JUBILANT INDUSTRIES

Expanding Business
Increasing Spread
Scaling Growth

Annual Report
2011-12

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Board of Directors

Mr. Hari S. Bhartia
Chairman

Mr. Priyavrat Bhartia
Director

Mr. Shamit Bhartia
Director

Mr. Videh Kumar Jaipuriar
CEO and Whole Time Director

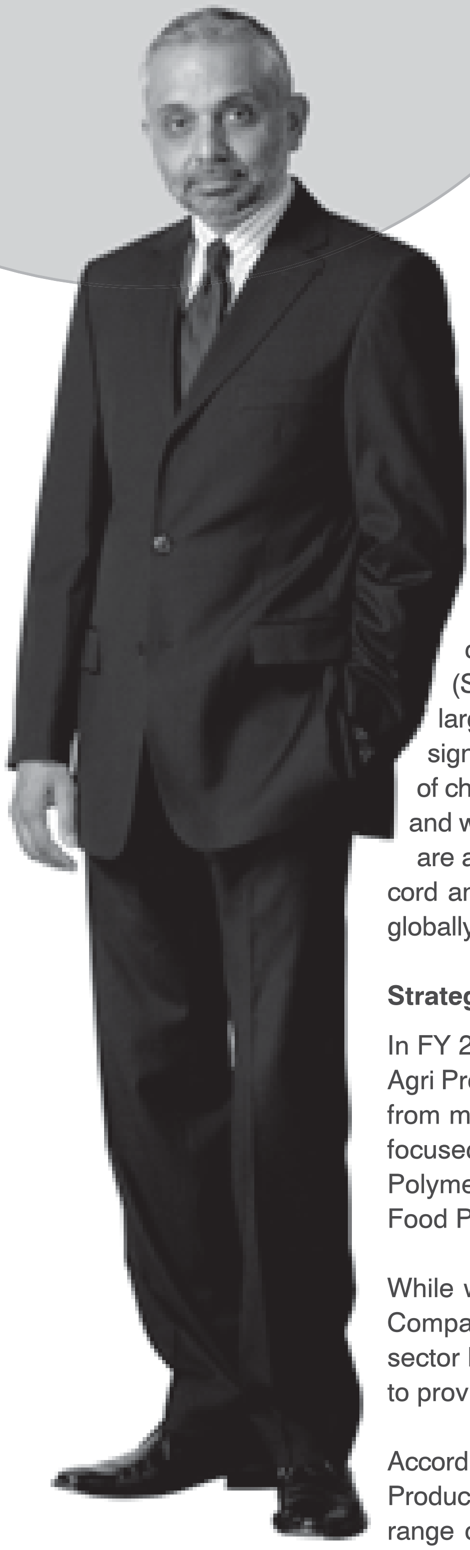
Mr. R. Bupathy
Director

Mr. S.K. Roongta
Director

Mr. Ghanshyam Dass
Director

Dr. Ashok Misra
Director

Chairman's Message



Mr. Hari S. Bhartia
Chairman

Dear Shareholders,

We are excited to represent ourselves as a well diversified company with strong presence in Agri, Performance Polymers and Retail business. We successfully streamlined the operations of the Company as an independent entity which came into existence after the demerger from its parent company Jubilant Life Sciences Limited in November 2010 and acquired retail business as a strategic growth initiative. The strategic vision of the management has stimulated the Company to attain remarkable growth and leadership position in the select businesses.

Leadership Position

I am proud to share that we have successfully maintained our respective leadership positions in all the business domains. In Agri Products, we continue to be amongst the leading players in India for Single Super Phosphate (SSP) fertilizer, selling products under the brand "Ramban". We are the 2nd largest consumer adhesives player in India with brand "Jivanjor" and also are a significant player in wood finishes and sealants. Our leading position as provider of chewing gum base (solid PVA) to global chewing gum manufacturers continues and we are No. 1 in India and amongst top 3 players in food polymers globally. We are also the leading provider of VP Latex, SB and NB Latex for application in tyre cord and conveyor belt globally and are ranked No. 1 in India and amongst top 3 globally in the segment.

Strategic Growth Initiatives

In FY 2012, the Company showed remarkable growth in its existing businesses of Agri Products and Performance Polymers. In Agri Products, our market share grew from mere 4% to 19% in FY 2012 in our key economic region Rajasthan, through focused marketing initiatives and helped improve sales growth. In the Performance Polymers segment, debottlenecking of capacity aided volume driven growth in Food Polymers and higher realisations drove growth in the Latex business.

While we are growing well organically, the Board of Directors decided to put the Company on a faster growth track inorganically, with foray into the upcoming retail sector having enormous potential. With this acquisition, the Company is expected to provide growth prospects to shareholders and enable value creation.

Accordingly, businesses have been reorganised into three major segments of Agri Products, Performance Polymers and Retail. Agri Products continue to include a range of crop nutrition, growth and protection products besides SSP, with a wide spread dealer network and strong experienced sales team. The Performance Polymers segment enjoys leadership positions in manufacture and sale of vinyl pyridine latex, food polymers, wood finishes and adhesives, catering to national and global customers across diversified industries. Retail segment, the 2nd largest retailer

The strategic vision of the management has stimulated the Company to attain remarkable growth and leadership position in the select businesses.

in Bangalore, runs state of the art 5 hypermarkets and malls under the brand “Total Superstore” with a single city focus yielding smoother supply chain and better cost efficiencies. This segment focuses on the hypermarket business with emphasis on offering variety and value to its core customers. We have embarked upon an aggressive plan to refine the value proposition, right-size and upgrade the stores, improve marketing efficacy and optimise our cost structure which will result in enhanced financial performance.

Financial Performance

While the sales of existing businesses grew 26% at ₹6,358 million, their Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA) grew 40% at ₹871 million in FY 2012. Agri Products recorded revenue of ₹3,042 million, with growth of 20% Y-o-Y on the strength of strong business performance. Performance polymer business grew by 33% to ₹3,316 million on account of higher volumes and better realisations. After acquisition of the Retail segment, we recorded consolidated Revenue of ₹9,949 million from the three businesses and EBITDA of ₹193 million.

After accounting for depreciation & amortisation of ₹169 million, Net Interest charges of ₹247 million and amortisation of goodwill of ₹124 million, we reported PBT of ₹(348) million. Reported Profit after tax of the Company was at ₹(567) million. However, Normalised Profit after tax was ₹(145) million after adjusting for exceptional items of ₹157 million primarily with respect to write offs of fixed and other assets, Lease Rent Equalisation Reserve of ₹141 million and goodwill amortisation of ₹124 million.

The Board of Directors of the Company propose to re-invest the cash generated from operations for business growth and expansion and hence have not recommended any dividend for the financial year ended March 31, 2012.

Outlook

We believe that our Company continues to be on a strong growth trajectory thereby ensuring high value creation to all stakeholders. Agri Products business is expected to continue momentum in SSP volumes especially in North & Central India where it has a strong brand presence, through improved operating efficiency.

Under the Performance Polymers segment, our dealer reach has been constantly growing and we are focusing more on innovative distribution channels to increase penetration of “Jivanjor” brand in Consumer Products business. We are gradually enhancing our solid PVA production capacity with minimal investments to match growing business aspirations. Higher capacity utilisation and good order book would ensure sustained growth for the product line. In Latex, the Company is holding onto its dominant position in the domestic VP Latex customer base of tyre cord market and is Globally No. 2 in the VP Latex segment. Latex business growth would be driven by improving our footprint geographically and across various applications.

Retail business is expected to work on a city saturation model of expansion with a clear focus on variety and value. With a refined merchandising approach and granular marketing, we aspire to be a leading tier 1 metro hypermarket retailer. Processes and controls are being upgraded and dealings with vendors streamlined to optimise performance and bring in efficiencies.

We remain committed to strengthen our diverse business portfolio through process improvements and innovative solutions to deliver value to our customers worldwide.

We would like to take the opportunity to thank every stakeholder viz. shareholders, employees and customers / partners in the Company for being a part of this growth story and value creation. We remain grateful towards our employees, customers, vendors, bankers and shareholders for their continued support. We are hopeful that they will remain with us as we venture into the future which holds unbounded promise.

Best Wishes

Hari S. Bhartia

Hari S. Bhartia
Chairman
Date : 9th May, 2012

Awards & Recognitions

Awards received during the year 2011-12

Frost and Sullivan - India manufacturing gold award

Fertilizer Association of India (FAI) - Runner up in Golden Jubilee Award

National Quality Conclave - Joint Winner of prestigious Quality Council of India (QCI) - D.L. Shah National Award on “Economic of Quality” (under category B1: Large Scale Manufacturing Sector)

Awards & Recognitions

District Administration Chittorgarh - Letter of appreciation for support in health programs through CSR

Agriculture Leadership Summit 2011 - Corporate Leadership Award 2011

Jubilant Industries Limited (JIL) conferred the "Amity HR Excellence Award for Leadership Builders"

Management Discussion & Analysis

Business Focus for Growth Opportunities

Jubilant Industries Limited (JIL) was carved out of Jubilant Life Sciences in FY 2011 to bring focus to its key businesses of Agri and Performance Polymers. While the first year was invested in streamlining these operations as an independent entity which got its coveted listing on the Indian bourses in February, 2011; FY 2012 witnessed many more growth opportunities being considered by the Board. India's consumption led growth has offered opportunities in retail segment. This opportunity was found attractive for profitable growth of the organisation from a long term perspective. Hence, during the year, the Company took a major step in acquiring Retail business after getting the requisite regulatory approvals.

Strategic Initiatives

The Company adopted a two pronged strategy for growth of the diversified business. One was the acquisition led growth opportunity which was tapped while the other was more in line with its natural organic progression.

"The Company adopted a two pronged strategy for growth of the diversified business. One was the acquisition led growth opportunity which was tapped while the other was more in line with its natural organic progression"

Acquisition led growth – The Company had been in search of growth opportunities in order to effectively utilise the surplus cash generated. A foray into the sunrise retail sector with untapped potential appeared an attractive proposition. The retail vertical had been nurtured by the Jubilant Bhartia Group (JBG) in a private entity for over a decade. By vesting Agri and Consumer Products business into a wholly owned subsidiary Jubilant Agri and Consumer Products Ltd. (JACPL) and acquiring the Retail business in consideration of equity shares to JBG will enable both the businesses to grow to the next level and create a better value for all stakeholders. This would also enable the Company to attract a different set of investors, strategic partners who can bring relevant experience for the growth of this business. The Hon'ble Allahabad High Court approved the Scheme of Arrangement in January 2012 with effective date of February 1, 2012 and the appointed date being April 1, 2011.

India is amongst the top 5 emerging retail markets driven by increased household incomes and a propensity for increased consumer spending. The urbanisation of India along with the growth of nuclear families has resulted in changing spending patterns with a trend towards aspirational lifestyles. While the Indian consumer is evaluating trading up, they also continue to be value conscious and are looking for a good mix of assortment and price in their buying choices. Modern retail formats offer a good tradeoff between assortment and price and consumers are increasingly purchasing from them. These favorable tail winds will continue to propel the organised retail sector which is expected to grow at 27% Compound Annual Growth Rate (CAGR) over the next four years.

With "Total Superstore", the Company gets an established brand with a leadership in the hypermarket segment and a single city footprint offering supply chain, advertising and administrative advantages.

Organic Growth – The Company continued to grow organically in its key business segments. The Agri Products business depicted excellent growth backed by enhanced capacity utilisations and higher market shares in some of the key markets led by Rajasthan. Performance Polymers segment posted exceptional growth in top line on account of stable capacity utilisation on enhanced capacity in the Food Polymers division along with effective sales network.

Financials (₹ in million other than % of total sales)

Substantial portion of the business now resides in the subsidiary companies and hence management considers it prudent to discuss consolidated financials rather than the standalone entity numbers. Accordingly, consolidated financial results are being discussed and analysed.

Consolidated Profit & Loss	FY 2012 (₹ in million)	FY 2011 (₹ in million)
Total Income from Operations	**9,958**	**5,379**
Other Income	75	18
Total Income	**10,033**	**5,397**
Total Expenditure	9,840	4,933
Change in Inventories of FG, WIP & Stock in Trade	179	135
Purchase of Stock in Trade	2,910	60
Cost of Materials Consumed	3,615	3,066
Other Manufacturing Expenses	741	592
Employee Benefits Expense	812	429
Other Expenses	1,583	651
EBITDA	**193**	**464**
Depreciation & Amortisation	293	58
Finance Cost	247	2
Exceptional Items	157	–
Tax Expenses	63	118
Net Profit After Tax	**(567)**	**286**

Revenue: The consolidated Revenue increased to ₹9,949 million in FY 2012 as against ₹5,371 million in the same period last year, reflecting a growth of 85%. The rise in revenue on account of acquisition of retail business was to the tune of ₹3,591 million and sales growth of ₹1,311 million (26% YoY) was recorded from the existing Agri and Performance Polymers businesses.

Total Expenditure: Major expense heads for the company include Material costs, Manufacturing costs, Employee benefits expense and Selling General & Administrative expenses.

Agri Products Range

There has been an increase of 18% in the raw material cost which has increased to ₹3,615 million in FY 2012 from ₹3,066 million in FY 2011. This was mainly on account of high rock phosphate and VAM prices which are in line with revenue growth.

Increase in coal and fuel prices led to high manufacturing cost during FY 2012. Rise in staff cost has been in line with new talent acquisitions, annual increments given to the employees and inclusion of Retail business employees. The selling & distribution expenses have grown due to increased business development activities and expansion in geographical reach in Agri and Consumer businesses.

EBITDA: In FY 2012, the EBITDA stood at ₹193 million, compared to ₹464 million in FY 2011. While Agri and Performance Polymers segments posted growth of 40% in business EBITDA at ₹871 million with 13.7% margins, Retail business posted loss at EBITDA level.

PAT: After accounting for depreciation & amortisation of ₹169 million, Net Interest charges of ₹247 million and amortisation of goodwill of ₹124 million, we reported PBT of ₹(348) million. Reported Profit after Tax of the Company was at ₹(567) million. However, Normalised Profit after Tax was ₹(145) million after adjusting for exceptional items of ₹157 million primarily with respect to write offs of fixed and other assets, Lease Rent Equalisation Reserve of ₹141 million and goodwill amortisation of ₹124 million.

Business Segments

Business segment wise consolidated net sales (₹ in i i n other than % of total sales)

Composition of Sales (₹ in million)	FY 2012	FY 2011
Agri Products	3,042	2,545
Performance Polymer	3,316	2,502
Retail Business*	3,591	
Total	**9,949**	**5,047**

*Retail business has been merged w.e.f. April 1, 2011.

Note: Application Polymers business contributed ₹324 million to the total sales in FY 2011, which has been discontinued in FY 2011 and hence not included in the FY 2011 data above for comparison purposes.

Agri Products

Business Profile - Agri business offers a range of products in crop nutrition, crop growth regulator and crop protection areas under the brand "Ramban", which is a widely accepted brand in the market. "Ramban" is amongst the top brands in India for Single Super Phosphate fertilizer (SSP) and a significant agro nutrient player. The Company is engaged in manufacturing of SSP fertilizer and trading of agrochemicals products including crop growth regulator, crop protection and others.

Industry Overview - India is the second-largest producer of food in the world and holds the potential of being the biggest on global food and agriculture canvas. The crop requires primary (N, P, K), secondary (Ca, Mg, S) & micro nutrients (Fe, Zn, Mn, Cu, Br, Cl etc.) for optimum productivity and quality of produce. The balanced use of fertilizers is needed to correct nutrient deficiency, improve soil fertility, water use efficiency, enhances crop yields and farmer's income. The industry and government work together for achieving

"The Company has strong distribution network in India with a total of about 1000 distributors & dealers and have strong brand equity of "Ramban" in Uttar Pradesh, Rajasthan, Madhya Pradesh, Punjab and Haryana."

balance use of fertilizers through soil testing, providing infrastructure facilities. India imports nearly one third of its total fertilizer requirement, with bulk of phosphate and the entire requirement for potassic fertilizers. Rising international prices for both finished fertilisers and intermediates have pushed up the fertiliser prices in the market.

SSP meets around 10% of phosphate requirement in India. SSP includes sulphur and calcium content, useful for sulphur deficient areas and oil seed and pulses. To reduce India's import dependence in phosphatic fertiliser, use of SSP should be encouraged through greater extension work. SSP is manufactured entirely in the domestic sector. Enhanced production would bring down country's dependence on imports in the phosphate sector. The production of SSP also does not need huge investment required for producing Di-Ammonium Phosphate (DAP) and other complex fertilizers.

Under Nutrient Based Subsidy (NBS), subsidy is given on the basis of the nutrient in the fertilizer — N, P, K, S. Since the subsidy for each grade of fertilizers is fixed for a year, the Maximum Retail Price (MRP) of fertilizers at farm gate level has been opened. The basic objective of NBS is to create healthy competition in the industry and to make available the fertilisers in time at affordable prices to achieve balanced use of fertilisers. NBS provides SSP a level playing field vis-a-vis DAP and complex fertilizers. The government has reduced the NBS for 2012-2013 over 2011-2012. Subsidy on SSP is reduced to ₹3,673 per ton from ₹5,359 per ton last year. There was a freight subsidy of ₹200 per ton which was disallowed in August 2011 with retrospective effect. The new subsidies came into effect on April 1, 2012.

Business Performance - The Company is continuously expanding its basket of products and marketing reach. The Company has strong distribution network in India with a total of about 1000 distributors & dealers and have strong brand equity of "Ramban" in Uttar Pradesh, Rajasthan, Madhya Pradesh, Punjab and Haryana. During FY 2012, primary zone share increased from 62% to 71% in Gajraula and from 4% to 8% in Kapasan. The Company is able to offset the rising rock phosphate cost by developing various cost effective cocktail rock compositions which enable the Company to optimise the raw material cost.

Business Strategy - In Agrochemicals, the Company is focusing in herbicide segment by adding new molecule for soybean and also promoting the usage of VAM-C product. The Company has plans to expand its distribution network and geographical reach on a national scale by entering into strategic alliances. In Agri Products, strong continued momentum in SSP volumes and our target to reach full capacity utilisation should help us to drive growth.

Performance Polymers

In the Performance Polymer the Company is engaged in three major business lines of Consumer Product, Food Polymers and Latex, each of which is being discussed separately.

Consumer Products

Business Profile – The Consumer Products business is focused on providing customers with a complete range of Wood Working Adhesives, Wood Finishes and Footwear Adhesives. With a nationwide network, represented by brand "Jivanjor", we are major player in this segment. We have a pan India presence due to

Jivanjor range of Adhesives

strong distribution network of Dealers and Distributors across the nation.

Industry Overview - The major users of adhesives are the packaging, automotive, construction and furniture industries. The growth in the latter is the main driving force behind the continued consumption of our products. The furniture industry in India is considered to be a "non-organised" sector, where handicraft production accounts for about 85% of the furniture production. The organised sector which represents only 15% of the whole industry is growing at higher rate than non-organised industry.

With the rise in per capita income and improving living standards, more Indians are opting for lavishly furnished houses which are creating the demand for new residential and commercial construction activities giving boost to the plywood and veneers in housing segment. Thus, requirement for wood working adhesives and wood finishes will rapidly grow to cater to the increasing requirements of the above segments.

Business Performance - The overall economic slow-down has impacted the volume growth in some product categories. The raw material prices also went up drastically in the mid of the financial year, which, however, normalised by January 2012. The Company took price increase as per the market conditions to maintain the margins. Company has also recently launched "Lamino"- a specialised adhesive for laminates on wood, which is a unique offering in the market.

Business Strategy - The Company has created a base of more than 25,000 carpenters and contractors by interactive engagement programs and intends to expand its distribution network by adding more distributors & dealers/hardware stores/retailers and offering more differentiated products. The Company is also focusing on projects sale by having a separate B2B vertical.

Food Polymers

Business Profile – We are one of the three major global suppliers of Solid Poly Vinyl Acetate (SPVA) and the only one in India. SPVA is the major raw material for making gum base for chewing gum and bubble gum. We have a customer profile which includes the market leaders in chewing gum industry worldwide. The products under this category are Vamipol 15, Vamipol 17 and Vamipol 30. Our Food Polymer products are manufactured at our plant at Gajraula, UP.

Industry Overview - The chewing gum-base market that consumes SPVA is among the fastest growing categories within the confectionery industry. It is growing at 3-4% per annum globally and its growth rate in India is at a much faster pace of 15% per annum. This growth is attributed to the growing popularity of functional chewing gums that has led the manufacturers to focus on products that can easily incorporate wide-ranging benefits to traditional gum flavours and textures. Consumer demands for breath-freshening chewing gums are pushing the market towards the sugar-free formulations delivering the flavor & freshness.

The SPVA industry follows high quality standards and technological developments which lead to high market concentration with the Top 4 suppliers accounting for more than 75% of the Global SPVA consumption.

Business Performance - We added some new global customers in our customer portfolio. Our production capacity was also increased during FY 2011 to cater to rising demand. The expanded capacity has been fully utilised during FY 2012.

"We are focusing on increasing global market share by achieving the status of a preferred vendor in large international key accounts and improving customer service levels both in domestic and export market."

Business Strategy - The business plans to expand its product offering and target new customers to become a preferred global supplier. A strong increment in volumes of Food Polymers based on higher capacity utilisation of increased capacities and contracts for selling most of the increased production, which are already in place, should drive growth rates.

Latex

Business Profile – We are ranked No. 1 in India and No. 2 globally for manufacturing VP Latex used in dipping of automobile tyre cord and conveyor belt fabric. We also produce SB Latex used in tyre cord fabric. We are bulk suppliers of these lattices to global automobile tyre manufactures and dippers. The products under this category are Encord VP Latex, Encord SB Latex and Encord NB Latex used in Automotive Gasket Jointing, all of which are manufactured in our plant at Samlaya near Vadodara, Gujarat. We also have a Research and Development laboratory equipped with testing facilities for different Latex products at Samlaya which is recognised by the Department of Science and Technology, Government of India. We are an ISO 9001:2008; ISO 14001:2004 and BS OHSAS 18001:2007 certified Company.

Industry Overview - Vinyl Pyridine Latex (VP Latex) is used to impregnate man made fabrics and enable the adhesion of fabrics to the rubber of automobile tyres and conveyor belts.

Globally the tire cord industry is growing at close to 5% per annum as per market reports. Overall the automotive industry is holding well because of the replacement tyre market demand and growth in US, European and Asian Markets. In India the commercial vehicle (CV) industry is growing at the rate of 12-14% and offers potential for growth. New Players are planning to introduce new models and the existing leading CV players are also launching new models to hold onto their share. Hence an increase in CV market is anticipated in coming years. To support the CV manufacturers, many established tyre manufacturers are expanding and setting up new plants. Increased economic activity has resulted in growth in industrial production thereby creating demand for conveyors. These developments augur well for VP Latex dipped tyre cord and conveyor belt fabric markets.

Business Performance - We have successfully increased our production capacity at Samlaya in the current year by 15% through process improvement and de-bottlenecking.

Business Strategy - We are focusing on increasing global market share by achieving the status of a preferred vendor in large international key accounts and improving customer service levels both in domestic and export market. Latex is expected to see full capacity utilisation with further increase in capacities brought about by debottlenecking.

Other business - JIL has been bottling Indian Made Foreign Liquor (IMFL) products on a contractual basis for various established brands engaged in liquor business in India. The segment reported revenues of ₹24 million in FY 2012.

Retail Business

Business Profile – Jubilant recognised opportunity in the retail sector and started operations in 2000 by acquiring Food Express Store Limited from Amalgam Food Limited, which operated the supermarket format Monday to Sunday (M2S). In FY 2003, two more stores were opened in Koramangala and J.P. Nagar. Jubilant opened the first hypermarket store on Mysore Road in

> *Retail business will drive business growth by acquiring new customers and pursing continuous innovation by offering a wide range of assortment to its customers.*

FY 2006 under the brand name “Jumbo” - in order to build a more financially lucrative format. Subsequently, the brand name was changed to “Total” and in FY 2007 a second store was opened at Madivala. In FY 2008, two more stores were opened, one at Sarjapura Road and another at Old Airport Road. In FY 2012 a new store was opened at Mahadevapura.

Jubilant Retail is currently the second largest retail chain in Bangalore with five operating stores in the hypermarket format. It is a well established brand with high recall across Bangalore. The single city operations lead to benefits no other retailer enjoys - in terms of supply chain efficiencies, advertising spend and management focus. The hypermarket format has high economic potential and is one towards which most players in India are beginning to gravitate.

Industry Overview – India is rated as the second fastest growing economy in the world and amongst the five largest retail markets with an estimated size of $500 billion. Organised retail penetration in India is quite low (below 10%). This is significantly lower compared to ~85% in developed markets like US and Japan and 20% in growing markets like China and Vietnam. Organised retail is expected to be driven by growing adaption of modern trade and increased consumer spending. Hypermarkets are expected to be the most dominant format in the organised retail segment in India, which is expected to grow at a CAGR of 27% over the next four years.

Business Performance – In July 2011, a new professional management team was brought in with a clear mandate to refocus on the growth and profitability of the business. Jubilant Retail re-launched hypermarkets with the new brand “Total Superstore”. During the past year, initiatives were taken to significantly reduce cost structures, improve space productivity and develop a lean capex based prototype.

Business Strategy – The plan is to improve store operations capabilities to drive profit at store and category levels. Management focus is expected to sharpen and improve propositions in key categories like apparel and dairy/meat/frozen. Granular marketing initiatives will be used to effectively reach the end consumer. In order to bring in operating efficiencies, supply chain processes will be streamlined and internal controls as well as processes will be up graded. Retail business will drive business growth by acquiring new customers and pursuing continuous innovation by offering a wide range of assortment to its customers.

Company Outlook

Over the years, these businesses across a broad range of products have attained a significant size in India and we aim at scaling them up globally. 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 products and services. 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 consumers’ needs while simultaneously monitoring the bottom-line such that focus remains on enhancing stakeholder value. Growth will accrue due to a combination of good performances in all the business segments.

Research & Development Initiatives

Research & Development plays a vital role in developing and adopting new technologies to enhance our operational efficiencies. We develop new technologies at the lab scale and the scientists and manufacturing

R&D facility

engineers work in close co-ordination to seamlessly scale-up the processes to commercial scale without losing on the efficiency of the process with a lead-time comparable to the best in the industry. Six Sigma initiatives at plants and R&D support the adoption of new technologies and enhancing the efficiencies of our manufacturing plants to provide better services to our customers.

In this direction we have established various R&D Centers. Apart from a central R&D Centre at Noida, the Company has various R&D teams at plant sites at Gajraula, Kapasan and Savli for continual plant support & process development. A new site R&D Lab has been setup for Fertilizers.

R&D supports the activities of various businesses through new product and process development, process optimisation, absorption technology and establishing technologies at commercial scale, focusing on green chemistry guidelines. R&D is a focal point for the continuous improvements of existing processes throughout the life cycle of the product.

Some of the key benefits derived last year as a result of these continuous efforts resulted in cost efficiencies and improvement in our service to our customers. We have developed a premium grade water resistant wood adhesive and also launched a new wood stain “Wenge”. Jubilant has successfully improved processes in SPVA business to achieve higher efficiencies by technological advancement. Jubilant undertook capacity enhancement of VP Latex in the present facility by implementing a new technology. Jubilant has developed special cost effective cock tail formulations for manufacturing SSP.

R&D efforts have helped the Company in strengthening position in performance chemicals based businesses in markets. We have achieved global leadership in selected segments of our business and generated own Intellectual Property Rights (IPRs) to provide competitive edge backed by development of new products. Major growth has been witnessed in export of our products with competitiveness in cost and quality. We are effective in effluent management. Our R&D efforts have also helped in import substitution.

Manufacturing

Pursuit of excellence is the epicenter of all manufacturing initiatives at Jubilant Industries Limited. To achieve operational excellence, Jubilant has taken holistic approach to optimise resource utilisation including human talent and capital assets by leveraging business processes. There is a constant effort on capacity debottlenecking and cost optimisation by value engineering initiatives, technology improvement and use of energy efficient equipments.

With a view to meeting the challenges across its multi-product and multi-location manufacturing base, Jubilant has embarked on strengthening processes and systems like World Class Manufacturing, Lean Six Sigma & Total Productivity Maintenance (TPM). Another initiative, “Sankalp”, is aimed at encouraging workgroup employees to take ownership of their job and suggest ways and means to improve current functioning. A robust performance measurement system exists in the organisation to encourage participation.

Jubilant Industries has always followed best-in-class operating standards and has an Integrated Management Systems accreditation encompassing ISO 9001, ISO 14001 and OHSAS 18001. There are enterprise wide policies aimed at achieving zero discharge and zero

> *Value creation through continual improvement within supply chain function across the businesses has been the approach to build excellence & create world class processes.*

accidents, in line with the environment, health and safety standards with sustainability as the underlying principle.

Supply Chain Management

Jubilant Industries practices the best programs & techniques to support excellence in supply chain. The procurement has already been automated through the use of technology by means of a software program called "eJ-Buy", which aims at improving transparency in purchasing processes as well as works as a reverse auction platform. The improvements are managed through Mission Directed Teams (MDTs), which are guided and coached by respective process owners and Six Sigma black belts. At any given point in time, there are several concurrent programs underway at various levels in the supply chain organisation.

Value creation through continual improvement within supply chain function across the businesses has been the approach to build excellence & create world class processes in Jubilant Industries Limited. The Company has adopted Sales & Operations planning (S&OP) process to bring agility and effectiveness in its material procurement planning process. The company plans to further strengthen its S&OP process by integrated it with sales planning process.

Human Resources – the 'Catalyst' of Growth…

"Delight of being a JILite" is the punch-line that drives the Human Resources function to create an "Employee Value Proposition" for Jubilant Industries Ltd as a preferable organisation to work for the newer talent as well as for the existing pool of employees. The total employee base of around 2700 spread across its corporate office in Noida, manufacturing plants and sales and distribution offices / stores across India witness their progression aligned to the growth and success of the organisation.

The skill and adeptness with which the Leadership team led JIL was acknowledged by Amity's HR Excellence award for leadership builders – 2011 during the 8th Annual Global HR Summit held at Amity University Campus, Noida.

The cohesiveness and camaraderie exhibited by our employees, who are spread far and wide, makes working with the company an enjoyable experience. We call ourselves the Jubilant Industries Family. We have maintained cordial relations with our employees and there have been no instances of major strikes, lockouts or any other disruptive labor disputes. We provide various benefits to our employees, addressing their social and security needs such as Personal Accident, Group Term Insurance and Healthcare Coverage for employees and their dependents. The wages and benefits of our unionised employees are generally established by collective bargaining agreement.

Our philosophy for the training and development initiatives at Jubilant Industries does not limit only to the skill & competency development, rather it paves path for bridging the gaps between doable and deliverables through range of tools and interventions – Discover More, Orbit-Shifting, Breakthrough Workshops, Talent & Succession Planning, Competency Assessment exercises etc to name a few. Moreover, as a yardstick of performance for training and development programs in the organisation that encapsulates range of technical, functional and behavioral workshops, the target of 3 man-days has been exceeded giving adequate attention to our people development drives.

