



WOOD ADHESIVES &  
WOOD FINISHES

VP LATEX

FOOD POLYMERS

AGRI PRODUCTS

ANNUAL REPORT  
**2017-18**

# Corporate Information

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## CORPORATE IDENTITY NUMBER (CIN)

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## BANKERS

Axis Bank Limited  
Corporation Bank  
RBL Bank Limited  
Yes Bank Limited

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# Company Introduction

Jubilant Industries Limited (JIL) is a well-diversified Public Listed Company engaged in manufacturing of Indian Made Foreign Liquor and manufacture Agri Products and Performance Polymers through its wholly owned subsidiary Jubilant Agri and Consumer Products Limited (JACPL). The Agri Products comprises of Single Super Phosphate (SSP) and Crop Growth / Nutrition Products and Performance Polymers comprises of Consumer Products such as Wood Adhesives and Wood Finishes and Specialty Polymers such as Vinyl Pyridine (VP) Latex and Food Polymers. The Company has a broad product portfolio, covering large range of products for both B2C and B2B customers.

The equity shares of the Company are listed on the National Stock Exchange of India Limited and BSE Limited.

## BUSINESS SEGMENTS

The Company operates in two business segments:

**Agri Products:** The Company is among the top domestic players in Single Super Phosphate (SSP). With a strong brand 'Ramban', we are the leading SSP supplier in Uttar Pradesh. The contribution of this segment to total revenue from operations is 29%.

**Performance Polymers:** The business under performance polymers segment includes Consumer Products like Wood Adhesives and Wood Finishes; and Specialty polymers like VP Latex and Food Polymers. The contribution of this segment to total revenue from operations is 71%.

## MANUFACTURING FACILITIES

The Company along with its subsidiary has five manufacturing facilities across the country. Two in the state of Uttar Pradesh (Gajraula and Sahibabad), one in Rajasthan (Kapasan, Chitorgarh), one in Gujarat (Savli, Vadodara) and one in Nira, Maharashtra.

## OUR BRANDS



# CHARMWOOD



रामबाण®  
सफल किसान की पहचान..

# VAMIPOL

ENCORD  
VP Latex for Tyres

## Board of Directors



Mr. Priyavrat Bhartia  
Chairman

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Mr. Shamit Bhartia  
Director

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Mr. R. Bupathy  
Director

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Mr. S. K. Roongta  
Director

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Ms. Shivpriya Nanda  
Director

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Mr. Manu Ahuja  
CEO & Managing Director

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# Chairman's Message

*Dear Shareholders,*

I am happy to share my thoughts with you for the year FY 2017-18!

The first half of FY 2017-18 witnessed the implementation of the landmark Goods & Service Tax (GST). In addition, the economy witnessed a recovery from the impact of demonetisation, which had been announced in FY 2016-17. These two major structural changes are expected to provide immense benefits to the long-term growth trajectory of the country.

As per the International Monetary Fund (IMF), global growth is expected to rise to 3.9% this year, as global economic activity starts picking up through recovery in investments. IMF forecasts India's growth is expected at 7.5% in FY 2018-19 which would make India the world's fastest growing economy in FY 2018-19.

## **Agri Products**

The Government is keen on doubling farmer's income by FY 2021-22, for which it has approved the continuation of the Agri-umbrella programme, 'Green Revolution — Krishonnati Yojana' for two more years. The programme has merged 11 schemes for a holistic and scientific approach. This is a positive development for your company.

## **Performance Polymers:**

Consumer Products Division continued to challenging market conditions through the year with the introduction of GST in FY 2017-18 in quick succession after the impact of demonitization in H2, FY 2016-17. Our focus is on improving demand generation through market initiatives, improvement in product mix and strengthening the distribution network.



In Food Polymers business, Chewing Gum industry struggled in FY 2017-18. However, we have successfully added new customers into our portfolio in FY 2017-18, which should help to deliver higher growth in FY 2018-19. In addition to new customer approvals for our products, the focus in food polymers business is to introduce

new products and to stabilize the newly launched Ester Gum.

In VP Latex, we are witnessing positive growth in the tyre industry which bodes well for the business. Our focus is on new customers acquisition especially in the international markets and newer application development.

### **FY 2017-18 Financial Highlights**

The Consolidated Revenue from operations (net of Excise Duty) of the company dropped by 7%, to reach ₹ 474 Crore in FY 2017-18, as compared to ₹ 508 Crore in FY 2016-17. Earnings before interest, taxes, exceptional items, depreciation and amortization (EBITDA) stands at ₹ 30 Crore in FY 2017-18.

After accounting for depreciation and amortization of ₹ 9 Crore, the Company's PBIT stands at ₹ 21 Crore. After accounting for financial charges of ₹ 26 Crore, and PBT stands at ₹ (5) Crore and Profit/(Loss) after Tax at ₹ (5) Crore.

### **FY 2018-19 Outlook**

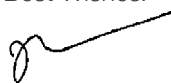
We have strong belief in our people and we are confident in setting new standards. We will drive operational

excellence to achieve even greater productivity and efficiency as we grow our business.

Agri Products is expected to deliver growth with higher capacity utilization and enhanced distribution reach. In our Performance Polymers segment, Consumer Products Division, our focus is on growing market share in premium category and adding new products through in house development and strategic partnerships to cover the product gap and increased efficiency. In Food Polymers business, our main focus remains on new customer acquisition and also increase foot print in the industrial space. In VP Latex business growth would be driven by improving our footprint geographically and across various segment .

I take this opportunity to thank all our employees, customers, vendors, bankers and shareholders for their continued support.

Best Wishes.



Priyavrat Bhartia

Chairman

Date: May 10, 2018

## Awards & Accolades

### Greentech Safety Award 2017 - GOLD AWARD



JACPL Gajraulaplant has received India's Prestigious **16th Annual Greentech Safety GOLD AWARD** in Chemical Sector for outstanding achievement in **Safety Management**.



### Grow Care India Environment Award 2017 - GOLD AWARD



JACPL Gajraula plant has received the **Grow Care India Award** for outstanding achievement in **Environment Management**.





# Management Discussion and Analysis



The Indian economy exhibited fairly robust performance and was one of the fastest growing large economies in the world. IMF has estimated that India's growth is expected to be a healthy 7.5% in FY 2018-19, led by strong private consumption as well as fading transitory effects of the currency exchange initiative and implementation of the Goods and Services Tax (GST).

During the last year, the Indian economy exhibited fairly robust performance and was one of the fastest growing large economies in the world. IMF has estimated that India's growth is expected to be a healthy 7.5% in FY 2018-19, led by strong private consumption as well as fading transitory effects of the currency exchange initiative and implementation of the Goods and Services Tax (GST).

The Government is keen on doubling farmers' income by FY 2021-22, for which it has launched several new initiatives that encompass activities from seed to marketing. Skymet Weather has forecasted a 20% chance of above normal monsoon, and a 5% chance of excess rain in FY 2018-19, which also bodes well for the agricultural sector.

India is an important player in the global trade of chemicals, fertilizers, plastics and allied products. The chemical industry has seen an increasing shift towards Asia. As per the IBEF report of February 2018, the Indian Chemical industry is today the third largest producer in Asia and 7th in the world in terms of output. The Chemical industry is expected to more than double and touch USD 300 billion by FY 2024-25 from USD 147 billion now, according to Chemexcil.

We are focusing on expanding business in newer markets and product categories and this has resulted in addition of new customers and new geographies. We have also been able to concentrate on more profitable segments of the business.

## Industry Scenario

We operate in diverse sectors ranging from fertilizer; food ingredients; tyre production inputs; and wood-working etc. Our performance is not only an indicator of the strategies

we have adopted but it also depends upon the behavior of different sectors to whom we cater.

**In Agri Products,** the Indian Phosphatic & Potash fertilizers have registered a growth over last year in the country and are showing signs towards balanced use of fertilization after the Government of India took initiatives of supplying Urea coated with Neem to check the pilferages to reduce the excess usage. Recently there has been a notification to supply Urea in 45 Kg bag instead of earlier 50 Kg to further check the dosage during application on crops which is aimed to balancing the fertilizer use.

Single Super Phosphate (SSP) in particular registered a negative sales of 7.8% in India as compared to last year. However, SSP Sales in Uttar Pradesh showed an increase of 2% over last year. SSP production has showed decline of 9.10% lower as compared to last year on an all India basis.

**In Consumer Products Division,** demand in the Wood Adhesives and Wood-Finish industry continued to be sluggish, with continued impact due to demonetisation of FY 2016-17, followed by a disruption during the introduction of GST in FY 2017-18. We however, outpaced industry growth in premium adhesives by recording a growth of 12% in the premium adhesive category. With the entry of several new players, the level of competition has increased several fold, and therefore despite pressures of increasing raw material prices, the industry continues to absorb the increased cost. The industry has seen aggressive promotions to retain and grow market shares and it has been challenging to pass on the increased input costs in this hypercompetitive market.

**In VP Latex Business**, after a gloomy start to the financial year, the Commercial Vehicle Industry witnessed growth as pent-up demand kicked in post GST. The same impact was also witnessed in the Bias Tyres industry, where growth picked up post GST.

**In Food Polymers**, The Chewing Gum Industry overall struggled in FY 2017-18 with US, Europe and China witnessing a decline in the market. India continued to be a bright spot with minor growth in FY 2017-18. New applications were one for the focus areas for Polyvinyl Acetate (PVAc) in FY 2017-18 with progress being made in the low profile additive space. Opportunity continues to be available in the Food Industry in Ester gum for a quality product at the right price, which we shall continue to pursue as we move into FY 2018-19.

## Financials

Consolidated financial results of the Company are analyzed and presented below:

Consolidated Profit & Loss	FY 2017-18 (₹ in millions)	FY 2016-17 (₹ in millions)
<b>Revenue from Operations</b>	4,870.52	5,504.76
Other Income	7.81	25.72
<b>Total Revenue</b>	<b>4,878.33</b>	<b>5,530.48</b>
<b>Expenses</b>		
Cost of Materials Consumed	2,438.44	2,579.97
Purchase of Stock-in-trade	50.32	88.00
Change in Inventories of Finished Goods, Work-in-progress & Stock-in trade	(32.76)	(70.82)
Excise Duty on Sales	129.77	420.20
Employee Expense	699.33	720.53
Other Expenses	1,288.89	1,403.20
<b>Total Expenses</b>	<b>4,573.99</b>	<b>5,141.08</b>
<b>EBITDA</b>	<b>304.34</b>	<b>389.40</b>
Depreciation & Amortisation Expenses	90.73	90.98
Finance Cost	259.56	299.19
Tax Expenses	1.42	17.06
<b>Net Profit After Tax</b>	<b>(47.37)</b>	<b>(17.83)</b>

**Revenue:** The Consolidated Revenue from Operations (net of Excise Duty) during FY 2017-18 stands at ₹ 4,741 million against ₹ 5,085 million in FY 2016-17, reflecting a drop of around 7%. The drop in revenue is mainly on account of reduced prices of Butadiene (where selling prices are a function of raw material prices); and reduced volumes in Latex & Food Polymers business due to increasing competitive pressures and a lower volume allocation by key customers.

**Total Expenditure:** Total Expenditure stands at ₹ 4,574 million in FY 2017-18 as against ₹ 5,141 million in FY 2016-17. Major expense heads for the Company includes Raw Material cost, Manufacturing cost, Employee benefits expenses and Selling General & Administrative expenses.

**EBITDA:** In FY 2017-18, the Company's EBITDA stood at ₹ 304 million, compared to ₹ 389 million in FY 2016-17.

**PAT:** After accounting for depreciation and amortisation of ₹ 91 million, the Company's PBIT stands at ₹ 214 million. After accounting for financial charges of ₹ 260 million, PBT stands at ₹ (46) million. Profit after Tax of Company stands at ₹ (47) million.

## Business Segments

Business segment wise consolidated revenue from operations:

Composition of Sales (₹ in millions)	FY 2017-18	FY 2016-17
Agri Products	1,411	1,379
Performance Polymers	3,460	4,126
<b>Total</b>	<b>4,871</b>	<b>5,505</b>

## Agri Products

**Business Profile** – Agri Products has a range of Agri input products in Crop Nutrition & Crop Growth Regulator categories under the brand “Ramban”. The brand has strong reputation in Uttar Pradesh and Uttarakhand

markets. The Company is engaged in the manufacturing of SSP, Organic Manure Granules and Sulphuric Acid.

**Industry Overview** – Inorganic fertilizer is a key input to help growth of India's agriculture output.

The industry helps agriculture sector to meet food grain requirements of the growing population of the country. The industry not only helps India to become self-reliant in food grain production but also contributes significantly to enhance employment in the country.

The Indian fertilizer industry consists of two key segments – Urea fertilizer and Non-Urea fertilizers:

- The Urea fertilizer accounts for over 50 percent of the total fertilizer consumption. This is regulated by the government as the price and the subsidy are fixed by the government.



The Government is keen on doubling farmer's income by FY 2021-22, for which it has approved the continuation of the Agri-umbrella programme, 'Green Revolution – Krishonnati Yojana' for two more years. The programme has merged 11 schemes for a holistic and scientific approach. This is a positive development for your company.

Now, the government is emphasizing on usage of Neem coated urea as Neem coating leads to more gradual release of urea, helping plants gain more nutrient and resulting in higher yields. Neem coating also helps in keeping a check on heavily subsidized urea's pilferage to chemical industry & across borders of neighboring countries.

- While, the Non-Urea segment consists of Di Ammonium Phosphate (DAP), Single Super Phosphate (SSP), NPK and Muriate of Potash (MOP) fertilizers. This functions under a fixed subsidy and variable pricing freedom being granted by the government since April 2011. In Phosphatic category, freight subsidy is reimbursed to P & K fertilizers except SSP which restrict the movement of SSP to nearby markets only.

DAP, NP / NPK and SSP are the main forms of Phosphate fertilizers used in India. SSP is a multi-nutrient fertilizer containing 'Phosphate' as primary nutrient and 'Sulphur' and 'Calcium' as secondary nutrients. It is preferred by small and marginal farmers due to lowest price per kg and is the cheaper source of Sulphur.

In India, SSP contributes around 7-8% to the total Phosphate fertilizer usage, while in countries like Egypt, New Zealand, Brazil, Australia etc.; the average contribution of SSP to the total Phosphate fertilizers is much higher.

In Uttar Pradesh & Uttarakhand, the sale of SSP showed an increase of around 2% from FY 2016-17 to FY 2017-18. The general trend of sale of other Fertilizers is mentioned below:

(in '000' MT)

Fertilizers	2013-14	2014-15	2015-16	2016-17	2017-18
Urea	6,080.05	6,360.32	6,159.41	5,849.99	6197.04
DAP	1,386.35	1,562.30	2,212.56	2,042.91	1832.49
MOP	110.95	206.11	222.77	280.76	303.60
NPK	365.66	612.52	691.99	513.69	550.39
SSP	270.85	311.56	373.50	371.64	378.35
<b>TOTAL</b>	<b>8,213.86</b>	<b>9,052.81</b>	<b>9,660.22</b>	<b>9,058.99</b>	<b>9261.87</b>

**Business Performance** – In FY 2017-18, we were able to improve our operating efficiencies over last year. Our focus on selling more in our economic zone helped us improve our market share in relevant markets with better profitability.

**Business Strategy** – In SSP, focus will be on increasing market share in economic zone through intensive marketing activities to improve profitability, improving sales of value added products like Boronated SSP and increasing sale of in-house products like organic fertilizer Shaktizyme and VAM-C, a plant growth regulator, which gives promising results in crops like Soybean & Pigeon Pea.

There have been policy changes in fertilizer sector. Earlier, 90% subsidy was released to manufacturer on sale of SSP to the dealer. In current scenario of Direct Benefit Transfer (DBT), the subsidy will be released to the manufacturer once the sale is made to farmer through POS by the retailer. In this case, biometric identification of farmer linked with the Aadhaar number is required at retailer counter.



Our wood adhesive brand 'Jivanjor' and wood finishes brand 'Charmwood' has strong market presence and is known for their product quality among the influencers and consumers.



In the changed scenario of DBT the role of retailers has become most important in the value chain, thus the strategy would be focused on retailer for faster realization of subsidy.

#### Performance Polymers

#### Consumer Products

**Business Profile** – The Consumer Products business operates in the space of Wood Working Adhesives and Wood Finishes. Our Adhesive brands 'Jivanjor', 'Polystic' and 'Hero' and Wood Finishes brand 'Charmwood' has strong market acceptance and is known for its product quality among the influencers and consumers.

