions of Section 166(2) of the Act, at such time and place as may be determined by the Board.
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When other General Meetings to be called	<p>64. The Board may, whenever it thinks fit, call an Extra-Ordinary General Meeting, and it shall do so upon a requisition in writing by any Member or Members holding in aggregate not less than one-tenth of such of the paid up capital of the Company as at the date carries the right of voting in regard to the matters to be considered at the meeting, forthwith proceed to call any Extraordinary General Meeting, and in the case of such requisition, the following provisions shall apply:</p> <p>(a) The requisition shall state the matters for the consideration of which the meeting is to be called, shall be signed by the requisitionists and shall be deposited at the Office. The requisition may consist of several documents in like form each signed by one or more requisitionists.</p> <p>(b) Where two or more distinct matters are specified in requisition, the requisition shall be valid only in respect of those matters in regard to which the requisition has been signed by the member or members hereinbefore specified.</p> <p>(c) If the Board does not, within twenty-one days from the date of deposit of a valid requisition in regard to any matters, proceed duly to call a meeting for the consideration of these matters on a day not later than forty-five days from the date of deposit, the requisitionists or such of them as are enabled so to do by virtue of Section 169 (6) (b) of the Act may themselves call the meeting but any meeting so called shall not be commenced after three months from the date of deposit.</p> <p>(d) Any meeting called under this Article by the requisitionists shall be called in the same manner, as nearly as possible, as that in which meetings are to be called by the Board but shall be held at the Office.</p> <p>(e) Where two or more persons hold any share jointly, a requisition or notice calling a meeting signed by one or some only of them shall, for the purposes of this Article, have the same force and effect as if it had been signed by all of them.</p> <p>(f) Any reasonable expenses incurred by the requisitionists by reason of the failure of the Board duly to call a meeting shall be repaid to the requisitionists by the company and any sum so repaid shall be retained by the Company out of any sums due or to become due from the Company by way of fees or other remuneration for their services to such of the Directors as are in default.</p>
Circulation of Member's resolutions	<p>65. The Company shall comply with the provisions of Section 188 of the Act as to giving notice of resolutions and circulating statements on the requisition of members.</p>
Notice of meeting	<p>66. (a) Save as provided in sub-section (2) of section 171 of the Act, not less than twenty-one days notice shall be given of every general meeting of the Company. Every notice of a meeting shall specify the place and the day and hour of the meeting and shall contain a statement of business to be transacted thereat. Where any such business consists of "Special business" as hereinafter defined, there shall be annexed to the notice a statement complying with Section 173 (2) and (3) of the Act.</p> <p>(b) Notice of every meeting of the Company shall be given to every member of the Company, to the Auditors of the Company and to any person entitled to a share in consequence of death or insolvency of a member in any manner herein-after authorised for the giving of notices to such persons.</p>

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	<p>Provided that where the notice of a general meeting is given by advertising the same in a newspaper circulating in the neighborhood of the Office under subsection (3) of Section 53 of the Act, the statement of material facts referred to in Section 173 (2) of the Act need not be annexed to the notice as required by that Section but it shall be mentioned in the advertisement that the statement has been forwarded to the members of the Company.</p> <p>(c) The accidental omission to give any such notice to or its non-receipt by any member or other person to whom it should be given shall not invalidate the proceedings of the meeting.</p>
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**PROCEEDINGS AT GENERAL MEETING**

Business(es) to be transacted at meetings	67. The ordinary business of an Annual General Meeting shall be to receive and consider the Profit & Loss Account, the Balance Sheet and the Reports of the Directors and of Auditors, to elect Directors in the place of those retiring by rotation, to appoint Auditors, and fix their remuneration and to declare dividends. All other business transacted at Annual General Meeting and all business transacted at any other general meeting shall be deemed special business.
Quorum at General Meeting	68. No business shall be transacted at any general meeting unless a quorum of five members present in person at the time when the meeting proceeds to business. A body corporate being a Member shall be deemed to be personally present if it is represented in accordance with Section 187 of the Act.
Resolution to be passed by Company in general meeting	69. Any act or resolution which under the provisions of these Articles or of the Act, is permitted or required to be done or passed by the Company in general meeting shall be sufficiently so done or passed if effected by an Ordinary Resolution as defined in Section 189 (1) of the Act unless either the Act or these Articles specifically require such act to be done or resolution passed by a Special Resolution as defined in Section 189(2) of the Act.
Chairman of General Meeting	70. The Chairman of the Board, if any, shall be entitled to take the chair at every general meeting. If there be no such Chairman of the Board, or if at any meeting he shall not be present within fifteen minutes after the time appointed for holding such meeting, or is unwilling to act, then the members present shall choose another Director as Chairman, and if no Director be present, or if all the Directors present decline to take the chair, then the members present shall, on a show of hands or on a poll if properly demanded, elect any of member, being entitled to vote, to be chairman
If quorum not present - meeting to be dissolved or adjourned	71. If within half-an-hour from the time appointed for the meeting, a quorum be not present, the meeting, if convened upon the requisition of members, shall stand dissolved, but in any other case the meeting shall stand adjourned to the same day in the next week, at the same time and place, or to such other day and at such time and place as the Board may by notice appoint and if at such adjourned meeting a quorum be not present, those members who are present and not being less than two, shall be a quorum and may transact the business for which the meeting was called.
How questions to be decided at meetings	72. Every question submitted to a meeting shall be decided, in the first instance by a show of hands, and in case of an equality of votes, both on a show of hands and on a poll, the Chairman of the meeting shall have a casting vote in addition to the vote to which he may be entitled as a member.
What is the evidence of the passing of a resolution where Poll is demanded	73. At any general meeting, unless a poll is (before or on the declaration of the result of the show of hands) demanded by the Chairman of his own motion, or by at least five members having the right to vote on the resolution in question and present in person or by proxy and having not less than one tenth of the total voting power in



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	<p>respect of such resolution, or by any member or members present in person or by proxy and holding shares in the Company conferring a right to vote on such resolution, being shares on which an aggregate sum has been paid up which is not less than one tenth of the total sum paid up on all the shares conferring that right or shares on which an aggregate sum of not less than ₹ 50,000 has been paid up, a declaration by the Chairman that the resolution has or has not been carried, either unanimously, or by a particular majority, and an entry to that effect in the book containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes cast in favour of, or against the resolution.</p>
Poll	<p>74.(a) If a poll be demanded as aforesaid, it shall be taken forthwith on a question of adjournment or election of a Chairman and in any other case in such manner and at such time, not being later than forty eight hours from the time when the demand was made, and at such place as the Chairman of the meeting directs, and subject as aforesaid, either at once or after an interval or adjournment or otherwise, and the result of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was demanded.</p> <p>(b) The demand for a poll may be withdrawn at any time by the person or persons who made the demand.</p> <p>(c) Where a poll is to be taken, the Chairman of the meeting shall appoint two scrutineers, at least one of whom shall be a member (not being an officer or employee of the Company) present at the meeting, provided such a member is available and willing to be appointed, to scrutinize the votes given on the poll and to report to him thereon.</p> <p>(d) On a poll, a member entitled to more than one vote, or his proxy or other person, entitled to vote for him as the case may be, need not, if he votes, use all his votes, or cast in the same way all the votes he uses.</p> <p>(e) The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.</p>
Power to adjourn general meetings	<p>75. (a) The Chairman of a general meeting may with the consent of any meeting at which a quorum is present and shall, if so directed by the meeting, adjourn the same from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.</p> <p>(b) When a meeting is adjourned for 30 days or more, notice of the adjourned meeting shall be given in the same manner as in the case of an original meeting but otherwise, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.</p>