"Power of We" – Breakthrough workshop for Kapasan

The philosophy of – "Caring, Sharing and Growing" lives in the hearts of everyone in this organisation, we are sincerely aligned to it through the range of Human Resources interface to the internal and the external world – Commitment to community programs through Jubilant Bhartia foundation, participation in local employment exchange job fair at Chittorgarh, tying up with leading hospitals for employee wellness, health and spiritual talk by experts are to name a few.

Taking every piece of it in the year to come, the conviction of Human Resources to prosper with the prosperity of the Organisation will definitely be realised with more rigors in meeting and beating all challenges. This is how we intend to establish the win-win environment across all businesses and functions in Jubilant Industries Limited.

Internal Control Systems & Risk Management

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

Jubilant's Vision on Risk Management

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

Risk Management Strategy

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

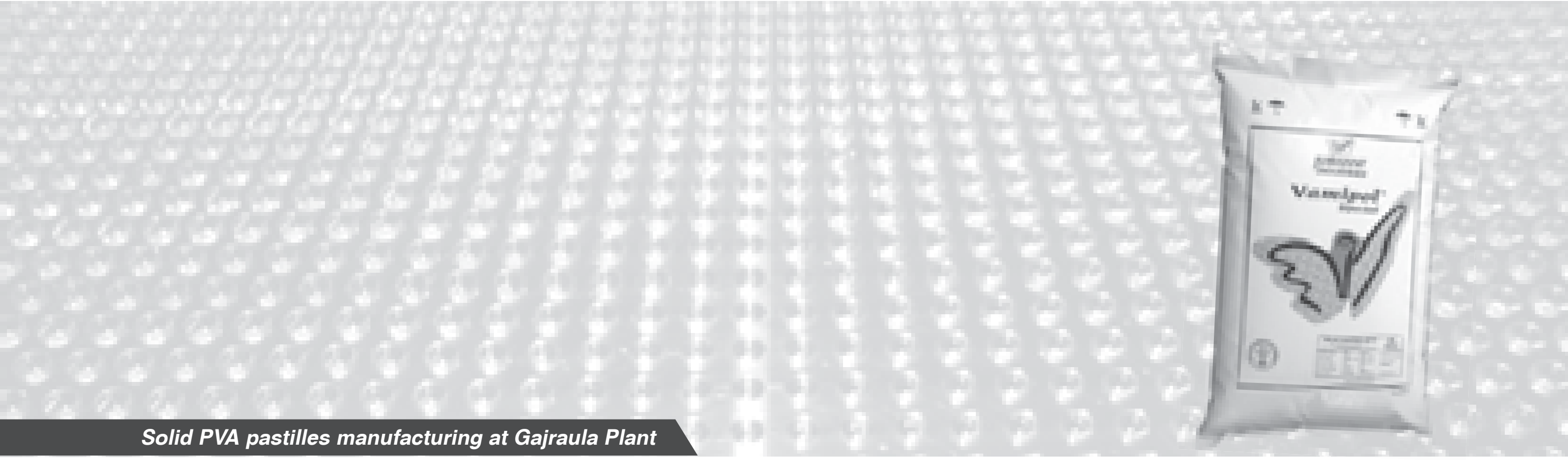
Our senior management team sets the overall tone and risk culture through defined and communicated corporate values, clearly assigned risk responsibilities and appropriately delegated authority. We have laid down procedures to inform Board members about the risk assessment and risk minimisation procedures.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

Risk Management Structure

Our risk management structure comprises the Board of Directors and Audit Committee at the Apex level, supported by the CEOs, CFO, Heads of Businesses, Functional Heads, Unit Heads, Divisional Heads of Accounts & Finance and Head of Assurance function. As risk owners, the Heads are entrusted with the responsibility of identification and monitoring of risks. These are then discussed and deliberated at various review forums chaired by the CEOs and actions are drawn upon. The Audit Committee, CEOs, CFO and Head of Assurance act as a governing body to monitor the effectiveness of the internal controls framework.

There is a perpetual internal audit activity carried out by M/s Ernst & Young Private Limited and the in-house internal audit team, who make an independent assessment of our risk mitigating measures and provide suggestions for improvement.

The Audit Committee, on a quarterly basis, reviews the adequacy and effectiveness of the internal controls



Solid PVA pastilles manufacturing at Gajraula Plant

being exercised by various businesses and support functions and advises the Board on matters of core concern for appropriate redressal.

Risk Mitigation Methodology

We have a comprehensive internal audit plan and a robust Enterprise Risk Management (ERM) exercise which helps to identify risks at an early stage and take appropriate steps to mitigate the same. We have completed two years of our certification process wherein, all concerned Control Owners certify the correctness of about 1100 controls related to key operating, financial and compliance related issues, every quarter. This has made our internal controls and processes stronger and also serves as the basis for compliance with revised Clause 49 requirements mandated by the Securities and Exchange Board of India (SEBI).

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

Management's Assessment of Risk

The Company identifies and evaluates several risk factors and makes appropriate mitigation plans associated with the same in detail. Some of the key risks affecting its business are laid out below.

Competition: The Company operates in a competitive business environment in each of the business segments. In Fertilizer business, the risk manifests in the form of a number of new entrants resorting to penetration pricing to capture market share as well as competing with established players with a diversified product portfolio and established distribution channels which allows them benefit of economies in supply chain. In addition, price movements in the international markets for alternates (DAP) to core product SSP poses a risk in the form of end consumer shifting preference to these products thereby impacting demand for SSP.

For its wood adhesives and finishes business, end-user indifference, consumer price sensitivity exposes the Company to increased dependence on distributors and dealers in creating demand for its products. Regional players due to lower overhead costs and stronger dealer connect puts greater pressure on the margins. The Company has drawn out detailed plans and strategies to strengthen brand recall through both static and interactive marketing activities. It is focusing on building a distribution network and run programs to create distributor-dealer loyalty.

For its Food Polymer and Latex business, where it commands a significant share of business for leading chewing gum and tyre manufacturers, it faces competition from international territories including China in terms of cost advantage enjoyed by these companies. The Company has strong customer and account management programs to secure long term commitments from these players. Also, it has plans in place to identify new geographies, re-align its product and market mix and focus on building premium range to get competitive advantage.

Cost Competitiveness: Rising Input Prices - The Company believes that growth and its market position due to the cost competitiveness of its products in addition to the quality that is stands for. Constant and rising input prices amidst inflationary market conditions poses a risk to the Company's ability to remain price competitive and build reserves to drive future growth.

"We have a comprehensive internal audit plan and a robust Enterprise Risk Management (ERM) exercise which helps to identify risks at an early stage and take appropriate steps to mitigate the same."

Volatility in raw material prices like Rock Phosphate, VAM, Catalysts, Butadiene, 2VP Monomer etc, and also surge in logistics cost may have a significant impact on operating margins.

The Company continues to take initiatives to reduce costs by employing business excellence initiatives. Wherever feasible the Company is entering into long term contracts with volume and prices commitments. Alternate supply sources are being identified to negate the adverse impact of short supply of raw materials and R&D initiatives being evaluated to develop cheaper/ easily available alternatives. The focus is also on improving profitability by increasing supply chain and R&D effectiveness thereby reducing manufacturing costs.

Foreign Currency Fluctuations: Foreign currency exposures arising out of international revenues and significant import of key raw materials could adversely impact the profit margins of the Company. Depreciating rupee poses a risk of imports becoming dearer and raw materials more expensive. Further, volatility and uncertainty in forex rates creates challenges in determining the right price of the product in the market.

To mitigate foreign currency related risks, the Company has a strategy in place to take measured risks through hedges and forward covers. It has dedicated experts and professionals to guide on matters relating to foreign currency risk management for example consolidating inbound/ outbound exposures for natural hedge. The risk management team formulates policies and guidelines which are periodically reviewed to align with external environment and business exigency. A quarterly update on foreign exchange exposures, outstanding forward contracts and derivatives is placed before the Board.

Capacity Planning and Optimization: As a part of growth strategy, the Company proposes to make significant investments to expand capacity and service capabilities and focus on debottlenecking the existing plants. This is critical in meeting business objectives – driving growth and maintaining market leadership. Non availability of sufficient capacity due to delayed commissioning, cost overruns and inability to deliver per standards can significantly impact achievement of business revenue targets, margins and expected ROI in addition to customer dissatisfaction and adverse impact on reputation. Uncontrollable breakdowns and idle capacities contribute to inefficiencies in manufacturing process. Similarly, unutilised capacity for short time due to power breakdown, labour unavailability, transport strike etc. may impact the ability to meet customer demand and garner market share.

The Company has robust processes in place to continuously monitor planned capacities and utilisation ratio, aligned with good manufacturing practices and stringent plant maintenance plan. The Company plans to take additional initiatives to commit to customer orders only after taking into consideration the key capital projects planned for execution. Company's growth objectives are aligned with project team execution plan. It periodically embarks on de-bottlenecking and other initiatives to improve efficiencies and build additional capacities.

Portfolio and mix: Product and Customer Concentration - A balanced portfolio in terms of customers, markets and products is critical for the Company to be able to execute business strategies and monitor and assess impact of decisions. Any change in customer's organisation, behavior, needs and or expectations may adversely impact the competitive position and margins of the Company. A high customer concentration poses

Lamino branding at one of our dealer

a risk of sudden fall in revenue and margins and share of business due to any change in consumers' needs and trends, shift of preference to a competitor and/ or liquidity crunch in case inability to collect dues from customers.

An over-dependence on single product or few customers as in case of Food Polymers and Latex business, may adversely impact the realisation of long term business objectives in the event of any regulation limiting the end use application. Failure to effectively/ optimally utilise co-products as per strategy may result in inventory built up, distress sale and forced losses.

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

Human Resource: Acquire & Retain talent - Focus on recruiting, retaining and developing right talent is critical to maintain desired operational standards. Also, insufficient focus on developing credible successors may impose risk of adversely impacting business objective in case of unexpected departures in key positions. Inability to attract and retain right talent particularly in critical areas may impact efficiency of operations coupled with knowledge drain and loss of key business excellence.

The Company has initiated several programs with special focus on training and developing existing talent and building a strong brand image which would help in attracting best industry talents. To execute its growth and diversification plans, Company continues to hire new, highly skilled scientific & technical personnel staff and has also introduced rewards and recognition policies for effective employee engagement.

Distribution Channel and Brand Recall: For its wood adhesive and wood finish business, the Company competes with both national players with established brands as well as regional players with lower costs and personalised connect with dealers and distributors. As distributors and dealers play a significant role in driving consumer behavior, managing their loyalty, continuity and commitment is of paramount importance to succeed. Managing field inventory is therefore critical as aged inventory with distributor and dealers exerts additional working capital pressure on the trade resulting in low satisfaction levels and higher attrition at dealer level in addition to the risk of default and resultant pressure on realisations.

The Company has earmarked several brand building initiatives and it has a media and advertising strategy in place to carry-out tailored programs for specific markets to maximise spend Return on Investment (ROI). To widen its distribution network, it plans to expand its distribution footprint in unrepresented markets and dealer-segments. Also, processes are being streamlined to manage distributor inventory and its liquidation which would in return offer better returns to distributors and hence secure their long term loyalty and commitment.

R&D Effectiveness: Innovation in terms of new products, new applications and new cost saving

> *The Company has earmarked several brand building initiatives and it has a media and advertising strategy in place to carry-out tailored programs for specific markets to maximise spend Return on Investment (ROI).*

techniques of manufacturing and building a robust product pipeline is critical for success of the Company. Failure in innovation and building a robust product pipeline which can be timely commercialized may adversely impact Company's competitive position. Risk of developing products which do not meet the required quality parameters may also significantly impact Company's reputation and loss of future business. It is equally critical for the business to innovate new application of key material (like VAM, Rock Phosphate, Butadiene, 2VP Monomer etc.) to maintain its leadership position.

The Company has robust plans in place with earmarked budgets and investments in R&D aligned to the business plans. Business keeps a constant check on new technological advancements and work with R&D to sponsor these specific projects. This is complemented by a dedicated R&D team which keeps itself abreast of the regulations, upcoming technology changes and leading practices.

Compliance & Regulatory: We need to comply with a broad range of statutory compliances like obtaining approvals, licenses, registrations and permits for smooth working of our business, and failure to obtain or renew them in a timely manner may adversely impact the routine operations. For businesses like Latex and SPVA, compliance has become a critical factor due to ever increasing demand from key customers to obtain international approvals and licenses. Failure to achieve regulatory approval of new products can mean that we do not recoup our R&D investment through the sale of final products. Any time change in regulations or reassessment of safety and efficacy of products based on new scientific knowledge or other factors could result in the amendment or withdrawal of existing approvals to market our products, which in turn could result in revenue loss. This may occur even if regulators take action falling short of actual withdrawal. We have adopted measures to address these stricter regulations by increasing the efficiency of our R&D process, reduce the impact of extended testing and making our products available in time.

Environment Health and Safety (EHS): In the current business climate of reputational threats and rising political backlash, corporate need to tread carefully to maintain public trust. Social acceptance and Corporate Social Responsibility (CSR) have become increasingly important over the last decade. Compliance with stringent emission standards for the manufacturing facilities and other environmental regulations may adversely affect the business. Manufacturing of Company products involve dangerous chemicals, process and by-products and are subjected to stringent regulations. Proximity of plant locations to residential colonies amidst rapidly changing urbanisation dynamics poses additional risk to its business.

The Company anticipates that environmental laws and regulations in the jurisdictions, where it operates, may become more restrictive and be enforced more strictly in the future. It also anticipates that customer requirements as to the quality and safety of products will continue to increase. In anticipation of such requirements, the Company has incurred substantial expenditure and allocated other resources to proactively adopt and implement manufacturing processes to increase its adherence to environmental quality standards and enhance its industrial safety levels.

At Jubilant, the challenges due to Company's operations related to EHS aspects of the business, employees and society are mapped and mitigated through a

Training on emergency preparedness

series of systematic and disciplined sets of policies and procedures. For further details, investors may kindly refer to the Corporate Sustainability Report of the Company which is available on the website, www.jubilantindustries.com under the “sustainability” section.

Business Interruption due to Force Majeure: The Company’s core manufacturing facility for a majority of its business is concentrated at Gajraula, India. Any disruption or stoppage of work at this facility, for any reasons, may adversely affect our business and results of operations not just for this but other business segments which depend on supplies from Gajraula plant. Industrial all risk insurance protection has been taken by Jubilant to ensure continuity in its earning capacity. Besides, the presence of a majority of the workforce in the residential colony adjoining our plant premises ensures sustenance of plant operations under challenging circumstances.

DIRECTORS' REPORT

Your Directors have pleasure in presenting the Sixth Annual Report and Audited Accounts for the year ended March 31, 2012.

Financial Results

(₹ in million)

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
Revenue from Operations	**2,159.85**	5,370.61
Other Operating Income	**2.71**	8.10
Total Revenue from Operations	**2,162.56**	5,378.71
Total Expenses	**1,829.17**	4,933.23
Operating Profit	**333.39**	445.48
Other Income	**16.75**	18.39
EBITDA (including Other Income)	**350.14**	463.87
Depreciation & Amortisation Expenses	**28.40**	57.53
Interest (Finance Cost)	**4.04**	2.24
Profit before Exceptional Items & Tax	**317.70**	404.10
Exceptional Items	**11.06**	–
Tax Expenses	**49.13**	118.02
Reported Net Profit for the year	**257.51**	286.08
Balance brought forward from previous year	**1,212.94**	984.80
AMOUNT AVAILABLE FOR APPROPRIATION	**1,470.45**	1,270.88
Which the Directors have appropriated as follows:		
- Proposed Dividend on Equity Shares	**–**	24.04
- Tax on Distributed Profits on Equity Shares	**–**	3.90
- Transfer to General Reserve	**–**	30.00
Balance to be carried forward	**1,470.45**	1,212.94

Operations

The financial results for the year ended March 31, 2012 have been prepared after giving effect to the Scheme of Arrangement from the appointed date viz. April 1, 2011 and in accordance with revised Schedule VI to the Companies Act, 1956. Accordingly, the figures of the previous year ended March 31, 2011, wherever necessary, have also been regrouped/reclassified. Therefore, they are strictly not comparable with the figures of year under review.

Standalone Financials

In FY2012 total revenue from operations was ₹2162.56 million. EBITDA for the year stood at ₹350.14 million, PAT at ₹257.51 million and EPS at ₹21.73.

Consolidated Financials

In FY2012 the consolidated revenue from operations was ₹9958.09 million. EBITDA for the year stood at ₹192.99 million. Loss after taxes amounted to ₹567.00 million and EPS on consolidated basis stood at (₹47.85).

Dividend

In view of the losses on a consolidated basis and in order to conserve resources for future business activities, your Directors do not recommend any dividend for the year ended March 31, 2012.

Scheme of Arrangement

During the year under review, your Board of Directors approved a Scheme of Arrangement (the Scheme) amongst Enpro Oil Private Limited (EOPL), Jubilant Industries Limited (the Company) and Jubilant Agri and Consumer Products Limited (JACPL) which was subsequently approved by shareholders and creditors. The Scheme was also sanctioned by the Hon'ble High Court of Judicature at Allahabad vide its order dated January 16, 2012. The Scheme became effective on February 1, 2012. Pursuant to the Scheme, the Agri and Consumer Products Business (ACP Undertaking) of the Company has been transferred to JACPL, by way of slump sale, for a lump sum consideration discharged by JACPL by issue of redeemable preference shares to the Company and the business of sale of consumer products (including in a Mall or Hyper-market format), wholesale cash and carry trade and leasing (Demerged Undertaking) of EOPL has been demerged and vested with JACPL in consideration of allotment of equity shares by the Company to the shareholders of EOPL with effect from the appointed April 1, 2011.

Capital Structure

Authorised Share Capital

During the year the authorised share capital of the Company was increased from ₹100 million to ₹150 million.

Paid-Up Share Capital

In accordance with the Scheme of Arrangement referred to in preceeding paragraph, 38,35,348 equity shares of ₹10 each fully paid up were issued and allotted to the shareholders of EOPL on March 9, 2012, as per the entitlement ratio of 10:22, i.e. for every 22 (Twenty Two) equity shares of face value ₹10 each held in EOPL, as on the Demerger Record Date (February 27, 2012), the equity shareholders of EOPL were alloted 10 (Ten) equity shares of face value of ₹10 each in the Company.

The new equity shares of the Company were listed on Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE) and were admitted for trading on Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE) w.e.f. April 3, 2012.

The paid-up capital as at March 31, 2012 stands at ₹118.49 million comprising of 118,49,404 equity shares of ₹10 each fully paid up as compared to ₹80.14 million comprising of 80,14,056 equity shares of ₹10 each fully paid up as at the end of the previous year.

Fixed Deposits

Your Company did not invite/accept any Fixed Deposit from the public during the year under review.

Subsidiary

During the year under review, the name of Jubilant Agri and Retail Private Limited, wholly owned subsidiary of the Company, was changed to Jubilant Agri and Consumer Products Private Limited w.e.f. May 6, 2011. It was converted into a public limited Company w.e.f. May 10, 2011.

In terms of the scheme referred to in the preceeding paragraph, JACPL allotted 16,48,817 10% Optionally Convertible Non-Cumulative Redeemable Preference Shares of ₹10/- each at premium of ₹990/- per share to the Company towards discharge of lump sum consideration of ₹164,88,17,559 for slump sale of ACP undertaking by the Company to JACPL.

Further, in terms of Clause 49 of the listing agreement, JACPL has become a material non-listed Indian Subsidiary Company as at March 31, 2012.

Consolidated Financial Statements

The Consolidated Financial Statements, in terms of Clause 32 of the Listing Agreement and prepared in accordance with AS-21 as specified in Companies (Accounting Standards) Rules, 2006 forms part of the Annual Report.

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

In terms of the general exemption granted by the Government of India vide its general circular no. 2/2011 dated February 08, 2011, from attaching the Directors' Report, Balance Sheet, Profit & Loss Account and other particulars of the subsidiaries, the Board of Directors in its meeting held on January 14, 2012 decided not to attach Directors' Report, Balance Sheet, Profit & Loss Account and other particulars of JACPL, the Subsidiary Company with the Annual Report of the Company this year.

The Company will make available the Annual Accounts of the subsidiary company and other related information upon request by any member of the Company or its subsidiary company. The Annual Accounts of the subsidiary company will also be kept open for inspection at the registered office of the Company and the subsidiary company during business hours.

Auditors

M/s.K. N. Gutgutia & Co., Chartered Accountants, [ICAI Registration Number - 304153E] Auditors of the Company, retire at the ensuing Annual General Meeting and offer themselves for re-appointment. They have confirmed that their re-appointment, if made, shall be within the limits laid down in Section 224 (1B) of the Companies Act, 1956.

Cost Auditors

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

Based on the recommendations of the Audit Committee, and subject to the approval of the Central Government, the Board of Directors had appointed M/s. J. K. Kabra & Co., Cost Accountants, [Firm Registration Number - 9] as Cost Auditors of the Company, for the financial year 2011-12.

The relevant cost audit reports for the financial year 2010-11 for Chemicals and Fertilizers were filed on September 23, 2011, against the due date of September 27, 2011.

Directors

During the year, Mr. Shamit Bhartia, Mr. Videh Kumar Jaipuriar and Dr. Ashok Misra were appointed as Additional Directors of the Company who shall hold the office upto the date of ensuing Annual General Meeting of the Company.

Mr. Ananda Mukherjee resigned from the office of CEO & Whole Time Director of the Company w.e.f. January 31, 2012.

The Board places on record its deep sense of appreciation for the valuable contribution made by him towards the growth of the Company during his tenure.

Mr. Videh Kumar Jaipuriar was appointed as CEO & Whole Time Director of the Company w.e.f. February 1, 2012, subject to necessary approvals.

Notices under Section 257 of the Companies Act, 1956 have been received from the members proposing the candidature of Mr. Shamit Bhartia, Mr. Videh Kumar Jaipuriar and Dr. Ashok Misra as Directors.

In accordance with the provisions of the Act and the Articles of Association of the Company, Mr. Hari S. Bhartia and Mr. Priyavrat Bhartia retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

Directors' Responsibility Statement

In compliance of Section 217 (2AA) of the Companies Act, 1956, the Directors of your Company, based on the representation received from the management, confirm:

- that in the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2012 and of the profit of the Company for the year ended March 31, 2012.
- that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- that the Directors have prepared the annual accounts on a going concern basis.

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

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

Employees

The particulars of employees, as required under section 217(2A) of the Companies Act 1956, read with the Companies (Particulars of Employees) Rules, 1975, are given in **Annexure B** and forms part of this Report.

Corporate Governance

A detailed report on Corporate Governance is attached to this Report as **Annexure C**. A certificate from the Auditors of the Company confirming compliance of conditions of Corporate Governance as stipulated in clause 49 of the Listing Agreement with Stock Exchanges is enclosed as **Annexure D**. A certificate from Chairman that all Board members and senior management personnel have affirmed compliance with the Code of Conduct for the year ended March 31, 2012 is attached as **Annexure E**.

A Certificate from CEO/CFO confirming the correctness of the financial statements, adequacy of the internal control measures and reporting of the matters to the Statutory Auditors and Audit Committee is also enclosed as **Annexure F**.

Management Discussion & Analysis

Notes on Management Discussion & Analysis of the financial and business performance of the Company have been given separately and forms part of this Report.

Corporate Sustainability Report

Your Company, being committed to address environmental issues and to discharge its corporate social responsibility, is publishing its Corporate Sustainability Report, duly audited by Ernst & Young, and conforming to Global Reporting Initiative (GRI) G3.1 Reporting Guidelines. Like last year, this year too, the Report is being sent in CD to all the shareholders alongwith the Annual Report of the Company. The same shall also be available on the website of the Company www.jubilantindustries.com.

Risk Management

Today's business environment, remains challenging for the Corporate World and risk management retains its high position on every organization's agenda. The Company has several risk factors which could potentially impact its business objectives, if not perceived and mitigated in a timely manner. With an effective risk management framework in place, the Company looks at these risks as challenges and opportunities to create value for its stakeholders. With its established processes and guidelines in place, combined with a strong oversight and monitoring system at the Board and senior management levels, the Company has a robust risk management strategy in place.

The senior management team sets the overall tone and risk culture of the organization through defined and communicated corporate values, clearly assigned risk responsibilities, appropriately delegated authority, and a set of processes and guidelines which are presented to the Board especially with respect to risk assessment and risk minimization procedures. As an organization, it promotes strong ethical values and high levels of integrity in all its activities, which in itself is a significant risk mitigator.

With the growth strategy in place, risk management holds the key to the success of our journey of continued competitive sustainability in attaining desired business objectives.

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

Human Resource Management

The Company believes in an open, fair and transparent culture and stands by its promise of *Caring, Sharing, Growing* and making efforts to make it one of the best places to work with.

The skill and adeptness with which the Leadership team led your Company was duly acknowledged through *"Amity's HR Excellence"* award for leadership builders – 2011 during the 8th Annual Global HR Summit held at Amity University Campus, Noida.

The Company keeps its promise alive in the hearts of everyone in this organization, through a range of Human Resources interface to the internal and the external world – Commitment to community programs through Jubilant Bhartia Foundation, participation in local employment exchange job-fair, tying up with leading hospitals for employee wellness, health and spiritual talk by experts etc.

The Company enjoys cordial relations with employees and there have been no instances of strikes, lockouts or any other disruptive labour disputes. The wages and benefits of the unionized employees are generally established by collective bargaining agreements.

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

Awards and Accolades

During the Year 2011-12, your Company won the prestigious "Corporate Leadership Award" at the 4th Agricultural leadership summit for consistent business performance and contribution to Agricultural sector. The Company's Gajraula Unit received the Economic Times-Frost and Sullivan India Manufacturing Gold Award in appreciation of the journey in building a globally competitive and lean world class organization. The Kapasan unit was adjudged runners up in the environment protection in the SSP plant category at Fertilizer Association of India (FAI) Golden Jubilee Award. This is recognition for the environment protection Initiatives of Jubilant Industries Limited for the second consecutive year. The Company also won the "Amity HR Excellence "award for leadership builders conferred by Amity University during the 8th Annual Global HR Summit.

Investor Services

In its endeavour to improve investor services, your Company has taken the following initiatives:

- An Investor Section on the website of the Company www.jubilantindustries.com has been created.
- A dedicated e-mail id investorsjil@jubl.com for sending communications to the Company Secretary has been made effective. Members may lodge their requests, complaints and suggestions on this e-mail as well.

Green Initiatives

Your Company, being committed to policy of sustainable development, has taken several green initiatives which includes :

- Conducting Paperless Board Meetings;
- Publishing and circulating Corporate Sustainability Report in CD;
- Emailing Annual Reports to shareholders who have opted for the same on email.

Acknowledgments

Your Directors acknowledge with gratitude the co-operation and assistance received from the Central and State Government Authorities. Your Directors thank the Shareholders, Banks, Customers, Vendors and other business associates for the confidence reposed in the Company and its management and look forward to their continued support. The Board places on record its appreciation for the dedication and commitment of the employees at all levels, which has continued to be our major strength.

For and on behalf of the Board

Place: Noida
Date : May 9, 2012

Hari S. Bhartia
Chairman

Annexure A

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

A. *Conservation of Energy:*

(a) Energy Conservation Measures Taken

1) Installation of VFD at Ammonia compressor for power savings.
2) Installation of steam flow meter at battery limit of latex plant for close monitoring of consumptions and provision of new efficient float type steam traps.
3) Energy conservation through improved quality of insulation on hot / cold surfaces.
4) Batch cycle time reduction.
5) Optimisation of process parameters.
6) Continue to use Agro base (saw dust/ cob grid) fuel in boiler for steam against of earlier FO base boiler.
7) Reduction in oil consumption by optimizing temperature of furnace.
8) Increase in batch size.
9) OPE improvement, Increasing the batch size in Polymerization.
10) Reducing product changeover.

(b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy

1) Installation of VFD on higher KW motors where variable speed can help reduction in energy consumptions.
2) Installations of eco ventilators for energy savings.
3) Process condition optimization to reduce power and steam consumption by further reduction of batch cycle time.
4) To install Chilled water condensers at outlet of ATFE to reduce load of Brine System @ 20TR.
5) Reduction in steam losses.

Expected investment in above initiatives is ₹2.6 million approximately.

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

1) Reduction in steam and power consumption norms.
2) Improvement in process norms.
   1. Savings due to (a) conservation of energy: ₹ 2.4 million per annum, approximately.
   2. Savings due to (b): ₹ 3.2 million per annum, approximately.
   3. Savings due to (a) 9 & 10 measures:
      a. Steam consumption reduction savings: ₹6.5 million per annum, approximately.
      b. Power consumption reduction savings: ₹8.8 million per annum, approximately.
      c. HSD consumption reduction savings: ₹1.6 million per annum, approximately.

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

FORM A

A. ***Power & Fuel Consumption***

			Year ended March 31, 2012	Year ended March 31, 2011
1.	**Electricity**			
	A. Purchased			
	i) Units	KWH	64,78,584.70	2,23,16,135.50
	ii) Total Amount	₹ in million	34.63	116.30
	iii) Rate / unit	₹/KWH	5.34	5.21
	B. Own Generation			
	- Through Diesel Generator(DG)			
	i) Units	KWH	–	110,557.00
	ii) Unit per litre of RFO/LDO	KWH/LTR	–	2.68
	iii) Cost / unit	₹/KWH	–	16.58
	- Through Steam Turbine Generator			
	i) Units	KWH	–	–
	ii) Units per MT of Steam	KWH/MT	–	–
	iii) Cost / unit	₹/KWH	–	–
2.	**Coal**			
	Quantity	MT	–	5,411.54
	Total Cost	₹ in million	–	19.61
	Average Rate	₹/MT	–	3,623.18
3.	**Furnace Oil**			
	Quantity	KL	166.79	1,190.66
	Total Cost	₹ in million	6.69	36.83
	Average Rate	₹/KL	40,098.79	30,932.60
4.	**Others/Internal Generation–Steam**			
	Quantity	MT	14,514.26	11,817.00
	Total Cost	₹ in million	15.80	10.96
	Average Rate	₹/MT	1,088.31	927.89

Last year figures have been recast/regrouped on account of demerger.

B. ***Consumption per Unit of Production***

		Year ended March 31, 2012	Year ended March 31, 2011
AGRI BUSINESS			
Electricity	KWH/MT	–	39.163
Steam	MT/MT	–	–
Furnace Oil	LT/MT	–	2.535
Coal	MT/MT	–	0.016
POLYMERS			
Electricity	KWH/MT	298.476	208.877
Steam	MT/MT	0.690	0.318
Furnace Oil	LT/MT	7.934	8.702
Coal	MT/MT	–	–
OTHERS			
Electricity	KWH/MT	33.875	47.046
Steam	MT/MT	–	–
Furnace Oil	L/MT	–	–
Coal	NM3/MT	–	–

B. ***Technology Absorption:***

(e) efforts made in technology absorption

FORM B

Research and Development (R&D)

The company has main R&D Centre in India at Noida along with Plant associated R&D Labs at Gajraula, Samlaya and Vadodara. At present R&D has 16 R&D Scientists out of which 5 are doctorates and others are post graduates and graduates. R&D supports the activities of various businesses through new product and process development, process optimization, absorption technology and establishing technologies at commercial scale, focusing green chemistry guidelines. R&D is a focal point for the continuous improvements of existing processes throughout the life cycle of the product.