- 'Jivanjor' Adhesives are very popular in the wood-working industry. The Company's water based adhesives are ready to use adhesives which set rapidly at room temperature & offer superior bond strength that enhances the durability of furniture and fixtures. The product portfolio boasts of specialty adhesives that cover a multitude of special requirements in the water-based category itself. The Company also offers contact adhesives, which are Synthetic Rubber based adhesives for exceptional fast drying and for vertical lamination.
- Our Wood Finishes brand 'Charmwood' offers complete wood finishing system, stains and ancillaries for decoration & protection of wooden furniture. The wood finishing system includes Melamine (including Non Yellowing finish) and Nitrocellulose. These systems offer exceptional fast drying properties, tough coatings and superior resistance. We also offer a wide range of stains that can be mixed to generate unique colours to meet different consumer needs. The range also includes ancillaries like sealers and thinners, required for the purpose of successful application. By the end of the year, the company also entered the premium wood –finish space with the introduction of Ultra-Italia, its premium range of PU products.

With a nationwide distribution network, both our brands 'Jivanjor' and 'Charmwood' are major players in their respective segments. We have a pan India presence with a strong distribution network of dealers and distributors.

**Industry Overview** – Adhesives have wide application and are used by numerous end user industries such as packaging, construction, furniture, automotive, assembly operations, etc. Construction industry growth and rising GDP levels are the key drivers for the industry.

Furniture industry is one of the largest consumers of adhesives. The overall slowdown in construction industry has impacted the volume growth in Adhesives and Wood Finishes. FY 2017-18 has continued its sluggish growth which started with the adverse impact of demonetization on construction industry last year. Initial signs of growth in this FY 2017-18 hit a speedbump with the introduction of GST in Q1 'FY 2017-18. Fundamentally both business sectors have relative low per capita consumption vs western markets and with increasing disposable income and changing psychographics, the growth rates in these sectors are likely to grow significantly at the premium end while the market growth was subdued. However adhesive & wood finish industries are expected to register higher growth rates with increasing disposable income and changing psychographics. The per capita consumption in India is relatively low and expected to grow.

**Business Performance** – We have registered double digit growth in the premium categories in both adhesive and wood finish with the introduction and promotion of new products in these categories. The economy segments are getting impacted adversely due to rampant price cuts and heavy discounting by key competitors. There has been a conscious call on focusing at the premium end of the business to ensure higher relative growths in the more profitable segments of the market. As a commitment to that initiative, JACPL has strengthened its specialty adhesive bouquet.

To further strengthen the presence in chewing gum industry, Ester Gum has been introduced into the portfolio which is expected to boost the growth of the Food Polymers business.



**Business Strategy** – Our business focus is on:

- Improve in Product Mix
- Special focus on High Potential outlets
- The Demand Generation through Direct Marketing initiatives with Key Influencer Segments
- Improving productivity and efficiency through stronger system and process orientation in sales and supply chain.

The focus will remain on growing our market shares in the premium category in both the business sectors that we operate in, by strengthening our presence in these categories through deeper distribution of the premium range, adding new products through in house development, strategic partnerships to cover the product gaps and increased efficiency and productivity through use of technology to manage the distribution network.

### Food Polymers

**Business Profile** – Jubilant is one of the three global suppliers of Polyvinyl Acetate (PVAc) to chewing gum industry. PVAc is the major raw material for making gum base for chewing gum and bubble gum. Our brand names under this category are 'Vamipol 5', 'Vamipol 14', 'Vamipol 15', 'Vamipol 17', 'Vamipol 30', 'Vamipol 60' and 'Vamipol 100'. The customer profile of the Company in this business includes the market leaders in chewing gum industry worldwide. In FY 2017-18, the new avenues for business was explored for PVAc in the form of low profile additives. Multiple opportunities in this space with multiple customers currently under development stage.

**Industry Overview** – The gum industry is consolidated with top two companies' together accounting for around 60% market share. The global market shares for the top four chewing gum companies are estimated to be around 83%. The remaining 17% of the global market is serviced by an estimated 200 to 250 smaller gum companies.

The Global Gum Industry continued to struggle in FY 2016-17, with North America, Europe and China markets

all showing a declining trend. The start to FY 2018-19 hasn't been great either with both China and North America continuing to struggle.

Sugar free gums, which attracts health conscious consumers, which also provide additional benefits of dental care and also functional gums like 'energy gums', 'caffeine gums' are expected to see a higher growth albeit with a lower base.

Chewing gum has several direct substitutes such as mints, mouth-freshening sprays and bubble gum. Apart from the direct substitutes, there are some indirect ones, like candies and toffees. The preference for mints over chewing gum is likely to affect the demand for gums in coming times.

**Business Performance** – The core business has struggled in FY 2017-18. Tough market conditions, increasing competitive pressures and a drop in demand by key customers has halted growth in FY 2017-18. On a positive note, the year also saw in-roads into alternative applications for PVAc and also product approvals moving into its final stages with 2 key customers.

**Business Strategy** – The business strategy revolves around two key pivots – New Customers, and New Product applications. During FY 2017-18, the business has worked around these pivots and has been able to include some new customers in China and Middle East in food as well as a few domestic customers in the industrial applications of PVAc. The business continues to have strong plans for new customer acquisitions in the food applications space with both SPVA and Ester Gum and also increase foot print in the industrial applications space.

### Latex Business

**Business Profile** – Jubilant ranks No. 1 in India and No. 2 globally, for manufacturing VP Latex (Vinyl Pyridine Latex) used in dipping of automobile tyre cord and conveyor belt fabric. The Company also produces SBR and NBR Latex. The Company is bulk supplier of these products to global automobile tyre manufactures and dippers. The products



Jubilant ranks No. 1 in India and No. 2 globally, for manufacturing VP Latex (Vinyl Pyridine Latex) used in dipping of automobile tyre cord and conveyor belt fabric.



under this category are 'Encord VP Latex' and 'Encord SBR Latex'. Another product 'Encord NBR Latex' is used in automotive gasket jointing.

**Industry Overview** – VP Latex is used to impregnate man made fabrics and enable the adhesion of fabrics to the rubber of automobile tyres and conveyor belts.

Growth came back to the Tyre industry post GST roll out, with pent-up demand kicking in. This was also supported by easing off of imports from China owing to tariffs imposed on imports from China, thus giving a boost to the domestic industry in the second half of FY 2017-18. ICRA expects the domestic tyre demand to grow by 8-10% during the FY 2018-22.

**Business Performance** – Despite bankruptcy filed by a leading customer in the USA, strong comeback in the European market has helped to post a healthy exports growth for the business and the prospects continue to be very good as we step into FY 2018-19. Domestic market was a challenge with pricing pressures reaching its peak in a bid to gain share by competition in the stagnant market. This has impacted both volumes as well as margins in FY 2017-18.

**Business Strategy** – As in FY 2017-18, business development activities across Asia and America are likely to remain a key priority during FY 2018-19. With key customers in United States starting up operations post consolidation of the industry and already acquired customers in Europe, FY 2018-19 brings in positives for the Exports business. New applications are another area of focus with applications like paper coating and brake pads being explored.

#### **Research & Development Initiatives**

Research & Development (R&D) plays an important role in innovation and developing new technologies and new infrastructure that can be leveraged for seamless scale up of new products. R&D inputs to six sigma, play a vital role to foster the implementation of new technologies and enhance the efficiency of our manufacturing plants.

The lead time to launch is comparable to the best in the industry.

Jubilant has successfully developed new grades of SPVA for chewing gum and industrial applications. Jubilant has commercialized different grades of Ester Gum.

Newer grades of Adhesives and Wood Finishes have been commercialized. Additionally, other new developments in the wood finish and wood adhesive segment are near to commercialization.

R&D is fully involved in innovation and development of new technologies, which ensures enhanced services to customers. Jubilant has successfully developed new technology platforms in latex business, relevant to unmet customer needs.

#### **Manufacturing**

Our quest for sustainable growth has been supported by all manufacturing initiatives at all our locations by leveraging operational efficiency, waste reduction, waste recycle & reuse, resource conservation and process innovation without dilution of focus on product quality, overall safety and operational flexibility.

Sustainable growth has also been supported by proactive approach to regulatory compliances. During the FY 2017-18, on line monitoring instruments installed on all the stacks and have been transferring on line stack emission data to Central Pollution Control Board (CPCB) and waste water lines of Gajraula Plant were stabilized and have been continuously transferring 'on line' effluent data to CPCB. Work on compliance to USFSMA for manufacturing facility of Food Polymers business continued during the year.

Use of rice husk replacing non-renewable fuel - coal for hot air generators continued during the year as an effort for sustainable growth. To embed continuous improvement into the company DNA and to further enhance its People, Process and System capabilities, various transformation methodologies like TPM and Lean

The Values levers deployed by the organization are "Inspire Confidence, Always Stretch, Nurture Innovation & Excellent Quality".



Six Sigma have been deployed across the manufacturing function.

During the year under review, Our efforts in its drive for sustainable growth and continuous improvement were recognized in various national forums. Our Gajraula plant received two awards during the year in Safety and Environment

- Grow Care India Environment Gold Award in Chemical Sector for outstanding achievement in environment management;
- 16<sup>th</sup> Annual Greentech Safety Gold Award in Chemical Sector for outstanding achievement in safety management.

### Supply Chain Management

We continued our strategic supply contracts for key raw materials of Food Polymers thereby protecting its cost advantages. Other strategic supply contracts for raw materials of Agri Products as well as VP Latex business were re-negotiated which gave cost reduction as well as improved working capital.

The finished goods, logistics and distribution structure of the Company's consumer products business was remodeled this year for GST compliance and implementation. Few geographically closer warehouses, for example – Delhi and Gurugram, were merged post GST.

We have worked towards packaging improvement in Consumer Products Division by introducing differentiated materials and methods of packaging. This exercise specifically helped in the company's Consumer Products Division in delighting our end customers.

### Human Resources – the 'Catalyst' for Growth

Our Human Resource philosophy depends on the plinth stone of "Caring, Sharing and Growing" which is our stated promise to our employees and the same is demonstrated in our People Strategy Framework. We ensure clear

governance structures that enable effective and responsive decision-making with clear lines of responsibility.

We trust that sustainable progress has to be holistic; all-encompassing and touching the lives of all employees. Our internal talent is a priority and our investments are directed towards creating sustainable & pragmatic people plans. The Values levers deployed by the organization are Inspire Confidence, Always Stretch, Nurture Innovation & Excellent Quality. Our 4 strategic pillars of Human resources are to Acquire, Retain, Develop and Engage Talent are based on the values leading to business solutions to precisely meet our challenges.

Our People agenda is directed by data centricity & market intelligence and the intrinsic & extrinsic processes are aligned to data driven decision making. The Company has a team of about 500 full time employees spread across its office in Greater Noida, Uttar Pradesh manufacturing units and sales and distribution offices, across India to manage the Strategic, tactical & operational requirements of our businesses.

At JIL, we have integrated our HR team & practices to remain closely aligned to businesses & foster the explicit Culture of a true business partnership. We constantly review our policies & people management structure to make sure the relevance & parity across the competition. We are brave in our approach, we tend to learn from both our success and our slips to sustain an environment of continual improvement

- We proactively attract, retain and invest in high-performing individuals who contribute to our vibrant and diverse culture of performance. This enables us to be closer to employees & closer to market resulting in creating a phenomenal value transition for our employees.
- We believe that people are the differentiating assets for us and hence we invest in capability building initiatives across the spectrum. We invest significantly

in training and development to create capabilities for the future & also bridge the skill voids for our employees on a continual basis to strengthening their career pathways.

- We encourage employees' career aspirations in harmony with their natural talent and nurture them to grow through deputations, cross-functional movements, Internal Job Postings and planned role rotations. We encourage them to explore opportunities and grow from within the organization.
- We indulge in fair and competitive pay and reward practices that allow us to attract and retain the most talented professionals.

We encourage an environment of mutual trust, transparent decision-making and espouse values-led leadership. Our culture embeds respect, cooperation between our employees and entrenches a sense of inclusion, cross functional bonding & synergy in our people to enhance their professional and personal growth. This in turn aids us in creating & sustaining a strong team that is ready to meet tomorrow's challenges at JIL.

### Internal Financial Control Framework

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

The above requirement has the following elements:

- Orderly and efficient conduct of business
- Safeguarding of its assets
- Adherence to Company's policies
- Prevention and detection of frauds and errors
- Accuracy and completeness of the accounting records and timely preparation of reliable financial information.

At JIL, the IFC systems are in place and incorporates at all the five elements as mentioned above. In addition, the Company has a transparent framework for periodic evaluation of the internal financial controls in form of internal audit exercise carried out through the year and online controls self-assessment, thereby reinforcing the commitment to adopt best corporate governance practices. Policy and procedure adopted by Jubilant Industries to adhere to IFC elements is given below:

### Orderly and efficient conduct of business

The Company has a well laid down organizational structure which defines the authority-responsibility relationship. The Company has a formal financial planning and budgeting system in place encompassing the short term as well as long term planning. In order to ensure that the decisions are made and action taken at an appropriate level, the



Board of Directors of the Company have formulated the Delegation of Authority which has been designed to ensure that there is judicious balance of authority and responsibility. The adherence to Delegation of Authority is part of the internal audit plan. To improve the controls in operations, we have established the concept of financial decision making through operational Committees. The entire Purchase, Credit Control and Capital Expenditure decisions are taken jointly in Committees. The key roles of these business committees are as under:

- a) Purchase Committee which ensures high quality purchases at economical cost and maintains reliability of supplies from reputed Suppliers with long-term relationships
- b) Capex Committee which ensures cost reduction with proper negotiation and monitors time & cost overrun.
- c) Credit Committee which evaluates the credit risk and approves the maximum credit which can be provided to a customer.

This Committee approves the credit limits at the beginning of the year and is empowered to make changes as and when required.

The Company also has the risk management framework in place which has been discussed under the heading "Our Vision on Risk Management".

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



### **Safeguarding of its assets**

The Company has taken Industrial All Risk insurance policies for its plants and fire & burglary insurance policies for other locations (including corporate office) to safeguard its assets. The Company also carries out a physical verification of its assets.

### **Adherence to Company's policies**

The Company has two tier policies and procedures viz Entity Level Controls and Process Level Controls. The entity level control includes a comprehensive code of conduct and code of ethics. We also have process level controls which cover a wide range of key operating financial and compliance related areas like Accounting, Order to cash, Procurement to payment, Inventory and Production etc.

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

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

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

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

### **Prevention and detection of frauds and errors**

In order to prevent and detect frauds and errors, perpetual internal audit activity is carried out by M/s Ernst & Young, LLP. Action points and suggestions made by them are discussed in Sub Audit Committee meeting before presenting the same to the Audit Committee. Subsequently, follow-up audits are also carried out by in-house internal audit team to ensure implementation of the suggestions. In addition, special audits are carried by the in-house audit team in areas that may be vulnerable to fraud.

### **Accuracy and completeness of the accounting records**

The Company has a very well documented and Accounting Manual. The Accounting Manual contains detailed guidelines on all aspects of accounting applicable to the Company and has been prepared in line with all applicable accounting standards, guidance notes and expert opinions. This helps in ensuring that the accounts and finance team is well updated on the applicable accounting requirements.

### **Our Vision on Risk Management**

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

### **Risk Management Strategy**

The Company has a strong risk management framework in place that enables regular and active monitoring of business activities for identification, assessment and mitigation of potential internal or external risks. The Company has in place a well-established processes and guidelines 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 minimization procedures. As an organization, 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 Managing Director, Heads of Businesses, Functional Heads, and Unit Heads. 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 Managing Director and actions are drawn upon. The Audit Committee, Managing Director, and Chief Financial Officer act as a governing body to monitor the effectiveness of the internal financial controls framework.

### **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 five years of our certification process wherein, all concerned Control Owners certify the correctness of controls related to key operating, financial and compliance, every quarter. This has made our internal controls and processes stronger and also serves as the basis for compliance with the regulatory requirements.

### **Management's Assessment of Risk**

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

#### **Competition**

The Company operates in a competitive business environment in each of its business segments. Climatic conditions have a pivotal role to play in Agri Products prospects. Uncertainty in monsoons & non-uniform distribution of rainfall has repercussions like sudden change in cropping pattern, pest attack and changes in output prices of commodities. All these factors hugely impact the demand & supply balance of fertilizers.

Market players which resort into supply of low quality products at lower prices also prove to be a major competitive risk. The risk manifests in the form of a number of low quality products, 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. The movement of bulk fertilizers requires timely availability of carriers & railway wagons (rakes) which at times get affected due to movement of other commodities at the same time. In addition, price movements in the international market for alternatives to SSP such as DAP & NPK complexes, poses risk in the form of consumer preference for these alternative products thereby impacting demand for SSP. P&K fertilizers (other than SSP) get freight subsidy which



causes their free movement across the locations while movement of SSP is restricted due to higher freight cost.