**VOTE OF MEMBERS**

	<p>76. (a) Save as hereinafter provided, on a show of hands, every member present in person and being a holder of Equity Shares shall have one vote and every person present either as a General Proxy (as defined in Article 81) on behalf of a holder of Equity Shares, If he is not entitled to vote in his own right or, as a duly authorised representative of a body corporate, being a holder of Equity Shares, shall have one vote.</p> <p>(b) Save as hereinafter provided, on a poll the voting rights of a holder of Equity Share shall be as specified in Section 87 of the Act.</p>
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	<p>(c) The holders of Preference Shares shall not be entitled to vote at general meetings of the Company except;</p> <p>(i) on any resolution placed before the Company at a general meeting at the date on which the dividend due or any part thereof remains unpaid in respect of an aggregate period of not less than two years preceding the date of commencement of such meeting whether or not such dividend has been declared by the Company, or</p> <p>(ii) on any resolution placed before the Company at a general meeting which directly affects the rights attached to the Preference Shares and for this purpose any resolution for the winding up of the Company or for the repayment or deduction of its share capital shall be deemed to affect the rights attached to such shares.</p> <p>Where the holder of any Preference Shares has right to vote on any resolution in accordance with the provisions of this Article, his voting right on a poll as such holder shall, subject to any Statutory provisions for the time being applicable, be in the same proportion as the capital paid up on the Preference Shares bears to the total paid up Equity Share Capital of the Company for the time being as defined in Section 87 (2) of the Act.</p> <p>(d) No Company or body corporate shall vote by proxy unless a resolution of its board of directors under the provisions of Section 187 of the Act is in force and the representative named in such resolution is present at the general meeting at which the vote by proxy is tendered.</p>
Procedure where a company or the President of India or the Governor of a State is a member of the Company.	<p>77. (a) Where a Company or a body corporate (hereinafter called “member company”) is a member of the Company, a person, duly appointed by resolution in accordance with the provisions of Section 187 of the Act to represent such member company at a meeting of the Company, shall not, by reason of such appointment, be deemed to be a proxy, and the lodging with the Company at the office or production at the meeting of a copy of such resolution duly signed by one Director of such member company and certified by him or them as being a true copy of the resolution shall be accepted by the Company as sufficient evidence of the validity of his appointment. Such a person shall be entitled to exercise the same rights and powers, including the right to vote by proxy on behalf of the member company which he represents, as the member company could exercise if it were an individual member.</p> <p>(b) Where the President of India or the Governor of a State is a member of the Company, the President or, as the case may be, the Governor may appoint such person as he thinks fit to act as his representative at any meeting of the Company or at any meeting of any class of members of the Company and such a person shall be deemed to be a member of the Company and shall be entitled to exercise the same rights and powers, including the rights to vote by proxy, as the President or, as the case may be the Governor could exercise as a member of the Company.</p>
How members non-compos mentis and minors may vote	<p>78. If any member be a lunatic, idiot or non-compos mentis, he may vote whether on a show of hands or at a poll by his committee, curator bonis or other curator and such last mentioned persons may give their votes by proxy provided that forty eight hours at least before the time of holding the meeting or adjourned meeting as the case may be, at which any such person proposes to vote, he shall satisfy the Board of his right under the Transmission Article to the shares in respect of which he proposes to exercise his right under this Article, unless the Board shall have previously admitted his right to vote at such meeting in respect thereof.</p>
Vote for joint holders	<p>79. Where there are joint-holders of any share, any of such persons may vote at any meeting either personally or by proxy in respect of such share as if he were solely</p>

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	entitled thereto; and if more than one of such joint-holders be present at any meeting either personally or by proxy, that one of the said persons so present whose name stands first on the register in respect of such share alone shall be entitled to vote thereof. Several executors or administrators of the deceased member in whose name any share is registered shall for the purposes of this Article be deemed joint-holders thereof.
Proxies Permitted	80. On a poll votes may be given either personally or by proxy, or, in the case of a body corporate, by a representative duly authorised as aforesaid.
Proxy may be general or special	81. (a) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his Attorney duly authorised in writing or if such appointor is a body corporate be under its common seal or the hand of its officer or Attorney duly authorised. A proxy who is appointed for a specified meeting only shall be called a Special Proxy. Any other Proxy shall be called a General Proxy.  (b) A person may be appointed a proxy though he is not a member of the Company and every notice convening a meeting of the Company shall state this and that member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on his behalf.
Instrument appointing a proxy to be deposited at Office	82. The instrument appointing a proxy and the Power of Attorney or other authority (if any) under which it is signed, or a notarially certified copy of that power or authority shall be deposited at the Office not less than forty eight hours before the time for holding the meeting at which the person named in the instruments purports to vote in respect thereof and in default the instrument of proxy shall not be treated as valid.
When vote by proxy valid though authority revoked	83. A vote given in accordance with the terms of an instrument appointing a proxy shall be valid notwithstanding the previous death or insanity of the principal, or revocation of the instrument, or transfer of the share in respect of which the vote is given, provided no intimation in writing of the death, insanity revocation or transfer of the share shall have been received by the Company at the office before the vote given; Provided nevertheless that the Chairman of any meeting shall be entitled to require such evidence as he may in his discretion think fit of the due execution or an instrument of proxy and that same has not been revoked.
Form of instrument appointing a Special Proxy	84. Every instrument appointing a Special Proxy shall be retained by the Company and shall, as nearly as circumstances will admit, be in the form or to the effect following:-  <b>JUBILANT INDUSTRIES LIMITED</b> I/We _____ of _____ being a member of <b>JUBILANT INDUSTRIES LIMITED</b> , hereby appoint _____ of _____ (or failing him _____ of _____ or failing him _____ of _____ as my/our proxy to attend the vote for me/us and on my/our behalf at the Annual or Extraordinary (as the case may be ) General Meeting of the Company to be held on _____ the day of _____ and at any adjournment thereof. As witness my/our hands this _____ day of _____ signed by the said. Provided always that an instrument appointing a Special Proxy may be in any of the forms set out in Schedule IX to the Act.
Restrictions on voting	85. No member shall be entitled to exercise any voting rights either personally or by proxy at any meeting of the Company in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or with regard to which the Company has exercised any right of lien.

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	<p>86. (a) Any objection as to admission or rejection of a vote, either on a show of hands or, on a poll made in due time, shall be referred to the Chairman who shall forthwith determine the same, and such determination made in good faith shall be final and conclusive.</p> <p>(b) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered or every vote not disallowed at such meeting shall be valid for all purpose.</p>
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**DIRECTORS**

Number of Directors	87. Subject to the provisions of section 252 read with 259 of the Act, the number of Directors of the Company shall not be less than three and not more than twelve including nominees of the Lending Institutions.
Power of Board to add to its number	88. Subject to the provisions of Article 91 and section 260 and other applicable provisions, if any, of the Act, the Board shall have power at any time, and from time to time, to appoint a person as an Additional Director. The Additional Directors shall hold office only upto the date of the next Annual General Meeting but shall be eligible for election by the Company at that meeting as a Director
Share qualification	89. Unless otherwise determined by the Company in General Meeting, a Director shall not be required to hold any share as qualification share in the capital of the Company.
Nomination of Director by Financial institutions and debenture holders	<p>90. (a) So long as any moneys are payable by any Financial Institution within the meaning of Section 4A of the Companies Act, 1956, (hereinafter referred to as "The Financial Institution") in respect of any loan or loans advanced by them or so long as any moneys are payable by the Company or Debentures issued by it, or so long as the financial institution(s) hold any shares in the Company pursuant to any underwriting agreement or as a result of any conversion of the loan into Equity Shares, or any other agreement or arrangement, and if it is so agreed to between the Company and the financial institution (s) or Debenture-holders, as the case may be, then such financial institution (s) or Debenture-holders shall be entitled to appoint one or more Directors on the board of the Company as may be agreed upon, between the company and the financial institution(s) or Debenture-holder(s), and to remove and replace such Directors. Such Directors shall not be liable to retire by rotation and the Company shall pay to such Directors normal fees and expenses to which any other Director is entitled.</p> <p>(b) If the aggregate of the Directors appointed under clause (1) of this Article and the Managing Director and whole-time Director appointed under Article 123 &amp; Article 126 respectively exceeds one-third of the total number of Directors for the time being of the Company, then in determining the directors appointed under clause (1) of this Article and the Managing Director and the whole-time Director appointed under Article 123 &amp; 126 respectively who shall not be liable to retire by rotation, the Directors appointed under clause (1) of this Article shall have preference over the Managing Directors &amp; the Whole-time Directors appointed under Article 123 &amp; 126 respectively.</p> <p>(c) If, however, the number of Directors appointed under clause (a) of this article exceeds one-third of the total number of Directors for the time being of the Company then such of the aforesaid Directors appointed under clause (a) shall not be liable to retire by rotation as may have been determined by an agreement between the Company and the financial institution or debenture-holders, as the case may be.</p>
Directors' fees, remuneration and	91. (a) The fees payable to Director for attending a Meeting of the Board or of a Committee thereof shall be decided by the Board of Directors from time to time