1. **Specific areas in which R&D carried out by the Company**
   - Speciality Polymers for Food Applications like Chewing Gum, Bubble Gum etc.
   - Styrene Butadiene Latex & Vinyl Pyridine Latex for use in Tyres & other industrial applications
   - Micronutrients for plant Health
   - Wood Adhesive, Adhesives for Footwear & Upholstery for Consumer needs
   - Various types of Wood Finishes for Furniture and Export handicrafts
2. **Benefits derived as a result of the above R&D**
   - Strong position in Consumer Products in Wood working Adhesives, Footwear Adhesives and Wood Finishes
   - Global leadership in selected segments of our business
   - Partners of choice for global polymer and agrochemical companies
   - Generation of own IPRs to provide competitive edge
   - Major growth in export of our products
   - Competitiveness in cost and quality
   - Effective effluent management
   - Import Substitution
3. **Future plan of action**
   - Improve cost competitiveness in all the product categories through yield improvement and operational excellence
   - Implementation of lean six sigma in R&D's for enhanced efficiency
   - Commercialization of various micro nutrition for plant health
   - Process optimization and yield improvement in Fertilizers
4. **Expenditure on R&D**

(₹ in million)

	Year ended March 31, 2012	Year ended March 31, 2011
(a) Capital	1.28	-
(b) Recurring	11.16	25.34
(c) Total	12.44	25.34
(d) Total R&D expenditure as a percentage of total turnover	0.57%	0.46%

Technology absorption, adaptation and innovation

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

Research & Development plays a vital role in developing and adopting new technologies to enhance the operational efficiencies. New technologies are first conceived at the lab scale followed with scale-up processes to commercial scale with a lead-time comparable to the best in the industry. Six Sigma initiatives at plants and R&D support the adoption of new technologies and enhancing the efficiencies of the manufacturing plants to provide better services to the customers.

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

Introduction of cost effective products & process improvements in all the areas of the business enabled the company to achieve global leadership position. R&D provides technical support to customers with timely technical service and application research. This helps our customers identify & profit from emerging opportunities.

3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year): Not Applicable.

Technology imported	Year of import	Has technology been fully absorbed?	If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action
NIL			

C. *Foreign Exchange Earnings and Outgo*

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

- **Activities relating to exports**

  Exports contributed 56% of the net sales of the Company during FY 2012. Export focus continues in tandem with the corporate philosophy of focus on Latex and Food Polymers.

- **Initiatives taken to increase exports**

  The company during the year expanded its geographical base with its entry in new markets of CIS, East Africa, South Asia & Europe. The Company continued its focus on Customer Satisfaction, through a review of "Customer Satisfaction Index" during the year.

- **Development of new export markets for products and services**

  Your Company initiated several key discussions with large Latex and Food Polymers Companies for development in markets of South America, North America & Europe.

  The Company has been accepted as a responsible and reliable supplier of Latex and Food Polymer which has resulted in exclusive manufacturing & development contracts.

  Persistent focus and efforts have resulted in increased revenues with major Latex Companies in South America.

- **Exports Plan**

  Going forward, the Company intends to keep focus on being Latex and Food Polymer major across established markets and introduce number of products in recently developed markets. Your Company would emphasize on giving customized service and being reliable partner as product's quality is already well established in the other geographies.

  Plans are to grow substantially in the international market & to use the export as the Growth Drivers in the coming years.

- **Approach towards Foreign Exchange Risk Management**

  Your Company managed its foreign exchange risks by entering into forward contracts to ensure that there is a high degree of certainty about the exchange rates at which actual transactions shall be recorded.

(g) **Total Foreign exchange used and earned**

(₹ in million)

	2011-12	2010-11
Foreign exchange used	712.75	993.15
Foreign exchange earned	1207.91	627.61

Annexure B

STATEMENT U/S 217 (2A) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED MARCH 31, 2012

S. No.	Employee Name	Designation & Nature of Duties	Qualification	Total Work Experience (Years)	Date of Commencement of Employment	Age	Remuneration (₹)	Previous Employment Held	
								Designation	Name of the Company
A.	**EMPLOYED FOR FULL YEAR AND IN RECEIPT OF REMUNERATION FOR THE YEAR WHICH, IN AGGREGATE, WAS NOT LESS THAN ₹60,00,000**								
1	Dr. Jagdish Kestur Rao	SVP & BU Head - VPLatex & APD	M.Sc, Ph.D	23	November 15, 2010	51	68,73,899	SVP-Latex	Jubilant Life Sciences Limited
B.	**EMPLOYED FOR PART OF THE YEAR AND IN RECEIPT OF REMUNERATION WHICH, IN AGGREGATE, WAS NOT LESS THAN ₹5,00,000 P.M.**								
1	Mr. Videh Kumar Jaipuriar	CEO & Whole Time Director	B. Tech (Chemical Engineering) IIT, MMS	22	November 16, 2011	48	50,94,211	Vice President - Foods Business	Bunge India Ltd.
2	Mr. Ananda Mukherjee	CEO & Whole Time Director	B.E. (Mech.), PGDM (Mktg.)	28	November 15, 2010	53	1,71,95,242	CEO – Polymers	Jubilant Life Sciences Limited

NOTES

1. All above persons are/were full time employees of the Company and their employment is/was governed by the rules and regulations of the Company from time to time. Employement of Mr. Videh Kumar Jaipuriar and Mr. Ananda Mukherjee is/was contractual.
2. The above employees do not fall within the meaning of section 217 (2A) (a) (iii) of the Companies Act, 1956.
3. Mr. Ananda Mukherjee resigned from the office of CEO and Whole Time Director of the Company w.e.f. January 31, 2012.
4. Mr. Videh Kumar Jaipuriar was appointed as CEO and Whole Time Director of the Company w.e.f. February 1, 2012. He is not related to any other Director of the Company. Dr. Jagdish Kestur Rao is also not related to any Director of the company.
5. Remuneration comprises of salary, allowances and perquisites/taxable value of perquisites.

   Abbreviations: CEO - Chief Executive Officer; SVP - Senior Vice President; BU-Business Unit.

REPORT ON CORPORATE GOVERNANCE

a) Company's Philosophy:

At Jubilant Industries Limited ("the Company"), Corporate Governance is both a tradition and a way of life. We believe in delivering on our promise of Caring, Sharing, Growing, which translates into:

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

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

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

The highlights of the Company's Corporate Governance regime are:

- Broad based and well represented Board with fair mix of Executive, Non-Executive and Independent Directors bringing in expertise in diverse areas with half of the Board being Independent
- Constitution of several Board Committees for focused attention and proactive flow of information
- Emphasis on ethical business conduct by the Board, management and employees
- Established Code of Conduct for Directors and Senior Management. Instituted Whistle Blower policy and Code of Conduct for Prevention of Insider Trading
- Focus on hiring, retaining and nurturing best talent and to promote a culture of excellence across the organisation. Exhaustive HRD Policies cover succession planning, training and development, employee grievance handling
- Organisation wide 'Velocity' initiatives taken which include world-class improvement methodologies such as Six Sigma, Lean and World Class manufacturing
- Exhaustive and unique system of internal controls spanning over 1100 control points monitored through especially designed software
- Robust Risk Management framework for identifying various risks, assessing their probability as well as likely impact and finalizing risk minimization plans
- Timely, transparent and regular disclosures
- Effective control on statutory compliances by quarterly reporting and presentation
- Paperless meetings of Board and Committees
- Communication with shareholders including emailing of Annual Reports and Corporate Sustainability Report
- Comprehensive Corporate Sustainability Management System focusing on triple bottom- line reporting on economic, environment and society parameters as per Global Reporting Initiatives standards with a stated policy on sustainability.

The Securities and Exchange Board of India (SEBI) regulates corporate governance for listed companies through clause 49 of the Listing Agreement. The Company is in full compliance with Clause 49.

b) Board of Directors:

(i) Composition

The Board comprises of eight Directors out of which four are Non-Executive Independent Directors, three are promoter Directors and one CEO and Whole Time Director.

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

(ii) Meetings of the Board

Meetings of the Board are generally held at the Corporate office of the Company at 1A, Sector 16A, Noida - 201301, Uttar Pradesh, India. During the financial year under review, the Board met five times i.e. on April 29, 2011; May 11, 2011; August 10, 2011; November 2, 2011 and January 14, 2012.

The Company held a minimum of one Board Meeting in each quarter as required under the Companies Act, 1956 and maximum gap between any two meetings did not exceed four months which is in compliance with listing agreement.

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

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

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

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

Name and Designation	Category	Attendance at Meetings		
		No. of Board Meetings		Last AGM
		Held during Tenure	Attended	Attended
Mr. Hari S. Bhartia@ Chairman	Non-Executive and Promoter	5	5	Yes
Mr. Priyavrat Bhartia@ Director	Non-Executive and Promoter	5	4	No
Mr. Shamit Bhartia@* Director	Non- Executive and Promoter	1	1	No
Mr. Videh Kumar Jaipuriar** CEO & Whole Time Director	Executive	-	-	No
Mr. Ananda Mukherjee*** CEO & Whole Time Director	Executive	5	5	Yes
Mr. R. Bupathy Director	Non-Executive, Independent	5	5	Yes
Mr. Ghanshyam Dass Director	Non-Executive, Independent	5	5	Yes
Mr. S.K. Roongta Director	Non-Executive, Independent	5	4	No
Dr. Ashok Misra* Director	Non- Executive, Independent	1	1	No

@ Mr. Priyavrat Bhartia and Mr. Shamit Bhartia, being brothers, are also nephews of Mr. Hari S. Bhartia. As such, all the three are related to each other.

* Appointed as an Additional Director w.e.f. January 14, 2012.

** Appointed as CEO and Whole Time Director w.e.f. February 1, 2012.

*** Ceased to be CEO & Whole Time Director w.e.f. January 31, 2012.

(iii) Other Directorship

The number of directorship and membership/chairmanship of Board and Committees held by the Directors in other bodies corporate (excluding Jubilant Industries Limited) as on March 31, 2012 are as given in **TABLE** below:

Name of Director	No. of Directorship in Other Companies#			No. of Chairmanship/ Membership of Committees*	
	Public	Private	Foreign	Chairmanship	Membership
Mr. Hari S. Bhartia	9	10	3	-	2
Mr. Priyavrat Bhartia	12	9	-	1	6
Mr. Shamit Bhartia	11	13	-	1	5
Mr. Videh Kumar Jaipuriar	1	-	-	-	1
Mr. R. Bupathy	1	2	-	3	3
Mr. Ghanshyam Dass	3	3	-	2	5
Mr. S.K. Roongta	8	-	-	1	6
Dr. Ashok Misra	1	-	-	-	1

\# Excluding Section 25 Companies

* Includes only Audit and Investors' Grievance Committee of Indian Public Limited Companies, whether listed or not. Committees of Jubilant Industries Limited are also included

(iv) Code of Conduct

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

(v) Information given to The Board

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

- Annual operating plans and budgets and any updates;
- Capital budgets and any updates;
- Quarterly results for the Company and its operating divisions or business segments;
- Minutes of the meetings of various committees of the Board;
- Information on recruitment and remuneration of senior officers just below the Board level;
- Show cause, demand, prosecution notices and penalty notices, which are materially important;
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems;
- Material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company;
- Issue which involves possible public or product liability claims of substantial nature;
- Details of any joint venture or collaboration agreement;
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property;
- Significant labour problems and their proposed solutions including any significant development in Human Resources / Industrial Relations front;
- Sale of material nature, of investments, subsidiaries, assets, which is not in normal course of business;
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material;
- Minutes of Board Meetings of unlisted subsidiary company;
- Statement of significant transactions or arrangements made by unlisted subsidiary company;
- Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.

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

As the Company believes in utmost care for the environment which includes conservation of energy, it has started sending all the documents relating to the Board and Committee meetings, including agenda papers and supplementary documents, to the Directors in electronic form, thereby taking a big step in environment protection and energy conservation initiatives.

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

c) Committees of the Board:

To focus effectively on the issues and ensure expedient resolution of diverse matters, the Board has constituted several Committees of Directors with specific terms of reference/scope. The Committees operate as empowered agents of the Board as per their Scope/ Terms of Reference that set forth the purposes, goals and responsibilities of the Committees. Committee members are appointed by the Board with the consent of individual Directors. The Committees meet as often as required. The minutes of the meetings of all Committees of the Board are placed quarterly at Board meetings for noting.

Major Committees are:

- Audit Committee
- Investors' Grievance Committee
- Remuneration Committee

- Corporate Governance Committee
- Sustainability Committee

The detailed terms of reference, composition, quorum, meetings, attendance and other details of the Committees are as under:

AUDIT COMMITTEE

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

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

(i) Terms of reference:

The Audit Committee functions according to its terms of reference that define its composition, authority, responsibility and reporting functions in accordance with Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement which, *inter-alia*, includes the following:

(a) Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;

(b) Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the Statutory Auditors and the fixation of audit fees;

(c) Approval of payment to Statutory Auditors for any other services rendered;

(d) Reviewing with the management, the Annual Financial Statements before they are submitted to the Board for approval, with particular reference to:

- Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of sub-section (2AA) of section 217 of the Companies Act, 1956
- Changes, if any, in accounting policies and practices and reasons for the same
- Major accounting entries involving estimates based on the exercise of judgment by management
- Significant adjustments made in the financial statements arising out of audit findings
- Compliance with listing and other legal requirements relating to financial statements
- Disclosure of any related party transactions
- Qualifications in the draft audit report

(e) Reviewing with the management, the Quarterly Financial Statements before submission to the Board for approval;

(f) Reviewing with the management, the statement of uses / application of funds raised through an issue (public issue, right 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 utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

(g) Reviewing, with the management, performance of Statutory and Internal Auditors, adequacy of the internal control systems;

(h) Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit;

(i) Discussion with internal auditors of any significant findings and follow up thereon;

(j) Reviewing the findings of any internal investigations by internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

(k) Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

(l) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors;

(m) Reviewing the functioning of the Whistle Blower mechanism;

(n) Approval of appointment of CFO;

(o) Reviewing the Management Discussion and Analysis of financial condition and results of operations;

(p) Reviewing the statement of significant related party transactions;

(q) Reviewing management letters / letters of internal control weaknesses issued by the Statutory Auditors;

(r) Reviewing the Internal audit reports relating to internal control weaknesses;

(s) Approving the appointment, removal and terms of remuneration of the Chief Internal Auditor;

(t) Reviewing the financial statements of unlisted subsidiary companies.

(ii) Composition:

The Committee comprises of four Non-Executive Independent Directors:

- Mr. R. Bupathy (Chairman);
- Mr. Ghanshyam Dass
- Mr. S.K. Roongta; and
- Dr. Ashok Misra

Invitees:

- Mr. Videh Kumar Jaipuriar, CEO and Whole Time Director
- Mr. Sandeep Kumar Shaw, Chief Financial Officer (CFO)

The Statutory Auditors, Internal Audit firm's representative, Cost Auditor, and/or other executives, as desired by the Committee, attend the meetings as invitees.

Secretary:

- Mr. Amit Khurana Company Secretary

(iii) Meetings, Quorum and Attendance

The Audit Committee meets at least four times in a year with a gap of not more than four months between two meetings. The quorum for the meeting is either two members or one third of the members, whichever is greater.

During the year the Committee met five times on April 29, 2011; July 26, 2011; August 10, 2011; November 2, 2011 and January 14, 2012. The attendance details are as follows:

Name of the Member	No. of Meetings Held	No. of meetings attended
Mr. R. Bupathy (Chairman)	5	5
Mr. Ghanshyam Dass	5	5
Mr. S.K. Roongta	5	3
Dr. Ashok Misra*	-	-

*Dr. Ashok Misra was appointed as Member of the Committee by the Board in its meeting held on January 14, 2012.

INVESTORS' GRIEVANCE COMMITTEE

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

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

(i) Terms of Reference:

The Committee approves the matters relating to:

(a) Transfer & Transmission of shares;

(b) Issue of duplicate share certificates;

(c) Redressal of Investors' complaints and grievances such as non-receipt of annual reports, dividend payments etc.

(d) Other areas of investors' service.

(ii) Composition:

The Committee comprises of the following Directors:

- Mr. S. K. Roongta (Chairman);
- Mr. Priyavrat Bhartia; and
- Mr. Videh Kumar Jaipuriar

Secretary and Compliance Officer:

- Mr. Amit Khurana Company Secretary

(iii) Meetings, Quorum and Attendance

The Investors' Grievance Committee meets as often as required. The quorum for the meetings is either two members or one third of the members, whichever is greater.

During the year under review, the Committee met seven times on April 18, 2011; May 21, 2011; June 9, 2011; June 29, 2011; July 26, 2011; November 2, 2011 and January 14, 2012. The attendance details are as follows:

Name of the Member	No. of Meetings Held	No. of meetings attended
Mr. S.K. Roongta (Chairman)	7	4
Mr. Priyavrat Bhartia	7	6
Mr. Ananda Mukherjee*	7	7
Mr. Videh Kumar Jaipuriar**	-	-

* Ceased to be Member of the Committee w.e.f. January 31, 2012.

** Appointed as Member of the Committee w.e.f. February 1, 2012.

(iv) Investors' Complaints

During the year, the Company received 30 complaints, which were resolved. No complaint was pending as on March 31, 2012.

(v) Transfers, Transmissions etc. approved

During the year under review, the Company received 215 cases (21099 equity shares) of share transfer/ transmission out of which 111 cases (17267 equity shares) were transferred/ transmitted and 104 cases (3832 equity shares) were rejected for technical reasons.

The Company had 22,867 shareholders as on March 31, 2012.

REMUNERATION COMMITTEE

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

(i) Terms of reference:

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

(ii) Composition

The Committee comprises of the following four Non-Executive Directors out of which three are Non-Executive Independent Directors with Chairman being an Independent Director:

- Mr. Ghanshyam Dass (Chairman);
- Mr. Hari S. Bhartia*;
- Mr. R. Bupathy; and
- Mr. S. K. Roongta

* Mr. Hari S. Bhartia was appointed as Member of the committee w.e.f. February 1, 2012.

Secretary

- Mr. Amit Khurana Company Secretary

(iii) Meetings, Quorum and Attendance

The Committee meets as and when necessary. The quorum for the meeting is either two members or one third of the members of the Committee, whichever is greater.

Only one meeting of the Committee was held on January 14, 2012. All the then members attended the meeting.

CORPORATE GOVERNANCE COMMITTEE

The Corporate Governance Committee is responsible for evaluating adoption of Voluntary Corporate Governance Guidelines issued by the Central Government.

(i) Terms of reference:

The Committee shall evaluate the adoption of the above said Guidelines.

(ii) Composition

The Committee comprises of the following Directors:

- Mr. Hari S. Bhartia (Chairman);
- Mr. Ghanshyam Dass;
- Mr. R. Bupathy; and
- Mr. Videh Kumar Jaipuriar*

* Appointed as Member of the Committee w.e.f. February 1, 2012.

Secretary

- Mr. Amit Khurana Company Secretary

(iii) Meetings, Quorum and Attendance

The committee meets as and when necessary. The quorum for the meeting is two members.

No meeting of the Committee was held during the year under review.

SUSTAINABILITY COMMITTEE

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

(i) Terms of Reference:

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

(ii) Composition

The Committee comprises of the following Directors:

Mr. Hari S. Bhartia, (Chairman);

- Mr. Priyavrat Bhartia;
- Mr. Ghanshyam Dass; and
- Mr. Videh Kumar Jaipuriar

Secretary

Mr. Amit Khurana Company Secretary

(iii) Meetings, Quorum and Attendance

The Committee meets at least twice a year. The quorum for the meeting is two members.

During the year under review, the Committee met twice on April 29, 2011 and November 2, 2011. The attendance details are as follows:

Name of the Member	No. of Meetings Held	No. of meetings attended*
Mr. Hari S. Bhartia (Chairman)	2	2
Mr. Priyavrat Bhartia	2	2
Mr. Ghanshyam Dass	2	2
Mr. Ananda Mukherjee*	2	2
Mr. Videh Kumar Jaipuriar**	-	-

* Ceased to be Member of the Committee w.e.f. January 31, 2012.

** Appointed as Member of the Committee w.e.f. February 1, 2012.

d) Remuneration of Directors

(i) Remuneration to Whole-Time Director

Mr. Ananda Mukherjee was appointed as CEO & Whole Time Director of the Company w.e.f. November 15, 2010. He ceased to be the CEO & Whole Time Director of the Company w.e.f January 31, 2012.

Mr. Videh Kumar Jaipuriar was appointed as CEO & Whole Time Director of the Company w.e.f. February 1, 2012.

The details of remuneration including perquisites/ allowances, retirement benefits paid/payable to Whole Time Directors for the year 2011-12 is as follows:

(Amount in ₹)

	Mr. Ananda Mukherjee (From April 1, 2011 to January 31, 2012)	Mr. Videh Kumar Jaipuriar (From February 1, 2012 to March 31, 2012)
Salary	95,96,423	18,08,055
Perquisites/ Allowances	4,35,220	7,265
Contribution to Provident Fund	5,38,908	90,932
Gratuity and Leave encashment	8,78,333	-
TOTAL	1,14,48,884	19,06,252

The above excludes the provision for gratuity and leave encashment as the same is calculated on overall Company basis. However, actual payment made to Mr. Ananda Mukherjee on account of Gratuity and Leave encashment for the relevant period have been included.

Service Contracts, Notice Period, Severance Fees

The appointment of WholeTime Director is contractual. It is terminable by the Company by giving 3 months' notice or salary in lieu thereof.

(ii) Remuneration to Non-Executive Directors

Mr. Hari S. Bhartia, Mr. Priyavrat Bhartia and Mr. Shamit Bhartia are Non-Executive Directors and have opted not to receive any remuneration.

The details of sitting fees paid for Board/Committee Meetings and commission payable to the Non-Executive Directors for year ended March 31, 2012 is as follows :

	Sitting Fees (in ₹)	Commission (in ₹*)
Mr. R. Bupathy	1,55,000	5,00,000
Mr. Ghanshyam Dass	1,65,000	5,00,000
Mr. S.K. Roongta	1,30,000	5,00,000
Dr. Ashok Misra	20,000	1,06,557
Total	**4,70,000**	**16,06,557**

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

Mr. Hari S. Bhartia holds 20,873 equity shares in the Company, Mr. Priyavrat Bhartia holds 253 equity shares in the Company and Mr. Shamit Bhartia holds 6,561 equity shares in the Company. Other Non-Executive Directors do not hold any equity share in the Company. Other than holding shares and remuneration as indicated above, the Non-Executive Directors did not have any pecuniary relationship or transactions with the Company.

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

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

e) Remuneration Policy

Remuneration policy aims at encouraging and rewarding good performance/contribution to the Company objectives.

f) General Body Meetings

(i) The details of last three Annual General Meetings (AGM) of the Company are as follows:

Financial Year	Date	Time	Location
2010-11 (5th AGM)	August 23, 2011	2:30 pm	**Registered office:** Bhartiagram, Gajraula – 244223, District Jyotiba Phoolay Nagar, U.P.
2009-10 (4th AGM)	September 28, 2010	11.00 am	**Registered office:** Bhartiagram, Gajraula – 244223, District Jyotiba Phoolay Nagar, U.P.
2008-09 (3rd AGM)	September 30, 2009	11.00 am	**Registered office:** 2A/ 244, Azad Nagar, Kanpur, U.P.

(ii) Special resolutions passed during last 3 AGMs:

No special resolution was passed during the last three Annual General Meetings of the Company.

(iii) Special resolutions passed through Postal Ballot last year

No special resolution was passed through Postal Ballot during 2011-12.

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

No special resolution is proposed to be passed through Postal Ballot during 2012-13.

(v) Procedure for Postal Ballot

The notices containing the proposed resolutions and explanatory statements thereto are sent to the registered addresses of all shareholders of the Company alongwith a Postal Ballot Form and a postage pre-paid envelope containing the address of the Scrutinizer appointed by the Board for carrying out postal ballot process.

- The Postal Ballot Forms received within 30 days of despatch are considered by the Scrutinizer.

- The Scrutinizer submits his report to the Chairman of the Company, who on the basis of the report announces the results.

g) Disclosures

(i) Jubilant Agri and Consumer Products Limited (JACPL) has become a material non-listed Indian subsidiary of the Company during the year ended March 31, 2012.

(ii) There are no materially significant transactions with the related parties viz. promoters, directors or the management, their subsidiaries or relatives, etc. that may have a potential conflict with the interests of the Company at large. Related party transactions are given at Note No. 45 to the financial statements.

(iii) The Company has complied with various rules and regulations prescribed by Stock Exchanges, Securities and Exchange Board of India or any other statutory authority relating to the capital markets since listing of its equity shares. No penalties or strictures have been imposed by them on the Company.

(iv) Listing fees for the financial year 2012-13 have been paid to the Stock Exchanges where the shares of the Company are listed.

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

The Policy has been posted on the Company's intranet viz: "myjubilant". During the year, no personnel was denied access to the Audit Committee.

h) Means of Communication

(i) The quarterly financial results of the Company are regularly submitted with the Stock Exchanges in accordance with the requirements of the Listing Agreement immediately after they are approved by the Board. The results are generally published in leading Business Newspapers of the country like 'Financial Express' and regional newspapers like 'Dainik Jagran' in accordance with the requirements of listing agreement.

(ii) The quarterly financial results are posted on the website of the Company at *www.jubilantindustries.com*. The website also displays official news release.

(iii) Various sections of the Company's website keep the investors updated on material developments of the Company by providing key and timely information like details of directors, financial results, annual reports, shareholding pattern etc.

(iv) The Investor Relations department of the Company regularly interacts with current and prospective investors and capital market intermediaries (brokers) who either invest in Company's stock and/ or encourages investors to do the same, directly or through bourses. Investor Relations Department responds to all requests from investors and analysts, through calls/emails, with respect to the business profile and financial performance of the Company. The published results are shared after the Board meeting by uploading on the corporate website for all interested stakeholders.

(v) Annual Report and Corporate Sustainability Report are emailed to such shareholders who opt for receiving them by email.

i) General Shareholders' Information

(i) Date, Time and Venue for 6th Annual General Meeting:

Date and Time	August 28, 2012; 1:30 PM
Venue	**Registered Office:** Bhartiagram, Gajraula - 244223 District Jyotiba Phoolay Nagar, U.P.

(ii) Financial Year and Financial Calendar- The Company observes April 1 to March 31 of the following year as its Financial Year. The Financial Calendar for year 2012-13 is as follows:

Item	Tentative Dates*
First Quarter Results	July 24, 2012
Second Quarter Results	November 6, 2012
Third Quarter Results	January 17, 2013
Audited Annual Results for the year	May 8, 2013

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

(iii) Book Closure & Dividend Payment Dates

Book Closure date is as per Notice of 6th Annual General Meeting. Further, no dividend has been recommended for the year ended March 31, 2012.

(iv) Listing

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

S. No.	Name of the Stock Exchange	Security Listed	Stock Code
1.	Bombay Stock Exchange Ltd.	Equity Shares	533320
2.	National Stock Exchange of India Ltd.	Equity Shares	JUBLINDS

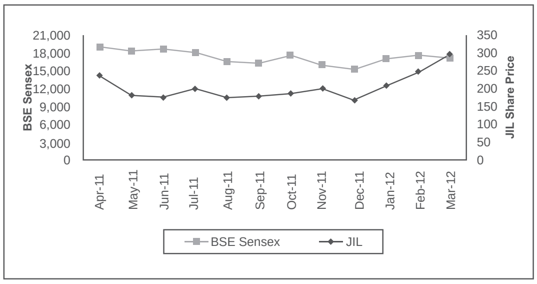
(v) Market Price Data

Monthly high/low of market price of the Company's equity shares traded on the Stock Exchanges during 2011-12 is given here under:

(Equity Shares of ₹10/- each)

Month	BSE		NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
Apr-11	261.00	171.05	261.00	165.25
May-11	242.00	175.20	243.95	175.50
Jun-11	189.80	155.25	197.00	154.10
Jul-11	231.00	177.20	230.85	177.00
Aug-11	205.95	162.00	205.70	162.65
Sep-11	207.50	168.65	209.00	162.70
Oct-11	190.00	175.00	191.00	173.35
Nov-11	228.70	182.70	229.00	185.00
Dec-11	205.85	167.05	208.00	168.10
Jan-12	213.95	166.50	219.00	165.50
Feb-12	279.75	210.00	279.90	212.90
Mar-12	318.60	244.00	324.00	238.00

(vi) Performance of the Company's equity shares in comparison to BSE Sensex



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

(vii) Growth in Equity Capital

Year	Particulars	Number of Equity Shares	Cumulative Number of Equity Shares	Face Value per Equity Share (₹)
2007	Issue of Equity Shares to the Subscribers to the Memorandum and Articles of Association	10,000	10,000	10
2010	Issue of Equity Shares on Preferential basis	40,000	50,000	10
2010	Issue of Equity Shares pursuant to Scheme of Amalgamation and Demerger with Jubilant Life Sciences Limited and others	79,64,056	80,14,056	10
2012	Issue of Equity Shares pursuant to Scheme of Arrangement with Enpro Oil Private Limited and Jubilant Agri and Consumer Products Limited	38,35,348	1,18,49,404	10

(viii) Compliance Officer

Mr. Amit Khurana, Company Secretary, is the Compliance Officer appointed by the Board. He can be contacted for any investor related matter relating to the Company. The contact nos are +91-120-2516601-11 Fax no. +91 -120-4223876 and e-mail id is “investorsjil@jubl.com”.

(ix) Registrar and Share Transfer Agent

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

M/s. Alankit Assignments Limited, Alankit House, 2E/21, Jhandewalan Extension, New Delhi-110055; Tel: +91-11-23541234, 42541234; E-mail: rta@alankit.com

(x) Share Transfer System

The share transfers/transmissions are approved by CFO and Company Secretary jointly. The Investors Grievance Committee, *inter alia*, is authorised to take note of approved transfer/transmission of shares. Share transfers which are received in physical form, are processed and the share certificates are normally returned within a period of 15 days from the date of receipt subject to the documents being valid and complete in all respects. The dematerialised shares are transferred directly to the beneficiaries by the depositories.

(xi) Distribution of shareholding as on March 31, 2012

(a) Value wise

Shareholding of nominal value (in ₹)	Shareholders		Shareholding	
	Number	% of Total	Face value of shares (in ₹)	% of Total
Upto 5000	22,465	98.24	8,035,470	6.78
5001 to 10000	185	0.81	1,433,910	1.21
10001 to 20000	81	0.36	1,196,320	1.01
20001 to 30000	32	0.14	794,740	0.67
30001 to 40000	16	0.07	581,980	0.49
40001 to 50000	14	0.06	633,530	0.54
50001 to 100000	28	0.12	2,087,680	1.76
100001 and above	46	0.20	103,730,410	87.54
Total	**22,867**	**100.00**	**118,494,040**	**100.00**

(b) Category wise

S. No.	Category	No. of shares	Shareholding as a percentage of total number of shares
A	**Promoters & Promoter Group**	7,688,874	64.89
B	**Public Shareholding**		
1	Financial Institutions / Banks	4,672	0.04
2	UTI & Mutual Funds	483,825	4.08
3	Domestic Companies	647,241	5.46
4	Non Resident Indians	177,750	1.50
5	FII / Foreign Investors	1,245,317	10.51
6	Indian Public	1,601,725	13.52
	Grand Total	**11,849,404**	**100.00**

(xii) Code of Conduct for Insider Trading

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

The Company Secretary is the Compliance Officer in this regard.