In Agri Products, the Company has added many dealers in primary market & entered into niche markets to build up strong distribution network and also to sustain our present market share by focusing on institutional sales & increased market share in primary market. Introduction of DBT calls for further strengthening of distribution network. Strong market penetration will play major role in beating competition & grabbing their market share, to meet market requirement the stock are pre-positioned in strategic locations/warehouses during the off-season so that customer satisfaction levels & marketability improves during peak consumption months.

In Consumer Product business, low involvement of consumer and price sensitivity makes the Company dependent on Channel and Influencer for creating demand for its products. Regional players, due to lower overhead costs and higher trade schemes put pressure on margins. The Company has worked out strategies to expand distribution channel, build up product portfolio in high growth segments and strengthen brand usage among influencers with loyalty programs and various interactive marketing initiatives.

In Food Polymers and Latex business, the Company faces competition from international territories including China in terms of cost advantage enjoyed by our competitors. Further for these export oriented businesses, we face competition from European competitors. With the industry overall not growing, it is leading to pricing pressures between the top 3 players in the industry in order to gain share amongst the existing available opportunity and when it comes to customers that are based in Europe, we continue to be at a logistical disadvantage compared to competition. Despite these challenges, the Company has worked on a strong customer and account management programs to secure long term commitments from our customers. Also, it has plans in place to identify new



The Company believes that its growth and market position is due to the quality that it stands for with Cost Competitiveness.



geographies, re-align its product and market mix. The Food Polymers has extended the Polyvinyl Acetate grades (till now being supplied only as a Food Additive) for Industrial applications to hedge against current risk of supplies to a single industry (chewing gum).

### **Cost Competitiveness**

The Company believes that its growth and market position is due to the quality that it stands for. Rising input cost amidst inflationary market conditions pose a risk to the Company's ability to remain price competitive and build profitability to drive future growth. Volatility in prices of raw materials such as Sulphur, Rock Phosphate, VAM, Catalysts, Butadiene and 2-Vinyl Pyridine etc. and any surge in logistics cost may have a significant impact on operating margins.

The Company continues to take initiatives to reduce costs by business excellence initiatives. Wherever feasible, the Company is entering into long term volume contracts with pricing linked to raw material costs. Alternative 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. The risk management team formulates policies and guidelines which are periodically

reviewed to align with external environment and business exigency.

### **Capacity Planning and Optimization**

As a part of its growth strategy, the Company makes investments to expand capacity and service capabilities and focuses on debottlenecking the existing plants. Debottlenecking/process improvements helped in generation of additional capacity with the available resources in Sulphuric acid. This is critical to achieve our business objectives of driving growth and maintaining market leadership. Non availability of sufficient capacity due to delayed commissioning, cost overruns and inability to deliver as per standards can significantly impact achievement of revenue targets, margins and expected return on investment (ROI). It can also result in customer dissatisfaction and adverse impact on reputation. uncontrollable breakdowns and idle capacities contribute to inefficiencies in manufacturing process. Similarly, unutilized capacity for short periods due to power breakdown, unavailability of labor, 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 utilization ratio, aligned with good manufacturing practices and stringent plant maintenance plan. The Company takes additional initiatives to commit to customer orders only after taking into consideration the key capital projects planned for execution. The 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 the impact of decisions.

Any change in customer's organization behavior, needs or expectations may adversely impact the competitive position and margins of the Company. A high customer concentration poses a risk of sudden fall in revenue and margins and share of business due to any change in consumers' needs and trends, preference for a competitor and /or liquidity crunch due to inability to collect dues from customers.

Agri Products, to meet emerging nutrient deficiency in crop produce which creates malnutrition condition, fertilizer industry in collaboration with Government of India makes continuous efforts to provide nutrient rich fertilizers to farmers. This helps farmers maintain crop yields & thus get higher returns. Jubilant also played its role in maintaining soil health & increasing crop yields by introducing one more product under FCO-Boronated Granular SSP The product was initially introduced through institutional channels with specific focus on Sugarcane & now will be sold through trade channel also.

Business is also in process of launching a Mycorrhizal Biofertilizer covered under FCO. Depending upon market performance & acceptance by farmers, this product will be an add on to our current product basket.

Our existing organic fertilizers in the portfolio viz. ShaktiZyme & Nutravita are meant for improvising soil condition in the long run & thus contributing to sustainability. Likewise, crop growth regulator 'VAM-C' has shown significant results over legumes like Pigeon Pea, apart from grapes, soybean etc.

Food Polymers & Latex business, an over-dependence on single product or few customers, may adversely impact the realisation of long term business objectives in the event of any regulation limiting the end use application. In FY 2017-18, to a large extent this problem has been addressed in the Latex business by the addition of quite a few international customers. Efforts on the Food Polymers continue but the challenge remains with limited customer base and even in that a few holding by far the majority share. Failure to effectively / optimally utilize co-products as per strategy may result in inventory build-up, distress sale and forced losses.

As a part of business planning and periodic review meetings, the Company strives to identify and explore new profitable markets for its products as well as new downstream opportunities in terms of applications and alternative uses of the products available in its portfolio.

### **Human Resources-Acquire and Retain Professional Talent**

Having an overarching Talent Management strategy framework to support the Human Resource requirements to augment our growth initiatives is a high focus agenda for us.

The focus continues around having a differentiated approach towards attracting the right talent, engaging & retaining the talent thus acquired and also to nurture and invest in talent, crucial to maintain desired operational standards. The Company has invested in talent planning, assessing and refining the most impactful parts of our hiring process by soliciting feedback from candidates and recent hires to better understand their experience and take the processes to the next level.



Additional focus is maintained to develop a succession plan for critical positions, to address the inevitable impact on the business objectives in case of talent drain and making sure that business runs smoothly by identifying, developing and aligning our high-potential resources with our future leadership needs and fulfilling their aspirations within the organization.

Our employees are our brand ambassadors; we encourage our employees to partner our talent search & refer their acquaintances to come to work with them. We have an employee referral program which rewards those who bring their colleagues to work post their joining the organization.

The framework to identify & differentiate "High Performance High Potential" employees has been created based on "Action-Learning" projects, mentoring and developing existing talent and building a strong Employer branding which would help in attracting & retaining the best available talent in the Industry. We essentially exposure our employees to participate in cross functional teams and are structurally involved in strategy and operational discussion to build up the holistic knowledge of the business.

The Campus connect program is placed to infuse fresh and quality talent at the entry levels with an assured fast track career path. The search partner engagement enables a refined & effective connect with the candidates from the first connect & reinforces our employer branding for lateral hiring at key positions.

The Company continues to hire new & specialized talent for scientific and technical roles which is further cemented the engagement through the various reward and recognition programs that have been institutionalized. Focused capability building through need based training programs are provided to identified employees at all levels.

### **Distribution Channel and Brand Recall**

Recently a policy for marketing arrangements for Agri inputs has been devised. An SSP Unit - Manufacturers / importers, shall be eligible for sale of its product by

Company has proactively adopted and implemented its manufacturing processes adherence to environmental quality standards and enhance its industrial safety levels.



entering marketing arrangement with any one or more Urea manufactures or P&K Fertilizer companies. In case of marketing arrangement with registered Fertilizer Company, product should be in the brand name of manufacturer. This mandate in the marketing arrangement is expected to bring a shift in the choices of farmers for a particular product/brand.

For better brand recall & to impart product knowledge, it is important to engage with all stakeholders regularly through various activities. In Agri Products, various promotional activities are conducted at field level to generate awareness among the farming community/channel partners etc. These activities include spot farmer meetings, shop/wall/trolley paintings, dealer & retailer meetings, farmer consultations/ visits, jeep campaigns, field demonstrations, kisan melas & field days. Crop & region specific POP material also aid in raising product awareness among the stakeholders.

In Wood Adhesives and Wood Finishes 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 distributors and dealers exerts additional working capital pressure on the trade channel resulting in low satisfaction levels and higher attrition at dealer level. This creates the risk of default and resultant pressure on realisations.

The Company has earmarked several brand building initiatives to carry-out tailored programs for specific markets to maximise return on investment (ROI) on such initiatives. 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.

In Consumer Products, the Company has started interactive CRM program to effectively reach out to its various stakeholders.

#### **R&D Effectiveness**

Innovation in terms of new products, new applications and new cost saving techniques of manufacturing and building a robust product pipeline is critical to the success of the Company. Failure in innovation and inability to build a robust product pipeline, which can be commercialized in a timely manner, may adversely impact the Company's competitive position. Risk of developing products which do not meet the required quality parameters may also significantly impact the Company's reputation and result in loss of future business. It is equally critical for the business to innovate new applications 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 teams keep 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 and 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 change in regulations or reassessment of safety and efficacy of products based on new scientific knowledge or other factors could result in the amendment or withdrawal of existing approvals to market our products, which in turn could result in revenue loss. This may occur even if regulators take action falling short of actual withdrawal. We have adopted measures to address these stricter regulations by increasing the efficiency of our R&D process, reducing the impact of extended testing and making our products available in time.

In Food Polymers, plans have been implemented to comply with regulations that have come in force in the recent past, both in India and in relevant markets. Further, developments in the regulatory space are being continuously monitored.

### **Environment Health and Safety (EHS)**

In the current business climate of reputational threats and rising political backlash, corporates need to tread carefully to maintain public trust. Social acceptance and Corporate Social Responsibility (CSR) have become increasingly important over the last decade. Non-compliance with stringent emission standards for the manufacturing facilities and other environmental regulations may adversely affect the business. Manufacturing of the Company's products involves hazardous chemicals, processes and by-products and is subject 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 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.

The challenges due to the Company's operations related to EHS aspects of the business, employees and society are mapped and mitigated through a series of systematic and disciplined sets of policies and procedures.

### **Business Interruption due to Force Majeure**

The Company's core manufacturing facility for a majority of its business is concentrated at Gajraula, Uttar Pradesh, India. Any disruption or stoppage of work at this facility, for any reasons, may adversely affect our business. 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.

Other external interruptions- Fertilizers being partly subsidized important Agri input; are under government regulations. Any changes in government policies need creation of awareness among dealers, retailers, and farmers etc. to ensure smooth implementation at ground level. Changes in the rainfall patterns also affect the business directly. In FY 2017-18, wheat crop was hit by untimely rains at the time of harvesting leading to severe losses. The major change in fertilizer sector policy is that of DBT, Training of retailers/farmers & information sharing with sales staff is crucial for smooth business functioning & to avoid any gaps.

Industrial Chemical- Sulphuric Acid is also facing stiff competition as the RM prices have up surged & the prices are highly volatile in nature. Hindustan Zinc Limited (HZL) produces Sulphuric Acid as a byproduct of their smelting activities. HZL makes most of the demand & supply dynamics & plays with market sentiments by sometimes supplying at rock bottom prices. This affects all the key manufacturers present in the market including us.

The administrative controls & volatility in market impact cash flows & impose additional cost to business.

In Food Polymers business, adequate finished goods inventory is being maintained at stock points within the factory, as also close to the main markets/customers, to maintain supplies to key customers in the event of any stoppage of manufacturing operations. This inventory cover, however, would be for a limited period. The risk of impact on business in case of a prolonged stoppage / interruption of operations remain.

In Latex business, the manufacturing facility is at Savli, Vadodara, India. Any disruption or stoppage of work at this facility, for any reasons, may adversely affect our business.

Industrial All Risk insurance protection has been taken by Jubilant to ensure continuity in its earning capacity.



# Board's Report

The Board of Directors are pleased to present the Twelfth Annual Report together with the Audited Standalone and Consolidated Financial Statements for the financial year (FY) ended March 31, 2018

## 1. FINANCIAL RESULTS

(₹ in million)

Particulars	Consolidated		Standalone	
	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2018	Year ended March 31, 2017
Total Revenue from Operations	4870.52	5504.76	217.08	278.60
Total Expenses	4924.28	5531.25	237.85	306.76
Operating Profit/(Loss)	(53.76)	(26.49)	(20.77)	(28.16)
Other Income	7.81	25.72	6.21	409.25
Profit/(Loss) before Tax	(45.95)	(0.77)	(14.56)	381.09
Tax Expenses	1.42	17.06	-	-
Reported Net Profit/(Loss) for the year	(47.37)	(17.83)	(14.56)	381.09
Other Comprehensive Income	1.15	(3.86)	(0.11)	(0.01)
Total Comprehensive Income for the year	(46.22)	(21.69)	(14.67)	381.08
Retained Earnings brought forward from previous year	(758.11)	(740.28)	1413.19	1032.10
Retained Earnings to be carried forward	(805.48)	(758.11)	1398.63	1413.19

Note : The consolidated revenue from operations (net of Excise Duty) during the FY 2017-18 stands at ₹ 4741 million against ₹ 5085 million in FY 2016-17

## 2. STATE OF COMPANY'S AFFAIRS & OPERATIONS

Jubilant Industries Limited (the Company) is a diversified Company engaged in manufacturing of Indian Made Foreign Liquor (IMFL), Agri Products and Performance Polymers. The Company manufactures IMFL at its manufacturing facility located at Nira in Maharashtra with a bottling capacity of 1,00,000 cases/month. The Company's wholly owned subsidiary, Jubilant Agri and Consumer Products Limited (JACPL) manufactures Agri Products comprising of Single Super Phosphate (SSP) and Performance Polymers at its manufacturing facilities situated at Gajraula & Sahibabad in Uttar Pradesh, Kapasan in Rajasthan and Savli in Gujarat. JACPL is the sole manufacturer of food grade Polyvinyl Acetate (PVAc) in India having state of the art manufacturing facility situated at Gajraula in Uttar Pradesh and also the dominant player in manufacturing of VP Latex having state of the art manufacturing facility situated at Savli in Gujarat.

The Company's brand 'Ramban' in Agri Products and 'Jivanjor' & 'Vamicol' in Wood Adhesive are well known brands in their segments.

Financial Year 2017-18 has also experienced a major tax reform in India, Goods and Services Tax ('GST') that had impacted domestic business of your Company. GST, being a major tax reform is expected to positively impact the economy in the long run

while short-term disruptions were in line with the expectation.

### Consolidated Financials

In FY 2017-18, the consolidated revenue from operations was ₹ 4870.52 million. EBITDA for the year stood at ₹ 304.34 million. Net loss after tax was ₹ 47.37 million and EPS on consolidated basis stood at ₹ (3.97).

### Standalone Financials

In FY 2017-18, total revenue from operations was ₹ 217.08 million. EBITDA for the year stood at ₹ (13.52) million, Net loss was ₹ 14.56 million and EPS on standalone basis stood at ₹ (1.22).

The Consolidated Financial Statements, prepared in accordance with the provisions of the Companies Act, 2013 (hereinafter referred as the 'Act'), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as the 'SEBI Listing Regulations, 2015') and Ind-AS 110 'Consolidated Financial Statements' prescribed under Section 133 of the Act, form part of the Annual Report.

## 3. DIVIDEND AND TRANSFER TO RESERVES

Keeping in view the losses, the Board of Directors has not recommended any dividend for the financial year 2017-18. Accordingly, there has been no transfer to general reserves.



#### 4. CAPITAL STRUCTURE / STOCK OPTION

##### Authorised Share Capital

The authorized share capital of the Company as at March 31, 2018 was ₹ 150 million.

##### Paid-up Share Capital

During the FY 2017-18, 16,031 equity shares were allotted to eligible employees pursuant to exercise of Stock Options. As at March 31, 2018 the paid-up share capital stands at ₹ 119.31million comprising of 1,19,31,101 equity shares of ₹ 10/- each fully paid up.

##### Employee Stock Options Scheme

At present, the Company has one Employee Stock Option (ESOP) Scheme, namely JIL Employees Stock Option Scheme 2013.

During FY 2017-18, there were no change in the Company's ESOP Scheme and the same is in Compliance with Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (the 'SEBI SBEB Regulations, 2014'). During the year, 16031 options were exercised by the option holders. The details pursuant to the SEBI SBEB Regulations, 2014, has been placed on the website of the Company and weblink of the same is <http://jubilantindustries.com/pdfs/disclosure-pursuant-provisions-sebi-2014-fy-2017-2018.pdf>.

The Company has received a certificate from the Statutory Auditors of the Company certifying that the ESOP Scheme has been implemented in accordance with the SEBI SBEB Regulations, 2014. The certificate would be placed at the Annual General Meeting for inspection by members. A copy of the same will also be available for inspection at the Company's registered office.

#### 5. SUBSIDIARIES

The Company has two wholly owned subsidiary companies, Jubilant Agri and Consumer Products Limited (JACPL) and Jubilant Industries Inc., USA.

- **Jubilant Agri and Consumer Products Limited**

JACPL has been engaged in the business of Agri Products comprising of wide range of Crop Nutrition, Crop Growth and Crop Protection products, Performance Polymers comprising of Wood Adhesives, Wood Finishes, Food Polymers and VP Latex.

During FY 2017-18, JACPL revenue from operations was ₹ 4555.72 million. EBITDA for the year stood at ₹ 308.14 million. The net loss after tax for the FY 2017-18 was ₹ 72.08 million.