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expenses	within the maximum limits prescribed by the Act or approved by the Central Government or if not so prescribed, in such manner as the Directors may decide from time to time in conformity with the provisions of law.
Remuneration for extra services	(b) If any Director, willing, shall be called upon to perform extra service or to make any special exertion in going or residing away from his place of business for any of the purposes of the Company or in giving special attention to the business of the Company or as a member of a Committee of the Board then subject to Sections 198, 309, 310 and 314 or any other provisions of the Act, the Board may remunerate the Director so doing either by a fixed sum or by a percentage of profits or otherwise and such remuneration may be either in addition to or in substitution for any other remuneration to which he may be entitled.
Board may act notwithstanding vacancy	92. The continuing Directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum as required to convene a meeting of the Board as per the provisions of section 287 of the Act, the continuing directors or director may act for the purpose of increasing the number of directors as required for the quorum, or of summoning a general meeting of the company, but for no other purpose.
Vacation of office of the Directors	93. (a) The office of a Director shall ipso facto become vacant if:-  (i) he fails to obtain within the time specified in sub-section (1) of Section 270 of the Act or at any time thereafter ceased to hold, the share qualification, if any, necessary for his appointment; or  (ii) he is found to be unsound mind by a Court of competent jurisdiction and the finding is in force; or  (iii) he applied to be adjudicated an insolvent; or  (iv) he is adjudged an insolvent; or  (v) he is convicted by a Court of any offence involving moral turpitude and is sentenced in respect thereof to imprisonment for not less than six months; or  (vi) he fails to pay any call in respect of shares of the Company held by him, whether alone or jointly with others, within six months from the last date fixed for the payment of the call unless the Central Government has, by notification in the Official Gazette, removed the disqualification incurred by such failure; or  (vii) he absents himself from three consecutive meetings of the Board or from all meetings of the Board for a continuous period of three months, whichever is the longer without obtaining leave of absence from the Board; or (viii) he (whether by himself or by any person for his benefit or on his account), or any firm in which he is a partner, or any private company of which he is a Director, accept a loan, or any guarantee or security for a loan, from the Company in contravention of Section 295 of the Act; or  (ix) he acts in contravention of Section 299 of the Act; or  (x) he becomes disqualified by an order of Court under Section 203 of the Act; or  (xi) he be removed from office in pursuance of Section 284 of the Act; or  (xii) having appointed a Director by virtue of his holding any office or other

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	<p>employment in the Company he ceases to hold such office or other employment in the Company; or</p> <p>(xiii) by notice in writing to the Company he resigns his office; or</p> <p>(xiv) any office or place of profit under the Company or under any subsidiary of the Company is held contravention of Section 314 of the Act and by operation of that section he is deemed to vacate office.</p> <p>(b) Notwithstanding any matter or thing in sub-clause (iv), (v) and (x) of clause (a), the disqualification referred to those sub-clause shall not take effect:-</p> <p>(i) for thirty days from the date of adjudication sentence or order; or</p> <p>(ii) where an appeal or petition is preferred within the thirty days aforesaid against the adjudication, sentence or conviction resulting in the sentence, or order until the expiry of seven days from the date on which such appeal or petition is disposed of; or</p> <p>(iii) where within the seven days aforesaid, any further appeal or petition is preferred in respect of the adjudication, sentence, conviction or order, and the appeal or petition, if allowed, would result in the removal of the disqualification, until such further appeal or petition is disposed of.</p>
Office of Profit	94. Any Director or any other person as referred to in Section 314 of the Act may hold any office or place of profit under the Company or under any subsidiary of the Company in accordance with the provisions of Section 314 of the Act.
When a Director of this company appointed director of Company in which the Company is interested either as a member or otherwise	95. A Director of the Company may be or become a Director of any other company promoted by the Company or the Company may hold shares in the name of Director subject to the provisions of the Act and no such Director shall be entitled for any benefits received as a Director or as a member in respect of shares held in the name of the Director.
Condition under which directors may contract with Company	96. Subject to the provisions of Section 297 of the Act, neither a Director shall be disqualified from contracting with the Company either as vendor, purchaser or otherwise for goods, materials or services or for underwriting the subscription of any shares in or debentures of the Company nor shall any such contract arrangement entered into by or on behalf of the Company with a relative of such Director, or a firm in which such Director or his relative is as partner or with any other partner in such firm or with a private company of which such Director is a member or director; be void nor shall any Director so contracting or being such member or so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding office or of the fiduciary relation thereby established.
Disclosure of Directors' interest	97. Every Director who is any way, whether directly or indirectly, concerned or interested in a contract or arrangement, entered into or to be entered into, by or on behalf of the Company not being a contract or arrangement entered between the Company and any other company where any of the Directors of the Company or two or more of them together holds or hold not more than two per cent of the paid up share capital in the other Company shall disclose the nature of his concern or interest at a meeting of the Board as required by Section 299 of the Act. A general notice, renewable in the last month of each financial year of the Company, that a Director is a director or a member of any specified body corporate or is a member of any specified firm and is to be regarded as concerned or interested in any



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	subsequent contract or arrangement with that body corporate or firm shall be sufficient disclosure of concern or interest in relation to any contract or arrangement so made, and after such general notice, it shall not be necessary to give special notice relating to any particular contract or arrangement with such body corporate or firm.
Discussion and voting by director interested	98. No Director shall as a Director, take any part in the discussion or vote on any contract or arrangement in which he is any way, whether directly or indirectly concerned or interested, nor shall his presence count for the purpose of forming a quorum at the time of such discussion or vote. This prohibition shall not apply to (a) any contract in indemnity against any loss which the Directors or any one of them may suffer by reason of becoming or being sureties for a surety for the Company; or (b) any contract or arrangement entered into or to be entered into by the Company with a public company, or with a private company which is a subsidiary of a public company, in which the interest of the Director consists solely in his being a director in such company and the holder of shares not exceeding in number or value the amount requisite to qualify him for appointment as a Director thereof, he having been nominated as such director by the Company or in his being a member of the Company holding not more than two per cent of the paid share capital of the Company.