(xiii) Unclaimed Dividends

In respect of unpaid / unclaimed dividends for the year 2010-11 (final dividend), the shareholders are requested to write to the Company. Dividends remaining unclaimed for seven years from the date of transfer of unpaid dividend account will be transferred in terms of the provisions of Section 205A (5) of Companies Act, 1956 (the Act) to the Investor Education and Protection Fund established under Section 205C of the Act.

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

Financial Year	Particulars	Date of declaration	Due for transfer
2010-11	Final Dividend	August 23, 2011	September 24, 2018

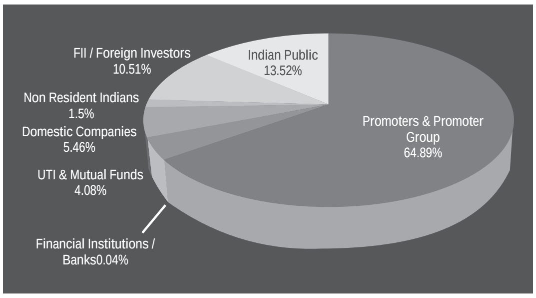
(xiii) Information pursuant to Clause 49 IV (G) (i) of the Listing Agreement

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

(xiv) Compliance Certificate of the Statutory Auditors

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

(xv) Distribution of Shareholding as on March 31, 2012



(xvi) (a) Dematerialisation of Shares

The shares of the Company fall under the category of compulsory delivery in dematerialised mode by all categories of investors. The Company has signed agreements with National Securities Depository Limited (NSDL) and Central Depositories Services (India) Limited (CDSL). As on March 31, 2012, 1,16,28,489 equity shares of the Company (98.13% of the paid-up capital) were in dematerialised form.

Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE645L01011.

(b) Liquidity

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

(c) Paid-Up Capital

The Paid-up Capital as at March 31, 2012 stands at 1,18,49,404 equity shares of ₹10 each amounting to ₹11,84,94,040 (Rupees Eleven Crores Eighty Four Lacs Ninety Four Thousand and Forty only).

(xvii) Location of the Plants

i. Bhartiagram, Gajraula, District Jyotiba Phoolay Nagar-244223, Uttar Pradesh

ii. Village Samlaya, Taluk Savli, District Vadodara - 391520, Gujarat

iii. Village Nimbut, Rly Station Nira, District Pune - 412102, Maharashtra

(xviii) R&D Centres

Noida R&D	C-26, Sector 59, Noida, Uttar Pradesh
Gajraula R&D	Bhartiagram, Gajraula - 244223 District Jyotiba Phoolay Nagar, Uttar Pradesh
Savli R&D	Block 133, Village Samlaya, Taluka Savli, District Vadodara, Gujarat

(xix) Address for Correspondence

Jubilant Industries Limited
1A, Sector-16-A
Noida - 201 301, Uttar Pradesh
Tel: +91 120 2516601/2516611
Fax: +91 120 4223876
e-mail: investorsjil@jubl.com
Website: http://www.jubilantindustries.com

(XX) Corporate Identity Number (CIN)

L24100UP2007PLC032909

Compliance with Clause 49 of Listing Agreement

(a) Mandatory Requirements

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

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

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

1. The Board

- **Non Executive Chairman's Office**

  Chairman is Non Executive and he is given all required support.

- **Tenure of independent directors not to exceed 9 years.**

  As on date, none of the independent Directors are directors for more than 9 years.

2. Remuneration Committee

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

3. Shareholder Rights

Half yearly financial performance is not being sent to shareholders.

4. Audit Qualifications

The financial statements of the Company contains no audit qualifications.

5. Training of Board Members

The Board of Directors is periodically updated on the business model, company profile, entry into new products and markets.

6. Mechanism for Evaluating Non-Executive Board Members

Not Adopted.

7. Whistle Blower Policy

The Company has a Whistle Blower Policy. The Audit Committee periodically reviews its functioning.

Corporate Governance Voluntary Guidelines 2009

The Central Government promulgated in December 2009, a set of Corporate Governance Guidelines ('CG Guidelines') for all companies.

The Company has already complied with significant portion of the Guidelines.

Compliance with Code of Conduct

A declaration by the Chairman that all directors and senior management personnel have affirmed compliance with the Code of Conduct of the Company for the year ended March 31, 2012 is enclosed as **Annexure E**.

CEO/CFO Certification

In compliance with Clause 49(V) of the Listing Agreement, a declaration by the CEO & Wholetime Director and CFO has been enclosed as **Annexure F** which, *inter-alia*, certifies to the Board the accuracy of financial statements and the adequacy of internal controls for the financial reporting purpose.

Investor Services

In an endeavor to give best possible service to investors, the Company has taken the following initiatives:

- Emailing Annual Report, Corporate Sustainability Report and Notice of Annual General Meeting to shareholders, whose e-mail ids are available.
- User friendly Investor Section on the website of the Company www.jubilantindustries.com.
- A dedicated e-mail ID viz. investorsjil@jubl.com for sending communications to the Company Secretary/ Compliance Officer. Members may lodge their complaints or suggestions on this e-mail id as well.

Further, quarterly and annual financial results of the Company are also uploaded on the website of the Company for the benefit of the shareholders and public at large.

Annexure D

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

To the Members of

Jubilant Industries Limited

We have examined the compliance of conditions of corporate governance by Jubilant Industries Limited ("the Company") for the year ended on March 31, 2012, as stipulated in clause 49 of the Listing Agreement of the Company with the stock exchanges. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India.

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

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

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

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

B.R. Goyal
Partner
Membership No. 12172

Place: Noida
Date : May 9, 2012

Annexure E

TO WHOMSOEVER IT MAY CONCERN

This is to confirm that all the Board members and senior management personnel have affirmed compliance with the Code of Conduct of the Company for the year ended March 31, 2012.

For **Jubilant Industries Limited**

Hari S. Bhartia
Chairman

Place: Noida
Date : May 9, 2012

Annexure F

CERTIFICATE OF CEO/CFO

This is to certify that :

(a) We have reviewed financial statements and the cash flow statement for the year 2011-12 and that to the best of our knowledge and belief:

   i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   ii. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.

(c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

(d) We have indicated to the auditors and the Audit committee:

   i. significant changes in internal control over financial reporting during the year;

   ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

   iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

For **Jubilant Industries Limited**

Place: Noida	**Videh Kumar Jaipuriar**	**Sandeep Kumar Shaw**
Date : May 9, 2012	CEO & Whole Time Director	Chief Financial Officer

AUDITORS' REPORT

To the members of Jubilant Industries Limited

1. We have audited the attached Balance Sheet of JUBILANT INDUSTRIES LIMITED ("the Company") as at 31st March 2012 the related Statement of Profit and Loss for the year ended on that date annexed thereto, and the Cash Flow Statement of the Company for the year ended on that date, 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 of India 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 account of the Company;

   c) The Balance Sheet, Statement of Profit and Loss 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 Statement of Profit and Loss, 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 explanations given to us and on the basis of written representations received from the Directors as on 31st March 2012 of the Company and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2012, 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 Financial Statements, and read together with the notes and Significant Accounting Policies thereon 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 the Balance Sheet, of the state of affairs of the Company as at 31st March 2012;

      (ii) In the case of the Statement of Profit and Loss, of the Profit 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.**
Firm Registration Number: 304153E
Chartered Accountants

B.R. GOYAL
Partner
Membership No. 12172

Place: Noida
Date : 9th May, 2012

ANNEXURE TO THE AUDITORS' REPORT

Referred to in paragraph 3 of our report of even date on the financial statements for the year ended 31st March, 2012.

i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) In our opinion, physical verification of fixed assets has been carried out in terms of the phased programme of verification of its fixed assets adopted by the Company and no material discrepancies were noticed on such verification. In our opinion the frequency of verification is reasonable, having regard to the size of the Company and nature of its business.

(c) During the year the Company has not disposed off any substantial/ major part of fixed assets except transfers by way of slump sale, of the fixed assets in terms of the Court sanctioned Scheme of Demerger of Certain units into the Company's wholly owned subsidiary, however, the same has not affected its going concern basis.

ii) (a) The inventories have been physically verified during the year by the management at reasonable intervals.

(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) The Company is maintaining proper records of inventory. In our opinion, discrepancies noticed on physical verification of stocks were not material in relation to the operations of the Company.

iii) (a) According to the information and explanations given to us, the Company has, during the year, not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, paragraphs 4(iii)(a), (b) and (c) of the Companies (Auditors' Report) Order, 2003 (hereinafter referred to as the Order) are not applicable.

(b) According to the information and explanations given to us, the Company has, during the year, not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, paragraph 4 (iii) (e), (f) and (g) of the Order, are not applicable.

iv) In our opinion and according to the information and explanations given to us, there are internal control systems commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system.

v) (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the transactions that need to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so entered.

(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register under Section 301 of the Companies Act, 1956 have been made at prices which are reasonable having regard to prevailing market prices, wherever comparable prices are available, at the relevant time.

vi) The Company has not accepted public deposits during the year.

vii) In our opinion, the Company has an internal audit system commensurate with the size of the Company and the nature of its business.

viii) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government of India for the maintenance of cost records of the Company under clause (d) of Sub Section (1) of Section 209 of the Companies Act, 1956 and are of the opinion that prima facie the prescribed accounts and records have been maintained. We are, however, not required to and have not carried out any detailed examination of such accounts and records with a view to determining whether they are accurate or complete.

ix) (a) According to the records examined by us , the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investors education and protection fund, employees state insurance, income tax , sales tax , wealth tax, service tax, custom duty, excise duty, cess and other statutory dues wherever applicable. According to the information and explanations given to us, no undisputed arrears of statutory dues were outstanding as at 31st March, 2012 for a period of more than six months from the date they became payable.

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

	Name of the Statute	Nature of the Dues	Amount (₹ in million)	Period to which the amount relates	Forum where dispute is pending
1	Custom Act, 1962	Custom Duty + Interest	44.90	11.10.2002 to 10.04.2004	A.C. Customs, ICD, Tughlakabad
		Custom Duty + Interest	17.03	15.02.2007 to 14.02.2012	A.C. Customs, Kandla
		Custom Duty + Interest	52.10	28.02.2003 to 27.08.2004	D.C. Customs, Kandla
		Custom Duty + Interest	3.31	25.11.2010	A.C. Customs, JNCH, Nhava Sheva
		Custom Duty + Interest	2.03	10.12.2010	A.C. Customs, JNCH, Nhava Sheva
2	UPVAT ACT, 2008	VAT	0.87	15.11.2010 to 31.12.2010	Additional Commissioner UP VAT, Ghaziabad

x) There are no accumulated losses of the Company as at 31st March 2012. The Company has not incurred any cash losses during the financial year covered by our audit and in the immediately preceding financial year.

xi) Based on our audit procedures and the information given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to any financial institution, bank or debenture holders.

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) The provisions of any special statute as specified under paragraph (xiii) of the Order are not applicable to the Company.

xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures, and other investments. Accordingly, the provisions of clause 4 (xiv) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.

xv) According to the information and explanations given to us, Company has not given any guarantee during the year for loans taken by others from banks or financial institution.

xvi) According to the information and explanations given to us, the Company has not taken any term loan during the year.

xvii) According to the information & explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that the no funds raised on short-term basis have been used for long term investment.

xviii) The Company has not made any preferential allotment of shares during the year to parties/companies covered in the register maintained under section 301 of the Companies Act, 1956 except in terms of the duly approved Scheme under section 391 & 394 of the Companies Act, 1956 at such price as approved by the members of the Company through the process of approving the Scheme.

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 Issue during the year.

xxi) Based upon the audit procedures performed and as per the information and explanations given to us by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

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

B.R. GOYAL
Partner
Membership No. 12172

Place: Noida
Date : 9th May, 2012

BALANCE SHEET

(₹ in million)

As at 31st March,	Note No.	2012		2011	
I. EQUITY AND LIABILITIES					
Shareholders' Funds					
Share Capital	2	118.49		80.14	
Reserves & Surplus	3	2,521.68		2,720.32	
			2,640.17		2,800.46
Non-Current Liabilities					
Long Term Borrowings	4	3.90		-	
Deferred Tax Liabilities (Net)	5	44.29		83.99	
Other Long Term Liabilities	6	0.45		43.85	
Long Term Provisions	7	27.83		70.03	
			76.47		197.87
Current Liabilities					
Short Term Borrowings	8	18.42		42.33	
Trade Payables	9	276.23		661.90	
Other Current Liabilities	10	86.94		98.77	
Short Term Provisions	11	131.25		179.93	
			512.84		982.93
Total			**3,229.48**		**3,981.26**
II. ASSETS					
Non-Current Assets					
Fixed Assets					
Tangible Assets	12	405.53		1,048.43	
Intangible Assets	13	3.04		-	
Capital Work-in-Progress	12	24.65		96.59	
Non-Current Investments	14	1,649.32		0.50	
Long Term Loans & Advances	15	3.59		6.12	
Other Non-Current Assets	16	11.10	2,097.23	8.64	1,160.28
Current Assets					
Current Investments	17	0.07		1.72	
Inventories	18	335.70		952.53	
Trade Receivables	19	478.59		761.81	
Cash & Bank Balances	20	21.46		364.02	
Short Term Loans and Advances	21	294.07		723.97	
Other Current Assets	22	2.36		16.93	
			1,132.25		2,820.98
Total			**3,229.48**		**3,981.26**
Statement of Significant Accounting Policies & Notes to the Financial Statements	1-52				

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

Place: Noida
Date : 9th May, 2012

Amit Khurana
Company Secretary

Sandeep Kumar Shaw
Chief Financial Officer

Videh Kumar Jaipuriar
CEO & Whole Time Director

STATEMENT OF PROFIT AND LOSS

(₹ in million)

For the Year Ended 31st March,	Note No.	2012		2011	
REVENUE					
Revenue from Operations (Gross)	23	2,259.90		5,629.57	
Less: Excise Duty		97.34		250.86	
Revenue from Operations (Net)			2,162.56		5,378.71
Other Income	24		16.75		18.39
Total Revenue			**2,179.31**		**5,397.10**
EXPENSES					
Cost of Materials Consumed	25		1,394.56		3,065.96
Purchase of Stock-in-Trade			-		60.04
Change in Inventories of Work-in-Progress, Finished Goods & Stock-in-Trade	26		5.83		134.68
Other Manufacturing Expenses	27		149.28		592.26
Employee Benefits Expense	28		122.67		428.89
Finance Cost	29		4.04		2.24
Depreciation & Amortization Expenses	12 & 13		28.40		57.53
Other Expenses	30		156.83		651.40
Total Expenses			**1,861.61**		**4,993.00**
Profit before Exceptional Items and Tax			317.70		404.10
Exceptional Items	31		11.06		-
Profit before Tax			**306.64**		**404.10**
Profit from Continuing Operations before Tax		300.33		482.93	
Tax Expenses:					
- Current Tax		100.08		152.85	
- Deferred Tax Charge/(Credit)		(53.00)		(13.14)	
		47.08		139.71	
Profit for the year from Continuing Operations after Tax			253.25		343.22
Profit/(Loss) From Discontinuing Operations	42	6.31		(78.83)	
Tax Charge/(Credit) of Discontinuing Operations		2.05		(21.69)	
Profit/(Loss) from Discontinuing Operations after Tax			4.26		(57.14)
Profit for the year			**257.51**		**286.08**
Basic Earnings Per Share of ₹10 each (in ₹)	51		21.73		35.70
Diluted Earnings Per Share of ₹10 each (in ₹)	51		21.73		35.70
Statement of Significant Accounting Policies & Notes to the Financial Statements	1-52				

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

Place: Noida
Date : 9th May, 2012

Amit Khurana
Company Secretary

Sandeep Kumar Shaw
Chief Financial Officer

Videh Kumar Jaipuriar
CEO & Whole Time Director

CASH FLOW STATEMENT

(₹ in million)

For the Year Ended 31st March,		2012	2011
A.	**Cash Flow arising from Operating Activities:**		
	Net Profit before Tax	306.64	404.10
	Adjustments for:		
	Depreciation & Amortisation Expenses	28.40	57.53
	Loss/(Profit) on Sale of Fixed Assets (Net)	(0.16)	0.11
	Finance Cost	4.04	2.24
	Provision for Employee Benefits	4.73	24.90
	Bad Debts/Irrecoverable Advances Written-off (Net of Write-in)	1.69	37.83
	Unrealised (Gain)/ Loss on Foreign Exchange -Net	(3.46)	(0.20)
	Profit on Sale of Current Investments	(5.31)	(1.66)
	Income from Current Investment (Non Trade)-Dividend	-	(1.45)
		29.93	**119.30**
	Operating Profit before Working Capital Changes	336.57	523.40
	Adjustments for:		
	(Increase)/Decrease in Trade and Other Receivables	(164.92)	(307.98)
	(Increase)/Decrease in Inventories	(3.70)	332.40
	(Increase)/Decrease in Other Current Assets	(2.36)	-
	Increase/(Decrease) in Trade and Other Payables	33.22	(112.58)
	Cash generated from Operations	**198.81**	**435.24**
	Direct Taxes Paid (net of refunds)	(152.84)	(63.30)
	Net Cash Inflow/(Outflow) in course of Operating Activities	**45.97**	**371.94**
B.	**Cash Flow arising from Investing Activities:**		
	Inter Corporate Loan	-	(400.00)
	Acquisition/ Purchase of Fixed Assets	(39.54)	(190.26)
	Movement in Other Bank Balances	-	(302.08)
	Sale Proceeds of Fixed Assets	0.33	0.27
	(Purchase)/Sale of Investments (Net)	5.24	4.17
	Interest Income	7.17	7.10
	Investment in Subsidiary	-	(0.50)
	Dividend Received	-	1.45
	Net Cash Inflow/(Outflow) in course of Investing Activities	**(26.80)**	**(879.85)**
C.	**Cash Flow arising from Financing Activities:**		
	Proceeds / (Repayment) of Long Term Borrowings (Net)	3.90	(970.90)
	Proceeds / (Repayment) of Short Term Borrowings (Net)	(22.31)	42.33
	Finance Cost	(8.17)	(9.34)
	Dividend Paid (including Dividend Distribution Tax)	(27.70)	-
	Net Cash Inflow/(Outflow) in course of Financing Activities	**(54.28)**	**(937.91)**
	Net Increase/(Decrease) in Cash & Cash equivalents (A+B+C)	(35.11)	(1,445.82)
	Add : Cash & Cash Equivalent at the beginning of year	61.94	1,507.76
	Adjustment: Cash & Cash Equivalents on account of Scheme of Arrangement	(5.37)	-
	Cash & Cash Equivalents at the close of the year (including balance in Dividend Account)	**21.46**	**61.94**

i) Cash Flow Statement has been prepared under the Indirect Method as set out in the Accounting Standard 3 (AS-3) "Cash Flow Statements" as notified by the Central Government of India.

ii) Acquisition/ Purchase of fixed assets includes movement of capital work-in-progress and capital advances during the year.

iii) Cash Flow Statement has been prepared after giving effect of the Scheme of Arrangement into the closing Balance Sheet as at 31st March, 2011.

iv) Cash generated from operations include ₹6.31 million [Previous Year: ₹(36.83) million] as net cash inflow/(outflow) attributable to discontinuing operations. (Refer Note 42)

v) The above Cash Flow does not include non cash adjustments to give effect of the said Scheme.

vi) Closing Cash and Cash Equivalents includes ₹0.24 million (Previous Year ₹ Nil), which has restricted use.

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

Place : Noida
Date : 9th May, 2012

Amit Khurana
Company Secretary

Sandeep Kumar Shaw
Chief Financial Officer

Videh Kumar Jaipuriar
CEO & Whole Time Director

NOTES TO THE FINANCIAL STATEMENTS

1. **Statement of Significant Accounting Policies**

   A. **Basis of Preparation & Presentation of Financial Statements**

   The accounts of the Company are prepared primarily under the historical cost convention on the accrual basis of accounting in accordance with the accounting principles generally accepted in India ("GAAP") and comply with the mandatory accounting standards notified under the Companies (Accounting Standards) Rules, 2006 as amended and 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. Examples of such estimate include future obligations under employee retirement benefit plans, income taxes, useful life of fixed assets and provision for doubtful debts, etc. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results could vary from these estimates. Appropriate changes in estimates are made as the management becomes aware of the changes in circumstances surrounding the estimates. Any revision to accounting estimates is recognized in the period in which such results are known/ materialized. Effect of such material changes is disclosed in the notes to the financial statements.

   During the year ended March 31, 2012, the revised schedule VI notified under the Companies Act, 1956 has become applicable to the Company for presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, the revised Schedule VI has a significant impact on the presentation and disclosures made in the financial statements. The Company has reclassified the previous year figures in accordance with the requirements applicable in the current year.

   All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the revised Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents the Company has ascertained its operating cycle as 12 months for the purpose of classifying current or non-current assets and liabilities.

   B. **Tangible and Intangible Fixed Assets**

   Fixed Assets are stated at original cost net of tax/duty credits availed, if any, less accumulated depreciation/amortization and impairment loss. The cost of fixed assets includes effects of exchange differences on long term foreign currency borrowings, freight and other incidental expenses related to the acquisition, installation and commissioning 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 recognized at book value in case of amalgamation in the nature of merger and at book/ fair value in case of amalgamation in the nature of purchase in line with Accounting Standard 14 (AS 14) – "Accounting of Amalgamations".

   Insurance spares/ standby equipments are capitalized as part of the mother assets and are depreciated at the applicable rates, over the remaining useful life of the mother assets.

   Interest on loans and other financial charges in respect of qualifying assets and expenditure incurred on start up and commissioning of the project and/ or substantial expansion, including the expenditure incurred on test runs and trial runs (net of trial run receipts, if any) up to the date of commencement of commercial production are capitalized.

   Expenditure for acquisition and implementation of Software systems are recognized as part of the intangible assets.

   C. **Depreciation and Amortization**

   Depreciation is provided on Straight Line Method at rates mentioned and in the manner specified in Schedule XIV to the Companies Act, 1956 (as amended), and read with the statement as mentioned hereunder, on the original cost/ acquisition cost or other amount substituted for cost. Certain plants were classified as continuous process plants based on technical assessment, (relied upon by the auditors being a technical matter) and depreciation on such assets has been provided accordingly.

Depreciation, in respect of assets added/installed up to December 15th 1993, is provided at the rates applicable at the time of addition/installation of the assets as per Companies Act, 1956 and depreciation in respect of other 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/amortized over the useful life estimated as under:

a. Computer & Information Technology related assets: Three to Five Years.

b. Certain Employee perquisite-related Assets: Five Years, being the period of the Perquisite Scheme.

c. Motor Vehicles: Five Years.

d. Motor Vehicles under Finance Lease: Tenure of Lease or five years whichever is shorter.

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

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

Depreciation on assets of discontinuing business is provided only up to the date when the decision to discontinue the business is approved by the Board of Directors of the Company.

Leasehold land is amortized over the lease period.

Software systems are being amortized over a period of five years or its useful life whichever is shorter.

D. Leases

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

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

E. Valuation of Inventories

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

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

Raw Materials	Weighted Average Method
Work-in-Progress and Finished Goods (Manufactured)	Variable Cost at weighted average including an appropriate share of variable and fixed production overheads. Fixed production overheads are included based on normal capacity of production facilities.
Stock-in-Trade	Cost of Purchases
Stores & Spares and Others	Weighted Average Method
Packing Materials	Weighted Average Method
Goods-in-transit	Cost of Purchase

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

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

NOTES TO THE FINANCIAL STATEMENTS

F. Investments

Investments that are readily realizable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. All other investments are classified as non-current investments. Current Investments are carried at cost or fair value, whichever is lower. Non-current investments are carried at cost. However, provision for diminution is made to recognize a decline, other than temporary, in the value of the investment, such reduction being determined and made for each investment individually.

G. Income Tax

Tax expense for the period, comprising current tax and deferred tax, charge or credit are included in the determination of the results for the period.

Current Tax

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

Deferred Tax

Deferred tax charge or credit reflects the tax effects of timing differences between accounting income and taxable income for the current year and reversal of timing differences for earlier years. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carry forward of losses, deferred tax assets are recognized only if there is a virtual certainty of realization of such assets. Deferred tax assets are reviewed at each Balance Sheet date and are written-down or written-up to reflect the amount that is reasonably/ virtually certain (as the case may be) to be realized.

Deferred tax assets and deferred tax liabilities are offsets when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

H. Foreign Currency Transactions and Translations

a) **Initial Recognition:** Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency on/or closely approximating to the date of the transaction.

b) **Conversion:** Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

c) **Exchange Difference:** Exchange differences arising on the settlement of monetary items or on reporting such monetary items of the Company at rates different from those at which they were initially recorded during the year or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

d) **Forward Exchange Contracts:** 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 recognized as income or expense in Statement of Profit and Loss over the life of the contract. All other outstanding forward contracts on the closing date are mark to market and resultant loss is recognized as expense in the Statement of Profit and Loss.

Mark to market gains, if any, are ignored. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognized as income or as expense for the period.

I. Provisions, Contingent Liabilities and Contingent Assets

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

J. Employee Benefits

(i) Short-term Employee Benefits: All employee benefits falling due wholly within twelve months of rendering the services are classified as short-term employee benefits, which include benefits like salaries, wages, short-term compensated absences, performance incentives etc. and are recognized as expenses in the period in which the employee renders the related service and measured accordingly.

(ii) Post-employment Benefits: Post employment benefit plans are classified into defined contribution plans and defined benefits plans in line with the requirements of AS 15 on “Employee Benefits”.

- **Gratuity and Leave Encashment**

  Gratuity and leave encashment which are defined benefits are recognized in the Statement of Profit and Loss based on actuarial valuation using projected unit credit method as at Balance Sheet date by an independent actuary. Actuarial gains and losses arising from the experience adjustment and change in actuarial assumption are immediately recognized in the Statement of Profit and Loss as income or expense.

- **Superannuation**

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

- **Provident Fund**

a) The Company makes contribution to the “VAM EMPLOYEES’ PROVIDENT FUND TRUST” for most of its employees, which is a defined benefit plan to the extent that the Company has an obligation to make good the shortfall, if any, between the return from the investments of the trust and the notified interest rate. The Company’s obligation in this regard is determined by an independent actuary and provided for if the circumstances indicate that the Trust may not be able to generate adequate returns to cover the interest rates notified by the Government. The Company’s contribution towards Provident Fund is charged to Statement of Profit and Loss.

b) For other employees, Provident Fund is deposited with Regional Provident Fund Commissioner. This is treated as defined contribution plan. Company’s contribution to the Provident Fund is charged to Statement of Profit & Loss.

(iii) Other Long Term Employee Benefits:

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

NOTES TO THE FINANCIAL STATEMENTS

K. Borrowings Cost

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

L. Revenue Recognition

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

Revenue from contract manufacturing is recognized on completed service contract method.

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

Any sale for which the Company has acted as an agent without assuming the risk and reward of the ownership have been reported on net-basis.

Export incentives/ benefits are accounted for on accrual basis in the year in which exports are made and are included in sales.

M. 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, Expenses, Assets and Liabilities, which are common to the enterprise as a whole and are not allocable to segments on a reasonable basis, have been treated as “Common Revenue/Expenses/ Assets/Liabilities”, as the case may be.

N. Earnings Per Share

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

O. Impairment of Fixed Assets

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

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

NOTES TO THE FINANCIAL STATEMENTS

(₹ in million)

As at 31st March,	2012	2011
2. SHARE CAPITAL		
Authorised		
1,50,00,000 Equity Shares of ₹10 each (Previous Year: 1,00,00,000 Equity Shares of ₹10 each)	150.00	100.00
	150.00	**100.00**
Issued, Subscribed & Paid Up		
1,18,49,404 Equity shares of ₹10 each (Refer Note 2.1) (Previous Year: 80,14,056 Equity Shares of ₹10 each)	118.49	80.14
	118.49	**80.14**

2.1 Issued, Subscribed & Paid Up Share Capital includes shares allotted for consideration other than cash during the last five years:

a) 38,35,348 equity shares of ₹10 each allotted pursuant to the Scheme of Arrangement with Jubilant Agri and Consumer Products Limited and Enpro Oil Private Limited. (Refer Note 32)

b) 79,64,056 equity shares of ₹10 each allotted pursuant to the Scheme of Amalgamation & Demerger with Jubilant Life Sciences Limited.

2.2 Details of shareholders holding more than 5% of the aggregate shares in the Company:

Name of the Shareholder	As at 31st March, 2012		As at 31st March, 2011	
	No. of Shares	% held	No. of Shares	% held
Jubilant Stock Holding Private Limited	984,840	8.31	9,38,898	11.72
Jubilant Capital Private Limited	11,66,600	9.85	10,50,382	13.11
Jubilant Enpro Private Limited	35,96,837	30.35	-	-
Jubilant Securities Private Limited	10,51,075	8.87	9,34,947	11.67
GA Global Investments Limited	-	-	5,85,360	7.30
Samena Special Situations Mauritius	6,90,555	5.83	-	-

2.3 The reconciliation of the number of shares outstanding as at 31st March, 2012 and 31st March, 2011 is set out below:

Particulars	As at 31st March, 2012		As at 31st March, 2011	
	No. of Shares	₹ in million	No. of Shares	₹ in million
Number of Shares at the beginning of the year	80,14,056	80.14	50,000	0.50
Add: Shares allotted pursuant to the Scheme of Amalgamation and Demerger (Refer note 2.1)	-	-	79,64,056	79.64
Add: Shares allotted pursuant to the Scheme of Arrangement (Refer Note 2.1)	38,35,348	38.35	-	-
Numbers of Shares at the end of the year	**1,18,49,404**	**118.49**	**80,14,056**	**80.14**

2.4 The Company has only one class of equity shares having par value of ₹10 each. Each shareholder is eligible for one vote per share.

2.5 In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amount. The distribution will be in proportion to the number of equity shares held by the shareholders.

NOTES TO THE FINANCIAL STATEMENTS

(₹ in million)

As at 31st March,	2012	2011
3. RESERVES AND SURPLUS		
Capital Reserve		
Opening Balance	24.62	24.62
Less: Adjustments on account of Scheme of Arrangement (Refer note 3.1)	24.62	-
Closing Balance	-	24.62
Securities Premium Account		
Opening Balance	837.18	837.18
Less: Adjustments on account of Scheme of Arrangement (Refer note 3.1)	13.73	-
Closing Balance	823.45	837.18
General Reserve		
Opening Balance	645.58	615.58
Add: Transferred during the year	-	30.00
Less: Adjustments on account of Scheme of Arrangement	417.80	-
Closing Balance	227.78	645.58
Surplus		
Opening Balance	1212.94	984.80
Add: Net Profit after tax transferred from Statement of Profit & Loss	257.51	286.08
Amount available for appropriation	1470.45	1270.88
Appropriations:		
Less: Transfer to General Reserve	-	30.00
Less: Appropriation for Dividend on equity shares including tax on distributed profits	-	27.94
Closing Balance	1470.45	1212.94
Total	**2521.68**	**2720.32**

3.1 The deduction is due to issue of 38,35,348 Equity Shares of ₹10 each pursuant to the Scheme of Arrangement with Jubilant Agri and Consumer Products Limited and Enpro Oil Private Limited. (Refer Note 32)

3.2 The Board has not proposed any dividend for the year.

(₹ in million)

As at 31st March,	2012	2011
4. LONG TERM BORROWINGS		
Long Term Maturities of Finance Lease Obligation	3.90	-
- Finance Lease Obligations (Secured)	**3.90**	**-**

4.1 Finance lease obligations are secured by hypothecation of specific assets taken under such lease arrangements and the same are repayable as per the terms of agreement with the lessor.