In terms of Regulation 16 of the SEBI Listing Regulations 2015, JACPL is a material non-listed wholly owned indian subsidiary of the Company.

- **Jubilant Industries Inc. USA**

Jubilant Industries Inc. USA is a wholly owned subsidiary of the Company. It has been engaged in overseas trading of Solid Poly Vinyl Acetate and VP Latex. During the FY 2017-18, revenue from operations was ₹ 251.65 million. EBITDA for the year stood at ₹ 5.03 million. The net profit after tax for the FY 2017-18 was ₹ 1.69 million.

A statement containing salient features of the financial statement of Company's subsidiaries is given in Form AOC-1 attached to the financial statements.

#### 6. DIRECTORS AND KEY MANAGERIAL PERSONNEL

##### Appointment, Re-appointment and Resignations

Mr. Priyavrat Bhartia will retire at the ensuing Annual General Meeting (AGM) and being eligible, has offered himself for re-appointment. The Board recommends his re-appointment. Brief resume of Mr. Priyavrat Bhartia with other details as stipulated in Regulation 36(3) of the SEBI Listing Regulations, 2015, are provided in the Notice convening the 12<sup>th</sup> AGM.

During the FY 2017-18, Mr. Sandeep Kumar Shaw, Chief Financial Officer, has resigned effective from April 28, 2017. In order to fill the vacancy caused due to the resignation of Mr. Shaw, the Board in its meeting held on May 24, 2017 has appointed Mr. Umesh Sharma as the Chief Financial Officer of the Company and also designated him as Key Managerial Personnel of the Company. The Board of directors has also appointed Mr. Umesh Sharma, Chief Financial Officer of the Company, as Whole-time Director effective from March 16, 2018.

Mr. Videh Kumar Jaipuria has resigned from the directorship effective from December 11, 2017 due to his personal reasons and the same has been accepted by the Company. The Board places on record its deep sense of gratitude and appreciation for the leadership and direction provided by Mr. Jaipuria during his tenure of more than 5 years as Managing Director.

Mr. Dinesh Kumar Gupta, Company Secretary, has resigned effective from December 18, 2017. In order to fill the vacancy caused due to the resignation of Mr. Gupta, the Board in its meeting held on March 16, 2018 has appointed Mr. Abhishek Mishra as the Company Secretary cum Compliance Officer and also designated him as Key Managerial Personnel of the Company.

Mr. Ghanshyam Dass has resigned from the directorship effective from February 26, 2018 due to his health issues. The Board places on record its deep appreciation for the insightful perspective and suggestions provided by him as non-executive independent director during his tenure on the Board of the Company.

Post FY 2017-18, Mr. Manu Ahuja has been appointed as CEO and Managing Director of the Company for the period of three years effective from May 10, 2018,

subject to the approval of the members in the ensuing AGM and also designated him as Key Managerial Personnel of the Company. Mr. Umesh Sharma, Chief Financial Officer and Whole-time Director, has resigned from the directorship of the Company effective from May 10, 2018 due to personal reasons. Mr. Sharma will continue to act as Chief Financial Officer of the Company. The Board places on record its sincere gratitude and appreciation to Mr. Sharma for the services rendered by him as Whole-time Director during his tenure on the Board of the Company.

#### **Declaration by Independent Directors**

All Independent Directors have given declaration that they meet the criteria of independence as provided under Section 149 of the Act and Regulation 16 of the SEBI Listing Regulations, 2015.

#### **Meetings of the Board**

During the FY 2017-18, five meetings of Board of Directors were held. The details of Board/Committee Meetings and the attendance of Directors are provided in the Corporate Governance Report, attached to this Report.

#### **Appointment and Remuneration Policy**

The Company has implemented an Appointment and Remuneration Policy pursuant to the provisions of Section 178 of the Act and Regulation 19 read with schedule II, Part D of the SEBI Listing Regulations, 2015. The policy has been disclosed in Corporate Governance Report attached to this Report.

#### **Annual Performance Evaluation of the Board**

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

### **7. DISCLOSURE ON AUDIT COMMITTEE**

During the FY 2017-18, the Audit Committee was re-constituted. As on date, the Audit Committee comprises of Mr. R. Bupathy, Chairman, Mr. S. K. Roongta, Ms. Shivpriya Nanda and Mr. Manu Ahuja.

All the recommendations made by Audit Committee were accepted by the Board of Directors.

### **8. AUDITORS & AUDIT REPORTS**

#### **Statutory Auditors**

In terms of the provisions of Section 139 of the Act, M/s. K. N. Gutgutia & Co., Chartered Accountants, were appointed as the Company's Statutory Auditors by the shareholders at their 8th AGM held on September 02, 2014, for a period of five years i.e. till the conclusion of 13th AGM. The appointment of Auditors is required to be ratified by Members at every Annual General Meeting.

In accordance with the Companies (Amendment) Act, 2017, enforced on May 7, 2018 by the Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified at every AGM.

Hence, the appointment of M/s. K. N. Gutgutia & Co., Chartered Accountants has not been placed for ratification as Statutory Auditors before the members at ensuing AGM.

The reports of Statutory Auditors on Standalone and Consolidated Financial Statements forms part of the Annual Report. There are no qualifications, reservations, adverse remarks, disclaimer or emphasis of matter in the Auditors' Reports.

#### **Secretarial Auditor**

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s. Sanjay Grover & Associates, Company Secretaries, to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is attached as **Annexure 1** to this report and does not contain any qualification, reservation or adverse remark or disclaimer.

The Board has re-appointed M/s. Sanjay Grover & Associates, Company Secretaries, as Secretarial Auditors of the Company for FY 2018-19.

### **9. 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".

### **10. HUMAN RESOURCES**

The Company recognizes that its people are the eminent source of competitiveness and therefore

it's been our constant endeavor to support and build people capabilities by creating sustainable & pragmatic people plans.

With a strong aspiration to be amongst the most admired companies to work for, we encourage leadership, develop our people to be creative, empower them to take decisions & commitment through various measures and also maintain management quality, improved employee productivity, employee satisfaction, vibrant and diverse culture of performance.

The focus continues towards having a differentiated approach for attracting the right talent, engaging & retaining the talent thus acquired and also to nurture and invest in talent, crucial to maintain desired operational standards. Additional focus is maintained to develop a succession plan for critical positions, to address the inevitable impact on the business objectives in case of talent drain and making sure that business runs smoothly by identifying, developing and aligning our high-potential resources with the our future leadership needs.

The Company continues to invest in various talent engagement & development programs for its employees in an integrated approach.

The framework to identify & differentiate "High Performance High Potential" employees has been created based on "Action-Learning" projects. Mentoring and developing existing talent and building a strong Employer branding would further help in attracting & retaining the best available talent in the Industry. We essentially exposure our employees to participate in cross functional teams and are structurally involved in strategy and operational discussion to build up the holistic knowledge of the business.

The Campus connect program is placed to infuse fresh and quality talent at the entry levels with an assured fast track career path. The search partner engagement enables a refined & effective connect with the candidates from the first connect & reinforces our employer branding for lateral hiring at key positions.

The Company continues to hire new & specialized talent for scientific and technical roles which is further cemented the engagement through the various reward and recognition programs that have been institutionalized. Focused capability building through need based training programs are provided to identified employees at all levels.

As an organization we are committed to zero tolerance against Sexual Harassment at workplace and the company has adopted a Policy on Prevention of Sexual Harassment at workplace under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the FY 2017-18, no case was reported under the policy.

## 11. AWARDS AND ACCOLADES

During the year, one of the units of JACPL received following awards and accolades:

- Grow Care India Environment Gold Award in Chemical Sector for outstanding achievement in environment management;
- 16<sup>th</sup> Annual Greentech Safety Gold Award in Chemical Sector for outstanding achievement in safety management.

## 12. SUSTAINABILITY REPORT

The Company firmly believes in inclusive growth of its business with the Environmental enrichment and Social development based on the triple bottom line concept of Sustainable Development.

The Company published its Corporate Sustainability Report for FY 2017-18 conforming to Global Reporting Initiative GRI STANDARDS fulfilling the 'In Accordance'-Comprehensive reporting criteria. As a green initiative, this report is available on the website of the Company ([www.jubilantindustries.com](http://www.jubilantindustries.com)) at 'Investors' section and GRI database. As an extension of the green initiative to minimise the impact on environment, the Annual Report is emailed to shareholders whose email id is registered with the Company/Depositories to reduce use of paper.

Sustainability initiatives have been undertaken for reduction of emission parameters, energy consumption and greenhouse gas emission. Energy Conservation drive have been carried out to strengthen the awareness and participation of employees in reducing avoidable Energy losses. Waste water generated in fertilizer plant is completely recycled and reused. In other plants it is treated and disposed as per Consent conditions. Natural Resource conservation measures have been strengthened through reuse of hazardous wastes i.e. silica sludge, sulphur sludge and fly-ash in the fertilizer plant. Further Renewable fuel (Rice Husk) have been successfully used, completely eliminating use of coal in hot air generators of the Company in the reporting year. Suppliers assessment process has been strengthened through checklist based review on relevant sustainability aspects and indicators.

## 13. CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility is an essential part of Jubilant's framework for sustainable development. The company's approach towards sustainable development focuses on the triple bottom line of Economic, Environmental and Social performance. The CSR activities at Jubilant are in line with the provisions of Section 135 read with Schedule VII of Companies Act, 2013, the detailed CSR policy has been uploaded on the website [www.jubilantindustries.com](http://www.jubilantindustries.com). The Company implement its CSR activities through "Jubilant Bhartia Foundation (JBF)" which is a Section 25 Company (Section 8 as per new Act) in line of the provision of the Act.

CSR initiatives thrust on creating value in the lives of the communities around the area of operations of the Company, which is an important stakeholder. The Sustainable Development Goals (SDGs), otherwise

known as the Global Goals, are a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity. Jubilant as a responsible corporate works in the line of these SDGs with a strong focus on social performance indicated in the CSR projects of the organization.

Corporate Social Responsibility (CSR) is deeply imbibed in the Company's approach towards sustainable development. Jubilant considers 'community as one of its apex stakeholders and believes in inclusive growth. While there was no prescribed limit for CSR expenditure but Jubilant Bhartia Foundation continued its activities surrounding Company's manufacturing locations. During the FY 2017-18, Jubilant continued its CSR initiatives in the realm of Education, Health, Livelihood and Social Entrepreneurship.

A summary of the activities of JBF is provided on its website [www.jubilantbhartiafoundation.com](http://www.jubilantbhartiafoundation.com).

Annual Report on CSR activities of the Company for the financial year 2017-18 has been attached as **Annexure 2** and forms part of this Report.

#### 14. 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](http://www.jubilantindustries.com)) has been created.
- There is a dedicated e-mail id [investorsjil@jubl.com](mailto:investorsjil@jubl.com) for sending communications to the Company Secretary.

Members may lodge their requests, complaints and suggestions on this e-mail as well.

#### 15. GREEN INITIATIVES

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

- Conducting Paperless Board/Committee Meetings;
- Uploading the Corporate Sustainability Report on the website of the Company (instead of circulating in paper or CD form) and providing its weblink to the shareholders alongwith the Annual Report; and
- Emailing Annual Reports and other documents to shareholders who have opted for the electronic version.

#### 16. OTHER STATUTORY DISCLOSURES

- i. Extract of Annual Return: Pursuant to provisions of Section 92 of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the extract of the Annual Return in Form No. MGT – 9 is attached as **Annexure 3** to this Report.

- ii. Deposits: The Company did not invite/accept any deposits covered under Chapter V of the Act. Accordingly no disclosure or reporting is required in respect of details relating to deposits covered under this Chapter.

- iii. Loans, Guarantees and Investments: Details of loans, guarantees/ securities and investments along with the purpose for which the loan, guarantee or security is proposed to be utilised by the recipient have been disclosed in Note nos.5, 6, and 36 to the Standalone Financial Statements.

- iv. Particulars of Contracts or Arrangements with the Related Parties: The Company had formulated a policy on Related Party Transactions ('RPTs'), dealing with the review and approval of RPTs. Prior omnibus approval is obtained for RPTs which are of repetitive nature. All RPTs are placed before the Audit Committee for review and approval.

All RPTs entered into during FY 2017-18 were in the ordinary course of business and on arm's length basis. No material RPTs were entered into during FY 2017-18 by the Company as defined in the Policy on RPTs. Accordingly, the disclosure of RPTs as required under Section 134(3)(h) of the Act in Form AOC 2 is not applicable. Your Directors draw attention of the members to Note no. 35 to the Standalone Financial Statements which sets out the Related Party disclosures.

- v. Material Changes in Financial Position: No material change or commitment has occurred after the close of the Financial Year 2017-18 till the date of this Report, which affects the financial position of the Company.

- vi. Significant or Material orders: There is no significant or material orders passed by the Regulators or Courts or Tribunal impacting the going concern status of the Company and its future operations.

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

- viii. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo: The Company being engaged in the business of manufacturing of IMFL, most of the information as required under Section 134 the Act, read with Rule 8 Companies (Accounts) Rules, 2014 as amended is not applicable. However, the information as applicable has been given in **Annexure 4** and forms part of this Report.

- ix. Particular of Employees: Particulars as required under Section 197(12) of the Act read with Rule 5 of the Companies (Appointment and



Remuneration of Managerial Personnel) Rules, 2014, are given in **Annexure 5** and forms part of this Report.

- ix. Secretarial Standards of ICSI: Pursuant to the approval given on April 10, 2015 by Central Government to the Secretarial Standards specified by the Institute of Company Secretaries of India, the Secretarial Standard on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) came into effect from July 1, 2015. The Secretarial Standards were then revised and made effective from October 1, 2017. The Company is in compliance with the same.

## 17. DIRECTORS' RESPONSIBILITY STATEMENT

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

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as on March 31, 2018 and of the profit and loss of the company for the year ended March 31, 2018;
- the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- the directors had prepared the annual accounts on a going concern basis;
- the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively;

Based on the framework of internal financial controls including the Control Manager for financial reporting and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors and the reviews performed by the management and the relevant Board committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the Financial Year 2017-18; and

- the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## 18. CORPORATE GOVERNANCE

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

A detailed Report on Corporate Governance pursuant to the requirements of Regulation 34 read with Schedule V of the SEBI Listing Regulations, 2015, is attached as **Annexure 6** forms part of this Report. A certificate from the Statutory Auditors confirming compliance with the conditions of Corporate Governance, as stipulated in Clause E of Schedule V to the SEBI Listing Regulations, 2015 is attached to the Corporate Governance Report.

The Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for Directors and Senior Management for the year ended March 31, 2018. A certificate from the Chief Executive Officer & Managing Director confirming the same is attached to the Corporate Governance Report.

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

## 19. MANAGEMENT DISCUSSION & ANALYSIS

Management Discussion and Analysis Report, as stipulated under the SEBI Listing Regulations, 2015 is presented in a separate Section forming part of this Annual Report.

## 20. ACKNOWLEDGMENTS

Your Directors acknowledge with gratitude the co-operation and assistance received from the Central and State Government Authorities. Your Directors thank the Shareholders, Financial institutions, Banks/ other Lenders, Customers, Vendors and other business associates for 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. We look forward to their continued support in the future.

For and on behalf of the Board

Place: NOIDA  
Date: May 10, 2018

**Priyavrat Bhartia**  
Chairman  
(DIN: 00020603)



**Secretarial Audit Report**  
**For the Financial Year ended March 31, 2018**  
**[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of**  
**the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

To,  
The Members  
**Jubilant Industries Limited**  
(CIN: L24100UP2007PLC032909)  
Bhartiagram Gajraula,  
District Amroha - 244 223  
Uttar Pradesh

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

**We report that-**

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2018 the ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) \*The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (e) \*The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
- (g) \*The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (h) \*The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

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

We have also examined compliance with the applicable clauses of the Secretarial Standards on Meetings of the Board of Directors and General Meetings issued by the Institute of Company Secretaries of India.

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

- (vi) The Company is engaged in contract manufacturing of Indian Made Foreign Liquor (IMFL) for one of the established brand in India at Nira (Maharashtra). Food Safety and Standards Act, 2006 and rules made thereunder is the law specifically applicable to the Company.

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

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

Adequate notices is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent atleast seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. A meeting of the Board of Directors was also convened at shorter notice to transact urgent business in compliance of Section 173 of the Act.