**ROTATION OF DIRECTORS**

Proportion to retire by rotation	99. Not less than two-thirds of the total number of Directors shall be persons whose period of office is liable to determine by retirement of Directors by rotation and save as otherwise expressly provided in the Act and these Articles, be appointed by the Company in General Meeting.
Rotation and retirement of Directors	100. At each Annual General Meeting of the Company, one-third of such of the Directors for the time being as are liable to retire by rotation, or if their number is not three or a multiple of three, then the number nearest to one third, shall retire from office.
Which Directors to retire	101. The Directors to retire by rotation at every Annual General Meeting shall be those who have been longest in office since their last appointment, but as between persons who become directors on the same day, those who are to retire shall, in default of and subject to any agreement among themselves, be determined by lot.
Appointment of Directors to be voted on individually	102. Save as permitted by Section 263 of the Act, every resolution of a general meeting for the appointment of a Director shall relate to one named individual only.
Meeting to fill up vacancies	103. The Company at the Annual General Meeting at which a Director retires by rotation in manner aforesaid may fill up the vacated office by appointing the retiring Director or some other person thereto. If the place of the retiring director is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place or if that day is a public holiday, till the next succeeding day which is not public holiday, at the same time and place, and if at the adjourned meeting also, the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been re-appointed at the adjourned meeting unless:  (a) at the meeting or at the previous meeting, a resolution for the reappointment of such Director has been put to the vote and lost; or

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	<p>(b) the retiring Director has by notice in writing addressed to the Company or the Board expressed his unwillingness to be re-appointed; or</p> <p>(c) he is qualified or is disqualified for appointment; or</p> <p>(d) a resolution, whether special or ordinary, is required for his appointment or re-appointment in virtue of the provisions of the Act;</p> <p>(e) the proviso to sub-section (2) of Section 263 of the Act is applicable to the case.</p>
Company in general meeting to increase or reduce number of Directors	104. The Company in general meeting may from time to time increase or reduce the number of Directors within the limits fixed by Article 88.
Power to remove Director by ordinary resolution on Special Notice	105. The Company may, subject to the provisions of Section 284 of the Act, by ordinary resolution of which Special Notice has been given, remove any Director before the expiration of his period of office and may by ordinary resolution of which Special Notice has been given, appoint another person in his stead, if the Director so removed was appointed by the Company in general meeting or by the Board under Article 108. The person so appointed shall hold office until the date up to which his predecessor would have held office if he had not been so removed. If the vacancy created by the removal of a Director under the provisions of this Article is not so filled by the meeting at which he is removed, the Board may at any time thereafter fill such vacancy under the provisions of Article 108.
Board may fill up casual vacancies	106. If any Director appointed by the Company in general meeting vacates office as a Director before his term of office will expire in the normal course, the resulting casual vacancy may be filled up by the Board at a meeting of the Board, but any person so appointed shall retain his office so long only as the vacating Director would have retained the same if no vacancy had occurred. Provided the Board may not fill such a vacancy by appointing thereto any person who has been removed from the office of Director under Article 105.
When the Company and candidate for Office of Director must give notice	107. No person not being a retiring Director shall be eligible for appointment to the Office of Director at any general meeting unless he or some member intending to propose him has, not less than fourteen days before the meeting, left at the office a notice in writing under his hand signifying his candidature for the office of Director or the intention of such member to propose him as a candidate for that office as the case may be along with a deposit of five hundred rupees which shall be refunded to such person or, as the case may be, to such member, if the person succeeds in getting elected as a director. The company shall inform its members of the candidature of a person for the office of Director or the intention of a member to propose such person as a candidate for that office, by serving individual notices on the members not less than seven days before the general meeting; Provided that it shall not be necessary for the Company to serve the individual notice upon the members as aforesaid if the Company advertises such candidature or intention not less than seven days before the general meeting in at least two newspapers circulating in the place where the office is located, of which one is published in the English language and the other in the regional language of that place.

**ALTERNATE DIRECTOR**

Power to appoint Alternate Director	108. The Board may appoint a person to act as alternate Director for a Director during the latter's absence for a period of not less than three months from the State in which meetings of the Board are ordinarily held and such appointment shall have
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	effect and such appointee, whilst he holds office as an alternate Director shall be entitled to notice of meetings of the Board and to attend and vote thereat accordingly; but he shall not require to hold any qualification shares and shall ipso facto vacate office if and when the original Director returns to the State in which meetings of the Board are ordinarily held or the original Director vacates office as a Director. Further, if the term of office of the original director is determined before he so returns to the State aforesaid, any provision for the automatic re-appointment of retiring directors shall apply to the original, and not to the alternate director.
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**PROCEEDINGS OF DIRECTORS**

Meeting of Directors	109. The Board shall meet together at least once in every three calendar months for the despatch of business and may adjourn and otherwise regulates its meetings and proceedings as it thinks fit; provided that at least four such meetings shall be held in every calendar year. Notice in writing of every meeting of the Board shall be given to every Director for the time being in India, and at his usual address in India to every other Director.
Director may summon meeting	110. A Director may, at any time, and the manager or Secretary shall, upon the request of a Director made at any time, convene a meeting of the Board.
Chairman	111. The Board shall appoint a Chairman of its meeting and determine the period for which he is to hold the office, If no such Chairman is appointed or if at any meeting of the Board the Chairman be not present within five minutes after the time appointed for holding the same, the Directors present shall choose some one of their member to be Chairman of such meeting.
Quorum	112. The quorum for a meeting of the Board shall be determined from time to time in accordance with the provisions of Section 287 of the Act. If a quorum shall not be present within fifteen minutes from the time appointed for holding a meeting of the Board, it shall be adjourned to such date and time as the Chairman of the Board may determine.
Power of Board	113. A meeting of the Board at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by or under these Articles or the Act for the time being vested in or exercisable by the Board generally.
How questions to be decided	114. Subject to the provisions of the Act, questions arising at any meeting shall be decided by a majority of votes, each director having one vote and in case of any equality of votes, the Chairman shall have a second or casting vote.
Power to appoint Committees and to delegate	115. The Board may, subject to the provisions of Section 292 of the Act, from time to time and at any time, delegate any of its power to a Committee consisting of such Director or directors as it thinks fit, and may, from time to time, revoke such delegation.  Any Committee so formed shall, in the exercise of the power so delegated, confirm to any regulations that may from time to time be imposed upon it by the Board.
Proceedings of Committee	116. The meetings and proceedings of any such Committee consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Board so far as the same are applicable thereto, and are not superseded by any regulations made by the Board under last preceding Articles.

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When acts of a Director valid notwithstanding defective appointment, etc.	117. Acts done by a person as a Director shall be valid notwithstanding that it may afterwards be discovered that his appointment was invalid by reason of any defect or disqualification or had terminated by virtue of any provisions contained in the Act or in these Articles. Provided that nothing in this Article shall be deemed to give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have terminated.
Resolution without Board meeting except in certain cases	118. Unless otherwise provided under the provisions of the Act that a resolution is required to be passed at a meeting of the Board, a resolution shall be as valid and effectual as if it had been passed at a meeting of the Board or Committee of the Board, as the case may be, duly called and constituted if a draft thereof in writing is circulated, together with the necessary papers, if any, to all Directors or to all the members of the Committee of the Board, as the case may be, then in India (not being less in number than the quorum fixed for a meeting of the Board or Committee, as the case may be) and to all other Directors or members of the Committee, at their usual address in India, and has been approved by such of them as are then in India or by a majority of such of them as are entitled to vote on the resolution.