(₹ in million)

As at 31st March,	2012	2011
5. DEFERRED TAX LIABILITIES (NET)		
Deferred Tax Liabilities on account of:		
Accelerated Depreciation/Amortization	57.18	110.96
	57.18	110.96
Deferred Tax Assets on account of:		
Provision for Leave Encashment and Gratuity	8.43	23.79
Others	4.46	3.18
	12.89	26.97
Deferred Tax Liabilities (Net)	**44.29**	**83.99**

NOTES TO THE FINANCIAL STATEMENTS

(₹ in million)

As at 31st March,	2012	2011
6. OTHER LONG TERM LIABILITIES		
Security Deposits	0.45	43.85
	0.45	**43.85**

(₹ in million)

As at 31st March,	2012	2011
7. LONG TERM PROVISIONS		
Employee Benefits	27.83	70.03
	27.83	**70.03**

(₹ in million)

As at 31st March,	2012	2011
8. SHORT TERM BORROWINGS		
Loans repayable on Demand		
- From Banks:	18.42	42.33
Cash Credit/Working Capital Demand Loans (Secured)	**18.42**	**42.33**

8.1 Working capital facility sanctioned by Corporation Bank Limited and ING Vysya Bank Limited under multiple banking arrangement are secured by a first charge by way of hypothecation ranking pari passu inter-se banks, of the entire book debts, receivables, inventories and current assets both present and future of the Company where ever the same may be or be held.

(₹ in million)

As at 31st March,	2012	2011
9. TRADE PAYABLES		
Due to Micro, Small & Medium Enterprises under MSMED Act, 2006 (Refer Note 34)	1.31	7.14
Others	274.92	654.76
	276.23	**661.90**

(₹ in million)

As at 31st March,	2012	2011
10. OTHER CURRENT LIABILITIES		
Current Maturities of Finance Lease Obligations	1.59	-
Employee Benefits Payable	9.79	39.68
Trade Deposits & Advances	15.44	25.34
Creditors for Capital Supplies and Services	20.33	14.63
Unpaid Dividend	0.24	-
Others	39.55	19.12
	86.94	**98.77**

(₹ in million)

As at 31st March,	2012	2011
11. SHORT TERM PROVISIONS		
Employee Benefits	9.22	7.92
Dividend on Equity Shares (Including Dividend Distribution Tax)	-	27.94
Income Tax	107.93	131.06
Others - Excise Duty	14.10	13.01
	131.25	**179.93**

NOTES TO THE FINANCIAL STATEMENTS

12. TANGIBLE FIXED ASSETS

(₹ in million)

Description	GROSS BLOCK - COST / BOOK VALUE						DEPRECIATION / AMORTISATION / IMPAIRMENT						NET BLOCK	
	Total as at 31st March, 2011	Additions consequent to Scheme of Amalgamation & Demerger	Deductions/ Adjustments on account of Scheme of Arrangement	Additions/ Adjust-ments during the Year	Deductions/ Adjust-ments during the Year	Total as at 31st March, 2012	Total as at 31st March, 2011	Additions consequent to Scheme of Amalgamation & Demerger	Deductions/ Adjustments on account of Scheme of Arrangement	Provided for the Year	Deductions/ Adjust-ments during the Year	Total as at 31st March, 2012	As at 31st March, 2012	As at 31st March, 2011
Land														
(a) Freehold	18.92	-	10.82	-	-	8.10	-	-	-	-	-	-	8.10	18.92
(b) Leasehold	204.26	-	204.26	-	-	-	0.23	-	0.23	-	-	-	-	204.03
Buildings														
(a) Factory	210.39	-	172.43	31.07	-	69.03	39.86	-	28.97	1.06	-	11.95	57.08	170.53
(b) Others	48.34	-	48.34	10.05	-	10.05	2.49	-	2.49	0.07	-	0.07	9.98	45.85
Plant & Machinery (12.1)	1,085.19	-	492.33	24.87	-	617.73	492.94	-	217.48	23.37	-	298.83	318.90	592.25
Furniture & Fixtures	14.80	-	8.43	0.65	0.24	6.78	6.61	-	3.19	0.68	0.10	4.00	2.78	8.19
Office Equipments	18.26	-	10.66	2.32	0.11	9.81	9.67	-	4.66	1.73	0.08	6.66	3.15	8.59
Vehicles														
(a) Leased	-	-	-	6.55	-	6.55	-	-	-	1.01	-	1.01	5.54	-
(b) Others	1.42	-	1.42	-	-	-	1.35	-	1.35	-	-	-	-	0.07
Total	**1,601.58**	**-**	**948.69**	**75.51**	**0.35**	**728.05**	**553.15**	**-**	**258.37**	**27.92**	**0.18**	**322.52**	**405.53**	**1,048.43**
Previous Year	-	1,456.21	-	146.14	0.77	1,601.58	-	496.01	-	57.53	0.39	553.15	1,048.43	-
Capital Work in Progress			52.48										24.65	96.59

12.1 Includes Plant & Machinery in relation to discontinuing operations for ₹28.62 million (Previous Year: ₹28.62 million). (Refer Note 46)

13. INTANGIBLE FIXED ASSETS

(₹ in million)

Description	GROSS BLOCK - COST / BOOK VALUE						DEPRECIATION / AMORTISATION / IMPAIRMENT						NET BLOCK	
	Total as at 31st March, 2011	Additions consequent to Scheme of Amalgamation & Demerger	Deductions/ Adjustments on account of Scheme of Arrangement	Additions/ Adjust-ments during the Year	Deductions/ Adjust-ments during the Year	Total as at 31st March, 2012	Total as at 31st March, 2011	Additions consequent to Scheme of Amalgamation & Demerger	Deductions/ Adjustments on account of Scheme of Arrangement	Provided for the Year	Deductions/ Adjust-ments during the Year	Total as at 31st March, 2012	As at 31st March, 2012	As at 31st March, 2011
Software	-	-	-	3.52	-	3.52	-	-	-	0.48	-	0.48	3.04	-
Total	**-**	**-**	**-**	**3.52**	**-**	**3.52**	**-**	**-**	**-**	**0.48**	**-**	**0.48**	**3.04**	**-**
Previous Year	-	-	-	-	-	-	-	-	-	-	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

(₹ in million)

As at 31st March,				2012	2011
14. NON-CURRENT INVESTMENTS					
(At Cost)					
	Number	Face Value Per Unit			
			Trade Investments (Long Term) (Unquoted)		
			In Subsidiary Company		
			Jubilant Agri & Consumer Products Limited:		
	50,000 (50,000)	₹10	Fully Paid-up Equity Shares	0.50	0.50
	16,48,817 (-)	₹10	10% Optionally Convertible Non-Cummulative Redeemable Preference Shares (14.2)	1,648.82	-
				1,649.32	**0.50**
			Aggregate amount of Unquoted Investments	1,649.32	0.50

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

14.2 16,48,817 10% Optionally Convertible Non-Cummulative Redeemable Preference Shares of ₹10 each were allotted in favour of the Company pursuant to the Scheme of Arrangement amongst the Company, Jubilant Agri and Consumer Products Limited and Enpro Oil Private Limited for consideration other than cash.

(₹ in million)

As at 31st March,	2012	2011
15. LONG TERM LOANS & ADVANCES		
(Unsecured, Considered Good)		
Capital Advances	0.30	-
Security Deposits	2.88	6.12
Others	0.41	-
	3.59	**6.12**

(₹ in million)

As at 31st March,	2012	2011
16. OTHER NON-CURRENT ASSETS		
(Unsecured, Considered Good)		
Others Recoverable	11.10	8.64
	11.10	**8.64**

NOTES TO THE FINANCIAL STATEMENTS

(₹ in million)

As at 31st March,			2012	2011
17. CURRENT INVESTMENTS				
(At Cost)				
Number	Face Value Per Unit	**All unquoted unless otherwise specified**		
		Non Trade Investments		
- (448)	₹10	Voith Paper Fabrics India Ltd. - Equity Shares - Fully Paid-up (Quoted)	-	0.08
- (530)	₹10	Minerva Holding Limited - Equity Shares - Fully Paid-up (17.2)	-	-
- (132)	₹100	Kashipur Holdings Limited - Equity Shares - Fully Paid-up (17.2)	-	-
		Investments in Mutual Fund		
3,712.00 (91,332.83)	₹10	LIC MF Liquid Fund - Growth Plan	0.07	1.64
			0.07	**1.72**
		Aggregate NAV of Current Investments	0.07	1.64
		Aggregate amount of Quoted Investments		
		- Cost	-	0.08
		- Market Value	-	0.10

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

17.2 Shares were received free of cost under the Scheme of Arrangement (1997) approved by the Hon'ble High Court of Allahabad.

17.3 During the year, the following investment (non trade) was purchased and sold:
2,03,47,978.28 units (Previous Year: 1,19,34,127.87 units) of LIC Mutual Fund - Liquid Fund - Growth Plan at cost of ₹190 million (Previous Year: ₹210 million).

(₹ in million)

As at 31st March,	2012	2011
18. INVENTORIES		
Raw Materials [including in transit ₹89.04 million (Previous Year: ₹55.20 million)]	206.44	396.32
Work-in-Progress	25.65	186.63
Finished Goods	73.65	269.37
Stock-in-Trade	-	19.57
Stores, Spares and Others [including in transit ₹ Nil (Previous Year: ₹2.86 million)]	10.20	40.82
Packing Materials	19.76	39.82
	335.70	**952.53**

For method of valuation refer Note 1E.

(₹ in million)

As at 31st March,	2012	2011
19. TRADE RECEIVABLES		
(Unsecured, Considered Good)		
Outstanding for period exceeding six months from the date they are due for payment	0.58	145.40
Outstanding for period less then six months from the date they are due for payment	478.01	616.41
	478.59	**761.81**

19.1 Trade Receivables includes subsidy receivable ₹ Nil (Previous Year: ₹208.80 million).

NOTES TO THE FINANCIAL STATEMENTS

(₹ in million)

As at 31st March,	2012	2011
20. CASH & BANK BALANCES		
Cash and Cash Equivalents		
Balances With Banks		
-On Current Accounts	21.06	60.93
-On Dividend Account	0.24	-
Cash in hand	0.11	0.75
Others		
-Gift/Meal Vouchers in Hand	0.05	0.26
	21.46	61.94
Other Bank Balances		
Margin Money with Bank*	-	2.00
On Deposit Accounts	-	300.08
	-	302.08
	21.46	**364.02**

* For Bank Guarantees in favour of Government Authorities.

(₹ in million)

As at 31st March,	2012	2011
21. SHORT TERM LOANS & ADVANCES		
Inter Corporate Loans	-	400.00
Deposits	-	2.32
Deposits/Balances with Government Authorities	120.82	79.14
Advance Payment of Income Tax	90.15	65.63
Employee Loans & Advances	0.65	0.01
Advances Recoverable in cash or in kind or for value to be received:		
- Related Parties	30.24	37.69
- Others - Export Incentives and Others Recoverable	52.21	139.18
	294.07	**723.97**

(₹ in million)

As at 31st March,	2012	2011
22. OTHER CURRENT ASSETS		
Interest Accrued on Inter Corporate Loans	-	11.45
Others	2.36	5.48
	2.36	**16.93**

(₹ in million)

For the Year Ended 31st March,	2012	2011
23. REVENUE FROM OPERATIONS		
Sale of Products	2,226.88	5,596.77
Sale of Services	30.31	24.70
Other Operating Income	2.71	8.10
Revenue from Operations (Gross)	2,259.90	5,629.57
Less: Excise Duty	97.34	250.86
Revenue from Operations (Net)	**2,162.56**	**5,378.71**

NOTES TO THE FINANCIAL STATEMENTS

(₹ in million)

For the Year Ended 31st March,	2012	2011
23.1 PARTICULARS OF SALE OF PRODUCTS		
Solid PVA	1005.89	495.51
VP Latex	1220.99	970.28
Adhesives & Wood Finishes	-	1573.12
Single Super Phosphate	-	2,303.38
Sulphuric Acid	-	156.82
Agro Chemicals	-	23.70
	2,226.88	**5,522.81**

(₹ in million)

For the Year Ended 31st March,	2012	2011
23.2 PARTICULARS OF SALE OF STOCK-IN-TRADE		
Epoxy Putty	-	4.51
Agro Chemicals	-	69.45
	-	**73.96**

(₹ in million)

For the Year Ended 31st March,	2012	2011
23.3 PARTICULARS OF SALE OF SERVICES		
Contract Manufacturing Services	26.63	22.32
Other Services	3.68	2.38
	30.31	**24.70**

(₹ in million)

For the Year Ended 31st March,	2012	2011
24. OTHER INCOME		
Income from Current Investments (Non-Trade) - Dividend	-	1.45
Profit on Sale of Current Trade Investments	5.31	1.66
Profit on Sale of Fixed Assets	0.16	-
Miscellaneous Receipts	11.28	15.28
	16.75	**18.39**

(₹ in million)

For the Year Ended 31st March,	2012	2011
25. COST OF MATERIALS CONSUMED		
Raw & Process Materials Consumed	1394.56	3,065.96
	1394.56	**3,065.96**

(₹ in million)

For the Year Ended 31st March,	2012	2011
25.1 PARTICULARS OF RAW MATERIALS CONSUMED		
Process Chemicals	16.85	682.88
Rock Phosphate	-	1016.74
Sulphur etc.	-	332.70
Butadiene	446.03	311.49
VP Monomer	240.77	301.72
Vinyl Acetate Monomer	559.57	385.56
Others	131.34	34.87
	1394.56	**3065.96**

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31st March,		%	₹ in million	%	₹ in million
25.2	**PARTICULARS OF IMPORTED AND INDIGENOUS RAW MATERIALS CONSUMED**				
	Imported	45.55	635.22	41.35	1,267.76
	Indigenous	54.45	759.34	58.65	1,798.20
		100.00	**1,394.56**	**100.00**	**3,065.96**

(₹ in million)

For the Year Ended 31st March,		2012	2011
26.	**CHANGES IN INVENTORIES OF WORK-IN-PROGRESS, FINISHED GOODS & STOCK-IN-TRADE**		
	Stock at close -Work-in-Progress	25.65	186.63
	Stock at close -Finished Goods	84.75	278.01
	Stock at close -Stock-in-Trade	-	19.57
		110.40	484.21
	Stock at commencement -Work-in-Progress	186.63	144.17
	Stock at commencement -Finished Goods	278.01	476.26
	Stock at commencement -Stock-in-Trade	19.57	13.94
		484.21	634.37
	Increase/ (Decrease) in Stocks	(373.81)	(150.16)
	Less: Adjustment on account of Scheme of Arrangement	368.44	-
	Less: Write down of inventory	3.31	-
	Less: (Increase)/Decrease of Work-in-Progress & Finished Goods Stocks of IMFL Business	(3.77)	15.48
	Net Increase/(Decrease) in Stocks	**(5.83)**	**(134.68)**

(₹ in million)

For the Year Ended 31st March,		2012	2011
26.1	**PARTICULARS OF INVENTORIES**		
	Details of Work-in-Progress		
	Solid PVA	1.43	6.60
	VP Latex	24.22	26.03
	Adhesives & Wood Finishes	-	1.70
	Single Super Phosphate	-	150.62
	Sulphuric Acid	-	1.68
		25.65	**186.63**
	Details of Finished Goods		
	Solid PVA	48.28	56.52
	VP Latex	24.17	18.07
	Adhesives & Wood Finishes	-	87.51
	IMFL	12.30	8.53
	Single Super Phosphate	-	102.97
	Sulphuric Acid	-	1.97
	Agro Chemicals	-	2.44
		84.75	**278.01**
	Details of Stock-in-Trade		
	Epoxy Putty	-	0.53
	Agro Chemicals	-	19.04
		-	**19.57**

NOTES TO THE FINANCIAL STATEMENTS

(₹ in million)

For the Year Ended 31st March,	2012	2011
27. OTHER MANUFACTURING EXPENSES		
Power and Fuel	39.93	168.20
Stores, Spares & Packing Materials Consumed	87.49	349.59
Processing Charges	-	1.27
Repairs to Plant & Machinery	20.17	56.59
Repairs to Factory Buildings	1.37	10.19
Excise Duty (Refer Note 35)	0.32	6.42
	149.28	**592.26**

For the Year Ended 31st March,	%	₹ in million	%	₹ in million
27.1 PARTICULARS OF IMPORTED AND INDIGENOUS STORES & SPARES CONSUMED				
Imported	2.07	1.81	-	-
Indigenous	97.93	85.68	100.00	349.59
	100.00	**87.49**	**100.00**	**349.59**

(₹ in million)

For the Year Ended 31st March,	2012	2011
28. EMPLOYEE BENEFITS EXPENSE		
Salaries, Wages, Bonus, Gratuity & Allowances	108.92	383.68
Contribution to Provident & Superannuation Funds	6.65	23.48
Staff Welfare Expenses	7.10	21.73
	122.67	**428.89**

(₹ in million)

For the Year Ended 31st March,	2012	2011
29. FINANCE COST		
Interest Expense	9.47	9.34
Other Borrowings Cost	1.74	-
	11.21	9.34
Less: Interest Income (on Fixed and Other Deposits)	7.17	7.10
	4.04	**2.24**

NOTES TO THE FINANCIAL STATEMENTS

(₹ in million)

For the Year Ended 31st March,			2012	2011
30.	**OTHER EXPENSES**			
	Rent		14.89	24.61
	Rates & Taxes		18.09	7.71
	Insurance		4.10	7.97
	Advertisement, Publicity & Sales Promotion		2.52	33.84
	Travelling & Other Incidental Expenses		11.20	59.18
	Repair & Maintenance - Others		6.75	31.02
	Vehicle Running & Maintenance		1.06	3.21
	Printing & Stationery		1.20	4.67
	Communication Expenses		2.37	7.88
	Staff Recruitment & Training		1.82	8.02
	Auditors Remuneration	- As Auditors	0.40	0.50
		- For Taxation Matters	0.08	0.13
		- For Other Services	0.96	0.47
		- Out of Pocket Expenses	0.19	-
	Legal, Professional and Consultancy Charges		12.40	31.19
	Donations		3.93	-
	Directors' Sitting Fees		0.47	0.23
	Directors' Commission		1.61	0.52
	Bank Charges		5.77	10.00
	Miscellaneous Expenses		1.56	4.99
	Foreign Exchange Fluctuation Loss/(Gain) - (Net)		(9.51)	(3.06)
	Freight & Forwarding (Including Ocean Frieght)		57.64	320.51
	Discounts, Claims to Customers and Other Selling Expenses		10.70	33.71
	Bad Debts / irrecoverable Advances & Receivables Written off (Net)		1.69	37.83
	Commission on Sales		5.86	28.40
	Loss on Sale/Disposal of Fixed Assets		-	0.11
	Loss/(Gain) on Sale of Raw Materials		(0.92)	(2.24)
			156.83	**651.40**

(₹ in million)

For the Year Ended 31st March,		2012	2011
31.	**EXCEPTIONAL ITEMS**		
	Business Restructuring Expenses on Scheme of Arrangement	4.92	-
	Inventory Write down	6.14	-
		11.06	**-**

NOTES TO THE FINANCIAL STATEMENTS

32. The Hon'ble Allahabad High Court approved a Scheme of Arrangement (Scheme) amongst the Company, Jubilant Agri and Consumer Products Ltd (JACPL), a wholly owned subsidiary of the Company and Enpro Oil Private Limited (EOPL) during the year. The Scheme became effective on 1st February, 2012 upon filing of Court Orders with the Registrar of Companies, Uttar Pradesh and Uttarakhand. Under the Scheme, the Agri and Consumer Products Business of the Company has been vested on slump sale basis into JACPL and the Mall cum Hyper Market Business (Demerged Undertaking) of EOPL has been demerged and vested into JACPL with effect from 1st April, 2011 being the appointed date. In terms of the Scheme, the shareholders of EOPL were allotted 38,35,348 Equity Shares of ₹10 each of the Company towards consideration for demerger. JACPL has discharged the purchase consideration amounting to ₹1648.82 million by issuing 10% Optionally Convertible Non–cumulative Redeemable Preference Shares to the Company.

From the appointed date i.e. 1st April, 2011 till the Scheme becoming effective, in terms of the Scheme, the operations of JACPL were run by the Company and EOPL, for and on behalf of JACPL, on trust and the economic benefits attributable to JACPL have been passed on to it. Since the economic benefits under the Scheme have accrued from appointed date, the equity shares of the Company issued pursuant to the Scheme have also been considered from the appointed date for the purpose of calculation of earnings per share. The results for the year ended 31st March, 2012 are after giving the effect of the Scheme and accordingly, not comparable with previous year.

The transaction has been accounted for as per AS – 14 "Accounting for Amalgamation" under purchase method, and effect of the same on the accounts of the Company as at 1st April, 2011 is set out below:

Increase/(Decrease) in:

(₹ in million)

Particulars	Effect of slump sale to JACPL	Effect of demerger of Demerged Undertaking into JACPL
Assets		
Fixed Assets	(742.80)	-
Investment	(1.72)	-
Deferred Tax Assets	(13.30)	-
Investment in Subsidiary (Slump Sale Consideration)	1,648.82	-
Inventories	(618.07)	-
Sundry Debtors	(435.20)	-
Cash & Bank Balances	(307.45)	-
Loans & Advances	(488.73)	-
Liabilities		
Current Liabilities	(499.66)	-
Provisions	(40.99)	-
Shareholders' Fund		
Equity Share Capital	-	38.35
Reserves & Surplus	(417.80)	(38.35)

NOTES TO THE FINANCIAL STATEMENTS

33. Contingent Liabilities & Commitments (to the extent not provided for)

I) 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)

As at 31st March	2012**	2011*
Central Excise	-	11.41
Customs	5.35	114.87
Sales Tax	11.79	21.74
Service Tax	-	16.10
Others	-	103.60

* Inclusive of Contingent liabilities taken over in term of the Scheme of Amalgamation & Demerger. Certain of the above demands are still in the name of Jubilant Life Sciences Ltd.

** Excluding demands in respect of business transferred to Jubilant Agri and Consumer Products Limited in terms of the Scheme of Arrangement though the demands may be continuing in the name of the Company.

b) Outstanding guarantees furnished by banks on behalf of the Company/by the Company including in respect of Letters of Credit is ₹ 319.81 million (Previous Year: ₹ 692.16 million).

c) Others:

i) Export Obligations under Advance License Scheme/Duty Free Import Authorization Scheme on duty free import of specific raw materials, remaining outstanding is ₹ Nil million (Previous Year: ₹ 10.74 million).

ii) Liability in respect of bills discounted with banks is ₹ 41.79 million (Previous Year: ₹ Nil).

II) Commitments

a) **Capital Commitments**

Estimated amount of contracts remaining to be executed on Capital Account (Net of Advances) ₹ 6.54 million (Previous Year: ₹ 46.03 million) [Advances ₹ 0.30 million (Previous Year: ₹ Nil).

b) For lease commitment refer Note 37.

34. Micro and Small Business Entities

There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March, 2012. The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) has been determined to the extent such parties have been identified on the basis of information available with the Company.

NOTES TO THE FINANCIAL STATEMENTS

(₹ in million)

Particulars	As at 31 March, 2012	As at 31 March, 2011
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	1.31	7.14
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

35. Excise Duty under manufacturing expenses denotes provision on stock deferential and other claims/payments.

36. Employee Stock Option Scheme

Certain employees of the Company, who were previously employed with Jubilant Life Sciences Limited and whose service were transferred to this Company in term of the Scheme of Amalgamation & Demerger (2010) and were entitled to Employee Stock Option Scheme (ESOP) 2005 of Jubilant Life Sciences Limited, are entitled to certain number of shares of the Company which shall be transferred by the "Jubilant Employee Welfare Trust" (the Trust) as per the said Scheme. Such transfer of shares by the Trust has no financial implications in the financial books of the Company.

37. Disclosures of Leasing Arrangements

I) **Operating Lease:** The Company's significant operating lease arrangements are in respect of premises (residential, offices, godowns etc.). These leasing arrangements, which are cancellable, range between 11 months and 3 years generally and are usually renewable by mutual agreeable terms. The aggregate lease rentals have been charged as expenses.

II) **Assets acquired under Finance Lease:**

The Company has taken vehicles under finance lease. Future minimum lease payments and their present values under finance leases as at 31st march, 2012 are as follows:

(₹ in million)

Particulars	Minimum Lease Payments	Present Value of Minimum Lease Payments	Future Interest
Not later than one year	2.21 (-)	1.59 (-)	0.62 (-)
Later than one year but not later than five years	4.61 (-)	3.90 (-)	0.71 (-)
Later than five years	- (-)	- (-)	- (-)

a) Previous Year figures are given in parenthesis.

b) There is no element of contingent rent or sub lease payments. Company has option to purchase the assets at the end of the lease term. There are no restrictions imposed by these lease arrangements regarding dividend, additional debt and further leasing.

NOTES TO THE FINANCIAL STATEMENTS

38. In line with the applicable accounting policies of the Company, during the year, preoperative expenses including trial run expenses (net) for projects and/or substantial expansions amounting to ₹ Nil (Previous Year: ₹ 6.80 million) have been capitalized up to the date of commencement of commercial production. The said expenditure (net of trial run receipts), so capitalized are accumulated as capital work in progress and have been allocated to respective fixed assets to the extent fixed assets were put to use and balance is appearing in capital work in progress.

39. The bottling unit of the Company situated at Nira holds a potable liquor license for Indian Made Foreign Liquor (IMFL) and the same is bottling IMFL on the order of another company and is charging bottling fee. These financial statements recognize Revenue and Expenditure, only to the extent the Company enjoys beneficial interest. In compliance with the requirements of Schedule VI to the Companies Act, 1956, the following information is given hereunder in respect of the transactions where the Company does not enjoy beneficial interest:

(₹ in million)

For the Year Ended 31st March,	2012	2011
Sales	410.57	383.39
Excise Duty	(122.39)	(70.86)
Other Income	3.86	4.35
Increase/(Decrease) in Work-in-Progress & Finished Goods Stocks	3.77	(15.48)
Raw & Process Materials Consumed	(100.54)	(97.75)
Stores, Spares, Chemicals, Catalyst & Packing Material Consumed	(158.74)	(151.06)
Other Expenses	(12.66)	(30.27)

The bottling operations were run in the name of Jubilant Life Sciences Limited, pending transfer of, the potable liquor license in the name of the Company in terms of Scheme of Amalgamation and Demerger. The licence was transferred in the name of the Company vide order dated 26th March, 2012 of Commissioner Office upon payment of transfer fee of ₹ 12.18 million and the same has been charged in Statement of Profit and Loss.

40. Disclosure required by Accounting Standard 29 (AS–29) "Provisions, Contingent Liabilities and Contingent Assets"

Movement in Provisions

(₹ in million)

Particulars of Disclosure		Excise Duty	Provisions for Bad and Doubtful Debts
1	Balance as at 1st April, 2011	13.01 (20.79)	- (27.91)
2	Additional Provision During 2011–2012	11.85 (13.01)	- (-)
3	Provision used During 2011–12	6.65 (20.79)	- (27.91)
4	Less: Adjustment on account of Scheme of Arrangement	4.11 (-)	- (-)
5	Balance as at 31st March, 2012	14.10 (13.01)	- (-)

a) Previous year figures are given in parenthesis.

b) Provision for Excise Duty represents the excise duty on closing stock of finished goods and also in respect of written off/provision of write down of Inventory.

41. Derivatives

a) The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency exposures

NOTES TO THE FINANCIAL STATEMENTS

relating to the underlying transactions and firm commitments. The Company does not enter into any derivative instruments for trading and speculative purposes.

The followings are the outstanding Forward Exchange Contracts entered into by the Company:

As at 31st March,	Buy/Sell	Amount (Foreign Currency in million)			
		2012		2011	
USD/INR	Sold	USD	10.80	-	-

b) Foreign currency exposures not hedged by derivative instrument:

(₹ in million)

As at 31st March,	Amount (Foreign Currency in million)			
	2012		2011	
Amount Receivable on account of Sale of Goods & Services	USD	1.91	USD	1.67
	EURO	0.22	EURO	0.56
Amount Payable on account of Purchase of Goods	USD	2.68	USD	3.75
	EURO	0.34	-	-

42. Discontinuing Operations

The Board of Directors of the Company had decided to discontinue its operation relating to Application Polymer Division (APD) in February, 2011 and to realize the assets and pay off its liabilities in due course.

In the opinion of the Company the assets and liabilities will have a value on realization in the ordinary course of business that are at least equal to the amounts at which they are stated in the Balance Sheet.

The carrying amounts as of 31st March, 2012, of the total assets relating to the discontinuing operations aggregate to ₹ 72.09 million (Previous Year: ₹ 72.09 million) and the total liabilities to be settled relating to the discontinuing operations aggregate to ₹ 38.17 million (Previous Year: ₹ 38.17 million). In the opinion of the Company the assets and liabilities will have a value on realization in the ordinary course of business that are at least equal to the amounts at which they are stated in the Balance Sheet.

The net cash flows attributable to operating, investing and financing activities of the discontinuing operations during the current year aggregated to ₹ 6.31 million [Previous Year: ₹ (36.83) million], ₹ Nil (Previous Year: ₹ Nil) and ₹ Nil (Previous Year: ₹ Nil) respectively.

Statement Showing the Revenue and Expenses of Continuing and Discontinuing Operations:

(₹ in million)

For the Year Ended 31st March,	2012			2011		
Particulars	Continuing Operations	Discontinuing Operations (APD)	Total	Continuing Operations	Discontinuing Operations (APD)	Total
Revenue						
Sales/ Income from Operations	2162.56	-	2162.56	5054.92	323.79	5378.71
Other Income	5.51	11.24	16.75	17.89	0.50	18.39
Total Revenue	**2168.07**	**11.24**	**2179.31**	**5072.81**	**324.29**	**5397.10**
Operating Expenses (Including impairment loss of ₹ Nil million (Previous Year: ₹ 6.79 million)	1863.70	4.93	1868.63	4587.64	403.12	4990.76
Profit/ (Loss) before Finance Cost & Tax	**304.37**	**6.31**	**310.68**	**485.17**	**(78.83)**	**406.34**
Finance Cost	4.04	-	4.04	2.24	-	2.24
Tax Expenses/ (Tax Credit)	47.08	2.05	49.13	139.71	(21.69)	118.02
Profit/ (Loss) for the year	**253.25**	**4.26**	**257.51**	**343.22**	**(57.14)**	**286.08**

43. Employee Benefits:

During the year the Company has recognized the following amounts in the Statement of Profit and Loss:

(A) Defined Contribution Plans

a) Superannuation Fund

(₹ in million)

For the Year Ended 31st March,	2012	2011
Employer's Contribution to Superannuation Fund	1.13	3.18

(B) State Plans

a) Employee State Insurance

b) Employee's Pension Scheme, 1995

(₹ in million)

For the Year Ended 31st March,	2012	2011
Employer's Contribution to Employee State Insurance	0.07	1.20
Employer's Contribution to Employee Pension Scheme, 1995	0.93	4.02

(C) Defined Benefit Plans

a) Compensated Absences Gratuity

In accordance with Accounting Standard 15, an actuarial valuation has been carried out in respect of gratuity and compensated absences. The discount rate assumed is 8.30 % which is determined by reference to market yield at the Balance Sheet date on Government bonds. The retirement age has been considered at 58 years and mortality table is as per LIC (1994–96).