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

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

For Sanjay Grover & Associates  
Company Secretary  
Firm Registration No.: P2001DE052900

Sanjay Grover  
Managing Partner  
CP No.: 3850

New Delhi  
May 10, 2018

**Annual Report on Corporate Social Responsibility (CSR) Activities**  
**Financial Year 2017-18**

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

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

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

- Adoption of CSR Policy which has been placed on the Company's website [www.jubilantindustries.com](http://www.jubilantindustries.com).
- Approval by the Sustainability and CSR Committee (the 'Committee') to implement CSR activities through "Jubilant Bhartia Foundation", a not-for-profit organisation registered under Section 25 of the Companies Act, 1956 (corresponding to Section 8 of the Act).
- While implementing CSR projects, the Company shall give priority to the area around its manufacturing locations in India.
- The Committee approved the following CSR activities which are in line with Schedule VII to the Act:
  - **Project Arogya and Swasthya Prahari:** Improving health indices through innovative services and promoting health seeking behavior;
  - **Project Muskaan:** Universalising elementary education and improving quality parameters for primary education through community involvement; and
  - **Project Samridhi:** Enhancing alternate livelihood opportunity and income of Farmers.

**2. The Composition of the CSR Committee.**

The Composition of the Committee of as on March 31, 2018.

S. No.	Name	Designation
1	Mr. Priyavrat Bhartia, Chairman	Non-executive Director
2	Mr. Shamit Bhartia	Non-executive Director
3	Mr. R. Bupathy	Independent Director

Note : Mr. Manu Ahuja, CEO & Managing Director of the Company appointed as the member of the committee effective from May 10, 2018.

**3. Average net profit of the company for last three financial years:** Losses of ₹ 11.73 million

**4. Prescribed CSR Expenditure (2% of the amount as in item 3 above):**

Due to losses, No CSR expenditure has been done during financial year 2017-18.

**5. Details of CSR spend during the Financial Year 2017-18**

- (a) Total amount to be spent as per budget for the financial year 2017-18 : Nil  
 (b) Amount unspent, vis-à-vis prescribed CSR expenditure as per Section 135(5) of the Act : Nil  
 (c) Manner in which the amount spent during the year is detailed below:

(₹ in million)

(1)	(2)	(3)	(4)		(5)	(6)		(7)	(8)
Sr. No.	CSR Project or Activity Identified	Sector in which the Project is covered	Projects or Programs		Amount outlay (budget) Project or Programs wise	Amount spent on the Projects or Programs:		Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
			Local area or other	State and district where Projects or Programs was undertaken		Direct expenditure on Projects or Programs	Overheads		
NOT APPLICABLE									

6. **In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board's Report.**

Not applicable.

7. **A responsibility statement of the CSR Committee that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and Policy of the Company.**

The CSR Committee confirms that the implementation and monitoring of the CSR policy, is in compliance with CSR objectives and Policy of the Company.

**For Jubilant Industries Limited**

**Priyavrat Bhartia**

Chairman  
CSR Committee  
(DIN: 00020603)

**Shamit Bhartia**

Director  
(DIN: 00020623)



**Extract of Annual Return**
**(Form No. MGT-9)**
**As on the Financial Year ended on March 31, 2018**

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

**I. REGISTRATION AND OTHER DETAILS:**

(i) CIN	L24100UP2007PLC032909
(ii) Registration Details	February 23, 2007
(iii) Name of the Company	Jubilant Industries Limited
(iv) Category/Sub-Category of the Company	Public Company/ Limited by Shares
(v) Address of the Registered Office and Contact details	Bhartiagram, Gajraula, District Amroha - 244 223, Uttar Pradesh, India Tel: +91-5924-252353-60
(vi) Whether listed company	Yes
(vii) Name, Address and Contact details of Registrar and Transfer Agent, If any	Alankit Assignments Limited (Unit: Jubilant Industries Limited) 3E/7, Alankit Heights, Jhandewalan Extension New Delhi - 110055 Tel: +91-11-23541234, 42541234 Email: <a href="mailto:rta@alankit.com">rta@alankit.com</a>

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

S. No.	Name & Description of main products / services	NIC Code of the Product/ Service	% to total turnover of the Company
1	Manufacturing of Indian Made Foreign Liquor	32	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

S. No.	Name and address of the Company	CIN/GLN	Holding / Subsidiary/ Associate	% of shares held	Applicable Section of the Companies Act, 2013
1	Jubilant Agri and Consumer Products Limited, Bhartiagram, Gajraula, District Amroha -244223, Uttar Pradesh, India	U52100UP2008PLC035862	Subsidiary	100%	Sec 2(87)
2	Jubilant Industries Inc., 790 Township Line RD STE 175 Yardley, PA 19067-4249	N.A.	Subsidiary	100%	Sec 2(87)

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### (i) Category-wise Shareholding

	Category of Shareholder	No. of shares held at the beginning of the year (April 01, 2017)				No. of shares held at the end of the year (March 31, 2018)				% Change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>A.</b>	<b>Promoter</b>									
<b>(1)</b>	<b>Indian</b>									
	a) Individuals/ HUF	28498	-	28498	0.24	28498	-	28498	0.24	-
	b) Central Govt.	-	-	-	-	-	-	-	-	-
	c) State Govt(s)	-	-	-	-	-	-	-	-	-
	d) Bodies Corp.	7786792	-	7786792	65.35	7786792	-	7786792	65.26	(0.09)
	e) Banks/FI	-	-	-	-	-	-	-	-	-
	f) Any Others	-	-	-	-	-	-	-	-	-
	<b>Sub Total(A)(1)</b>	<b>7815290</b>	<b>-</b>	<b>7815290</b>	<b>65.59</b>	<b>7815290</b>	<b>-</b>	<b>7815290</b>	<b>65.50</b>	<b>(0.09)</b>
<b>(2)</b>	<b>Foreign</b>									
	a) NRIs – Individuals	72825	-	72825	0.61	72825	-	72825	0.61	-
	b) Other – Individuals	-	-	-	-	-	-	-	-	-
	c) Bodies Corp.	278522	-	278522	2.34	278522	-	278522	2.33	(0.01)
	d) Banks/FI	-	-	-	-	-	-	-	-	-
	e) Any Others	-	-	-	-	-	-	-	-	-
	<b>Sub Total(A)(2)</b>	<b>351347</b>	<b>-</b>	<b>351347</b>	<b>2.95</b>	<b>351347</b>	<b>-</b>	<b>351347</b>	<b>2.94</b>	<b>(0.01)</b>
	<b>Total Shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>8166637</b>	<b>-</b>	<b>8166637</b>	<b>68.54</b>	<b>8166637</b>	<b>-</b>	<b>8166637</b>	<b>68.45</b>	<b>(0.09)</b>
<b>B.</b>	<b>Public shareholding</b>									
<b>(1)</b>	<b>Institutions</b>									
	a) Mutual Funds	80	540	620	0.01	80	540	620	0.01	-
	b) Banks/FI	8546	1063	9609	0.08	7156	983	8139	0.07	(0.01)
	c) Central Govt.	-	-	-	-	-	-	-	-	-
	d) State Govt(s)	-	-	-	-	-	-	-	-	-
	e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
	f) Insurance Companies	-	-	-	-	-	-	-	-	-
	g) FIs	-	160	160	0.00	-	160	160	0.00	-
	h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
	i) Others-Foreign Bank	-	-	-	-	-	80	80	0.00	-
	<b>Sub-Total (B)(1)</b>	<b>8626</b>	<b>1763</b>	<b>10389</b>	<b>0.09</b>	<b>7236</b>	<b>1763</b>	<b>8999</b>	<b>0.08</b>	<b>(0.01)</b>
<b>(2)</b>	<b>Non-Institutions</b>									
	a) Bodies Corp									
	i) Indian	581720	1092	582812	4.89	452220	1092	453312	3.80	1.09
	ii) Overseas	-	-	-	-	-	-	-	-	-
	b) Individual									
	i) Individuals shareholders holding nominal share capital up to ₹ 1 lakh	1747926	130693	1878619	15.77	2088558	123983	2212541	18.54	2.77

	Category of Shareholder	No. of shares held at the beginning of the year (April 01, 2017)				No. of shares held at the end of the year (March 31, 2018)				% Change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
	ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	756721	-	756721	6.35	688319	-	688319	5.77	(0.58)
	c) Others									
	i) The Custodian Special Court	-	2850	2850	0.02	-	2850	2850	0.02	-
	ii) Trust	171881	-	171881	1.44	171576	-	171576	1.44	-
	iii) Non-resident Indians	336265	8896	345161	2.90	218105	8762	226867	1.90	(1.00)
	<b>Sub-Total (B)(2)</b>	<b>3594513</b>	<b>143531</b>	<b>3738044</b>	<b>31.37</b>	<b>3618778</b>	<b>136687</b>	<b>3755465</b>	<b>31.48</b>	<b>0.11</b>
	<b>Total Public Shareholding (B) = (B)(1)+(B)(2)</b>	<b>3603139</b>	<b>145294</b>	<b>3748433</b>	<b>31.46</b>	<b>3626014</b>	<b>138450</b>	<b>3764464</b>	<b>31.55</b>	<b>0.09</b>
<b>C.</b>	<b>TOTAL (A)+(B)</b>	<b>11769776</b>	<b>145294</b>	<b>11915070</b>	<b>100.00</b>	<b>11792651</b>	<b>138450</b>	<b>11931101</b>	<b>100.00</b>	<b>-</b>
	Shares held by Custodians for GDRs & ADRs	-	-	-	-	-	-	-	-	-
	<b>Grand Total (A)+(B)+(C)</b>	<b>11769776</b>	<b>145294</b>	<b>11915070</b>	<b>100.00</b>	<b>11792651</b>	<b>138450</b>	<b>11931101</b>	<b>100.00</b>	<b>-</b>

**(ii) Shareholding of Promoters**

S. No.	Shareholder's Name	Shareholding at the beginning of the year (April 01, 2017)			Share holding at the end of the year (March 31, 2018)			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	
1	Mr. Shyam Sunder Bhartia	72825	0.61	-	72825	0.61	-	-
2	Mr. Hari Shankar Bhartia	20873	0.18	-	20873	0.17	-	(0.01)
3	Mr. Priyavrat Bhartia	253	0.00	-	253	0.00	-	-
4	Mr. Shamit Bhartia	6561	0.06	-	6561	0.06	-	-
5	Ms. Kavita Bhartia	613	0.01	-	613	0.01	-	-
6	Ms. Aashti Bhartia	99	0.00	-	99	0.00	-	-
7	Mr. Arjun Shankar Bhartia	99	0.00	-	99	0.00	-	-
8	Vam Holdings Limited	284070	2.38	-	284070	2.38	-	-
9	Jaytee Private Limited	380	0.00	-	380	0.00	-	-
10	Rance Investment Holdings Limited	120000	1.01	-	120000	1.01	-	-
11	Cumin Investments Limited	120000	1.01	-	120000	1.01	-	-
12	Torino Overseas Limited	38522	0.32	-	38522	0.32	-	-
13	Jubilant Infrastructure Limited	50000	0.42	-	50000	0.42	-	-
14	SSBPB Investment Holding Private Limited (Formerly Known as KBHSB Property Trustee Company Private Limited)	1166600	9.79	-	1166600	9.78	-	(0.01)

S. No.	Shareholder's Name	Shareholding at the beginning of the year (April 01, 2017)			Share holding at the end of the year (March 31, 2018)			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	
15	KBHB Investment Holding Private Limited	1226302	10.29	-	1226302	10.28	-	(0.01)
16	HSSS Investment Holding Pvt. Ltd.	5059440	42.46	-	5059440	42.41	-	(0.05)
17	Miller Holdings Pte. Limited	-	-	-	0.00	0.00	-	-
	<b>TOTAL</b>	<b>8166637</b>	<b>68.54</b>	<b>-</b>	<b>8166637</b>	<b>68.45</b>	<b>-</b>	<b>(0.09)</b>

Note : During the FY 2017-18, 16031 equity shares were allotted to option holders pursuant to JIL Employees Stock Option Scheme 2013. This results in dilution of promoters shareholding by 0.09%.

### (iii) Change in Promoters' Shareholding

Name	Shareholding at the beginning of the year		Date	Increase/decrease during the year	Reasons	Cumulative Shareholding during the year/Shareholding at the end of the year	
	No. of Shares	% of total shares of the company				No. of shares	% of total shares of the company
—NIL—							

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

S. No.	Name of the Shareholder	Shareholding		Increase/Decrease in the Shareholding		Reason	Cumulative Shareholding during the year (April 1, 2017 to March 31, 2018)	
		No. of Shares at the beginning (April 1, 2017)/ end of the year (March 31, 2018)	% of total shares of the company	As on Benpose Date	Purchase (+)/Sale (-) during the year		No. of shares	% of total shares of the company
1	Jubilant Employees Welfare Trust	170878	1.43	01-Apr-17				
				23-Jun-17	(112)	Transfer	170766	1.43
				31-Oct-17	(60)	Transfer	170706	1.43
				16-Feb-18	(342)	Transfer	170364	1.43
		170364	1.43	31-Mar-18	-	-	170364	1.43
2	Chetan Jayantilal Shah	115000	0.97	01-Apr-17				
		115000	0.97	31-Mar-18	-	-	115000	0.96
3	Bhadra Jayantilal Shah	110000	0.92	01-Apr-17				
		110000	0.92	31-Mar-18	-	-	110000	0.92
4	Sonal Chetan Shah	110000	0.92	01-Apr-17				
		110000	0.92	31-Mar-18	-	-	110000	0.92
5	Jayantilal Premji Shah	85000	0.71	01-Apr-17				
		85000	0.71	31-Mar-18	-	-	85000	0.71
6	Jayantilal Premji Shah (HUF)**	63000	0.53	01-Apr-17				
		63000	0.53	31-Mar-18	-	-	63000	0.53



S. No.	Name of the Shareholder	Shareholding		Increase/Decrease in the Shareholding		Reason	Cumulative Shareholding during the year (April 1, 2017 to March 31, 2018)	
		No. of Shares at he beginning (April 1, 2017)/ end of the year (March 31, 2018)	% of total shares of the company	As on Benpose Date	Purchase (+)/Sale (-) during the year		No. of shares	% of total shares of the company
7	Jayantilal Premji Shah (HUF)**	47000	0.39	01-Apr-17				
		47000	0.39	31-Mar-18	-	-	47000	0.39
8	Jubilant Industries Limited-Unclaimed Suspense A/C**	36436	0.30	01-Apr-17				
				13-Oct-17	(55)	Transfer	36381	0.30
				24-Nov-17	(48)	Transfer	36333	0.30
				15-Dec-17	(48)	Transfer	36285	0.30
				12-Jan-18	(15)	Transfer	36270	0.30
		36270	0.30	31-Mar-18	-	-	36270	0.30
9	Chetan Jayantilal Shah (HUF)**	30000	0.25	01-Apr-17				
		30000	0.25	31-Mar-18	-	-	30000	0.25
10	Nishu Finlease Private Limited**	29000	0.24	01-Apr-17				
		29000	0.24	31-Mar-18	-	-	29000	0.24
11	Pace Stock Broking Services Private Limited*	122544	1.03	01-Apr-17				
				07-Apr-17	600	Transfer	123144	1.03
				14-Apr-17	(551)	Transfer	122593	1.03
				21-Apr-17	625	Transfer	123218	1.03
				28-Apr-17	(625)	Transfer	122593	1.03
				05-May-17	1	Transfer	122594	1.03
				12-May-17	143	Transfer	122737	1.03
				19-May-17	(93)	Transfer	122644	1.03
				09-Jun-17	25	Transfer	122669	1.03
				23-Jun-17	4301	Transfer	126970	1.06
				30-Jun-17	(200)	Transfer	126770	1.06
				07-Jul-17	(1400)	Transfer	125370	1.05
				28-Jul-17	(7520)	Transfer	117850	0.99
				04-Aug-17	(19501)	Transfer	98349	0.82
				11-Aug-17	(2356)	Transfer	95993	0.80
				18-Aug-17	399	Transfer	96392	0.81
				22-Aug-17	(8713)	Transfer	87679	0.73
				25-Aug-17	(1335)	Transfer	86344	0.72
				01-Sep-17	(24510)	Transfer	61834	0.52
				08-Sep-17	(45432)	Transfer	16402	0.14
				15-Sep-17	(1234)	Transfer	15168	0.13
				22-Sep-17	(3000)	Transfer	12168	0.10
				29-Sep-17	270	Transfer	12438	0.10
				06-Oct-17	100	Transfer	12538	0.11
				13-Oct-17	(15)	Transfer	12523	0.10

S. No.	Name of the Shareholder	Shareholding		Increase/Decrease in the Shareholding		Reason	Cumulative Shareholding during the year (April 1, 2017 to March 31, 2018)	
		No. of Shares at the beginning (April 1, 2017)/ end of the year (March 31, 2018)	% of total shares of the company	As on Benpose Date	Purchase (+)/Sale (-) during the year		No. of shares	% of total shares of the company
				20-Oct-17	(1110)	Transfer	11413	0.10
				27-Oct-17	(1922)	Transfer	9491	0.08
				31-Oct-17	(558)	Transfer	8933	0.07
				03-Nov-17	100	Transfer	9033	0.08
				10-Nov-17	1245	Transfer	10278	0.09
				17-Nov-17	10	Transfer	10288	0.09
				24-Nov-17	(669)	Transfer	9619	0.08
				01-Dec-17	1990	Transfer	11609	0.10
				08-Dec-17	(581)	Transfer	11028	0.09
				15-Dec-17	11	Transfer	11039	0.09
				22-Dec-17	847	Transfer	11886	0.10
				29-Dec-17	1471	Transfer	13357	0.11
				05-Jan-18	(268)	Transfer	13089	0.11
				12-Jan-18	1403	Transfer	14492	0.12
				19-Jan-18	(5378)	Transfer	9114	0.08
				26-Jan-18	900	Transfer	10014	0.08
				02-Feb-18	100	Transfer	10114	0.08
				09-Feb-18	181	Transfer	10295	0.09
				16-Feb-18	(75)	Transfer	10220	0.09
				23-Feb-18	(1250)	Transfer	8970	0.08
				09-Mar-18	66	Transfer	9036	0.08
				23-Mar-18	(247)	Transfer	8789	0.07
				30-Mar-18	(438)	Transfer	8351	0.07
		8351	0.07	31-Mar-18	-	-	8351	0.07
<b>12</b>	<b>Goldflag Holdings Private Limited*</b>	70000	0.59	01-Apr-17				
				14-Apr-17	60000	Transfer	130000	1.09
				16-Jun-17	(10265)	Transfer	119735	1.00
				23-Jun-17	(59735)	Transfer	60000	0.50
				11-Aug-17	(60000)	Transfer	-	-
		-	-	31-Mar-18	-	-	-	-
<b>13</b>	<b>Naveen Bothra*</b>	90000	0.75	01-Apr-17				
				21-Jul-17	(10000)	Transfer	80000	0.67
				01-Sep-17	(60000)	Transfer	20000	0.17
				08-Sep-17	(20000)	Transfer	-	-
		-	-	31-Mar-18	-	-	-	-
<b>14</b>	<b>Swarnalatha Sathyamoorthi*</b>	60000	0.50	01-Apr-17				
				14-Apr-17	(60000)	Transfer	-	-
		-	-	31-Mar-18	-	-	-	-

\* Ceased to be in the Top 10 shareholders as on March 31, 2018. The same is reflected above as the shareholder was one of the Top 10 shareholders as on April 1, 2017.