**MINUTES**

Minutes to be made	<p>119. (a) The Board shall, in accordance with the provisions of Section 193 of the Act, cause minutes of all proceedings of every general meeting and of all proceedings of every meeting of its Board of directors or of every committee of the Board, to be kept by making within thirty days of the conclusion of every general meeting and of every meeting of the Board or every committee of the Board, entries thereof in books provided for the purpose with their pages consecutively numbered, each page of every such book being initialed or signed and the last page of the record of proceedings of each meeting in such books being dated and signed, in the case of minutes of proceedings of a meeting of the Board or of a Committee thereof by the Chairman of the said meeting or the Chairman of the next succeeding meeting, and, in case of minutes of proceedings of a general meeting, by the Chairman of the same meeting within the aforesaid period of thirty days or, in the event of the death or inability of that Chairman within that period, by a Director duly authorised by the Board for the purpose, provided that in no case shall the minutes of proceedings of a meeting be attached to any such books as aforesaid by pasting or otherwise.</p> <p>The minutes shall contain particulars:</p> <p>(i) of the names of the Director present at each meeting of the Board and of any Committee of the Board and in case of each resolution passed at the meeting, the names of the Directors, if any, dissenting from or not concurring in the resolution;</p> <p>(ii) of all orders made by the Board and Committee of the Board;</p> <p>(iii) of all appointments of Directors and other officers of the Board;</p> <p>(iv) the minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.</p> <p>Provided that no matter need be included in any such Minutes which the Chairman of the meeting, in his absolute discretion, is of opinion:</p> <p>(i) is or could reasonably be regarded as defamatory of any person;</p> <p>(ii) is irrelevant or immaterial to the proceedings; or</p> <p>(iii) is detrimental to the interest of the Company.</p>
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	(b) Any such Minutes of any meeting of the Board or of any Committee of the Board or of the Company in general meeting if kept in accordance with the provisions of Section 193 of the Act, shall be evidence of the matters stated in such Minutes. The Minute Books of general meeting of the company shall be kept at the office and shall be open to inspection by members during the hours of 11 A.M. and 1 P.M. on such business days as the Act requires them to be open for inspection.
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**POWERS OF THE BOARD**

General Powers of Company vested in the Board	120. Subject to the provisions of the Act, the control of the Company shall be vested in the Board who shall pay all expenses incurred in promoting and registering the Company and shall be entitled to exercise all such powers, and to do all such acts and things as the Company is authorised to exercise and to do; Provided that the Board shall not exercise any power or do any act or thing which is directed or required whether by the Act or any other Statute or in the Memorandum of the Company or by these Articles or otherwise, to be exercised or done by the Company in general meeting. Provided further that in exercising any such power or doing any such act or thing, the Board shall be subject to the provisions in that behalf contained in the Act or any other Statute or in the Memorandum of the Company or in these Articles, or in any such regulations not inconsistent therewith and duly made there-under including regulations made by the Company in general meeting, but no regulations made by the Company in general meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.
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**COMMENCEMENT OF NEW BUSINESS**

Compliance before commencement of new business	121. The Company shall not at any time commence any business in relation to any of the objects in Clause III (C) of its Memorandum of Association unless the provisions of Section 149 of the Act have been duly complied with by it.
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**LOCAL MANAGEMENT**

Local management	122. Subject to the provisions of the Act, the following regulations shall have effect:  (a) The Board may, from time to time, provide for the management of the affairs of the Company outside India (or in any specified locality in India) in such manner as it shall think fit and the provisions contained in the four next following paragraphs shall be without prejudice to the general powers conferred by this paragraph.
Local directorate delegation	(b) The Board may, from time to time and at any time, establish any Local Office or agencies for managing any of the affairs of the Company outside India, or in any specified locality in India, and may appoint any persons to be officers of such Local Office or agents and may fix their remuneration and, save as provided in Section 292 of the Act, the Board may from time to time and at any time, delegate to any person so appointed any of the powers, authorities and discretions for the time being vested in the Board and may authorise the members for the time being of any such Local Office or any of them to fill up any vacancies therein and to act notwithstanding vacancies; and any such appointment and delegation may be made on such terms and subject to such conditions as the Board may think fit and the Board may, at any time, remove any person so appointed and may annul or vary any such delegation.
Power of Attorney	(c) The Board may at any time and from time to time by power-of-Attorney under the seal, appoint any persons to be the Attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those which may be

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	delegated by the Board under the Act) and for such period and subject to such conditions as the Board may, from time to time, think fit; any such appointment may, if the Board thinks fit, be made in favour of the members or any of the members of any Local Office established as aforesaid, or in favour of any company or of the members, directors, nominees, or officers of any company or firm, or indirectly by the Board; and any such Power-of-Attorney may contain such provisions for protection or convenience of persons dealing with such Attorneys as the Board thinks fit.
Sub - delegation	(d) Any such delegates or Attorney as aforesaid may be authorised by the Board to sub-delegate all or any of the powers, authorities and discretions for the time being vested in them subject to the provisions of the Act.
Seal for use abroad and foreign registers	(e) The Company may exercise the power conferred by Section 50 of the Act with regard to having an Official Seal for use abroad, and such powers shall be vested in the Board, and the Company may cause to be kept in any State or Country outside India, as may be permitted by the Act, a Foreign Register of members or debenture holders resident in any such State or country and the Board may, from time to time, make such regulations as it may think fit respecting the keeping of any such Foreign Register, such regulations not being inconsistent with the provisions of Section 157 and 158 of the Act; and the Board may, from time to time, make such provisions as it may think fit relating thereto and may comply with the requirements of any local law and shall, in any case, comply with the provisions of Sections 157 and 158 of the Act.

**MANAGING DIRECTORS**

Power to appoint Managing Directors	123. Subject to the provisions of Section 197A, 269 read with schedule XIII, 316 and 317 of the Act, the Board may, from time to time, appoint one or more Directors to be Managing Director or Managing Directors of the Company, and may, from time to time (subject to provisions of any contract between him or them and the Company), remove or dismiss him or them from office and appoint another or others in his place or their places.
To what provision he shall be subject	124. Subject to the provisions of Section 255 of the Act and save as otherwise provided in these Articles, a Managing Director, shall not, while he continues to hold office, be subject to retirement by rotation, and he shall not be reckoned as Director for the purpose of determining the rotation by retirement of Directors or in fixing the number of directors to retire, but (subject to the provisions of any contract between him and the Company) he shall be subject to the same provisions as to resignation and removal as the other Directors, and he shall ipso facto and immediately, cease to be a Managing Director, if he ceases to hold the office of Director from any cause.
Remuneration of Managing Director	125.(a) Subject to the provisions of Section 198, 309, 310, and 311 read with schedule XII of the Act, a Managing Director shall, in addition to the remuneration payable to him as a Director of the Company under these Articles, receive such additional remuneration as may, from time to time, be sanctioned by the Company.
Powers of Managing Director	(b) Subject to the provisions of the Act, in particular to the prohibitions and restrictions contained in Section 292 thereof, the Board may, from time to time, entrust to and confer upon a Managing Director for the time being such of the powers exercisable under these presents by the Board as it may think fit, and may confer such Powers for such time, and to be exercised for such objects and purposes, and upon such terms and conditions and with such restrictions as it thinks fit; and the Board may confer such powers to the exclusion of, and in substitution for any of the powers of the Board in that behalf; and may from time to time, revoke, withdraw, alter or vary all or any of such powers.