The estimates of future salary increases, considered in actuarial valuation 6.35% take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Reconciliation of opening and closing balances of the present value of the defined benefit obligation:

(₹ in million)

	Gratuity*		Leave Encashment	
	2012	2011	2012	2011
Present Value of obligation at the beginning of the year	49.73	39.99	23.81	16.39
Less: Adjustment on account of Scheme of Arrangement (Net)	(25.16)	-	(11.85)	-
Current Service Cost	1.87	4.62	2.85	4.08
Interest Cost	2.04	3.31	0.99	1.36
Actuarial (Gain)/Loss	(3.07)	1.81	0.22	2.61
Benefits Paid	(5.87)	-	(4.80)	(0.63)
Present Value of obligation at the end of the year	19.54	49.73	11.22	23.81

Reconciliation of the present value of defined benefit obligation and the fair value of the plan assets:

(₹ in million)

	Gratuity*		Leave Encashment	
	2012	2011	2012	2011
Present Value of obligation at the end of the year	19.54	49.73	11.22	23.81
Fair value of plan assets at end of the year	-	-	-	-
Assets/(Liabilities) recognized in the Balance Sheet	(19.54)	(49.73)	(11.22)	(23.81)

NOTES TO THE FINANCIAL STATEMENTS

Cost recognized for the year (included under Salaries, Wages, Bonus, Gratuity & Allowances):

(₹ in million)

	Gratuity*		Leave Encashment	
	2012	2011	2012	2011
Current Service Cost	1.87	4.62	2.85	4.08
Interest Cost	2.04	3.31	0.99	1.36
Actuarial (Gain)/Loss	(3.07)	1.81	0.22	2.61
Net Cost recognized during the year	0.84	9.74	4.06	8.05

*Excluding for certain employees of Sahibabad Unit.

Reconciliation of opening and closing balances of the present value of the defined benefits obligation:**

(₹ in million)

	Gratuity	
	2012	2011
Present Value of obligation at the beginning of the year	3.96	5.19
Less: Adjustment on account of Scheme of Arrangement (Net)	(3.96)	-
Current Service Cost	-	0.31
Interest Cost	-	0.43
Actuarial (Gain)/Loss	-	(0.53)
Benefits Paid	-	(1.44)
Present Value of obligation at the end of the year	-	3.96

Reconciliation of the present value of defined benefit obligation and the fair value of the plan assets:**

(₹ in million)

	Gratuity	
	2012	2011
Present Value of obligation at the end of the year	-	3.96
Fair value of plan assets at end of the year	-	4.19
Funded status excess of Actual over estimated	-	(0.04)
Assets/(Liabilities) recognized in the Balance Sheet	-	0.23

Cost recognized for the year (included under Salaries, Wages, Bonus, Gratuity & Allowances): (Funded with Life Insurance Corporation of India)**

(₹ in million)

	Gratuity	
	2012	2011
Current Service Cost	-	0.31
Interest Cost	-	0.43
Actuarial (Gain)/Loss	-	(0.49)
Expected Return on Plan Assets	-	(0.44)
Net Cost recognized during the year	-	(0.19)

** In respect of certain employees of Sahibabad Unit. As per Scheme of Arrangement Sahibabad Unit has been vested on slump sale basis into Jubilant Agri and Consumer Products Limited, a wholly owned subsidiary of the Company.

b) **Provident Fund**

The Guidance on implementation of AS 15, Employee Benefits (Revised 2005) issued by Accounting Standard Board (ASB) states that benefits involving provident funds, which require interest shortfall to be compensated, are to be considered as defined benefit plans. The actuary has recommended a provision of ₹ 8.04 million

(Previous Year: ₹ 6.74 million) towards liability likely to arise towards interest guarantee. The relevant Provident Fund Trust for the Company is managing common corpus of four companies. The total actuary liability of shortfall amounting to ₹ 8.04 million (Previous Year: ₹ 6.74 million) as worked out by the actuary has been allocated to each entity based on the corpus value of each entity as on 31st March 2012. Accordingly, ₹ (0.06) million (Previous Year: ₹ 0.93 million) was allocated to the Company and has been charged to Statement of Profit and Loss during the year. The Company has contributed ₹ 4.56 million (Previous Year: ₹ 13.38 million) to provident fund for the year.

44. Segment Reporting

I) Based on the guiding principles given in Accounting Standard 17 (AS 17) on "Segment Reporting", the Company's Primary Business Segments were organized around customers on industry and products lines as under, however, Post demerger of Agri and Consumer Products Business by way of slump sale, the Company has identified only one segment–" Performance Polymer" as reportable segment:

a. **Performance Polymers:** (i) Food Polymer (Solid PVA), (ii) VP Latex and SBR Latex, and (iii) Others (including Consumer Products upto 31st March, 2011)

b. **Agri Products:** (i) Single Super Phosphate (ii) Sulphuric Acid and (iii) Agro Chemicals for Crop Products (Upto 31st March, 2011)

c. **Discontinuing Operation:** Application Polymer Products

II) In respect of Secondary Segment information, the Company has identified its Geographical Segments as:

a. With in India, and

b. Outside India.

III) The Financial Information about the primary business segments is presented in the table given below:

(₹ in million)

	Particulars	Performance Polymers		Agri Products		Discontinuing Operation		Total	
		2012	2011	2012	2011	2012	2011	2012	2011
1)	**Revenue**	2,257.19	2,709.39	-	2,553.35	-	358.73	2,257.19	5,621.47
	Less: Excise Duty on Sales	97.34	207.61	-	8.27	-	34.98	97.34	250.86
	Net Sales	**2,159.85**	**2,501.78**	**-**	**2,545.08**	**-**	**323.75**	**2,159.85**	**5,370.61**
2)	**Segments Result**	350.07	300.11	-	273.63	6.31	(78.83)	356.38	494.91
	Less : Interest (Net)							4.04	2.24
	Other Un–allocable Expenditure (Net of Un–allocable Income)							45.70	88.57
	Total Profit/(Loss) Before Tax	**350.07**	**300.11**	**-**	**273.63**	**6.31**	**(78.83)**	**306.64**	**404.10**
3)	**Capital Employed**								
	(Segment Assets–Segment Liabilities)								
	Segment Assets	1,394.96	1,704.33	-	1,331.49	72.09	72.09	1,467.05	3,107.91
	Add: Common Assets							1,762.43	873.35
	Total Assets	**1,394.96**	**1,704.33**	**-**	**1,331.49**	**72.09**	**72.09**	**3,229.48**	**3,981.26**
	Segment Liabilities	445.38	588.23	-	227.28	38.17	38.17	483.55	853.68
	Add: Common Liabilities							81.85	284.79
	Total Liabilities	**445.38**	**588.23**	**-**	**227.28**	**38.17**	**38.17**	**565.40**	**1,138.47**
	Segments Capital Employed	949.58	1,116.10	-	1,104.21	33.92	33.92	983.50	2,254.23
	Add: Common Capital Employed							1,680.58	588.56
	Total Capital Employed	**949.58**	**1,116.10**	**-**	**1,104.21**	**33.92**	**33.92**	**2,664.08**	**2,842.79**

NOTES TO THE FINANCIAL STATEMENTS

(₹ in million)

Particulars		Performance Polymers		Agri Products		Discontinuing Operation		Total	
		2012	2011	2012	2011	2012	2011	2012	2011
4)	**Segment Capital Expenditure**	66.55	118.09	-	27.02	-	-	66.55	145.11
	Add: Common Capital Expenditure							12.48	1.03
	Total Capital Expenditure	**66.55**	**118.09**	**-**	**27.02**	**-**	**-**	**79.03**	**146.14**
5)	**Depreciation & Amortization**	23.48	25.86	-	20.91	-	9.04	23.48	55.81
	Add: Common Depreciation & Amortization							4.92	1.72
	Total Depreciation & Amortization	**23.48**	**25.86**	**-**	**20.91**	**-**	**9.04**	**28.40**	**57.53**

I V) Secondary Segments (Geographical Segments):

(₹ in million)

Particulars		2012	2011
a)	**Sales Revenue by Geographical Location of Customers (Net of Excise Duty)**		
	Within India	951.94	4743.00
	Outside India	1207.91	627.61
	Total	**2159.85**	**5370.61**
b)	**Carrying Amount of Segment Assets**		
	Within India	3229.48	3981.26
	Outside India	-	-
	Total	**3229.48**	**3981.26**
c)	**Capital Expenditure**		
	Within India	79.03	146.14
	Outside India	-	-
	Total	**79.03**	**146.14**
d)	**Sales Revenue by Geographical Market**		
	India	951.94	4743.00
	Americas & Europe	793.71	298.64
	China	148.62	116.43
	Asia & Others	265.58	212.54
	Total	**2159.85**	**5370.61**

1) The Company has disclosed Business Segments as the Primary Segments.

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 Revenues, Results, Assets and Liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.

45. Related Party Disclosures

1) Related Parties where control exists:

Subsidiaries:

Jubilant Agri And Consumer Products Limited

2) Other Related parties with whom transactions have taken place during the year:

a) Key Management Personnel: Mr. Ananda Mukherjee (upto 31.01.2012), Mr. Videh Kumar Jaipuriar*

*The appointment of Mr. Videh Kumar Jaipuriar as, Whole Time Director with effect from 1st February, 2012 and his remuneration of ₹ 1.91 million as a Director, is subject to approval of the members of the Company in the ensuing Annual General Meeting.

b) Enterprise over which Directors and Major Shareholders of the Company have substantial influence: Jubilant Life Sciences Limited, Jubilant Life Sciences (Shanghai) Ltd. China, Jubilant Life Sciences (USA) Inc. USA., Jubilant Enpro Private Limited, Enpro Oil (P) Limited

c) Others: Pace Marketing Specialities Limited Officer's Superannuation Scheme (Trust), VAM Employees Provident Fund Trust, VAM Officers Superannuation Trust, Jubilant Bhartia Foundation.

3) Details of related party transactions during the year:

(₹ in million)

Particulars		Subsidiaries	Key Management person	Enterprise over which Directors and Major Shareholders of the Company have substantial influence	Others
i)	Purchase of Goods, Utilities & Services (b)			408.35 (364.73)	
ii)	Sale of Goods, Utilities & Services (c)	18.07 (-)		287.43 (45.76)	
iii)	Investments in Equity Share Capital (d)	- (0.40)		- (0.10)	
iv)	Investments in 10% Optionally Convertible Non- Cumulative Redeemable Preference Share Capital (e)	1648.82 (-)			
v)	Payment of Rent to (f)			38.41 (15.90)	
vi)	Contribution towards Provident Fund (g)				12.38 (11.64)
vii)	Contribution towards Superannuation Fund (h)				3.56 (3.18)
viii)	Receipt of Rent from (i)	0.53 (-)			
ix)	Remuneration and Related Expenses		13.36 (6.05)		
x)	Donation (j)				3.90 (-)

NOTES TO THE FINANCIAL STATEMENTS

Balance as at 31st March, 2012:-

xi)	Current Account Debit/Credit (-) Balance (k)	28.45 (-)		-19.29 (37.69)	
xii)	Outstanding Payables (l)			35.39 (21.12)	
xiii)	Outstanding Receivables (m)			200.09 (21.95)	
xiv)	Investments in Equity Share Capital (n)	0.50 (0.50)			
xv)	Investments in 10% Optionally Convertible Non-Cumulative Redeemable Preference Share Capital (o)	1648.82 (-)			

a) Previous year figures are given in parenthesis.

Details of Related Party Transactions Individually:

(₹ in million)

For the Year Ended/As at 31st March,		2012	2011
b)	**Purchase of Goods, Utilities & Services:**		
	Enterprise over which Directors and Major Shareholders of the Company have substantial influence:-		
	Jubilant Life Sciences Limited	408.35	364.73
c)	**Sale of Goods, Utilities & Services:**		
	Subsidiaries:-		
	Jubilant Agri and Consumer Products Limited	18.07	-
	Enterprise over which Directors and Major Shareholders of the Company have substantial influence:-		
	Jubilant Life Sciences (Shanghai) Limited China	-	2.72
	Jubilant Life Sciences (USA) Inc. USA	277.85	10.56
	Jubilant Life Sciences Limited	9.58	32.48
d)	**Investment in Equity Share Capital:**		
	Subsidiaries:-		
	Equity Shares of Jubilant Agri and Consumer Products Limited had been purchased directly from Jubilant Agri and Consumer Products Limited	-	0.40
	Enterprise over which Directors and Major Shareholders of the Company have substantial influence:-		
	Equity Shares of Jubilant Agri and Consumer Products Limited had been purchased from Jubilant Enpro (P) Limited	-	0.10
e)	**Investment in 10% Optionally Convertible Non-Cumulative Redeemable Preference Share Capital:**		
	Subsidiaries:-		
	Jubilant Agri and Consumer Products Limited	1648.82	-
f)	**Payment of Rent to:**		
	Enterprise over which Directors and Major Shareholders of the Company have substantial influence:-		
	Jubilant Life Sciences Limited	38.41	15.90
g)	**Contribution towards Provident Fund:**		
	Others:-		
	VAM Employees Provident Fund Trust	12.38	11.64
h)	**Contribution towards Superannuation Fund:**		
	Others:-		
	VAM Officer Superannuation Trust	-	1.36
	Pace Marketing Specialities Limited Officer's Superannuation Trust	3.56	1.82
i)	**Receipt of Rent from:**		
	Subsidiaries:-		
	Jubilant Agri and Consumer Products Limited	0.53	-

NOTES TO THE FINANCIAL STATEMENTS

(₹ in million)

For the Year Ended/As at 31st March,		2012	2011
j)	**Donation:**		
	Others:-		
	Jubilant Bhartia Foundation	3.90	-
k)	**Current Account Debit/Credit (-) Balance:**		
	Subsidiaries:-		
	Jubilant Agri and Consumer Products Limited	28.45	-
	Enterprise over which Directors and Major Shareholders of the Company have substantial influence:-		
	Jubilant Life Sciences Limited	-21.08	37.69
	Enpro Oil Private Limited	1.79	-
l)	**Outstanding Payables:**		
	Enterprise over which Directors and Major Shareholders of the Company have substantial influence:-		
	Jubilant Life Sciences Limited	35.39	21.12
m)	**Outstanding Receivables:**		
	Enterprise over which Directors and Major Shareholders of the Company have substantial influence:-		
	Jubilant Life Sciences Limited	1.91	7.96
	Jubilant Life Sciences (Shanghai) Limited China	-	11.27
	Jubilant Life Sciences (USA) Inc. USA	198.18	2.72
n)	**Investment in Equity Share Capital:**		
	Subsidiaries:-		
	Jubilant Agri and Consumer Products Limited	0.50	0.50
o)	**Investment in 10% Optionally Convertible Non-Cumulative Redeemable Preference Share Capital:**		
	Subsidiaries:-		
	Jubilant Agri and Consumer Products Limited	1648.82	-

For transaction under & pursuant to Scheme of Arrangement (Refer Note 32).

46. Details of Fixed Assets held for Sale/Alternate use

Plant & Machinery of ₹ 28.62 million (Previous Year: ₹ 28.62 million) of discontinuing operations are held by the Company for sale/alternate use.

47. Value of Imports calculated on CIF basis:

(₹ in million)

For the Year Ended 31st March,	2012*	2011
Raw materials	704.21	986.07

* Excluding transaction for Jubilant Agri and Consumer Products Limited (JACPL) during the period where business was run by the Company on behalf of JACPL as Trust as per Scheme of Arrangement.

48. Expenditure in Foreign Currency

(₹ in million)

For the Year Ended 31st March,	2012*	2011
Legal, Professional & Consultancy Charges	-	0.06
Travel/Entertainment Expenses	1.21	0.98
Commission on Export Sales	5.43	1.62
Others (Incl. Product Liability Insurance of ₹ Nil million (Previous Year: ₹ 2.92 million)	1.90	4.42

* Excluding transaction for Jubilant Agri and Consumer Products Limited (JACPL) during the period where business was run by the Company on behalf of JACPL as Trust as per Scheme of Arrangement.

NOTES TO THE FINANCIAL STATEMENTS

49. Earnings in Foreign Exchange

(₹ in million)

For the Year Ended 31st March,	2012*	2011
- Export of Goods (FOB Value)	1207.91	627.61

* Excluding transaction for Jubilant Agri and Consumer Products Limited (JACPL) during the period where business was run by the Company on behalf of JACPL as Trust as per Scheme of Arrangement.

50. Amounts remitted in Foreign Currency during the year on account of Dividend

For the Year Ended 31st March,		2012	2011
Amount of Dividend Remitted	(₹ in million)	0.84	-
Number of Non-resident Shareholders**	Nos	3	-
Number of Equity Shares held by Non-resident Shareholders**	Nos	278522	-
The Year to which the Dividend related		2010-11	-

** Excluding where Dividend has been paid in Indian Currency.

51. Earnings Per Share (EPS)

For the Year Ended 31st March,			2012	2011
I	**Profit Computation for Basic Earnings Per Share of ₹ 10/- each**			
	Net Profit as per Statement of Profit & Loss available for Equity Shareholders	₹ in million	257.51	286.08
II	**Weighted average number of equity shares for Earnings Per Share computation**			
	(A) For Basic Earnings Per Share*	Nos	11849404	8014056
	(B) For Diluted Earnings Per Share*	Nos	11849404	8014056
III	**Earnings Per Share (Weighted Average)**			
	Basic	₹	21.73	35.70
	Diluted	₹	21.73	35.70

*Includes:-

38,35,348 equity shares of ₹ 10 each allotted and issued in pursuant to Scheme of Arrangement for consideration other than cash on 9th March, 2012. Since the economic benefit under the Scheme of Arrangement have accrued w.e.f. 1st April, 2011 being the appointed date, the equity shares issued pursuant to the Scheme have also been considered from appointed date for the purpose of calculation of earning per share.

52. Previous year's figures have been regrouped/ reclassified wherever necessary to correspond with the current year's classification/ presentation.

Signatures to Notes "1" to "52" forming part of the Balance Sheet and Statement of Profit and Loss.

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

Place: Noida
Date : 9th May, 2012

Amit Khurana
Company Secretary

Sandeep Kumar Shaw
Chief Financial Officer

Videh Kumar Jaipuriar
CEO & Whole Time Director

CONSOLIDATED FINANCIAL

AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF JUBILANT INDUSTRIES LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS OF JUBILANT INDUSTRIES LIMITED AND ITS SUBSIDIARY

1. We have examined the attached Consolidated Balance Sheet of Jubilant Industries Limited and its subsidiary, namely, Jubilant Agri And Consumer Products Ltd, (collectively referred to as the "Group") as at 31st March 2012, the Consolidated Statement of Profit and Loss for the year ended and annexed thereto and the consolidated Cash Flow Statement for the year ended on that date. 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 generally accepted auditing standards in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit includes, examining on a test basis, evidence supporting the amount and disclosures 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 statements. We believe that our audit provides a reasonable basis for our opinion.

3. We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS) 21- Consolidated Financial Statements, notified pursuant to the Companies (Accounting Standards) Rules, 2006 (as amended).

4. In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

   a) In the case of the consolidated Balance Sheet, of the consolidated state of affairs of the "Group" as at March 31, 2012;

   b) In the case of the consolidated Statement of Profit and Loss, of the consolidated results of operations of the "Group" for the year ended on that date; and

   c) In the case of the consolidated Cash Flow Statement, of the consolidated cash flows of the "Group" for the year ended on that date.

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

B.R. GOYAL
Partner
Membership No. 12172

Place: Noida
Date : 9th May, 2012

CONSOLIDATED BALANCE SHEET

(₹ in million)

As at 31st March,	Note No.	2012		2011	
I. EQUITY AND LIABILITIES					
Shareholders' Funds					
Share Capital	2	118.49		80.14	
Reserves & Surplus	3	1,697.14		2,720.29	
			1,815.63		2,800.43
Non- Current Liabilities					
Long Term Borrowings	4	1,575.39		-	
Deferred Tax Liabilities (Net)	5	44.29		83.99	
Other Long Term Liabilities	6	1,249.93		43.85	
Long Term Provisions	7	100.82		70.03	
			2,970.43		197.87
Current Liabilities					
Short Term Borrowings	8	488.79		42.33	
Trade Payables	9	1,081.33		661.91	
Other Current Liabilities	10	485.53		98.77	
Short Term Provisions	11	141.60		179.93	
			2,197.25		982.94
Total			**6,983.31**		**3,981.24**
II. ASSETS					
Non-Current Assets					
Fixed Assets					
Tangible Assets	12	2,045.85		1,048.43	
Intangible Assets	13	1,117.09		-	
Capital Work-in-Progress	12	53.67		96.59	
Long Term Loans & Advances	14	374.68		6.12	
Other Non-Current Assets	15	11.10	3,602.39	8.64	1,159.78
Current Assets					
Current Investments	16	0.15		1.72	
Inventories	17	1,280.74		952.53	
Trade Receivables	18	1,479.06		761.81	
Cash & Bank Balances	19	237.37		364.50	
Short Term Loans and Advances	20	380.95		723.97	
Other Current Assets	21	2.65		16.93	
			3,380.92		2,821.46
Total			**6,983.31**		**3,981.24**
Statement of Significant Accounting Policies & Notes to the Consolidated Financial Statements	1 - 49				

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

Place: Noida
Date : 9th May, 2012

Amit Khurana
Company Secretary

Sandeep Kumar Shaw
Chief Financial Officer

Videh Kumar Jaipuriar
CEO & Whole Time Director

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(₹ in million)

For the Year Ended 31st March,	Note No.	2012		2011	
REVENUE					
Revenue from Operations (Gross)	22	10,220.61		5,629.57	
Less: Excise Duty		262.52		250.86	
Revenue from Operations (Net)			9,958.09		5,378.71
Other Income	23		75.37		18.39
Total Revenue			**10,033.46**		**5,397.10**
EXPENSES					
Cost of Materials Consumed	24		3,614.66		3,065.96
Purchase of Stock-in-Trade	25		2,909.93		60.04
Change in Inventories of Work-in-Progress, Finished Goods, & Stock-in-Trade	26		179.27		134.68
Other Manufacturing Expenses	27		741.31		592.26
Employee Benefits Expense	28		812.18		428.89
Finance Cost	29		247.42		2.24
Depreciation & Amortisation Expenses	12 & 13		293.10		57.53
Other Expenses	30		1,583.12		651.43
Total Expenses			**10,380.99**		**4,993.03**
Profit/(Loss) before Exceptional Items and Tax			(347.53)		404.07
Exceptional Items	31		157.04		-
Profit/(Loss) before Tax			**(504.57)**		**404.07**
Profit/(Loss) from Continuing Operations before Tax		(510.88)		482.90	
Tax Expenses:					
- Current Tax		100.08		152.85	
- Deferred Tax Charge/(Credit)		(39.70)		(13.14)	
		60.38		139.71	
Profit/(Loss) for the year from Continuing Operations after Tax			(571.26)		343.19
Profit/ (Loss) From Discontinuing Operations	43	6.31		(78.83)	
Tax Charge/(Credit) of Discontinuing Operations		2.05		(21.69)	
Profit/(Loss) from Discontinuing Operations after Tax			4.26		(57.14)
Profit/(Loss) for the year			**(567.00)**		**286.05**
Basic Earnings Per Share of ₹10 each (in ₹)	48		(47.85)		35.70
Diluted Earnings Per Share of ₹10 each (in ₹)	48		(47.85)		35.70
Statement of Significant Accounting Policies & Notes to the Consolidated Financial Statements	1 - 49				

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

Place: Noida
Date : 9th May, 2012

Amit Khurana
Company Secretary

Sandeep Kumar Shaw
Chief Financial Officer

Videh Kumar Jaipuriar
CEO & Whole Time Director

CONSOLIDATED CASH FLOW STATEMENT

(₹ in million)

	For the Year Ended 31st March,	2012	2011
A.	**Cash Flow arising from Operating Activities:**		
	Net Profit/(Loss) before tax	**(504.57)**	**404.07**
	Adjustments for:		
	Depreciation & Amortisation	293.10	57.53
	Loss/(Profit) on Sale of Fixed Assets (Net)	0.62	0.11
	Non-Cash Exceptional Items	61.78	-
	Finance Cost	247.42	2.24
	Lease Rent Equalisation Charges	141.39	-
	Provision for Employee Benefits	26.51	24.90
	Bad Debts/Irrecoverable Advances Written-off (Net of Write-in)	15.63	37.83
	Unrealised (Gain)/ Loss on Foreign Exchange -Net	(3.90)	(0.20)
	Profit on Sale of Current Investments	(5.43)	(1.66)
	Income from Current Investment (Non Trade)-Dividend	-	(1.45)
		777.12	**119.30**
	Operating Profit before Working Capital Changes	**272.55**	**523.37**
	Adjustments for:		
	(Increase)/Decrease in Trade and Other Receivables	(613.27)	(307.98)
	(Increase)/Decrease in Inventories	57.27	332.40
	(Increase)/Decrease in Other Current Assets	(2.65)	-
	Increase/(Decrease) in Trade and Other Payables	(150.36)	(112.56)
	Cash generated from Operations	**(436.46)**	**435.23**
	Direct Taxes Paid (net of refunds)	(152.84)	(63.30)
	Net Cash Inflow/(Outflow) in course of Operating Activities	**(589.30)**	**371.93**
B.	**Cash Flow arising from Investing Activities:**		
	Inter Corporate Loan	411.45	(400.00)
	Acquisition/ Purchase of Fixed Assets	(169.80)	(190.26)
	Movement in Other Bank Balances	(125.19)	(302.08)
	Sale Proceeds of Fixed Assets	1.18	0.27
	(Purchase)/Sale of Investments (Net)	7.00	4.07
	Interest Income	71.05	7.10
	Dividend Received	-	1.45
	Net Cash Inflow/(Outflow) in course of Investing Activities	**195.69**	**(879.45)**
C.	**Cash Flow arising from Financing Activities:**		
	Proceeds / (Repayment) of Long Term Borrowings (Net)	20.73	(970.90)
	Proceeds / (Repayment) of Short Term Borrowings (Net)	448.06	42.33
	Finance Cost	(315.43)	(9.34)
	Dividend Paid (including Dividend Distribution Tax)	(27.70)	-
	Net Cash Inflow/(Outflow) in course of Financing Activities	**125.66**	**(937.91)**
	Net Increase/(Decrease) in Cash & Cash equivalents (A+B+C)	**(267.95)**	**(1,445.43)**
	Add : Cash & Cash Equivalent at the beginning of the year	62.42	1,507.76
	Adjustment: Cash & Cash Equivalents on account of Scheme of Arrangement	317.71	-
	Adjustment: Cash & Cash Equivalents on consolidation of subsidiary acquired during the year	-	0.09
	Cash & Cash Equivalents at the close of the year (including Balance in Dividend Account)	**112.18**	**62.42**

i) Cash Flow Statement has been prepared under the Indirect Method as set out in the Accounting Standard 3 (AS-3) "Cash Flow Statements" as notified by the Central Government of India.
ii) Acquisition/ Purchase of fixed assets includes movement of capital work-in-progress and capital advances during the year.
iii) Cash Flow Statement has been prepared after giving effect of the Scheme of Arrangement into the closing Balance Sheet as at 31st March, 2011.
iv) Cash generated from operations include ₹6.31 million [Previous Year: ₹(36.83) million] as net cash inflow/(outflow) attributable to discontinuing operations. (Refer Note 43)
v) The above Cash Flow does not include non cash adjustments to give effect of the said Scheme.
vi) Closing Cash and Cash Equivalents includes ₹0.24 million (Previous Year ₹ Nil) , which has restricted use.

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

Place : Noida
Date : 9th May, 2012

Amit Khurana
Company Secretary

Sandeep Kumar Shaw
Chief Financial Officer

Videh Kumar Jaipuriar
CEO & Whole Time Director

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Statement of Significant Accounting Policies

A. Basis of Preparation & Presentation of Financial Statements

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

The preparation of consolidated 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 consolidated financial statements and the results of operations during the reporting periods. Examples of such estimate include future obligations under employee retirement benefit plans, income taxes, useful life of fixed assets and provision for doubtful debts, etc. Management believes that the estimates used in the preparation of the consolidated financial statements are prudent and reasonable. Actual results could vary from these estimates. Appropriate changes in estimates are made as the management becomes aware of the changes in circumstances surrounding the estimates. Any revision to accounting estimates is recognized in the period in which such results are known/ materialized. Effect of such material changes is disclosed in the notes to the consolidated financial statements.

During the year ended March 31, 2012, the revised schedule VI notified under the Companies Act, 1956 has become applicable to the Group for presentation of its consolidated financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of consolidated financial statements. However, the revised Schedule VI has a significant impact on the presentation and disclosures made in the consolidated financial statements. The Group has reclassified the previous year figures in accordance with the requirements applicable in the current year.

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the revised Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents the Group has ascertained its operating cycle as 12 months for the purpose of classifying current or non-current assets and liabilities.

B. Principles of Consolidation

The consolidated financial statements have been prepared on the following basis:

i) The financial statements of the Company and its subsidiary Company have been combined substantially on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and unrealized profits.

ii) The Consolidated Financial Statements have been prepared in accordance with the Accounting Standard 21 (AS-21), "Consolidated Financial Statements" notified by the Central Government of India and using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements.

The Subsidiary Company is considered in the Consolidated Financial Statements is:

Name of the Subsidiary	Jubilant Agri and Consumer Products Limited
Country of incorporation	India
Name of Parent	Jubilant Industries Limited
Nature of Business	Engaged in the manufacture & sale of agri, polymers & consumer products, trading & leasing business and running & maintaining hypermarket cum malls
Percentage of ownership	100%

C. Tangible and Intangible Fixed Assets

Fixed Assets are stated at original cost net of tax/duty credits availed, if any, less accumulated depreciation/ amortization and impairment loss. The cost of fixed assets includes effects of exchange differences on long term foreign currency borrowings, freight and other incidental expenses related to the acquisition, installation and commissioning 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 Group, the same are recognized at book value in case of amalgamation in the nature of merger and at book/fair value in case of amalgamation in the nature of purchase in line with Accounting Standard 14 (AS 14) – "Accounting of Amalgamations".

Insurance spares/ standby equipments are capitalized as part of the mother assets and are depreciated at the applicable rates, over the remaining useful life of the mother assets.

Interest on loans and other financial charges in respect of qualifying assets and expenditure incurred on start up and commissioning of the project and/ or substantial expansion, including the expenditure incurred on test runs and trial runs (net of trial run receipts, if any) up to the date of commencement of commercial production are capitalized.

Expenditure for acquisition and implementation of Software systems are recognized as part of the intangible assets.

The excess of consideration paid for acquisition over the assets minus liabilities in the acquired business is recognized as Goodwill and included under intangible assets.