\*\* Not in the list of Top 10 shareholders as on April 1, 2017. The same is reflected above as the shareholder was one of the Top 10 shareholders as on March 31, 2018.

**(v) Shareholding of Directors and Key Managerial Personnel:**

S. No.	Name & Designation	Shareholding at the beginning of the year (April 1, 2017)		Date wise Increase/ Decrease in Share Holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/sweat equity, etc.)	Cumulative Shareholding during the year (2017-18)		At the end of the year (March 31, 2018)	
		No. of shares	% of total shares of the company		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Mr. Priyavrat Bhartia, Chairman (Non-Executive)	253	0.00	No change during the Financial Year 2017-18	253	0.00	253	0.00
2.	Mr. Shamit Bhartia, Non-Executive Director	6,561	0.06		6,561	0.06	6,561	0.05
3.	Mr. Abhishek Mishra, Company Secretary (Refer Note no. 8)	N.A.	N.A.		1	0.00	1	0.00

**Note:**

- Mr. Hari S. Bhartia resigned from the directorship of the Company effective from July 19, 2017 and his shareholding as on April 1, 2017 was 20,873 shares. As on July 19, 2017 there was no change.
- Mr. Sandeep Kumar Shaw, Chief Financial officer, resigned from the services of the Company effective from April 28, 2017 and his shareholding as on April 1, 2017 was 1 shares. As on April 28, 2017 there was no change.
- Mr. Umesh Sharma appointed as Chief Financial Officer effective from May 24, 2017 and subsequently he also inducted as Whole-time Director of the Company effective from March 16, 2018. He did not hold any share during his tenure in the financial year 2017-18.  
Post FY 2017-18, Mr. Sharma resigned from the position of Whole-time Director effective from May 10, 2018. He will continue to act Chief Financial Officer of the Company.
- Mr. Videh Kumar Jaipuriar resigned from the directorship of the Company effective from December 11, 2017. Shareholding movement of Mr. Jaipuriar during his tenure in the Financial Year 2017-18 is:

Shareholding at the beginning of the year		Date	Increase/ Decrease in Shareholding	Reasons for Increase/ Decrease (e.g. allotment/ transfer/ bonus/ sweat equity, etc.)	Cumulative Shareholding during the year (2017-18)	
No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
10904	0.09	April 1, 2017	-	-	10904	0.09
		June 21, 2017	4000	Transfer	6904	0.06
		June 22, 2017	7500	Acquisition on exercise of Stock Options	14404	0.12
		August 22, 2017	4500	Acquisition on exercise of Stock Options	18904	0.16
		December 11, 2017	-	-	18904	0.16

- Mr. Ghanshyam Dass resigned from the directorship of the Company effective from February 26, 2018 and he did not hold any share of the company during his tenure in the financial year 2017-18.
- Mr. R. Bupathy, Mr. S. K. Roongta, Ms. Shivpriya Nanda, Directors did not hold any shares of the Company during the financial year 2017-18.
- Mr. Dinesh Kumar Gupta, Company Secretary, resigned from the services of the Company effective from December 18, 2017. He did not hold any share during his tenure in the financial year 2017-18.
- Mr. Abhishek Mishra appointed as Company Secretary of the Company effective from March 16, 2018. His shareholding as on March 16, 2018 was 1 share. As on March 31, 2018 there was no change.

**V. INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment - **NIL**

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

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

Mr. Videh Kumar Jaipuriar, Managing Director, has resigned from the services of the Company effective from December 11, 2017 and he did not received any remuneration during his tenure.

Mr. Umesh Sharma, Chief Financial Officer has been appointed as Whole-time Director effective from March 16, 2018 and accordingly, he has been paid remuneration as Whole-time Director for the period starting from March 16, 2018 to March 31, 2018. His Gross Salary (as per provisions contained in Section 17(1) of the Income-tax Act, 1961) was ₹ 12,037/- and other component of Gross Salary like Value of perquisites u/s 17(2) of the Income-tax Act, 1961 and Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961 were NIL. Further other particular of remuneration like Stock Option, Sweat Equity and Commission were NIL. The Ceiling of Remuneration to be paid to Managerial Personnel is as per the provision of Section 197 read with Schedule V of Companies Act, 2013.

## B. Remuneration to other directors:

### (i) Independent Directors:

(Amount in ₹)

S. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. Ghanshyam Dass*	Mr. R Bupathy	Mr. S. K. Roongta	Ms. Shivpriya Nanda	
1	Fee for attending Board/ Committee meetings	1,25,000	425,000	560,000	3,50,000	14,60,000
2	Commission	-	-	-	-	-
3	Others, please specify	-	-	-	-	-
	<b>Total</b>	<b>1,25,000</b>	<b>4,25,000</b>	<b>5,60,000</b>	<b>3,50,000</b>	<b>14,60,000</b>

\* Resigned effective from February 26, 2018

### (ii) Other Non-Executive Director: NIL

Note: No managerial remuneration has been paid to Non-Executive Directors during the Financial Year 2017-18. Hence, computation of ceiling of managerial remuneration is not given.

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

(Amount in ₹)

S. No.	Particulars of Remuneration	Name of Key Managerial Personnel				Total Amount
		Mr. Sandeep Kumar Shaw Chief Financial Officer (Refer Note 1)	Mr. Umesh Sharma Chief Financial Officer (Refer Note 2)	Mr. Dinesh Kumar Gupta Company Secretary (Refer Note 3)	Mr. Abhishek Mishra Company Secretary (Refer Note 4)	
1	Gross salary	2,06,459	2,09,284	2,771,490	46,667	3,233,900
	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961					
	Value of perquisites u/s 17(2) of the Income-tax Act, 1961	-	-	23,100	-	23,100
	Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission	-	-	-	-	-
5	Others (Provident Fund)	-	-	364,670	6,294	370,964
	<b>Total</b>	<b>206,459</b>	<b>209,284</b>	<b>3,159,260</b>	<b>52,971</b>	<b>3,627,964</b>

Note:

1. Mr. Sandeep Kumar Shaw, Chief Financial officer, resigned from the services of the Company effective from April 28, 2017 and above remuneration as Chief Financial Officer is for the period starting from April 1, 2017 to April 28, 2017.



2. Mr. Umesh Sharma was appointed as Chief Financial Officer effective from May 24, 2017. Further, he has been appointed as Whole-time Director effective from March 16, 2018. Above remuneration as Chief Financial Officer is for the period starting from May 24, 2017 to March 15, 2018.
3. Mr. Dinesh Kumar Gupta, Company Secretary, resigned from the services of the Company effective from December 18, 2017 and above remuneration for the period starting from April 1, 2017 to December 18, 2017.
4. Mr. Abhishek Mishra appointed as Company Secretary of the Company effective from March 16, 2018 and above remuneration for the period starting from March 16, 2018 to March 31, 2018.

#### **VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES:**

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

For and on behalf of the Board

Place: NOIDA  
Date: May 10, 2018

**Priyavrat Bhartia**  
Chairman  
(DIN: 00020603)

**Annexure 4**

**Disclosure under Section 134(3)(M) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014.**

**A. CONSERVATION OF ENERGY:****(i) Steps taken or impact on conservation of energy**

- 1) OPE improvement.
- 2) Awareness developed through training.
- 3) Shutting down unnecessary computer, printer and office light.

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

The Company recognizes that climate change mitigation require significant consideration in business decisions. To bring down the carbon foot print, the Company continuously strives to use renewable energy.

**(iii) Capital investment on energy conservation equipments**

Nil.

**B. TECHNOLOGY ABSORPTION****i) Efforts made towards technology absorption**

Owing to the nature of operations of the Company, the information pertaining to Technology Absorption is not applicable to the Company. However, the Company endeavors to avail the latest technology trends and practices in its operations.

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

None.

**iii) Imported Technology**

Not Applicable.

**iv) Expenditure incurred on Research and Development**

None.

**C. FOREIGN EXCHANGE EARNING AND OUTGO – None**

For and on behalf of the Board

Place: NOIDA  
Date: May 10, 2018

**Priyavrat Bhartia**  
Chairman  
(DIN: 00020603)

**Particulars prescribed under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**
**PART-A**

- (i) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2017-18, the percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary in the financial year 2017-18:

Sl. No.	Name and Designation of Director/KMP	Remuneration during the financial year 2017-18 (in ₹)	% increase in Remuneration	Ratio of remuneration of each Director to median remuneration of employees
1	Mr. Hari S. Bhartia <sup>1</sup> Chairman (Non-Executive)	-	-	-
2	Mr. Priyavrat Bhartia <sup>1</sup> Chairman (Non-Executive)	-	-	-
3	Mr. Shamit Bhartia Non-Executive Director	-	-	-
4	Mr. Ghanshyam Dass <sup>2</sup> Independent Director	125000	Not applicable	0.09
5	Mr. R. Bupathy Independent Director	425000	41.67	0.29
6	Mr. S.K. Roongta Independent Director	560000	67.16	0.38
7	Ms. Shivpriya Nanda Independent Director	350000	79.49	0.24
8	Mr. Videh Kumar Jaipuria <sup>2</sup> Managing Director	-	-	-
9	Mr. Sandeep Kumar Shaw Chief Financial Officer	206459	Not applicable	Not applicable
10	Mr. Umesh Sharma <sup>4</sup> Chief Financial Officer	221321	Not applicable	Not applicable
11	Mr. Dinesh Kumar Gupta <sup>5</sup> Company Secretary	3159260	Not applicable	Not applicable
12	Mr. Abhishek Mishra <sup>6</sup> Company Secretary	52971	Not applicable	Not applicable

**Note:**

- Mr. Hari S. Bhartia, Chairman (Non-Executive) resigned from the directorship of the Company effective from July 19, 2017. Mr. Priyavrat Bhartia, Non-executive director, designated as Chairman of the Company effective from July 20, 2017.  
Mr. Hari S. Bhartia, Mr. Priyavrat Bhartia and Mr. Shamit Bhartia has opted not take sitting fees.
- Mr. Videh Kumar Jaipuria resigned from the directorship of the Company effective from December 11, 2017. He did not received any remuneration during his tenure.
- Mr. Sandeep Kumar Shaw, Chief Financial officer, resigned from the services of the Company effective from April 28, 2017.
- Mr. Umesh Sharma appointed as Chief Financial Officer effective from May 24, 2017 and subsequently he also inducted as Whole-time Director of the Company effective from March 16, 2018. Post FY 2017-18, Mr. Sharma resigned from the position of Whole-time Director effective from May 10, 2018. He will continue to act Chief Financial Officer of the Company.
- Mr. Dinesh Kumar Gupta, Company Secretary, resigned from the services of the Company effective from December 18, 2017.
- Mr. Abhishek Mishra appointed as Company Secretary of the Company effective from March 16, 2018.

Median of Total Cost to Company (CTC) on payable basis has been taken for all on-roll employees as on March 31, 2018. Median Salary of all on-roll employees is ₹ 14,66,993.

- (ii) The percentage increase in the median remuneration of employees in the Financial Year 2017-18 was 17%;
- (iii) 4 permanent employees were on the rolls of Company as on March 31, 2018.
- (iv) Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentage increase in managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Average increase in remuneration of the employees other than managerial remuneration was 8% in the Financial Year 2017-18.

- (v) Affirmation that the remuneration is as per the as per the Remuneration Policy of the Company:

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



**PART-B**

Sr. No.	Employee Name	Designation & Nature of Duties	Qualification	Total Work Experience (Years)	Date of Commencement of Employment	Age	Remuneration (₹)	Previous Designation	Name of the Company
A. Top Ten Employees in terms of remuneration drawn during the Financial Year 2017-18									
1	Abasaheb Bhagawan Bhosale	Manager – QA	B.Sc. (Chemistry), Diploma in Industrial fermentation & Alcohol Technology	21	15-Nov-2011	44	1357009	Assistant Manager – Quality	Jubilant Life Sciences Limited
2	Abhishek Mishra	Company Secretary	FCS, B.Sc. (PCM)	8	16-Mar-2018	33	52971	Deputy Manager – Secretarial	Jubilant Agri and Consumer Products Limited
3	Dinesh Kumar Gupta	Company Secretary	FCS, CFA, LLB	17	16-Jun-2015	38	3159260	Senior Manager	Bharti Airtel Limited
4	S E Chavan	Senior Manager - Production	B.Sc. (Chemistry)	30	15-Nov-2011	55	1910984	Deputy Manager – Production	Jubilant Life Sciences Limited
5	Sandeep Kumar Shaw	Chief Financial Officer	FCA, ACMA	26	17-Nov-2010	50	206459	Financial Controller	Jindal ITF Limited
6	Umesh Sharma	Chief Financial Officer & Whole-time Director*	FCA, ACS, Senior Management Programme from the Indian Institute of Management (IIM), Calcutta	25	24-May-2017	50	221321	Senior Vice President - Finance & Accounts	Jubilant Enpro Private Limited
*Resigned from Whole-time Director w.e.f. May 10, 2018									
B. Employed for full year and in receipt of remuneration for the year which in aggregate was not less than ₹ 10,200,000 per annum (other than those mentioned in Para A above)									
				NONE					
C. Employed for part of the year and in receipt of remuneration which in aggregate was not less than ₹ 850,000 per month (other than those mentioned in Para A above)									
				NONE					

**Notes:**

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

For and on behalf of the Board

Place : NOIDA  
Date : May 10, 2018

**Priyavrat Bhartia**  
Chairman  
(DIN: 00020603)

# Report on Corporate Governance

## A) Company's Philosophy:

At Jubilant Industries Limited ("the Company" or "Jubilant"), Corporate Governance is both a tradition and a way of life. We believe in delivering on our promise of Caring, Sharing, Growing, which 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; and
- Complying with laws in letter as well as in spirit.

### Highlights of 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 and informed decisions;
- Active employee participation in place; one top executive on the Board of Directors;
- Emphasis on ethical business conduct by the Board, management and employees to ensure integrity, transparency, independence and accountability in dealing with stakeholders;
- Established Code of Conduct for Directors and Senior Management, Instituted Whistle Blower policy and Code of Conduct for Prevention of Insider Trading and Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information;

- Focus on hiring, retaining and nurturing best talent and to promote a culture of excellence across the organisation. Exhaustive HR policies cover succession planning, training and development, employee grievance handling, etc.;
- Business Excellence through Velocity Initiatives like Lean Six Sigma, Total Productive Maintenance and world class manufacturing;
- Employees Stock Option Plan – to attract, reward and retain key senior executives;
- Online monitoring of internal controls on all operations spanning more than 1,100 control assertions through a specially designed software to institutionalize a quarterly system of certification to enable CEO/CFO certification of internal controls as per Regulation 17(8) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as 'SEBI Listing Regulations, 2015');
- Robust Risk Management framework for identifying various risks, assessing their probability as well as likely impact and finalizing risk mitigation and minimization plans;
- Timely, transparent and regular disclosures;
- Effective control on statutory compliances by quarterly online reporting and presentation;
- Paperless meetings of Board and Committees;
- Communication with shareholders including emailing of Annual Reports, other documents and Corporate Sustainability Report; and
- 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.