**WHOLE-TIME DIRECTORS**

Power to appoint whole-time Directors	126. Subject to the provisions of the Act, the Board shall have power to appoint, from time to time, one or more of its number as whole-time Director or wholetime Directors of the company for a fixed term not exceeding five years at a time and upon such terms and conditions as the Board thinks fit and he shall not, while he continues to hold that office, be subject to retirement by rotation. The Board may, by resolutions vest in such wholetime Director or whole-time Directors such of the powers hereby vested in the Board generally as it thinks fit, and such powers may be made exercisable for such period or periods, and upon such conditions and subject to such restrictions as it may determine. The remuneration of a whole-time Director may be by way of monthly payment, fee for each meeting and participation in profits, or by any or all these modes, or any other mode not expressly prohibited by the Act.
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**THE SEAL**

Custody of Seal	127. The Common Seal of the Company shall not be affixed to any instrument except with the authority of the Board of Directors or a Committee thereof, and except in the presence of a Director or any other person authorized by the Board or Committee for the purpose; and the said Director or person shall sign every instrument to which the Common Seal of the Company is so affixed in his presence.
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**ANNUAL RETURNS**

Annual returns	128. The Company shall comply with the provisions of Sections 159 and 161 of the Act as to the making of Annual Return.
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**RESERVES**

Reserves	129. Subject to the provisions of the Act, the Board may, from time to time before recommending any dividend, set apart any and such portion of the profits of the Company as it thinks fit as Reserves to meet Contingencies or for the liquidation of any debentures, debts or other liabilities of the Company, for equalisation of dividends, for repairing, improving or maintaining any of the property of the Company and for such purposes of the Company as the Board in its absolute discretion thinks conducive to the interests of the Company; and may, subject to the provisions of the Act; invest the several sums so set aside upon such investments (other than shares of the Company) as it may think fit, and from time to time deal with and vary such investments and dispose of all or any part thereof for the benefit of the Company, and may divide the Reserves into such special funds as it thinks fit, with full power to employ the Reserves or any parts thereof in the business of the Company, and that without being bound to keep the same separate from the other assets.
Investment of money	130. Subject to the provisions of the Act, all moneys carried to the Reserves shall be available for the payment of dividends and such moneys and all the other moneys of the Company not immediately required for the purposes of the Company may, subject to the provisions of the Act, be invested by the Board in or upon such investments or securities as it may select or may be used as working capital or may be kept in any Bank on deposit or otherwise as the Board may, from time to time, think proper.

**CAPITALISATION OF RESERVES**

Capitalisation of Reserves	131. Any general meeting may upon the recommendation of the Board resolve that any moneys, investments, or other assets forming part of the undivided profits of the Company standing to the credit of the Reserves, or any capital Redemption Reserve Account, or in the hands of the Company, and available for dividend or representing premiums received on the issue of shares and standing to the credit of Share Premium Account be capitalised and distributed amongst such of the shareholders as would be entitled to receive the same if distributed by way of dividend and in the same proportion on the footing that they become entitled thereto as capital and that all or any part of such capitalised fund be applied on behalf of such shareholders in paying up in full any unissued shares, debentures or debenture stock of the Company which shall be distributed accordingly or in or towards payment of the uncalled liability on any issued shares, and that such distribution or payment shall be accepted by such shareholders in full satisfaction of their interest in the said capitalized sum or applied in paying up of unissued shares to be issued to members of the Company as fully paid bonus shares.
Undistributed Profits	132. A General meeting may resolve that any undistributed profits of the Company not subject to charge for income tax, be distributed among the members on the footing that they receive the same as dividend.
Fractional Certificate	133. For the purpose of giving effect to any resolution, under the two last preceding Articles the Board may settle any difficulty which may arise in regard to the distribution as it thinks expedient and in particular may issue fractional certificates, and may determine that cash payments shall be made to any members in order to adjust the rights of all parties and may invest such cash in trustees upon such trusts for the persons entitled to the dividend or capitalised funds as may seem expedient to the Board.

### DIVIDENDS

How profits shall be divisible	134. Subject to the rights of members entitled to shares (if any) with preferential or special rights attached thereto, the profits of the Company which it shall from time to time be determined to divide in respect of any year or other period shall be applied in the payment of a dividend on the Equity Shares of the Company but so that a partly paid up share shall only entitle the holder with respect thereof to such a proportion of the distribution upon a fully paid up share as the amount paid thereon bears to the nominal amount of such share and so that where capital is paid up in advance of calls such capital shall not rank for dividends or confer a right to participate in profits.
Restrictions on amount of dividends	135. The Company in general meeting may declare a dividend to be paid to the members according to their rights and interest in the profits and may, subject to the provisions of Section 207 of the Act, fix the time for payment.
Restrictions on amount of dividends	136. No larger dividend shall be declared than is recommended by the Board, but the Company, in general meeting may declare a smaller dividend.
Dividend	137. Subject to the provisions of Section 205 of the Act, no dividend shall be payable except out of the profits of the Company or out of moneys provided by the Central or a State Government for the payment of the dividend in pursuance of any guarantee given by such Government and no dividend shall carry interest against the Company.
What to be deemed net profits	138. Subject to the provisions of the Act, the declaration of the Board as to the amount of the net profits of the Company in any year shall be conclusive and



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	final
Interim dividend	139. The Board may, from time to time, pay to the members such interim dividends as appear to the Board to be justified by the profits of the Company.
Debt may be deducted	140. The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable to him by the Company on account of calls or otherwise in relation to the shares of the Company.
Dividend and call together	141. Subject to the provisions of Article 16, any general meeting declaring a dividend may adjust a call made on the members of such amount as the meeting fixes.
Dividend in Cash	142. No dividend shall be payable except in cash. Provided that nothing in this Article shall be deemed to prohibit the capitalisation of profits or reserves of the Company for the purpose of issuing fully paid-up bonus shares or paying up any amount for the time being unpaid on the shares held by the members of the Company.
Effect of transfer	143. A transfer of shares shall not pass the rights to any dividend declared thereon before the registration of the transfer by the Company.
Payment of interest on Capital	144. The Company may pay interest on capital raised for the construction of works or building when and so far as it shall be authorised to do by Section 208 of the Act.
To whom dividends payable	145. No dividend shall be paid in respect of any share except to the registered holder of such share or to his order or to his bankers but nothing contained in this Article shall be deemed to require the bankers of a registered shareholder to make a separate application to the Company for the payment of the dividend. Nothing in this Article shall be deemed to affect in any manner the operation of Article 145.
Dividend to Joint holders	146. Any one of the several persons who are registered as the joint -holders of any share may give effectual receipts for all dividends, bonuses and other payments in respect of such share.
Payment by post	147. Unless otherwise directed in accordance with Section 206 of the Act, any dividend, interest or other moneys payable in cash in respect of a share may be paid by cheque or warrant sent through the post to the registered address of the holder, or, in the case of joint-holders, to the registered address of that one of the joint -holders who is first named in the Register in respect of the joint-holding or to such person and such address as the holder or joint-holders, as the case may be may direct, and every cheque or warrant so sent shall be made payable to the order of the person to whom it is sent.
Unclaimed dividends	148. No unclaimed dividend shall be forfeited by the Board unless the claim thereto becomes barred by law and the Company shall comply with all the provisions of Section 205A of the Act in respect of any unclaimed or unpaid dividend.

**BOOKS AND DOCUMENTS**

Books of Account to be kept	<p>149. Subject to the provisions of Section 209 of the Act, the Company shall keep proper books of account with respect to:-</p> <p>(a) all sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure takes place.</p> <p>(b) all sales and purchase of goods by the Company;</p>
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	<p>(c) the assets and liabilities of the Company; and</p> <p>(d) any other particulars as may be required by the Central Government.</p>
Where to be kept	150. The books of account shall be kept at the Office or at such other place in India as the Board may decide and when the Board so decides, the Company shall, within seven days of the decision, file with the Registrar a notice in writing giving the full address of that other place.
Inspection	<p>151.(a) The books of account and other books shall be open to inspection during business hours by any Director, Registrar, other Officers authorised by the Central Government in this behalf.</p> <p>(b) The Board shall, subject to the provisions of the Act, from time to time, determine whether and to what extent, and at what times and places, and under what conditions and regulations, the books of account and books and documents of the Company shall be open to the inspection of the members not being Directors and no member (not being a Director) shall have any right of inspecting any books of account or book or document of the Company except as conferred by law or authorised by the Board or by the Company in General meeting.</p>
Books of Account and vouchers to be preserved	152. The Books of Account, of the Company together with the vouchers relevant to any entry in such books of account shall be preserved in good order for a period of not less than eight years immediately preceding the current year, but, in case of a company incorporated less than eight years before the current year, for the entire period preceding the current year.