D. Depreciation and Amortization

Depreciation is provided on Straight Line Method at rates mentioned and in the manner specified in Schedule XIV to the Companies Act, 1956 (as amended) and read with the statement as mentioned hereunder, on the original cost/ acquisition cost or other amount substituted for cost. Certain plants were classified as continuous process plants based on technical assessment, (relied upon by the auditors being a technical matter) and depreciation on such assets has been provided accordingly.

Depreciation, in respect of assets added/installed up to December 15th 1993, is provided at the rates applicable at the time of addition/installation of the assets as per Companies Act, 1956 and depreciation in respect of other 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/ amortized over the useful life estimated as under:

a. Computer & Information Technology related assets: Three to Five Years.

b. Certain Employee perquisite-related Assets: Five Years, being the period of the Perquisite Scheme.

c. Motor Vehicles: Five Years.

d. Motor Vehicles under Finance Lease: Tenure of Lease or five years whichever is shorter.

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

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

Depreciation on assets of discontinuing business is provided only up to the date when the decision to discontinue the business is approved by the Board of Directors of the Company.

Leasehold land is amortized over the lease period.

Software systems are being amortized over a period of five years or its useful life whichever is shorter.

Goodwill is amortized over ten years on straight-line basis.

Leasehold improvements are amortized over the tenure of the respective leasehold property.

E. Leases

i) Where the Group is Lessee

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

ii) Where the Group is lessor

Lease income by sub-lease of premises is recognized in the Statement of Profit and Loss on a straight-line basis over the lease term. Costs including depreciation on lease hold improvements incurred towards such properties are recognized as expenses in the Consolidated Statement of Profit and Loss.

F. Valuation of Inventories

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

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

Raw Materials	Weighted Average Method
Work-in-Progress and Finished Goods (Manufactured)	Variable Cost at weighted average including an appropriate share of variable and fixed production overheads. Fixed production overheads are included based on normal capacity of production facilities.
Stock-in-Trade	Cost of Purchases
Stores & Spares	Weighted Average Method
Packing Materials	Weighted Average Method
Goods-in-transit	Cost of Purchase

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

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

G. Investments

Investments that are readily realizable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. All other investments are classified as long term investments. Current investments are carried at cost or fair value, whichever is lower. Non-current investments are carried at cost. However, provision for diminution is made to recognize a decline, other than temporary, in the value of the investment, such reduction being determined and made for each investment individually.

H. Income Tax

Tax expense for the period, comprising current tax and deferred tax, charge or credit are included in the determination of the results for the period.

Current Tax

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

Deferred Tax

Deferred tax charge or credit reflects the tax effects of timing differences between accounting income and taxable income for the current year and reversal of timing differences for earlier years. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carry forward of losses, deferred tax assets are recognized only if there is a virtual certainty of realization of such assets. Deferred tax assets are reviewed at each Balance Sheet date and are written-down or written-up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realized. Deferred tax assets and deferred tax liabilities are offsets when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

I. Foreign Currency Transactions and Translations

a) **Initial Recognition:** Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency on/or closely approximating to the date of the transaction.

b) **Conversion:** Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

c) **Exchange Difference:** Exchange differences arising on the settlement of monetary items or on reporting such monetary items of the Company at rates different from those at which they were initially recorded during the year or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

d) **Forward Exchange Contracts:** 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 recognized as income or expense in Consolidated Statement of Profit and Loss over the life of the contract. All other outstanding forward contracts on the closing date are mark to market and resultant loss is recognized as expense in the Consolidated Statement of Profit and Loss. Mark to market gains, if any, are ignored. Any profit or loss arising on cancellation or renewal of such a forward contract is recognized as income or as expense for the period.

J. Provisions, Contingent Liabilities and Contingent Assets

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

K. Employee Benefits

(i) Short-term Employee Benefits: All employee benefits falling due wholly within twelve months of rendering the services are classified as short-term employee benefits, which include benefits like salaries, wages, short-term compensated absences, performance incentives etc. and are recognized as expenses in the period in which the employee renders the related service and measured accordingly.

(ii) Post-employment Benefits: Post employment benefit plans are classified into defined contribution plans and defined benefits plans in line with the requirements of AS 15 on "Employee Benefits".

- **Gratuity and Leave Encashment**

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

- **Superannuation**

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

- **Provident Fund**

  a) The Group makes contribution to the "VAM EMPLOYEES' PROVIDENT FUND TRUST" for most of its employees, which is a defined benefit plan to the extent that the Group has an obligation to make good the shortfall, if any, between the return from the investments of the trust and the notified interest rate. The Group's obligation in this regard is determined by an independent actuary and provided for if the circumstances indicate that the Trust may not be able to generate adequate returns to cover the interest rates notified by the Government. The

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Group's contribution towards Provident Fund is charged to Consolidated Statement of Profit and Loss.

b) For other employees, Provident Fund is deposited with Regional Provident Fund Commissioner. This is treated as defined contribution plan. Group's contribution to the Provident Fund is charged to Consolidated Statement of Profit & Loss.

(iii) Other Long Term Employee Benefits:

All employee benefits (other than post-employment benefits and termination benefits) which do not fall due within twelve months after the end of the period in which the employees render the related services are determined based on actuarial valuation using the projected unit credit method carried out at each Balance Sheet date. Actuarial losses/gains are recognized in the Consolidated Statement of Profit and Loss in the year in which they arise. Accumulated compensated absences, which are expected to be availed or encashed beyond twelve months from the end of year are treated as other long term employee benefits.

L. Borrowings Cost

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

M. Revenue Recognition

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

Receipt of subsidy in respect of fertilizer, disbursed by the Central Government of India is included in turnover. The subsidy amount is recognized based upon the latest notified rates and only to the extent that the realization is reasonably assured.

Revenue from contract manufacturing is recognized on completed service contract method.

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

Any sale for which Group has acted as an agent without assuming the risk and reward of the ownership have been reported on net-basis.

Sale of utility is recognized on delivery of the same to the purchaser and when no significant uncertainty exists as to its realization.

Export incentives/ benefits are accounted for on accrual basis in the year in which exports are made and are included in sales.

N. Segment Reporting

The accounting policies adopted for segment reporting are in line with accounting policies of the Group. 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 Group. Revenue, Expenses, Assets and Liabilities, which are common to the enterprise as a whole and are not allocable to segments on a reasonable basis, have been treated as "Common Revenue/Expenses/Assets/ Liabilities", as the case may be.

O. Earnings Per Share

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

P. Impairment of Fixed Assets

The Group assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Group 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 Consolidated Statement of Profit and Loss.

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

(₹ in million)

As at 31st March,	2012	2011
2. SHARE CAPITAL		
Authorised		
1,50,00,000 Equity Shares of ₹10 each (Previous Year: 1,00,00,000 Equity Shares of ₹10 each)	150.00	100.00
	150.00	**100.00**
Issued, Subscribed & Paid Up		
1,18,49,404 Equity shares of ₹10 each (Refer Note 2.1) (Previous Year: 80,14,056 Equity Shares of ₹10 each)	118.49	80.14
	118.49	**80.14**

2.1 Issued, Subscribed & Paid Up Share Capital includes shares allotted for consideration other than cash during the last five years:

(a) 38,35,348 equity shares of ₹10 each allotted pursuant to the Scheme of Arrangement with Jubilant Agri and Consumer Products Limited and Enpro Oil Private Limited. (Refer Note No. 32)

b) 79,64,056 equity shares of ₹10 each allotted pursuant to the Scheme of Amalgamation & Demerger with Jubilant Life Sciences Limited.

2.2 Details of shareholders holding more than 5% of the aggregate shares in the Company:

Name of the Shareholder	As at 31st March, 2012		As at 31st March, 2011	
	No. of Shares	% held	No. of Shares	% held
Jubilant Stock Holding Private Limited	9,84,840	8.31	9,38,898	11.72
Jubilant Capital Private Limited	11,66,600	9.85	10,50,382	13.11
Jubilant Enpro Private Limited	35,96,837	30.35	-	-
Jubilant Securities Private Limited	10,51,075	8.87	9,34,947	11.67
GA Global Investments Limited	-	-	5,85,360	7.30
Samena Special Situations Mauritius	6,90,555	5.83	-	-

2.3 The reconciliation of the number of shares outstanding as at 31st March, 2012 and 31st March, 2011 is set out below:

Particulars	As at 31st March, 2012		As at 31st March, 2011	
	No. of Shares	₹ in million	No. of Shares	₹ in million
Number of Shares at the beginning of the year	80,14,056	80.14	50,000	0.50
Add: Shares allotted pursuant to the Scheme of Amalgamation and Demerger (Refer Note 2.1)	-	-	79,64,056	79.64
Add: Shares allotted pursuant to the Scheme of Arrangement (Refer Note 2.1)	38,35,348	38.35	-	-
Numbers of Shares at the end of the year	**1,18,49,404**	**118.49**	**80,14,056**	**80.14**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2.4 The Company has only one class of equity shares having par value of ₹10 each. Each shareholder is eligible for one vote per share.

2.5 In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amount. The distribution will be in proportion to the number of equity shares held by the shareholders.

(₹ in million)

As at 31st March,	2012	2011
3. RESERVES AND SURPLUS		
Capital Reserve		
Opening Balance	24.62	24.62
Less: Adjustments on account of Scheme of Arrangement (Refer Note 3.1)	24.62	-
Closing Balance	-	24.62
Securities Premium Account		
Opening Balance	837.18	837.18
Less: Adjustments on account of Scheme of Arrangement (Refer Note 3.1)	13.73	-
Closing Balance	823.45	837.18
General Reserve		
Opening Balance	645.58	615.58
Add: Transferred during the year	-	30.00
Less: Adjustments on account of Scheme of Arrangement	417.80	-
Closing Balance	227.78	645.58
Surplus		
Opening Balance	1,212.91	984.80
Add: Net Profit/(Loss) after tax transferred from Consolidated Statement of Profit & Loss	(567.00)	286.05
Amount available for appropriation	645.91	1,270.85
Appropriations:		
Less: Transfer to General Reserve	-	30.00
Less: Appropriation for Dividend on equity shares including tax on distributed profits	-	27.94
Closing Balance	645.91	1,212.91
Total	**1,697.14**	**2,720.29**

3.1 The deduction is due to issue of 38,35,348 Equity Shares of ₹10 each pursuant to the Scheme of Arrangement with Jubilant Agri and Consumer Products Limited and Enpro Oil Private Limited. (Refer Note 32)

3.2 The Board has not proposed any dividend for the year.

(₹ in million)

As at 31st March,	2012	2011
4. LONG TERM BORROWINGS		
Term Loans from Banks		
- Indian Rupee Loans (Secured)	1,571.49	-
Long Term Maturities of Finance Lease Obligation		
- Finance Lease Obligations (Secured)	3.90	-
	1,575.39	**-**

4.1. Term Loan availed from Axis Bank Limited amounting ₹191.45 million (Previous Year: ₹ Nil) is secured by first pari passu charge on the present & future movable fixed assets of all Hyper Markets with IDBI Bank Limited and Central Bank of India and on all the present and future rental deposits made by the borrower with various lessors for all Hyper Markets. Further, the loan is secured by the collateral security by way of pledge of shares held by a group company and corporate guarantee of the Jubilant Enpro Private Limited.

4.2. Term loan availed from IDBI Bank Limited amounting ₹272.73 million (Previous Year: ₹ Nil) is secured by first pari passu charge over all the movable fixed assets and current assets of all Hyper Markets with Axis Bank Limited and Central Bank of India and escrow on all receivables of Hyper Market at Old Airport Road, Murugeshpalya, Banglore and at Doddanekundi Village, Banglore. Further, the loan is secured by the collateral security by way of pledge of shares held by a group company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4.3. Term Loan availed from Central Bank of India amounting ₹134.16 million (Previous Year: ₹ Nil) is secured by first pari passu charge on present and future movable fixed assets of the Jubilant Agri and Consumer Products Limited with IDBI Bank Limited and Axis Bank Limited and second charge on the current assets of the Jubilant Agri and Consumer Products Limited. Negative lien on fixed deposit placed with the landlord of Hyper Markets funded by the banks and corporate guarantee of Jubilant Enpro Private Limited. Further, the loan is scured by the collateral security by way of pledge of held by a group company.

4.4 Term loan availed from Yes Bank Limited amounting to ₹1,200.00 million (Previous Year: ₹ Nil) is secured by subservient charge on all current and movable fixed assets of the Jubilant Agri and Consumer Products Limited (both present & future) and the same has lien on fixed deposits worth ₹120.02 million (Previous Year: ₹ Nil), unconditional & irrecoverable corporate guarantee of Jubilant Enpro Private Limited.

4.5 Pending formalities, the aforesaid charges created by Enpro Oil Private Limited in respect of Retail Division, are in the process of change in the name of the Jubilant Agri and Consumer Products Limited.

4.6 Term Loans from Banks are repayable as under:

(₹ in million)

As at 31st March,	2012	2011
Between 1 to 2 years	214.22	-
Between 2 to 3 years	188.44	-
Between 3 to 4 years	397.40	-
Between 4 to 5 years	342.86	-
Between 5 to 6 years	342.86	-
Between 6 to 7 Years	85.71	-
Total	**1,571.49**	**-**

4.7 Finance lease obligations are secured by hypothecation of specific assets taken under such lease arrangements and the same are repayable as per the terms of agreement with the lessor.

(₹ in million)

As at 31st March,	2012	2011
5. DEFERRED TAX LIABILITIES (NET)		
Deferred Tax Liabilities on account of:		
Accelerated Depreciation/Amortization	57.18	110.96
	57.18	110.96
Deferred Tax Assets on account of:		
Provision for Leave Encashment and Gratuity	8.43	23.79
Others	4.46	3.18
	12.89	26.97
Deferred Tax Liabilities (Net)	**44.29**	**83.99**

(₹ in million)

As at 31st March,	2012	2011
6. OTHER LONG TERM LIABILITIES		
Trade Deposits & Advances	41.25	-
Lease Rent Equalisation Charges	1,140.97	-
Security Deposits	67.71	43.85
	1,249.93	**43.85**

(₹ in million)

As at 31st March,	2012	2011
7. LONG TERM PROVISIONS		
Employee Benefits	100.82	70.03
	100.82	**70.03**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in million)

As at 31st March,	2012	2011
8. SHORT TERM BORROWINGS		
Loans repayable on Demand		
- From Banks:		
Cash Credit/Working Capital Demand Loans (Secured)	230.73	42.33
- From Others:		
Loans from Related Parties repayable on demand (Unsecured) [including ₹68.06 million (Previous Year: ₹ Nil) interest free] (Refer Note 46)	258.06	-
	488.79	**42.33**

8.1 Working capital facility sanctioned by Corporation Bank Limited and ING Vysya Bank Limited amounting to ₹18.42 million (Previous Year: ₹42.33 million) under multiple banking arrangement are secured by a first charge by way of hypothecation ranking pari passu inter-se banks, of the entire book debts, receivables, inventories and current assets both present and future of the Company where ever the same may be or be held.

8.2 Working capital loan amounting to ₹209.56 million (Previous Year: ₹ Nil) availed from IDBI Bank Limited is secured by first pari passu charge over all the movable fixed assets and current assets of all Hyper Markets and escrow on all receivables of Hyper Market at Old Airport Road, Murgeshpalya, Banglore and Hyper Market at Doddanekundi Village, Banglore, charge on the lease rights of the financed Hyper Markets. Further, the loan is secured by the collateral security by way of pledge of 20,54,000 shares of Jubilant Life Sciences Limited (held by a group company).

8.3 Working capital loan amounting to ₹2.75 million (Previous Year: ₹ Nil) availed from Central Bank of India, is secured by first Pari passu charge with IDBI Bank Limited over all the movable fixed assets and current assets of all the Hyper Markets.

(₹ in million)

As at 31st March,	2012	2011
9. TRADE PAYABLES		
Due to Micro, Small & Medium Enterprises under MSMED Act, 2006	6.34	7.14
Others	1,074.99	654.77
	1,081.33	**661.91**

(₹ in million)

As at 31st March,	2012	2011
10. OTHER CURRENT LIABILITIES		
Current Maturities of Long Term Debts	226.85	-
Current Maturities of Finance Lease Obligations	1.59	-
Interest Accrued but not due	16.30	-
Interest Accrued & due	3.72	-
Employee Benefits Payable	57.41	39.68
Trade Deposits & Advances	39.44	25.34
Creditors for Capital Supplies and Services	31.57	14.63
Unpaid Dividend	0.24	-
Others	108.41	19.12
	485.53	**98.77**

(₹ in million)

As at 31st March,	2012	2011
11. SHORT TERM PROVISIONS		
Employee Benefits	17.10	7.92
Dividends on Equity Shares (Including Dividend Distribution Tax)	-	27.94
Income Tax	107.93	131.06
Others - Excise Duty	16.57	13.01
	141.60	**179.93**

12. TANGIBLE FIXED ASSETS

(₹ in million)

Description	GROSS BLOCK - COST / BOOK VALUE						DEPRECIATION / AMORTISATION / IMPAIRMENT						NET BLOCK	
	Total as at 31st March, 2011	Additions/ consequent to Scheme of Amalgamation & Demerger	Adjustments on account of Scheme of Arrangement	Additions/ Adjust-ments during the Year	Deductions/ Adjust-ments during the Year	Total as at 31st March, 2012	Total as at 31st March, 2011	Additions/ consequent to Scheme of Amalgamation & Demerger	Adjustments on account of Scheme of Arrangement	Provided for the Year	Deductions/ Adjust-ments during the Year	Total as at 31st March, 2012	As at 31st March, 2012	As at 31st March, 2011
Land														
(a) Freehold	18.92	-	5.85	-	-	24.77	-	-	-	-	-	-	24.77	18.92
(b) Leasehold	204.26	-	(200.48)	2.03	-	5.81	0.23	-	(0.23)	1.64	-	1.64	4.17	204.03
Leasehold Improvements	-	-	1172.62	78.82	77.31	1174.13	-	-	233.08	84.12	15.53	301.67	872.46	-
Buildings														
(a) Factory	210.39	-	(96.75)	31.07	-	144.71	39.86	-	(28.97)	3.47	-	14.36	130.35	170.53
(b) Others	48.34	-	(15.83)	10.05	-	42.56	2.49	-	(2.49)	0.63	-	0.63	41.93	45.85
Plant & Machinery (12.1)	1085.19	-	(103.88)	126.43	1.86	1105.88	492.94	-	(169.84)	46.38	0.25	369.23	736.65	592.25
Furniture & Fixtures	14.80	-	161.49	77.05	0.24	253.10	6.61	-	45.95	17.98	0.10	70.44	182.66	8.19
Office Equipments	18.26	-	65.83	16.23	0.14	100.18	9.67	-	30.12	13.20	0.09	52.90	47.28	8.59
Vehicles														
(a) Leased	-	-	-	6.55	-	6.55	-	-	-	1.01	-	1.01	5.54	-
(b) Others	1.42	-	(1.38)	-	-	0.04	1.35	-	(1.35)	-	-	-	0.04	0.07
TOTAL	**1601.58**	**-**	**987.47**	**348.23**	**79.55**	**2857.73**	**553.15**	**-**	**106.27**	**168.43**	**15.97**	**811.88**	**2045.85**	**1048.43**
Previous Year	-	1456.21	-	146.14	0.77	1601.58	-	496.01	-	57.53	0.39	553.15	1048.43	-
Capital Work in Progress			120.10										53.67	96.59

12.1. Includes Plant & Machinery in relation to discontinuing operations for ₹28.62 million (Previous Year: ₹28.62 million). (Refer Note 47)

12.2 Land at Chittorgarh of the Jubilant Agri and Consumer Production Limited is mortgaged for loan taken by a group company and is under process of release.

13. INTANGIBLE FIXED ASSETS

(₹ in million)

Description	GROSS BLOCK - COST / BOOK VALUE						DEPRECIATION / AMORTISATION / IMPAIRMENT						NET BLOCK	
	Total as at 31st March, 2011	Additions/ consequent to Scheme of Amalgamation & Demerger	Adjustments on account of Scheme of Arrangement	Additions/ Adjust-ments during the Year	Deductions/ Adjust-ments during the Year	Total as at 31st March, 2012	Total as at 31st March, 2011	Additions/ consequent to Scheme of Amalgamation & Demerger	Adjustments on account of Scheme of Arrangement	Provided for the Year	Deductions/ Adjust-ments during the Year	Total as at 31st March, 2012	As at 31st March, 2012	As at 31st March, 2011
Goodwill	-	-	1237.74	-	-	1237.74	-	-	-	123.77	-	123.77	1113.97	-
Trade Marks	-	-	0.09	-	-	0.09	-	-	0.09	-	-	0.09	-	-
Software	-	-	11.78	3.94	-	15.72	-	-	11.70	0.90	-	12.60	3.12	-
Total	**-**	**-**	**1249.61**	**3.94**	**-**	**1253.55**	**-**	**-**	**11.79**	**124.67**	**-**	**136.46**	**1117.09**	**-**
Previous Year	-	-	-	-	-	-	-	-	-	-	-	-	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in million)

As at 31st March,	2012	2011
14. LONG TERM LOANS & ADVANCES		
(Unsecured, Considered Good)		
Capital Advances	12.23	-
Security Deposits	339.49	6.12
Others	22.96	-
	374.68	**6.12**

(₹ in million)

As at 31st March,	2012	2011
15. OTHER NON-CURRENT ASSETS		
(Unsecured, Considered Good)		
Others Recoverable	11.10	8.64
	11.10	**8.64**

(₹ in million)

As at 31st March,			2012	2011
16. CURRENT INVESTMENTS				
(At Cost)				
Number	Face Value Per Unit	**All unquoted unless otherwise specified**		
		Non Trade Investments		
448 (448)	₹10	Voith Paper Fabrics India Limited - Equity Shares Fully Paid-up (Quoted)	0.08	0.08
530 (530)	₹10	Minerva Holding Limited - Equity Shares Fully Paid-up (16.2)	-	-
132 (132)	₹100	Kashipur Holdings Limited - Equity Shares Fully Paid-up (16.2)	-	-
		Investments in Mutual Fund		
3,712.00 (91,332.83)	₹10	LIC MF Liquid Fund -Growth Plan	0.07	1.64
			0.15	**1.72**
		Aggregate NAV of Current Investments	0.07	1.64
		Aggregate amount of Quoted Investments		
		-Cost	0.08	0.08
		-Market Value	0.13	0.10

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

16.2 Shares were received free of cost under the Scheme of Arrangement (1997) approved by the Hon'ble High Court of Allahabad.

16.3 During the year, the following investment (non trade) was purchased and sold:

2,03,47,978.28 units (Previous Year: ₹1,19,34,127.87 units) of LIC Mutual Fund-Liquid Fund-Growth Plan at cost of ₹190 million. (Previous year ₹210 million).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in million)

As at 31st March,	2012	2011
17. INVENTORIES		
Raw Materials [including in transit ₹170.96 million (Previous Year: ₹55.20 million)]	543.39	396.32
Work-in-Progress	113.82	186.63
Finished Goods	195.98	269.37
Stock-in-Trade	353.95	19.57
Stores, Spares and Others [including in transit ₹ Nil (Previous Year: ₹2.86 million)]	42.87	40.82
Packing Materials	30.73	39.82
	1,280.74	**952.53**

For method of valuation refer Note 1F.

(₹ in million)

As at 31st March,	2012	2011
18. TRADE RECEIVABLES		
(Unsecured, Considered good)		
Outstanding for period exceeding six months from the date they are due for payment	25.31	145.40
Outstanding for period less then six months from the date they are due for payment	1,453.75	616.41
	1,479.06	**761.81**

18.1 Trade Receivable includes subsidy receivable ₹675 million (Previous Year: ₹208.80 million).

(₹ in million)

As at 31st March,	2012	2011
19. CASH & BANK BALANCES		
Cash and Cash Equivalents		
Balances With Banks		
-On Current Accounts	98.74	61.41
-On Dividend Account	0.24	-
Cash in hand	10.60	0.75
Others		
-Gift/Meal Vouchers in Hand	0.21	0.26
-Funds in Transit	2.39	-
	112.18	62.42
Other Bank Balances		
Margin Money with Bank*	5.09	2.00
On Deposit Accounts**	120.10	300.08
	125.19	302.08
	237.37	**364.50**

* For Bank Gurarantees in favour of Government Authorities.

** The fixed deposit for ₹120.02 million in current year has been kept under lien of bank against the term loan availed for ₹1200 million from a Bank (Previous Year: ₹ Nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in million)

As at 31st March,	2012	2011
20. SHORT TERM LOANS & ADVANCES		
Inter Corporate Loans	-	400.00
Deposits	3.32	2.32
Deposits/Balances with Government Authorities	161.02	79.14
Advance Payment of Income Tax	94.65	65.63
Employee Loans & Advances	3.26	0.01
Advances Recoverable in cash or in kind or for value to be received:		
- Related Parties	1.79	37.69
- Others - Export Incentives and Others Recoverable	116.91	139.18
	380.95	**723.97**

(₹ in million)

As at 31st March,	2012	2011
21. OTHER CURRENT ASSETS		
Interest Accrued on Inter Corporate Loans	-	11.45
Others	2.65	5.48
	2.65	**16.93**

(₹ in million)

For the Year Ended 31st March,	2012	2011
22. REVENUE FROM OPERATIONS		
Sale of Products	10,025.82	5,596.77
Sale of Services	185.62	24.70
Other Operating Income	9.17	8.10
Revenue from Operations (Gross)	10,220.61	5,629.57
Less: Excise Duty	262.52	250.86
Revenue from Operations (Net)	**9,958.09**	**5,378.71**

(₹ in million)

For the Year Ended 31st March,	2012	2011
23. OTHER INCOME		
Income from Current Investments (Non-Trade) - Dividend	-	1.45
Profit on Sale of Current Trade Investments	5.43	1.66
Profit on Sale of Fixed Assets	0.20	-
Display Charges and Kiosk Rentals	54.65	-
Miscellaneous Receipts	15.09	15.28
	75.37	**18.39**

(₹ in million)

For the Year Ended 31st March,	2012	2011
24. COST OF MATERIALS CONSUMED		
Raw & Process Materials Consumed	3614.66	3,065.96
	3614.66	**3065.96**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in million)

For the Year Ended 31st March,		2012	2011
25.	**PURCHASE OF STOCK-IN-TRADE**		
	Purchases - Stock-in-Trade	2,909.93	60.04
		2909.93	**60.04**

(₹ in million)

For the Year Ended 31st March,			2012	2011
26.	**CHANGES IN INVENTORIES OF WORK-IN-PROGRESS, FINISHED GOODS & STOCK-IN-TRADE**			
	Stock at close	-Working-in-Progress	113.82	186.63
	Stock at close	-Finished Goods	207.08	278.01
	Stock at close	-Stock-in-Trade	353.95	19.57
			674.85	484.21
	Stock at commencement	-Working-in-Progress	340.63	144.17
	Stock at commencement	-Finished Goods	472.88	476.26
	Stock at commencement	-Stock-in-Trade	427.07	13.94
			1,240.58	634.37
	Increase/ (Decrease) in Stocks		(565.73)	(150.16)
	Less: Adjustment on account of Scheme of Arrangement		368.44	-
	Less: Write down of inventory		21.79	-
	Less: (Increase)/Decrease of Work-in-Progress & Finished Goods Stocks of IMFL Business		(3.77)	15.48
	Net Increase/(Decrease) in Stocks		**(179.27)**	**(134.68)**

(₹ in million)

For the Year Ended 31st March,		2012	2011
27.	**OTHER MANUFACTURING EXPENSES**		
	Power and Fuel	260.83	168.20
	Stores, Spares & Packing Materials Consumed	344.96	349.59
	Processing Charges	0.10	1.27
	Repairs to Plant & Machinery	74.01	56.59
	Repairs to Factory Buildings	62.73	10.19
	Excise Duty (Refer Note 34)	(1.32)	6.42
		741.31	**592.26**

(₹ in million)

For the Year Ended 31st March,		2012	2011
28.	**EMPLOYEE BENEFITS EXPENSE**		
	Salaries, Wages, Bonus, Gratuity & Allowances	734.33	383.68
	Contribution to Provident & Superannuation Funds	45.51	23.48
	Staff Welfare Expenses	32.34	21.73
		812.18	**428.89**

(₹ in million)

For the Year Ended 31st March,		2012	2011
29.	**FINANCE COST**		
	Interest Expense	312.37	9.34
	Other Borrowings Cost	6.10	-
		318.47	9.34
	Less: Interest Income (on Fixed and Other Deposits)	71.05	7.10
		247.42	**2.24**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in million)

For the Year Ended 31st March,		2012	2011
30. OTHER EXPENSES			
Rent (including Lease Rent Equalisation Charges)		687.45	24.61
Rates & Taxes		30.43	7.71
Insurance		14.88	7.97
Advertisement, Publicity & Sales Promotion		130.70	33.84
Travelling & Other Incidental Expenses		76.69	59.18
Repair & Maintenance - Others		23.73	31.02
Vehicle Running & Maintenance		2.27	3.21
Printing & Stationery		8.28	4.67
Communication Expenses		14.12	7.88
Staff Recruitment & Training		10.43	8.02
Auditors Remuneration	- As Auditors	1.00	0.51
	- For Taxation Matters	0.23	0.13
	- For Other Services	1.25	0.47
	- Out of Pocket Expenses	0.30	-
Legal, Professional and Consultancy Charges		53.83	31.19
Donations		4.28	-
Directors' Sitting Fees		0.47	0.23
Directors' Commission		1.61	0.52
Bank Charges		53.50	10.00
Miscellaneous Expenses		4.09	5.01
Foreign Exchange Fluctuation Loss/(Gain) - (Net)		9.64	(3.06)
Freight & Forwarding (including Ocean Freight)		363.65	320.51
Discounts, Claims to Customers and Other Selling Expenses*		42.85	33.71
Bad Debts / irrecoverable Advances & Receivables Written off (Net)		15.63	37.83
Commission on Sales		31.91	28.40
Loss on Sale/Disposal of Fixed Assets		0.82	0.11
Loss/(Gain) on Sale of Raw Materials		(0.92)	(2.24)
		1,583.12	**651.43**

* Including prior period adjustments amounting to ₹7.00 million (Precious Year: ₹ Nil).

(₹ in million)

For the Year Ended 31st March,	2012	2011
31. EXCEPTIONAL ITEMS		
Business Restructuring Expenses on Scheme of Arrangement	6.71	-
Inventory Write down	24.62	-
Capital Expenditure & Lease Advances Written off	125.71	-
	157.04	**-**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

32. The Hon'ble Allahabad High Court approved a Scheme of Arrangement (Scheme) amongst the Company, Jubilant Agri and Consumer Products Ltd (JACPL), a wholly owned subsidiary of the Company and Enpro Oil Private Limited (EOPL) during the year. The Scheme became effective on 1st February, 2012 upon filing of Court Orders with the Registrar of Companies, Uttar Pradesh and Uttarakhand. Under the Scheme, the Agri and Consumer Products Business of the Company has been vested on slump sale basis into JACPL and the Mall cum Hyper Market Business (Demerged Undertaking) of EOPL has been demerged and vested into JACPL with effect from 1st April, 2011 being the appointed date. In terms of the Scheme, the shareholders of EOPL were allotted 38,35,348 Equity Shares of Rs.10 each of the Company towards consideration for demerger. JACPL has discharged the purchase consideration amounting to Rs.1648.82 million by issuing 10% Optionally Convertible Non-cumulative Redeemable Preference Shares to the Company.