Securities and Exchange Board of India regulates Corporate Governance practices for listed companies through the SEBI Listing Regulations, 2015. Jubilant is in full compliance with the SEBI Listing Regulations, 2015.

## B) Board of Directors:

### (i) Composition

The Board of Jubilant comprises of six Directors out of which three are Non-Executive

Independent Directors including a Woman Director, two are Promoter Non-Executive Directors and one CEO & Managing Director.

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

S. No.	Name of Independent Director	Date of Appointment	Date of Completion of Tenure
1	Mr. R. Bupathy	September 02, 2014	March 31, 2019
2	Mr. S. K. Roongta	September 02, 2014	March 31, 2019
3	Ms. Shivpriya Nanda	September 02, 2014	March 31, 2019

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

The Board of Directors along with its Committees provides effective 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) Key functions of the Board

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

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

experience, knowledge, perspective and gender in the Board;

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

## (iii) Meetings of the Board

Meetings of the Board are generally held at the Corporate Office of the Company at Plot No. 1A, Sector 16A, Noida - 201301, Uttar Pradesh, India. During FY 2017-18, the Board met five times i.e. on May 24, 2017; July 19, 2017; October 27, 2017; January 18, 2018 and March 16, 2018. The Company has held minimum one Board Meeting in each quarter and maximum gap between two consecutive meetings did not exceed prescribed limit of 120 days which is in compliance with SEBI Listing Regulations, 2015 and the Companies Act, 2013.

An annual calendar of meetings is prepared well in advance 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 and Committee Meetings, spend the necessary time and meet as frequently as the situation warrants to properly discharge their responsibilities.

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

Agenda papers are sent electronically to the Directors, well in advance, before the meetings. Draft Minutes of the Board and Committee meetings are circulated to the Directors of the Company for their comments thereon and, thereafter, noted by the Board/respective Committee in its next Meeting.

**Composition of the Board of Directors** as on March 31, 2018 and attendance at the Board meetings held during the Financial Year ended March 31, 2018 and at the last Annual General Meeting (hereinafter referred as 'AGM') are given in table below:

Name and Designation	Category	Attendance at Meetings		
		No. of Board Meeting		Last AGM Attended
		Held during the tenure	Attended	
Mr. Hari S. Bhartia <sup>1</sup> Chairman	Non-Executive and Promoter	2	2	Not Applicable
Mr. Priyavrat Bhartia <sup>2</sup> Chairman	Non-Executive and Promoter	5	5	No
Mr. Shamit Bhartia <sup>2</sup> Director	Non-Executive and Promoter	5	5	No
Mr. Ghanshyam Dass <sup>3</sup> Director	Non-Executive and Independent	4	1	No
Mr. R. Bupathy Director	Non-Executive and Independent	5	4	Yes
Mr. S. K. Roongta Director	Non-Executive and Independent	5	5	Yes
Ms. Shivpriya Nanda Director	Non-Executive and Independent	5	5	No
Mr. Videh Kumar Jaipuria <sup>4</sup> Managing Director	Executive	3	3	Yes
Mr. Umesh Sharma <sup>5</sup> Chief Financial Officer & Whole-time Director	Executive	1	1	Not Applicable

1 Resigned effective from July 19, 2017

2 Mr. Priyavrat Bhartia (appointed as Chairman effective from July 20, 2017) and Mr. Shamit Bhartia, being brothers are related to each other. Except this, there are no inter-se relationship among the directors.

3 Resigned effective from February 26, 2018

4 Resigned effective from December 11, 2017

5 Appointed as Whole-time Director effective from March 16, 2018.

#### (iv) Other Directorships

The number of directorships in other bodies corporate and memberships/chairmanships of Board Committees held by the Directors as on March 31, 2018 are as given in table below:

Name of Director	No. of Directorships in Other Bodies Corporate*				No. of Chairmanship / Membership of Committees <sup>#</sup>	
	Public Listed	Public Unlisted	Private	Foreign	Chairmanships	Memberships
Mr. Priyavrat Bhartia	3	3	9	-	-	6
Mr. Shamit Bhartia	3	4	7	-	-	2
Mr. R. Bupathy	1	1	3	-	2	2
Mr. S. K. Roongta	4	5	-	-	1	4
Ms. Shivpriya Nanda	-	2	-	-	-	1
Mr. Umesh Sharma	-	4	4	-	-	4

\* Excluding Jubilant Industries Limited, Section 8 Companies and Limited Liability Partnership.

<sup>#</sup> Pursuant to Regulation 26 of the SEBI Listing Regulations, 2015, Chairmanship/ Membership of Audit Committees and Stakeholders' Relationship Committees of Indian Public Companies, whether listed or not, have been considered. Committees of Jubilant are also included.

#### **(v) Information given to the Board**

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

- Annual operating plans, budgets and any updates;
- Capital budgets and any updates;
- Annual and Quarterly results of the Company and its operating divisions or business segments;
- Minutes of the meetings of the Audit Committee and other Committees of the Board of Directors;
- Information on recruitment and remuneration of senior officers just below the Board level, including appointment or removal of the Chief Financial Officer and the Company Secretary;
- Show cause, demand, prosecution notices and penalty notices, which are materially important;
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems;
- Material 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 investments, subsidiaries, assets which are material in nature and not in normal course of business;
- Quarterly details of foreign exchange exposures and the steps taken by the Management to limit the risks of adverse exchange rate movement, if material;
- Minutes of Board Meetings of unlisted subsidiary company(s);
- Statement of significant transactions or arrangements made by unlisted subsidiary companies;
- Non-compliance of any regulatory, statutory or listing requirements and shareholders services such as non-payment of dividend, delay in share transfer, etc;
- Quarterly statement showing status of investors complaints;
- Compliance Report pertaining to applicable laws and steps taken to rectify instance of non-compliance, if any; and
- Quarterly Compliance Report on Corporate Governance.

#### **(vi) Board Process**

In sync with its policy of environmental preservation, the Company sends documents relating to Board and Committee meetings, including agenda papers and supplementary documents, to the Directors in electronic form at least 7 days before the meetings.

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

The Company has complied with the Secretarial Standard-1 on Meetings of the Board of Directors and Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India.

#### **(vii) Independent Directors' Meeting**

Independent Directors met on May 10, 2018 without the attendance of Non-Independent Directors and members of the management of the Company. The Independent Directors, inter alia, evaluated performance of the Non-Independent Directors and the Board of Directors as a whole, also reviewed the performance of Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors; for the Financial Year ended March 31, 2018. They also assessed the quality, content and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

#### **(viii) Familiarisation Programme for Independent Directors**

The Company familiarises its Independent Directors with the Company, their roles, rights,



responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, legal updates, etc. In this regard, the Company follows a structured familiarisation programme for the Independent Directors. The details related thereto are displayed on the Company's website ([www.jubilantindustries.com](http://www.jubilantindustries.com)). The weblink for the same is: <https://www.jubilantindustries.com/pdfs/Familiarisation-Programme-for-Independent-Directors-2018.pdf>

### C) Committees of the Board

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

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

Major Committees are:

- Audit Committee
- Nomination, Remuneration and Compensation Committee
- Stakeholders Relationship Committee
- Sustainability and Corporate Social Responsibility Committee
- Finance Committee
- Business Strategy Committee
- Restructuring Committee

The Company Secretary officiates as the Secretary of the Committees. Detailed terms of reference, composition, quorum, meetings, attendance and other relevant details of these committees are as under:

#### AUDIT COMMITTEE

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

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

##### (i) Terms of reference:

The Audit Committee functions according to its terms of reference that define its authority, responsibility and reporting functions in

accordance with the provisions of Companies Act, 2013 (hereinafter referred as 'the Act') and Regulation 18 read with Part C of Schedule II to the SEBI Listing Regulations, 2015 which, inter-alia, includes the following:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration, terms of appointment of auditors of the Company including their replacement or removal;
3. Approval of payment to statutory auditors for any other permitted services rendered by the statutory auditors;
4. Reviewing and examining, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report.
  - b. Changes, if any, in accounting policies and practices and reasons for the same.
  - c. Major accounting entries involving estimates based on the exercise of judgment by management.
  - d. Significant adjustments made in the financial statements arising out of audit findings.
  - e. Compliance with listing and other legal requirements relating to financial statements.
  - f. Disclosure of any related party transactions.
  - g. Draft Auditors' report including qualifications, if any;
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
6. Reviewing and monitoring, with the management, the statement of uses/ application of funds raised through an issue/ public offers (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take steps in this matter;
7. Reviewing and monitoring with the management, independence and performance of statutory and internal

- auditors, adequacy of the internal control systems, and effectiveness of the audit processes;
8. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit;
  9. Discussion with internal auditors on any significant findings and follow up thereon;
  10. 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;
  11. Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
  12. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
  13. To review the functioning of the Whistle Blower Policy (Vigil Mechanism);
  14. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate;
  15. Approval or any subsequent modification of transactions of the Company with related parties;
  16. Scrutiny of inter-corporate loans and investments;
  17. Valuation of undertakings or assets of the Company, wherever it is necessary;
  18. Evaluation of internal financial controls and risk management system;
  19. Review of Management discussion and analysis of financial condition and results of operations;
  20. Review of Management letters / letters of internal control weaknesses issued by the statutory auditors;
  21. Review of Internal audit reports relating to internal control weaknesses;
  22. Review of Financial statement, in particular, investments made by the subsidiary company(s);
  23. Review of appointment, removal and terms of reference of Chief Internal Auditor;
  24. Recommend appointment and remuneration of Cost Auditors;
  25. Any other role as prescribed by the Companies Act, 2013 and the SEBI Listing Regulations, 2015.

## (ii) Composition

As on date, the Committee comprises of Mr. R. Bupathy, Chairman, Mr. S. K. Roongta, Ms. Shivpriya Nanda and Mr. Manu Ahuja.

During the FY 2017-18, Mr. Ghanshyam Dass ceased to be the member of Audit Committee on his resignation as the Director effective from February 26, 2018. Mr. Umesh Sharma, Chief Financial Officer of the Company also appointed as Whole-time Director and also inducted as the member of the Audit Committee effective from March 16, 2018.

Post FY 2017-18, Mr. Umesh Sharma ceased to be the member of the Committee due to his resignation as the Director effective from May 10, 2018. Ms. Shivpriya Nanda, Director of the Company, also inducted as member of the Committee effective from May 10, 2018. Further, Mr. Manu Ahuja appointed as CEO and Managing Director of the Company and also inducted as the member of the Committee effective from May 10, 2018.

### Invitees:

Managing Director and Chief Financial Officer are permanent invitees to the Audit Committee meetings.

The representatives of Statutory Auditors and Internal Auditors, Chief Financial Officer and other executives, as desired by the Committee, attend the meetings as invitees.

## (iii) Meetings, Quorum and Attendance

Audit Committee meets at least four times in a year with a gap of not more than 120 days between two consecutive meetings. The quorum for the meeting is either two members or one third of the members of the Committee, whichever is higher with atleast two Independent Directors.

During the FY 2017-18, the Committee met four times i.e. on May 24, 2017; July 19, 2017; October 27, 2017 and January 18, 2018.

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

Name of the Committee Member	Meetings Held During Tenure	Meetings Attended
Mr. R. Bupathy, Chairman	4	4
Mr. S. K. Roongta	4	4
Mr. Ghanshyam Dass*	4	1
Mr. Umesh Sharma^	-	-

\* Resigned effective from February 26, 2018.

^ Nominated as the member effective from March 16, 2018 and subsequently, resigned effective from May 10, 2018. During his tenure, no meeting of the Committee has been held.

## NOMINATION, REMUNERATION AND COMPENSATION COMMITTEE

The Nomination, Remuneration and Compensation Committee, constituted under Section 178 of the Act and Regulation 19 with Part D of Schedule II to the SEBI Listing Regulations, 2015, functions according to its terms of reference that define its authority, responsibility and reporting functions which, inter alia, include the following:

### (i) Terms of Reference:

The role of Committee is:

1. To identify persons who are qualified to become director in accordance with the criteria laid down and recommend to the Board, their appointment/ removal;
2. To identify persons who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board, their appointment / removal;
3. To formulate criteria for performance evaluation of independent directors and the Board and to carry out evaluation of every director's performance;
4. To formulate the criteria for determining qualifications, positive attributes and independence of a director;
5. To devise a policy on Board diversity;
6. To formulate and recommend to the Board policies relating to the remuneration for:
  - a. Directors;
  - b. Key Managerial Personnel; and
  - c. Other Employees of the Company;
7. To recommend remuneration payable to Managing Directors and Whole-time Directors;
8. To review and recommend nature of services rendered by any Director in other capacity and requisite qualification thereof;
9. To discharge the roles envisaged under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
10. Any other role as may be prescribed by law, from time to time.

### (ii) Composition

As on date, the Committee comprises of Mr. S. K. Roongta, Chairman, Mr. Priyavrat Bhartia, Mr. Shamit Bhartia and Mr. R. Bupathy.

During the FY 2017-18, Mr. Ghanshyam Dass ceased to be the member of the Nomination, Remuneration and Compensation Committee on his resignation as the Director effective from February 26, 2018. Further Mr. S. K. Roongta nominated as the Chairman of the Committee effective from March 16, 2018.

### (iii) Meetings, Quorum and Attendance

The Committee meets as often as required. During the FY 2017-18 the Committee met twice i.e. on May 24, 2017 and March 16, 2018. The quorum for the meeting is either two members or one third of the members of the Committee, whichever is higher.

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

Name of the Committee Member	Meetings Held During Tenure	Meetings Attended
Mr. Ghanshyam Dass, Chairman*	1	-
Mr. S. K. Roongta, Chairman^	2	2
Mr. Priyavrat Bhartia	2	2
Mr. Shamit Bhartia	2	2
Mr. R. Bupathy	2	1

\* Resigned effective from February 26, 2018

^ Appointed as Chairman effective from March 16, 2018

## STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders' Relationship Committee oversees, inter alia, redressal of shareholder and investor grievances, transfer/ transmission of shares, issue of duplicate share certificates, dematerialisation/ rematerialisation of shares and related matters in accordance with the provisions of the Act and Regulation 20 read with Part D of Schedule II to the SEBI Listing Regulations, 2015. The Committee meets as often as required. Additionally, the Board has authorised the Chief Financial Officer and the Company Secretary to jointly exercise the powers of approving transfer/ transmission of shares. Normally, transfers/ transmissions are approved once in a fortnight.

### (i) Terms of Reference:

The role of Committee is:

1. To address security holders' complaints/ grievances like non-transfer of securities, non-receipt of annual report, non-receipt of dividends/interest, etc;
2. To deal with all matters relating to issue of duplicate certificates, transmission of securities, etc;
3. To approve transfer of securities as per powers delegated by the Board and to note transfer of securities approved by the Chief Financial Officer and the Company Secretary of the Company; and
4. Other areas of Stakeholders' service.

## (ii) Composition

As on date, the Committee comprises of Mr. S. K. Roongta, Chairman, Mr. Priyavrat Bhartia and Mr. Manu Ahuja.

During the FY 2017-18, Mr. Videh Kumar Jaipuria ceased to be the member of the Stakeholders Relationship Committee on his resignation as the Director effective from December 11, 2017. Mr. Umesh Sharma, Chief Financial Officer of the Company also appointed as the Whole-time Director and also inducted as the member of the Committee effective from March 16, 2018.

Post FY 2017-18, Mr. Umesh Sharma ceased to be the member of the Committee due to his resignation as the Director effective from May 10, 2018. Further, Mr. Manu Ahuja appointed as the CEO and Managing Director of the Company and also inducted as the member of the Committee effective from May 10, 2018.

### Compliance Officer

Mr. Abhishek Mishra, Company Secretary of the Company is the Compliance Officer in terms of Regulation 6 of SEBI Listing Regulations, 2015.

## (iii) Meetings, Quorum and Attendance

The Committee meets as often as required. During the FY 2017-18, the Committee met four times i.e. on May 24, 2017; July 19, 2017; October 27, 2017 and January 18, 2018.

The quorum for the meeting is either two members or one third of the members of the Committee, whichever is higher.