**BALANCE SHEET AND ACCOUNTS**

Balance Sheet and Profit & Loss Account	153. At every Annual General Meeting, the Board shall lay before the Company a Balance Sheet and Profit & Loss Account made up in accordance with the provisions of Section 210 of the Act and such Balance Sheet and Profit & Loss Account shall comply with the requirements of Sections 210, 211, 212, 215 and 216 and of Schedule VI to the Act so far as they are applicable to the Company but, save as aforesaid, the Board shall not be bound to disclose greater details of the result or extent of the trading and transactions of the Company than it may deem expedient.
Directors Report	154. There shall be attached to every Balance Sheet laid before the Company a report by the Board complying with Section 217 of the Act.
Copies to be sent to members and others	155. A copy of every Balance Sheet (including the Profit and Loss Account, the Auditor's Report and every document required by law to be annexed or attached to the Balance Sheet) shall, as provided by Section 219 of the Act, not less than twenty one days before the meeting be sent to every such member, debenture-holders, trustee and other person to whom the same is required to be sent by the said Section.
Copies of Balance Sheet etc. to be filed	156. The Company shall comply with Section 220 of the Act, as to file copies of the Balance Sheet and Profit & Loss Account and documents required to be annexed or attached thereto with the Registrar.

**AUDIT**

Accounts to be	157. Once at least in every year the books of account of the Company shall be
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audited annually	examined by one or more Auditor or Auditors.
First Auditors	158. The first Auditor or Auditors of the Company shall be appointed by the Board within one month after the date of registration of the Company and the Auditor or Auditors so appointed shall hold office until the conclusion of the first Annual General Meeting of the Company.
Appointment and remuneration of Auditors	159. The Company shall at each Annual General Meeting appoint an Auditor or Auditors to hold office from the conclusion of that meeting until the conclusion of the next Annual General Meeting and shall, within seven days of appointment, give intimation, thereof to every Auditor so appointed. The appointment, remuneration, rights and duties of the Auditor or Auditors shall be regulated by Sections 224 to 227 of the Act.
Audit of accounts of branch office of Company	160. Where the Company has a branch office, the provisions of Section 228 of the Act shall apply.
Right of Auditor to attend General Meeting	161. All notices of and other communications relating to any general meeting of the Company which any member of the Company is entitled to have sent to him, shall also be forwarded to the Auditor of the Company, and the Auditor shall be entitled to attend any general meeting and to be heard at any general meeting which he attends with respect to the business which concerns him as Auditor.
Auditors' Report to be read	162. The Auditor's Report (including the Auditors separate, special or supplementary report, of any) shall be read before the Company in general meeting and shall be open to inspection by any member of the Company.
When accounts to be deemed finally settled	163. Every Balance Sheet and Profit & Loss Account of the Company when audited and adopted by the Company in general meeting shall be conclusive except as regards any error discovered therein. Whenever any such error is discovered, the Account shall forthwith be corrected and thenceforth shall, subject to the approval of the Company in general meeting, be conclusive.

**SERVICE OF NOTICES AND DOCUMENTS**

How notice to be served on members	164. (a) A notice or other document may be given by the Company to any member either personally or by sending it by post to him to his registered address or (if he has no registered address in India) to the address, if any, within India or outside India supplied by him to the Company for the giving of notices to him.
Service by post	<p>(b) Where a notice or other documents is sent by post:-</p> <p>(i) Service thereof shall be deemed to be effected by properly addressing, preparing and posting a letter containing the notice or document, provided that where a member has intimated to the Company in advance that notices or documents should be sent to him under a certificate of posting or by registered post with or without acknowledgment due and has deposited with the Company a sufficient sum to defray the expenses of doing so, service of the notice or documents shall be deemed to be effected unless it is sent in the manner intimated by the member; and</p> <p>(ii) Such service shall be deemed to have been effected:-</p> <p>(iia) in the case of a notice of a meeting at the expiration of forty-eight hours after the letter containing the same is posted; and</p> <p>(iib) in any other case at the time at which letter would be delivered in the</p>

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	ordinary course of post.
Notice to members who have not supplied addresses	165. A notice or other document advertised in a newspaper circulating in the neighborhood of the office shall be deemed to be duly serviced on the day on which the advertisement appears on every member of the Company who has no registered address in India and has not supplied to the Company an address within India for the giving of notices to him. Any member who has no registered address in India shall, if so required to do by the Company, supply the Company with an address in India for the giving of notices to him.
Notice to joint-holders	166. A notice or other document may be served by the Company on the joint holders of a share by giving the notice to the joint-holder named first in the Register in respect of the share.
Notice to persons entitled by transmission	167. A notice or other document may be served by the Company on the persons entitled to a share in consequence of the death or insolvency of a member by sending it through the post in a prepaid letter addressed to them by the name, or by the title of representatives of the deceased, or assignee of the insolvent or by like description at the address in India supplied for the purpose by a person claiming to be so entitled, or until such an address has been so supplied, by giving the notice in any manner in which the same might have been given if the death or insolvency had not occurred.
When notice may be given by advertisement	168. Any notice required to be given by the Company to the members or any of them and not expressly provided for by these Articles or by the Act shall be sufficiently given if given by advertisement.
How to be advertised	169. Any notice required to be or which may be given by advertisement shall be advertised once in one or more newspaper circulating in the neighbourhood of the office.
When notice by advertisement deemed to be served	170. Any notice given by advertisement shall be deemed to have been given on the day on which the advertisement shall first appear.
Transferee, etc. bound by prior notices	171. Every person who by operation of law transfer or by other means whatsoever shall become entitled to any share shall be bound by every notice in respect of such share which previously to his name and address being entered on the Register shall have been duly given to the person from whom he derives his title to such share.
Notice valid though member deceased	172. Subject to the provisions of Article 169 any notice or document delivered or sent by post to or left at the registered address on any member in pursuance of these Articles shall, notwithstanding such member be then deceased and whether or not the Company have notice of his death, be deemed to have been duly served in respect of any registered share, whether held solely or jointly with other persons by such member until some other persons be registered in his stead as the holder or jointholders thereof and such service shall for all purposes of these presents be deemed a sufficient service of such notice or document on his heirs, executors or administrators and all persons, if any, jointly interested with him in any such share.
Process of service in winding up	173. The Service of documents in the event of winding up of the Company shall be in accordance with Section 53 of the Act.

**KEEPING OF REGISTERS AND INSPECTION**

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Registers etc. to be maintained by company	<p>174. The Company shall duly keep and maintain Registers, Books and Documents as required by the Act or these Articles including the following namely:</p> <p>(a) A register of Investments not held by the Company in its own name pursuant to Section 49 (7) of the Act.</p> <p>(b) A Register of Charges pursuant to Section 143 of the Act.</p> <p>(c) A Register of Members pursuant to Section 150 and, whenever the Company has more than 50 members, unless, such Register of members is in a form which itself constitutes an index, an index of members pursuant to Section 151 of the Act.</p> <p>(d) A Register of Renewed and Duplicate Certificate pursuant to Rule 7 (2) of the Companies (Issue of Share Certificates) Rules, 1960 or any Statutory modification or re-enactment thereof.</p> <p>(e) A Register of Debenture-holders pursuant to Section 152 and, whenever the Company has more than 50 Debenture-holders, unless such Register of Debenture-holders itself constitutes an index, an index of Debenture-holders pursuant to Section 152(2) of the Act.</p> <p>(f) A Register of Contracts, Companies and firms in which directors are interested pursuant to Section 301 of the Act.</p> <p>(g) A Register of Directors, Manager, managing Director and Secretary pursuant to Section 303 of the Act.</p> <p>(h) A Register of Directors' Shareholdings pursuant to Section 307 of the Act.</p> <p>(i) A Register of Investments, Loans etc. pursuant to Section 372A of the Act.</p>
Supply of copies of Registers etc.	175. The Company shall supply of copies of the Registers, deeds, documents, instruments, returns, certificates and books to the persons entitled thereto under the Act and on payment of such charges, if any, prescribed under the Act.
Inspection of Registers etc.	176. Where under any provisions of the Act any person, whether a member of the Company or not, is entitled to inspect, any register, return, certificate, deed, instrument or documents required to be kept or maintained by the Company, the person, so entitled to inspection shall be permitted to inspect the same during the hours of 11 a.m. and 1 p.m. on such business days as the Act require them to be open for inspection.
When Registers of Members and Debenture holders may be closed	177. The Company may, after giving not less than seven days previous notice by advertisement in some newspapers circulating in the district in which the Office is situated close the Register of members or the Register of Debenture-holders, as the case may be for the periods not exceeding in the aggregate forty-five days in each year but not exceeding thirty days at any one-time.