From the appointed date i.e. 1st April, 2011 till the Scheme becoming effective, in terms of the Scheme, the operations of JACPL were run by the Company and EOPL, for and on behalf of JACPL, on trust and the economic benefits attributable to JACPL have been passed on to it. Since the economic benefits under the Scheme have accrued from appointed date, the equity shares of the Company issued pursuant to the Scheme have also been considered from the appointed date for the purpose of calculation of earnings per share. The results for the year ended 31st March, 2012 are after giving the effect of the Scheme and accordingly, not comparable with previous year.

The transaction has been accounted for as per AS-14 "Accounting for Amalgamation" under purchase method, and effect of the same on the accounts of the Group as at 1st April, 2011 is set out below:

Increase/(Decrease) in:

(₹ in million)

Particulars	Effect of slump sale to JACPL	Effect of demerger of Demerged Undertaking from EOPL
Assets		
Fixed Assets	(417.80)	1,419.18
Goodwill	-	1,237.74
Inventories	-	387.93
Sundry Debtors	-	83.53
Cash & Bank Balances	-	15.15
Loans & Advances	-	416.62
Liabilities		
Secured Loans	-	980.19
Unsecured Loans	-	801.33
Current Liabilities	-	1,760.53
Provisions	-	18.10
Shareholders' Fund		
Equity Share Capital	38.35	-
Reserves & Surplus	(456.15)	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

33. Contingent Liabilities & Commitments (to the extent not provided for)

I) Contingent Liabilities

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

i) (₹ in million)

As at 31st March	2012	2011*
Central Excise	16.80	11.41
Customs	5.79	114.87
Sales Tax	20.66	21.74
Service Tax	32.19	16.10
Others	10.37	103.60

* Inclusive of Contingent liabilities were taken over in term of the Scheme of Amalgamation & Demerger. Certain of the above demands are still in the name of Jubilant Life Sciences Ltd.

ii) In respect of Single Super Phosphate (SSP) the Trade Tax Assessing Officer, Gajraula, has assessed the Gypsum Content of SSP and held that the same is liable to trade tax, though, there is no tax on fertilizer for the period 1st April, 2002 to 31st December, 2007 and raised a demand of ₹34.45 million (Previous Year: ₹34.45 million). The same is being contested before Hon'ble Allahabad High Court by Jubilant Life Sciences Limited but any possible liability will flow to the Group in terms of the Scheme. Similar type of dispute has been raised by Assessing Officer, Ghaziabad for the period 1st December, 2010 to 31st March, 2011 and raised a demand of ₹3.75 million (Previous Year: ₹ Nil). Appeal against the same is filed before the Additional Commissioner, Commercial Tax, Ghaziabad.

b) Outstanding guarantees furnished by banks on behalf of the Group/by the Group including in respect of Letters of Credit is ₹486.57 million (Previous Year: ₹692.16 million).

c) Others:

i) Export Obligations under Advance License Scheme/Duty Free Import Authorization Scheme on duty free import of specific raw materials, remaining outstanding is ₹ Nil (Previous Year: ₹10.74 million).

ii) Liability in respect of bills discounted with banks is ₹41.79 million (Previous Year: ₹ Nil).

II) Commitments

a) Capital Commitments

Estimated amount of contracts remaining to be executed on Capital Account (Net of Advances) ₹110.00 million (Previous Year: ₹46.03 million) [Advances ₹12.23 million (Previous Year: ₹ Nil).

b) For lease commitment refer Note 36.

34. Excise Duty under manufacturing expenses denotes provision on stock deferential and other claims/payments.

35. Employee Stock Option Scheme

Certain employees of the Company, who were previously employed with Jubilant Life Sciences Limited and whose service were transferred to this Company in term of the Scheme of Amalgamation & Demerger (2010) and were entitled to Employee Stock Option Scheme (ESOP) 2005 of Jubilant Life Sciences Limited, are entitled to certain number of shares of the Company which shall be transferred by the "Jubilant Employee Welfare Trust" (the Trust) as per the said scheme. Such transfer of shares by the Trust has no financial implications in the financial books of the Company.

36. Disclosures of Leasing Arrangements

I) **Operating Lease:** The Group's significant operating lease arrangements are in respect of premises (residential, offices, godowns etc.). These leasing arrangements, which are cancellable, range between 11 months and 3 years generally and are usually renewable by mutual agreeable terms. The aggregate lease rentals have been charged as expenses.

In case of hyper markets, the Group has operating lease for its office premises, warehouses and hyper markets for a period of 4 to 29 years. Lease agreements for hyper markets are locked-in for a period of 1 to 5 years and subsequently the lease can be maintained only at the option of the lessee. There is escalation clause in the lease agreements. The Group has entered into sub-lease arrangements for certain portion of its premises.

Operating lease payments are recognized as an expense in the Consolidated Statement of Profit and Loss on a straight-line basis over the lease term. Excess of lease rent expenses paid over the equalized lease rent payable to the lessor as per the terms of contract amounting to ₹141.39 million for the year (Previous Year: ₹ Nil) and till 31st March, 2012 ₹ 1140.97 million (Previous Year: ₹ Nil) is credited to lease rent equalization charges and is classified under other long term liabilities.

The schedule of minimum lease rental in respect of the cancellable operating leases is set out as under:

(₹ in million)

As at 31st March	2012	2011
Not later than one year	426.65	-
Later than one year but not later than five years	1863.56	-
Later than five years	8865.25	-

II) **Assets acquired under Finance Lease:**

The Company has taken vehicles under finance lease. Future minimum lease payments and their present values under finance leases as at 31st march, 2012 are as follows:

(₹ in million)

Particulars	Minimum Lease Payments	Present Value of Minimum Lease Payments	Future Interest
Not later than one year	2.21 (-)	1.59 (-)	0.62 (-)
Later than one year but not later than five years	4.61 (-)	3.90 (-)	0.71 (-)
Later than five years	- (-)	- (-)	- (-)

a) Previous year figures are given in paranthesis.

b) There is no element of contingent rent or sub lease payments. Company has option to purchase the assets at the end of the lease term. There are no restrictions imposed by these lease arrangements regarding dividend, additional debt and further leasing.

37. In line with the applicable accounting policies of the Company, during the year, preoperative expenses including trial run expenses (net) for projects and/or substantial expansions amounting to ₹ Nil (Previous Year: ₹6.80 million) have been capitalized up to the date of commencement of commercial production. The said expenditure (net of trial run receipts), so capitalized are accumulated as capital work in progress and have been allocated to respective fixed assets to the extent fixed assets were put to use and balance is appearing in capital work in progress.

38. The Group has recognized income towards freight subsidy amounting to ₹62.90 million (Previous Year: ₹ Nil), in accordance with the Office Memorandum dated 5th July, 2011, issued by the Department of Fertilizers, Ministry of Chemicals and Fertilizers of Government of India. However, a provision for expenses amounting to ₹48.40 million (Previous Year: ₹ Nil) has been made to the extent of unrealized freight subsidy in view of the Office Memorandum dated 12th October, 2011. Adjustments, if any, to the said provision shall be made upon determination/ resolution of the matter.

39. The Group has not recognized the subsidy of ₹135.80 million (Previous Year: ₹ Nil) during the year on carried over quantity of SSP and various raw materials as on 1st April, 2011, in accordance with the Office Memorandum dated 11th July, 2011, issued by the Department of Fertilizers, Ministry of Chemicals and Fertilizers of Government of India. Adjustments, if any, to the unrecognized subsidy shall be made upon final determination/resolution of the matter.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

40. The bottling unit of the Company situated at Nira holds a potable liquor license for Indian Made Foreign Liquor (IMFL) and the same is bottling IMFL on the order of another company and is charging bottling fee. These financial statements recognize Revenue and Expenditure, only to the extent the Company enjoys beneficial interest. In compliance with the requirements of Schedule VI to the Companies Act, 1956, the following information is given hereunder in respect of the transactions where the Company does not enjoy beneficial interest:

(₹ in million)

For the Year Ended 31st March,	2012	2011
Sales	410.57	383.39
Excise Duty	(122.39)	(70.86)
Other Income	3.86	4.35
Increase/(Decrease) in Work-in-Progress & Finished Goods Stocks	3.77	(15.48)
Raw & Process Materials Consumed	(100.54)	(97.75)
Stores, Spares, Chemicals, Catalyst & Packing Material Consumed	(158.74)	(151.06)
Other Expenses	(12.66)	(30.27)

The bottling operations were run in the name of Jubilant Life Sciences Limited, pending transfer of, the potable liquor license in the name of the Company in terms of Scheme of Amalgamation and Demerger. The license was transferred in the name of the Company vide order dated 26th March, 2012 of Commissioner Office upon payment of transfer fee of ₹12.18 million and the same has been charged in Consolidated Statement of Profit and Loss.

41. Disclosure required by Accounting Standard 29 (AS-29) "Provisions, Contingent Liabilities and Contingent Assets"

Movement in Provisions

(₹ in million)

	Particulars of Disclosure	Excise Duty	Provisions for Bad and Doubtful Debts
1	Balance as at 1st April, 2011	13.01 (20.79)	- (27.91)
2	Opening on account of Scheme of Arrangement	- (-)	0.69 (-)
3	Additional Provision During 2011-12	14.32 (13.01)	- (-)
4	Provision used During 2011-12	10.76 (20.79)	0.69 (27.91)
5	Balance as at 31st March, 2012	16.57 (13.01)	- (-)

a. Previous year figures are given in parenthesis.

b. Provision for Excise Duty represents the excise duty on closing stock of finished goods and also in respect of written off/provision of write down of Inventory.

42. Derivatives

a) The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency exposures relating to the underlying transactions and firm commitments. The Company does not enter into any derivative instruments for trading and speculative purposes.

The followings are the outstanding Forward Exchange Contracts entered into by the Company:

As at 31st March,	Buy/Sell	Amount (Foreign Currency in million)			
		2012		2011	
USD/INR	Sold	USD	10.80	-	-

b) Foreign currency exposures not hedged by derivative instrument:

As at 31st March,	Amount (Foreign Currency in million)			
	2012		2011	
Amount Receivable on account of Sale of Goods & Services	USD	1.97	USD	1.67
	EURO	0.22	EURO	0.56
Amount Payable on account of Purchase of Goods	USD	3.53	USD	3.75
	EURO	0.34	-	-

43. Discontinuing Operations

The Board of Directors of the Company had decided to discontinue its operation relating to Application Polymer Division (APD) in February, 2011 and to realize the assets and pay off its liabilities in due course.

In the opinion of the Company the assets and liabilities will have a value on realization in the ordinary course of business that are at least equal to the amounts at which they are stated in the Consolidated Balance Sheet.

The carrying amounts as of 31st March, 2012, of the total assets relating to the discontinuing operations aggregate to ₹72.09 million (Previous Year: ₹72.09 million) and the total liabilities to be settled relating to the discontinuing operations aggregate to ₹38.17 million (Previous Year: ₹38.17 million). In the opinion of the Company the assets and liabilities will have a value on realization in the ordinary course of business that are at least equal to the amounts at which they are stated in the Consolidated Balance Sheet.

The net cash flows attributable to operating, investing and financing activities of the discontinuing operations during the current year aggregated to ₹6.31 million [Previous Year: ₹(36.83) million], ₹ Nil (Previous Year: ₹ Nil) and ₹ Nil (Previous Year: ₹ Nil) respectively.

Statement Showing the Revenue and Expenses of Continuing and Discontinuing Operations:

(₹ in million)

For the Year Ended 31st March,	2012			2011		
Particulars	Continuing Operations	Discontinuing Operations (APD)	Total	Continuing Operations	Discontinuing Operations (APD)	Total
Revenue						
Sales/ Income from Operations	9958.09	0.00	9958.09	5054.92	323.79	5378.71
Other Income	64.13	11.24	75.37	17.89	0.50	18.39
Total Revenue	**10022.22**	**11.24**	**10033.46**	**5072.81**	**324.29**	**5397.10**
Operating Expenses (Including impairment loss of ₹ Nil million (Previous Year: ₹6.79 million)	10285.68	4.93	10290.61	4587.67	403.12	4990.79
Profit/ (Loss) before Finance Cost & Tax	**(263.46)**	**6.31**	**(257.15)**	**485.14**	**(78.83)**	**406.31**
Finance Cost	247.42	-	247.42	2.24	-	2.24
Tax Expenses	60.38	2.05	62.43	139.71	(21.69)	118.02
Profit/ (Loss) for the year	**(571.26)**	**4.26**	**(567.00)**	**343.19**	**(57.14)**	**286.05**

44. Employee Benefits in respect of Parent Company including its subsidiary has been calculated as under:

During the year the Group has recognized the following amounts in the Consolidated Statement of Profit and Loss:

(A) Defined Contribution Plans

a) Superannuation Fund

(₹ in million)

For the Year Ended 31st March,	2012	2011
Employer's Contribution to Superannuation Fund	2.70	3.18

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(B) State Plans

a) Employee State Insurance

b) Employee's Pension Scheme, 1995

(₹ in million)

For the Year Ended 31st March,	2012	2011
Employer's Contribution to Employee State Insurance	7.73	1.20
Employer's Contribution to Employee Pension Scheme, 1995	9.50	4.02

(C) Defined Benefit Plans

a) Compensated Absences Gratuity

In accordance with Accounting Standard 15, an actuarial valuation has been carried out in respect of gratuity and compensated absences. The discount rate assumed is 8.30 % which is determined by reference to market yield at the Balance Sheet date on Government bonds. The retirement age has been considered at 58 to 60 years and mortality table is as per LIC (1994-96).

The estimates of future salary increases, considered in actuarial valuation 6.35% take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Reconciliation of opening and closing balances of the present value of the defined benefit obligation:

(₹ in million)

	Gratuity*		Leave Encashment	
	2012	2011	2012	2011
Present Value of obligation at the beginning of the year	49.73	39.99	23.81	16.39
Add: Adjustment on account of Scheme of Arrangement (Net)	8.30	-	9.79	-
Current Service Cost	7.75	4.62	21.85	4.08
Interest Cost	4.82	3.31	2.78	1.36
Actuarial (Gain)/Loss	(4.74)	1.81	(0.72)	2.61
Benefits Paid	(7.20)	-	(8.55)	(0.63)
Present Value of obligation at the end of the year	58.66	49.73	48.96	23.81

Reconciliation of the present value of defined benefit obligation and the fair value of the plan assets:

(₹ in million)

	Gratuity*		Leave Encashment	
	2012	2011	2012	2011
Present Value of obligation at the end of the year	58.66	49.73	48.96	23.81
Fair value of plan assets at end of the year	-	-	-	-
Assets/(Liabilities) recognized in the Consolidated Balance Sheet	(58.66)	(49.73)	(48.96)	(23.81)

Cost recognized for the year (included under Salaries, Wages, Bonus, Gratuity & Allowances):

(₹ in million)

	Gratuity*		Leave Encashment	
	2012	2011	2012	2011
Current Service Cost	7.75	4.62	21.85	4.08
Interest Cost	4.82	3.31	2.78	1.36
Actuarial (Gain)/Loss	(4.74)	1.81	(0.72)	2.61
Net Cost recognized during the year	7.83	9.74	23.91	8.05

*Excluding for certain employees of Sahibabad Unit.

Reconciliation of opening and closing balances of the present value of the defined benefits obligation:**

(₹ in million)

	Gratuity	
	2012	2011
Present Value of obligation at the beginning of the year	3.96	5.19
Current Service Cost	0.38	0.31
Interest Cost	0.33	0.43
Actuarial (Gain)/Loss	0.22	(0.53)
Benefits Paid	(0.18)	(1.44)
Present Value of obligation at the end of the year	4.71	3.96

Reconciliation of the present value of defined benefit obligation and the fair value of the plan assets:**

(₹ in million)

	Gratuity	
	2012	2011
Present Value of obligation at the end of the year	4.71	3.96
Fair value of plan assets at end of the year	5.21	4.19
Funded status excess of Actual over estimated	0.01	(0.04)
Assets/(Liabilities) recognized in the Consolidated Balance Sheet	0.50	0.23

Cost recognized for the year (included under Salaries, Wages, Bonus, Gratuity & Allowances): (Funded with Life Insurance Corporation of India)**

(₹ in million)

	Gratuity	
	2012	2011
Current Service Cost	0.38	0.31
Interest Cost	0.33	0.43
Actuarial (Gain)/Loss	0.21	(0.49)
Expected Return on Plan Assets	(0.40)	(0.44)
Net Cost recognized during the year	0.52	(0.19)

**** In respect of certain employees of Sahibabad Unit**

b) Provident Fund

The Guidance on implementation of AS 15, Employee Benefits (Revised 2005) issued by Accounting Standard Board (ASB) states that benefits involving provident funds, which require interest shortfall to be compensated, are to be considered as defined benefit plans. The actuary has recommended a provision of ₹8.04 million (Previous Year: ₹6.74 million) towards liability likely to arise towards interest guarantee. The relevant Provident Fund Trust for the Group is managing common corpus of four companies. The total actuary liability of shortfall amounting to ₹8.04 million (Previous Year: ₹6.74 million) as worked out by the actuary has been allocated to each entity based on the corpus value of each entity as on 31st March 2012. Accordingly, ₹(0.03) million (Previous Year: ₹0.93 million) was allocated to the Group and has been charged to Consolidated Statement of Profit and Loss during the year. The Group has contributed ₹23.57 million (Previous Year: ₹13.38 million) to provident fund for the year.

45. Segment Reporting

I) Based on the guiding principles given in Accounting Standard 17 (AS 17) on "Segment Reporting", the Group's Primary Business Segments were organized around customers on industry and products lines as under:

a. **Performance Polymer:** (i) Food Polymer (Solid PVA) and (ii) VP Latex and SBR Latex (iii) Other Polymers

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

b. **Agri Products:** (i) Single Super Phosphate (ii) Sulphuric Acid and (iii) Agro Chemicals for Crop Products

c. **Retail:** This segment is engaged in running and maintaining hypermarket cum malls.

d. **Discontinuing Operation:** Application Polymer Products

II) In respect of Secondary Segment information, the Group has identified its Geographical Segments as:

a. With in India, and

b. Outside India.

III) The Financial Information about the primary business segments is presented in the table given below:

(₹ in million)

Particulars		Performance Polymers		Agri Products		Retail		Discontinuing Operation		Total	
		2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
1)	**Revenue**	3,556.74	2,709.39	3,063.49	2,553.35	3,591.21	-	-	358.73	10,211.44	5,621.47
	Less: Excise Duty on Sales	240.72	207.61	21.80	8.27	-	-	-	34.98	262.52	250.86
	Net Sales	**3,316.02**	**2,501.78**	**3,041.69**	**2,545.08**	**3,591.21**	**-**	**-**	**323.75**	**9,948.92**	**5,370.61**
2)	**Segments Result**	452.55	300.11	374.41	273.63	(985.93)	-	6.31	(78.83)	(152.66)	494.91
	Less : Interest (Net)									247.42	2.24
	Other Un-allocable Expenditure (Net of Un-allocable Income)									104.49	88.60
	Total Profit/(Loss) Before Tax	**452.55**	**300.11**	**374.41**	**273.63**	**(985.93)**	**-**	**6.31**	**(78.83)**	**(504.57)**	**404.07**
3)	**Capital Employed**										
	(Segment Assets-Segment Liabilities)										
	Segment Assets	1,725.89	1,704.33	1,596.97	1,331.49	3,373.57	-	72.09	72.09	6,768.52	3,107.91
	Add: Common Assets									214.79	873.33
	Total Assets	**1,725.89**	**1,704.33**	**1,596.97**	**1,331.49**	**3,373.57**	**-**	**72.09**	**72.09**	**6,983.31**	**3,981.24**
	Segment Liabilities	694.38	588.23	344.44	227.28	1,629.97	-	38.17	38.17	2,706.96	853.68
	Add: Common Liabilities									168.10	284.80
	Total Liabilities	**694.38**	**588.23**	**344.44**	**227.28**	**1,629.97**	**-**	**38.17**	**38.17**	**2,875.06**	**1,138.48**
	Segments Capital Employed	1,031.51	1,116.10	1,252.53	1,104.21	1,743.60	-	33.92	33.92	4,061.56	2,254.23
	Add: Common Capital Employed									46.69	588.53
	Total Capital Employed	**1,031.51**	**1,116.10**	**1,252.53**	**1,104.21**	**1,743.60**	**-**	**33.92**	**33.92**	**4,108.25**	**2,842.76**
4)	**Segment Capital Expenditure**	69.80	118.09	84.56	27.02	185.33	-	-	-	339.69	145.11
	Add: Common Capital Expenditure									12.48	1.03
	Total Capital Expenditure	**69.80**	**118.09**	**84.56**	**27.02**	**185.33**	**-**	**-**	**-**	**352.17**	**146.14**
5)	**Depreciation & Amortization**	27.44	25.86	10.89	20.91	249.75	-	-	9.04	288.08	55.81
	Add: Common Depreciation & Amortization									5.02	1.72
	Total Depreciation & Amortization	**27.44**	**25.86**	**10.89**	**20.91**	**249.75**	**-**	**-**	**9.04**	**293.10**	**57.53**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

I V) Secondary Segments (Geographical Segments):

(₹ in million)

Particulars		2012	2011
a)	**Sales Revenue by Geographical Location of Customers (Net of Excise Duty)**		
	Within India	8725.06	4743.00
	Outside India	1223.86	627.61
	Total	**9948.92**	**5370.61**
b)	**Carrying Amount of Segment Assets**		
	Within India	6983.31	3981.24
	Outside India	-	-
	Total	**6983.31**	**3981.24**
c)	**Capital Expenditure**		
	Within India	352.17	146.14
	Outside India	-	-
	Total	**352.17**	**146.14**
d)	**Sales Revenue by Geographical Market**		
	India	8725.06	4743.00
	Americas & Europe	793.71	298.64
	China	148.62	116.43
	Asia & Others	281.53	212.54
	Total	**9948.92**	**5370.61**

1) The Group has disclosed Business Segments as the Primary Segments.

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 Revenues, Results, Assets and Liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.

46. Related Party Disclosures

1) Related parties with whom transactions have taken place during the year:

a) Key Management Personnel: Mr. Ananda Mukherjee (upto 31.01.2012), Mr. Videh Kumar Jaipuriar*, Mr. Raman Mangalorkar**

*The appointment of Mr. Videh Kumar Jaipuriar as, Whole Time Director with effect from 1st February, 2012 and his remuneration of ₹1.91 million as a Director, is subject to approval of the members of the Company in the ensuing Annual General Meeting.

**The appointment of Mr. Raman Mangolorkar as, Whole Time Director with effect from 1st February, 2012 and his remuneration of ₹2.74 million as a Director, is subject to approval of the members of the Jubilant Agri and Consumer Products Ltd. in the ensuing Annual General Meeting.

b) Enterprise over which Directors and Major Shareholders of the Company have substantial influence: Jubilant Life Sciences Limited, Jubilant Life Sciences (Shanghai) Ltd. China, Jubilant Life Sciences (USA) Inc. USA., Jubilant Enpro Private Limited, Enpro Oil Private Limited.

c) Others: Pace Marketing Specialities Limited Officer's Superannuation Scheme (Trust), VAM Employees Provident Fund Trust, VAM Officers Superannuation Trust, Jubilant Bhartia Foundation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2) **Details of related party transactions during the year:**

(₹ in million)

	Particulars	Key Management person	Enterprise over which Directors and Major Shareholders of the Group have substantial influence	Others
i)	Purchase of Goods, Utilities & Services (b)		426.29 (364.73)	
ii)	Sale of Goods, Utilities & Services (c)		361.69 (45.76)	
iii)	Investments in Equity Share Capital (d)		- (0.10)	
iv)	Payment of Rent to (e)		42.23 (15.90)	
v)	Contribution towards Provident Fund (f)			22.40 (11.64)
vi)	Contribution towards Superannuation Fund (g)			5.12 (3.18)
vii)	Remuneration and Related Expenses	16.10 (6.05)		
viii)	Donation (h)			3.90 (-)
	Balance as at 31st March, 2012			
ix)	Current Account Debit/Credit (-) Balance (i)		-34.55 (37.69)	
x)	Outstanding Payables (j)		44.42 (21.12)	
xi)	Outstanding Receivables (k)		213.49 (21.95)	
xii)	Inter-Corporate Loans Taken (l)		258.06 (-)	

a) Previous year figures are given in parenthesis.

Details of Related Party Transactions Individually:

(₹ in million)

	For the Year Ended/As at 31st March,	2012	2011
b)	**Purchase of Goods, Utilities & Services:**		
	Enterprise over which Directors and Major Shareholders of the Company have substantial influence:-		
	Jubilant Life Sciences Limited	426.29	364.73
c)	**Sale of Goods, Utilities & Services:**		
	Enterprise over which Directors and Major Shareholders of the Company have substantial influence:-		
	Jubilant Life Sciences (Shanghai) Limited China	-	2.72
	Jubilant Life Sciences (USA) Inc. USA	277.85	10.56
	Jubilant Life Sciences Limited	83.84	32.48

(₹ in million)

	For the Year Ended/As at 31st March,	2012	2011
d)	**Investments in Equity Share Capital**		
	Enterprise over which Directors and Major Shareholders of the Company have substantial influence:-		
	Equity Shares of Jubilant Agri and Consumer Products Limited had been purchased from Jubilant Enpro (P) Limited	-	0.10
e)	**Payment of Rent to:**		
	Enterprise over which Directors and Major Shareholders of the Company have substantial influence:-		
	Jubilant Life Sciences Limited	42.23	15.90
f)	**Contribution towards Provident Fund:**		
	Others:-		
	VAM Employees Provident Fund	22.40	11.64
g)	**Contribution towards Superannuation Fund:**		
	Others:-		
	VAM Officer Superannuation Trust	-	1.36
	Pace Marketing Specialities Limited Officer's Superannuation Scheme	5.12	1.82
h)	**Donation:**		
	Others:-		
	Jubilant Bhartia Foundation	3.90	-
i)	**Current Account Debit/Credit (-) Balance:**		
	Enterprise over which Directors and Major Shareholders of the Company have substantial influence:-		
	Jubilant Life Sciences Limited	-36.34	37.69
	Enpro Oil Private Limited	1.79	
j)	**Outstanding Payables:**		
	Enterprise over which Directors and Major Shareholders of the Company have substantial influence:-		
	Jubilant Life Sciences Limited	44.42	21.12
k)	**Outstanding Receivables:**		
	Enterprise over which Directors and Major Shareholders of the Company have substantial influence:-		
	Jubilant Life Sciences Limited	15.31	7.96
	Jubilant Life Sciences (Shanghai) Limited China	-	11.27
	Jubilant Life Sciences (USA) Inc. USA	198.18	2.72
k)	**Inter-Corporate Loans Taken & Outstanding:**		
	Enterprise over which Directors and Major Shareholders of the Company have substantial influence:-		
	Jubilant Enpro Private Limited	190.00	-
	Enpro Oil Private Limited (Interest Free)	68.06	-

For transaction under & pursuant to Scheme of Arrangement (Refer Note 32).

47. Details of Fixed Assets held for Sale/Alternate use

Plant and Machinery of ₹28.62 million (Previous Year: ₹28.62 million) of discontinuing operations are held by the Company for sale/alternate use.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

48. Earnings Per Share (EPS)

For the Year Ended on 31st March,			2012	2011
I	**Profit Computation for Basic Earnings Per Share of ₹10/- each**			
	Net Profit/ (Loss) as per Consolidated Statement of Profit & Loss available for Equity Shareholders	₹ in million	(567.00)	286.05
II	**Weighted average number of equity shares for Earnings Per Share computation**			
	(A) For Basic Earnings Per Share*	Nos	11849404	8014056
	(B) For Diluted Earnings Per Share*	Nos	11849404	8014056
III	**Earnings Per Share (Weighted Average)**			
	Basic	₹	(47.85)	35.70
	Diluted	₹	(47.85)	35.70

*Includes:-

38,35,348 equity shares of ₹10 each allotted and issued in pursuant to Scheme of Arrangement for consideration other than cash on 09.03.2012. Since the economic benefit under the Scheme of Arrangement have accrued w.e.f. 1st April, 2011 being the appointed date, the equity shares issued pursuant to the Scheme have also been considered from appointed date for the purpose of calculation of earning per share.

49. Previous year's figures have been regrouped/ reclassified wherever necessary to correspond with the current year's classification/ disclosure.

Signatures to Notes "1" to "49" forming part of the Consolidated Balance Sheet and Consolidated Statement of Profit and Loss.

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

Place: Noida
Date : 9th May, 2012

Amit Khurana
Company Secretary

Sandeep Kumar Shaw
Chief Financial Officer

Videh Kumar Jaipuriar
CEO & Whole Time Director

DETAILS OF SUBSIDIARY COMPANY (2011-12)

(₹ in million)

	Jubilant Agri and Consumer Products Limited
a) Capital	16.99
b) Reserve & Surplus	807.79
c) Total Assets (Non-current Assets + Current Assets)	5431.52
d) Total Liabilities (Non-current Liabilities + Current Liabilities)	4606.82
e) Details of Investments (except in case of investment in subsidiaries)	0.08
f) Turnover (including Other Income)	7857.38
g) Profit/(Loss) before Taxation	(811.21)
h) Provision for Taxation	13.30
i) Profit/(Loss) after Taxation	(824.51)
j) Dividend	-

i) As resolved by the Board of Directors vide their resolution dated 14th January, 2012, and in conformity with general circular no. 2/2011 dated 8th February, 2011 issued by Ministry of Corporate Affairs, the Balance Sheet, Statement of Profit and Loss, Directors' Report and Auditors' Report of the Jubilant Agri and Consumer Products Limited, the subsidiary company and other documents required to be attached as per Section 212(1) of the Companies Act, 1956 are not being attached to the accounts of the Company.

ii) The annual accounts of the subsidiary will also be kept open for inspection by an investor in the Company's Head Office and that of the subsidiary concerned.

Corporate Information

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Bhartiagram, Gajraula,
Distt. Jyotiba Phoolay Nagar 244223
Uttar Pradesh, India
Tel. : +91-5924-252351-60

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Uttar Pradesh, India
Tel. : +91-120-2516601-11
Fax : +91-120-4223876

Statutory Auditors
K. N. Gutgutia & Co.
11K, Gopala Tower,
25, Rajendra Place,
New Delhi 110008, India

Cost Auditors
J K Kabra & Co.
552/1B, Arjun Street,
Main Vishwas Road,
Vishwas Nagar,
Delhi 110032, India

Internal Auditors
Ernst & Young Pvt. Ltd.
Golf View Tower B,
Sector Road, Sector 42,
Gurgaon 122022,
Haryana, India

Company Secretary
Amit Khurana

Registrar and Share Transfer Agent
Alankit Assignments Ltd.
Alankit House,
2E/21, Jhandewalan Extension,
New Delhi 110055, India
Tel : +91-11-23541234, 42541234
email: rta@alankit.com

Bankers
Corporation Bank
ING Vysya Bank Ltd.

JUBILANT INDUSTRIES

Jubilant Industries Limited

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Corporate Office : Plot No. 1A, Sector 16A, Noida - 201301, Uttar Pradesh, India
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