**DIRECTORS' & OFFICERS' LIABILITY INSURANCE**

Directors' & Officers' liability insurance	<p>178. Notwithstanding anything contained in the above para, the Company may procure, at the Company's cost, comprehensive directors and officers liability insurance for each Director and Officer: -</p> <p>(a) on terms approved by the Board;</p> <p>(b) which includes each Director and / or each officer as a policyholder,</p> <p>(c) is from a authorized insurer approved by the Board; and</p>
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	(d) for a coverage for claims of an amount as may be decided by the Board from time to time.
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**RECONSTRUCTION**

Reconstruction	179. Subject to the provisions of the Act, on any sale of the undertaking of the Company, the Board or the Liquidators on a winding-up may, if authorized by special Resolution accept fully paid up shares, or partly paid up shares, debentures or securities of any other company, whether incorporated in India or not either then existing or to be formed for the purchase in whole or in part of the property of the Company and the Board (if the profits of the Company permit) or the Liquidators (in winding up) may distribute such Shares or securities, or any other property of the Company amongst the members without realisation, or vest the same in trustees for them, and any Special Resolution may provide for the distribution or appropriation of the cash, shares or other securities, benefit on property at such price and in such manner as the meeting may approve and all holders of shares shall be bound to accept or be bound by any valuation or distribution so authorised, and waive all rights in relation thereto, save only in case the Company is proposed to be or is in the course of being wound up, such Statutory rights (if any) under Section 494 of the Act as are incapable of being varied or excluded by these Articles.
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**SECRECY**

Secrecy	180. Every Director, Manager, Secretary, Trustee for the Company, its members or debenture-holders, members of a committee, officer, servant, Agent, accountant, or other person employed in or about the business of the Company shall, if so required by the Board before entering upon his duties, sign a declaration pledging himself to observe strict secrecy respecting all transactions of the Company with its customers and the state of accounts with individual and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the Board or by any general meeting or by a Court of law and except so far as may be necessary in order to comply with any of the provisions in these Articles contained.
No member to enter the premises of the Company without permission	181. No member or other person (not being a Director) shall be entitled to enter upon the property of the Company or to inspect or examine the premises or properties of the Company without the permission of the board or subject to Article 153 to require discovery of or any information respecting any detail of the trading of the Company or any matter which is or may be in the nature of a trade, secret, mystery of trade, or secret process or of any matter whatsoever which may relate to the conduct of the business of the Company and which in the opinion of the Board it will be inexpedient in the interest of the Company to communicate.

**WINDING-UP**

Distribution of Assets	182. If the Company shall be wound up and the assets available for distribution among the members as such shall be sufficient to repay the whole of the paid up capital, such assets shall be distributed so that as nearly as may be, the losses shall be borne by the members in proportion to the capital paid up or which ought to have been paid up at the commencement of the winding up on the shares held by them respectively. And if in a winding-up, the assets available for distribution among the members shall be more than sufficient
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	to repay the whole of the capital paid up at the commencement of the winding-up, the excess shall be distributed amongst the members in proportion to the capital at the commencement of winding up paid up or which ought to have been paid up on the shares held by them respectively. But this Article is to be without prejudice to the rights of the holders of shares issued upon special terms and conditions.
Distribution of assets in specie	183. If the Company shall be wound up, whether voluntarily or otherwise the liquidators may, with the sanction of a Special Resolution, divide among contributories, in specie or kind, any part of the assets of the Company and may, with the like sanction, vest any part of the assets of the Company in Trustees upon such trusts for the benefit of the contributories, or any of them, as the liquidators, with the like sanction, shall think fit.

**INDEMNITY**

Indemnity	184. Every Director, manager, Secretary or Officer of the Company or any person (whether an officer of the Company or not) employed by the Company and any person appointed Auditors shall be indemnified out of the funds of the Company against all liability incurred by him as such Director, manager, Secretary, Officer, Employee or Auditor in defending any proceedings whether civil or criminal, in which judgment is given in his favour, or in which he is acquitted, or in connection with any application under Section 633 of the Act in which relief is granted to him by the Court.”
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**SECTION 9 - OTHER INFORMATION****Documents for Inspection**

1. Memorandum and Articles of Association, as amended till date.
2. Certification of incorporation dated February 23, 2007.
3. Fresh Certificate of Incorporation consequent upon change of name on conversion to public limited company dated March 16, 2010.
4. Fresh Certificate of Incorporation consequent upon change of name dated June 8, 2010.
5. Scheme of Amalgamation and Demerger sanctioned by the Hon'ble High Court of Allahabad by its Orders.
6. Form 21 along with Orders filed with the Registrar of Companies, Uttar Pradesh and Uttarakhand on the Effective Date.
7. Tripartite Agreement between the Company, the RTA and NSDL dated November 16, 2010.
8. Tripartite Agreement between the Company, the RTA and CDSL dated November 23, 2010.
9. No-objection certificate on the Scheme granted by BSE vide their letter no. DCS/AMAL/AKS/24(f)/401/2010-11 dated July 23, 2010.
10. No-objection certificate on the Scheme granted by NSE vide their letter no. NSE/LIST/143799-9 dated August 5, 2010.
11. Certificate of Statutory Auditors to the Statement of Special Tax Benefits mentioned in this Information Memorandum.
12. Copies of Audited Annual Accounts of our Company for financial year 2008-09 and 2009-10, and 6 months Accounts along with the Auditors' Report up to September 30, 2010.
13. Return of Allotment of Equity Shares filed by the Company for allotment of shares pursuant to the Scheme.
14. Letter from the BSE (no. DCS/AMAL/SP/IP/959/2010-11) dated December 16, 2010 granting in-principle approval for listing of the shares of the Company.
15. Letter from the NSE (no. NSE/LIST/154795-4) dated December 28, 2010 granting in-principle approval for listing of the shares of the Company.
16. Letter from the SEBI (no. CFD/DIL/SP/RGA/OW/3157/2011) dated January 13, 2011 granting relaxation from the strict enforcement of Rule 19(2)(b) of the SCRR.

Any of the contracts or documents mentioned in this Information Memorandum may be amended or modified at any time if so required in the interest of the Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.



<b>DECLARATION</b>
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All the relevant information of the Companies Act, and the Guidelines issued by the Government of India or the Regulations/ Circulars issued by the Securities and Exchange Board of India have been complied with and no statement made in this Information Memorandum is contrary to the provisions of the Companies Act, the Securities and Exchange Board of India, Act, 1992, as amended or rules or regulations made there under of the guidelines/ circulars issued, as the case may be. We further certify that all disclosures made in this Information Memorandum are true and correct.

**By order of the Board of Directors of Jubilant Industries Limited**

**Ananda Mukherjee**  
**CEO & Whole time Director**

**Date: February 7, 2011**

**Place: Noida**