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

Name of the Committee Member	Meetings Held During Tenure	Meetings Attended
Mr. S. K. Roongta, Chairman	4	4
Mr. Priyavrat Bhartia	4	4
Mr. Videh Kumar Jaipuria*	3	3
Mr. Umesh Sharma^	-	-

\* Resigned effective from December 11, 2017

^ Nominated as the member effective from March 16, 2018 and subsequently, resigned effective from May 10, 2018. During his tenure as the member of the Committee, no meeting has been held.

## (iii) Investors' Grievances/Complaints

During the FY 2017-18, the Company received 1 (one) complaint, which was resolved. No complaint was pending as on March 31, 2018.

## (iv) Transfers, Transmissions etc. approved

During the FY 2017-18, the Company received 102 cases (involving 4,214 equity shares) of share transfer/transmission out of which 47 cases (involving 1,647 equity shares) were transferred/transmitted and 55 cases (involving 2,567 equity shares) were rejected for technical reasons.

The Company had 18652 shareholders as on March 31, 2018.

## SUSTAINABILITY AND CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

### (i) Terms of Reference:

The role of the Committee is:

- Sustainability
  - To take all steps and decide all matters relating to triple bottom line indicators viz. Economic, Environmental and Social factors.
- Corporate Social Responsibility
  - To formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company;
  - To recommend the amount of expenditure to be incurred on the activities referred in the CSR Policy and review the same;
  - To monitor the CSR Policy including CSR projects/programmes;
  - Any other role as may be prescribed by law, from time to time.

### (ii) Composition

As on date, the Committee comprises of Mr. Priyavrat Bhartia, Chairman, Mr. Shamit Bhartia, Mr. R. Bupathy and Mr. Manu Ahuja.

During the FY 2017-18, Mr. Hari S. Bhartia, Chairman of the Sustainability and Corporate Social Responsibility Committee ceased to be the member of the Committee due to his resignation from the Board of Directors effective from July 19, 2017. Subsequently, Mr. Priyavrat Bhartia, member of the Committee designated as the Chairman of the Committee effective from July 20, 2017. Mr. Videh Kumar Jaipuria ceased to be a member of the Committee due to his resignation as the Director effective from December 11, 2017. Mr. R. Bupathy, Director inducted as the member of the Committee effective from January 18, 2018. Further, Mr. Ghanshyam Dass ceased to be the member

of the Committee due to his resignation as the Director effective from February 26, 2018. Also, Mr. Shamit Bhartia, Director inducted as member of the Committee effective from March 16, 2018.

Post FY 2017-18, Mr. Manu Ahuja appointed as the CEO and Managing Director of the Company and also inducted as the member of the Committee effective from May 10, 2018.

### (iii) Meetings, Quorum and Attendance

During the FY 2017-18, the Committee met twice i.e., on May 24, 2017 and October 27, 2017.

The quorum for the meeting is two members or one third of the members of the Committee, whichever is higher.

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

Name of the Committee Member	Meetings Held During Tenure	Meetings Attended
Mr. Hari S. Bhartia, Chairman*	1	1
Mr. Priyavrat Bhartia, Chairman^	2	2
Mr. Ghanshyam Dass\$	2	-
Mr. Videh Kumar Jaipuria®	2	2
Mr. R. Bupathy#	-	-
Mr. Umesh Sharma&	-	-

\* Resigned effective from July 19, 2017

^ Inducted as Chairman effective from July 20, 2017

\$ Resigned effective from February 26, 2018.

@ Resigned effective from December 11, 2017

# Nominated as the member effective from January 18, 2018. During his tenure as the member of the Committee, no meeting has been held.

& Nominated as the member effective from March 16, 2018 and subsequently, resigned effective from May 10, 2018. During his tenure as the member of the Committee, no meeting has been held.

## FINANCE COMMITTEE

The Board of Directors of the Company has delegated to the Finance Committee the powers to borrow and to avail financial assistance from banks, financial institutions etc.

### (i) Terms of Reference:

The role of the Committee is:

1. To borrow upto ₹ 5,000 million from Banks/ Financial Institutions/ NBFCs/ Mutual Funds/ Insurance Companies etc.;
2. To charge/ mortgage the Company's property for securing its own borrowing and/or for the borrowings of subsidiary, associate and/or joint venture Companies

(present and future) from time to time not exceeding ₹10,000 million;

3. To give guarantee(s) and/ or provide security(ies) by way of hypothecation/ lien/ pledge on the assets of the Company in favour of Banks, Financial Institutions, NBFC, Mutual Funds, Insurance Companies or any other category of lender in connection with the term/working capital loan/facilities availed/to be availed by Jubilant Agri and Consumer Products Limited (JACPL) up to an aggregate amount of ₹ 7500 million outstanding at any point of time;
4. To make investments, for profitable deployment of funds, from time to time, whether short term or long term, in Mutual Funds, Bank Deposits or Government Securities, provided that the aggregate of such investments outstanding at any point in time shall not exceed ₹ 2000 million;
5. To furnish Corporate Guarantee up to an amount not exceeding ₹100 millions in aggregate outstanding at any point of time on behalf of JACPL to Customs Department;
6. To make investments and/grant loans to Jubilant Industries Inc., USA., a wholly owned subsidiary, upto an aggregate amount of USD 5.82 million outstanding at any point of time;
7. To borrow upto an amount not exceeding ₹ 20 millions outstanding at any point of time, in one or more tranches on such terms and conditions as may be agreed with JACPL.

### (ii) Composition

As on date, the Committee comprises of Mr. Priyavrat Bhartia, Chairman, Mr. Shamit Bhartia and Mr. Manu Ahuja.

During the FY 2017-18, Mr. Hari S. Bhartia, Chairman of the Finance Committee ceased to be the member of the Committee due to his resignation from the Board of Directors effective from July 19, 2017. Subsequently, Mr. Priyavrat Bhartia, member of the Committee designated as Chairman of the Committee and Mr. Shamit Bhartia, Director also inducted as the member of the Committee effective from July 20, 2017. Further, Mr. Videh Kumar Jaipuria ceased to be a member of the Committee due to his resignation as the Director effective from December 11, 2017.

Post FY 2017-18, Mr. Manu Ahuja appointed as the CEO and Managing Director of the Company and also inducted as the member of the Committee effective from May 10, 2018.



### (iii) Meetings, Quorum and Attendance

The Committee meets as and when necessary. During the FY 2017-18, the Committee met four times i.e. on May 25, 2017, November 20, 2017, December 15, 2017 and March 9, 2018.

The quorum for the meeting is either two members or one third of the members of the Committee, whichever is higher.

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

Name of the Committee Member	Meetings Held During Tenure	Meetings Attended
Mr. Hari S. Bhartia, Chairman*	1	1
Mr. Priyavrat Bhartia, Chairman^	4	4
Mr. Shamit Bhartia\$	3	2
Mr. Videh Kumar Jaipuria@	2	2

\* Resigned effective from July 19, 2017

^ Designated as Chairman effective from July 20, 2017

\$ Nominated as the member effective from July 20, 2017

@ Resigned effective from December 11, 2017

### BUSINESS STRATEGY COMMITTEE

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

#### Terms of Reference

The role of the Committee is:

1. Evaluate business opportunities in the existing profitable businesses of the Company and of its wholly owned subsidiary – Jubilant Agri and Consumer Products Limited;
2. Identify non-core businesses for possible divestment; and
3. Make its recommendation to the Boards of respective Companies for expansion, investment and/or divestment of businesses, as may be expedient, for further action.

### (ii) Composition

As on date, the Committee comprises of Ms. Shivpriya Nanda, Mr. S. K. Roongta and Mr. Manu Ahuja.

During the FY 2017-18, Mr. Ghanshyam Dass ceased to be a member of the Committee due to his resignation as the Director effective from February 26, 2018. Also, Mr. Videh Kumar Jaipuria ceased to be a member of the Committee due to his resignation as the Director effective from December 11, 2017.

Post FY 2017-18, Mr. Manu Ahuja appointed as the CEO and Managing Director of the Company and also inducted as the member of the Committee effective from May 10, 2018.

### (ii) Meetings, Quorum and Attendance

The Committee meets as and when necessary. During the FY 2017-18, no meeting of Business Strategy Committee was held. The quorum for the meeting is two members.

### RESTRUCTURING COMMITTEE

The Restructuring Committee had been constituted to take all actions and decide all matters relating to and/or incidental to the Scheme of Arrangement among Enpro Oil Private Limited, Jubilant Industries Limited and Jubilant Agri and Consumer Products Limited.

As on date, the Committee comprises of Mr. Priyavrat Bhartia, Chairman, Mr. Shamit Bhartia and Mr. Manu Ahuja.

During the FY 2017-18, Mr. Hari S. Bhartia, Chairman of the Restructuring Committee ceased to be the member of the Committee due to his resignation from the Board of Directors effective from July 19, 2017. Subsequently, Mr. Priyavrat Bhartia, member of the Committee designated as Chairman of the Committee and Mr. Shamit Bhartia, Director also inducted as the member of the Committee effective from July 20, 2017. Further, Mr. Videh Kumar Jaipuria ceased to be a member of the Committee due to his resignation as the Director effective from December 11, 2017.

Post FY 2017-18, Mr. Manu Ahuja appointed as the CEO and Managing Director of the Company and also inducted as the member of the Committee effective from May 10, 2018.

The Committee meets as and when necessary. During the FY 2017-18, no meeting of Restructuring Committee was held. The quorum of meeting is either two members or one third of the members of the committee, whichever is higher.

### D) Performance Evaluation and its Criteria

Pursuant to the provisions of the Act, the SEBI Listing Regulations, 2015 and the Performance Evaluation Policy of the Company, the Board has carried out annual evaluation of its performance, its Committees, Chairperson and Directors through structured questionnaire.

Performance of the Board was evaluated by each Director on the parameters such as its role and responsibilities, business risks, contribution to the development of strategy and effective risk management, understanding of operational programmes, availability of quality information in a timely manner, regular evaluation of progress towards strategic goals and operational performance, adoption

of good governance practices and adequacy and length of meetings, etc. Independent Directors also carried out evaluation of the Board performance.

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

Performance of the Chairperson was evaluated by the Independent Directors on the parameters such as demonstration of effective leadership, contribution to the Board's work, communication with the Board, use of time and overall efficiency of Board meetings, quality of discussions at the Board meetings, process for settling Board agenda, etc.

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

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

## E) Remuneration of Directors

### (i) Remuneration to Executive Directors

Mr. Videh Kumar Jaipurkar has resigned from the position of Director and Managing Director of the Company and the same has been accepted by the Company effective from December 11, 2017. During his tenure in the FY 2017-18, no remuneration was paid to him and 18,904 equity shares of the company was held by him pursuant to the exercise of ESOPs granted under JIL Employees Stock Option Scheme 2013. He was getting the remuneration from Jubilant Agri and Consumer Products Limited, wholly owned subsidiary of the Company, as its Whole-time Director.

Further, during the FY 2017-18, Mr. Umesh Sharma, Chief Financial Officer of the Company has also been appointed as Whole-time Director (WTD) and pursuant to occupying this position as WTD he has been paid a gross remuneration of ₹ 12,037/- from March 16 to 31, 2018. He was also getting the remuneration from Jubilant

Agri and Consumer Products Limited, wholly owned subsidiary of the Company, as its Whole-time Director. Further, due to personal reasons he has resigned from the office of Whole-time Director effective from May 10, 2018.

Post FY 2017-18, Mr. Manu Ahuja has been appointed as CEO & Managing Director by the Board of Directors of the Company without any remuneration for a period of three years effective from May 10, 2018. He shall be getting remuneration from Jubilant Agri and Consumer Products Limited, wholly owned subsidiary of the Company, as its CEO & Whole-time Director.

Appointment of Managing Director and Whole-time Director are contractual and is terminable on 3 months' notice.

Mr. Manu Ahuja does not hold any equity share of the Company.

### (ii) Remuneration to Non-Executive Directors

Mr. Hari S. Bhartia, Mr. Priyavrat Bhartia and Mr. Shamit Bhartia, Non-Executive Directors, have opted not to receive any remuneration. Mr. Hari S. Bhartia has resigned from the Board of the Company effective from July 19, 2017.

The details of sitting fees to the other Non-Executive Directors for year ended March 31, 2018 are as follows:

Name	Sitting Fees (₹)
Mr. Ghanshyam Dass*	1,25,000
Mr. R. Bupathy	4,25,000
Mr. S. K. Roongta	5,60,000
Ms. Shivpriya Nanda	3,50,000
<b>Total</b>	<b>14,60,000</b>

\* Resigned effective from February 26, 2018.

As on March 31, 2018, Mr. Priyavrat Bhartia holds 253 equity shares 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. No stock options have been granted to any Non-Executive Directors.

Other than holding shares and payment of sitting fees as indicated above, the Non-Executive Directors did not have any pecuniary relationship or transactions with the Company during the year.

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

The Company considers the time and efforts put in by the Non-Executive Directors in deliberations at Board/Committee meetings. They are remunerated by way of sitting fees for attending the meetings and through commission as approved by the Board and members. The criteria has been defined in the Appointment and Remuneration Policy of the Company. The criteria is also displayed on Company's website.

## 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
2016-17 (11th AGM)	August 29, 2017	1:30 pm	Registered office: Bhartiagram, Gajraula, District Amroha – 244223, Uttar Pradesh
2015-16 (10th AGM)	August 30, 2016	2:00 pm	
2014-15 (9th AGM)	December 21, 2015	12:00 noon	

### (ii) Special Resolutions passed during last three AGMs:

No special resolution was passed during the last three years.

### (iii) Special Resolutions passed through Postal Ballot during 2017-18

No special resolution was through Postal Ballot during 2017-18.

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

Special Resolutions as may be necessary under the Act/SEBI Listing Regulations, 2015 would be passed through Postal Ballot.

### (v) Procedure for Postal Ballot

- The notices containing the proposed resolutions and explanatory statements thereto are sent to the registered postal/e-mail 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/e-voting received within 30 days of dispatch are considered by the Scrutinizer.
- The Scrutinizer submits his report to the Chairman/Managing Director of the Company, who on the basis of the report announces the results.
- The Company has entered into an agreement with National Securities Depository Limited (NSDL) for providing e-voting facility to its shareholders. Under this facility, shareholders are provided an electronic platform to participate and vote on the proposals of the Company.

## G) Codes and Policies

The Company has established the following salient codes and policies:

### i. Code of Conduct

The Company has formulated and implemented a Code of Conduct for all Board members and Senior Management. Requisite annual affirmations of compliance with the Code have been received from the Directors and Senior Management of

the Company. A declaration signed to this effect by Mr. Manu Ahuja, CEO & Managing Director is enclosed as **Annexure A**. The Code of Conduct is posted on the Company's website. The link of the same is <https://www.jubilantindustries.com/pdfs/code-of-conduct.pdf>.

### ii. Code of Conduct for Prevention of Insider Trading

The Company has formulated and implemented a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities of the Company by its Designated Persons. Dealing in the shares of the Company by the Designated Persons is effectively monitored for ensuring compliance with the Code. Report on dealing in the shares of the Company by the Designated Persons is placed before the Chairman of the Audit Committee and the Board.

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

### iii. Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI)

The Company has adopted a Code of Practices and Procedures for Fair Disclosure of UPSI with a view to facilitate prompt, uniform and universal dissemination of UPSI.

### iv. Policy for Determining Materiality of Events and Information

The Company has adopted a Policy for Determining Materiality of Events and Information for the purpose of making disclosure to the Stock Exchanges. This policy aims to ensure timely and adequate disclosure of all material and price sensitive information to the Stock Exchanges. The Policy is displayed on the Company's website. The link of the same is <https://www.jubilantindustries.com/pdfs/policy-determination-materiality-events-information.pdf>.

### v. Policy for Preservation of Documents

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

**vi. Archival Policy**

The Company has adopted an Archival Policy that lays down the process and manner of archiving the disclosures made to the Stock Exchanges under the SEBI Listing Regulations, 2015. The Policy provides that such disclosures shall be hosted on the website of the Company for a period of five years from the date of disclosure to the Stock Exchanges. The Policy also lays down the manner of archiving these disclosures after the period of 5 years. The Policy has been posted on the Company's website. The link of the same is <https://www.jubilantindustries.com/pdfs/archival-policy.pdf>.

**vii. Appointment and Remuneration Policy**

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

**viii. Policy for Determining Material Subsidiaries**

This policy is displayed on the Company's website. The web-link for the same is: <https://www.jubilantindustries.com/pdfs/policy-determining-material-subsidiaries.pdf>.

**ix. Policy on Materiality of Related Party Transactions and Dealing with Related Party Transactions**

This policy is displayed on the Company's website. The web-link for the same is: <https://www.jubilantindustries.com/pdfs/policy-determining-material-subsidiaries.pdf>.

No material Related Party Transaction was entered into during FY 2017-18.

**x. Whistle Blower Policy**

During FY 2017-18, the Company has revised the policy to make the process more robust.

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

The Whistle Blower Policy has been posted on the Company's website <https://www.jubilantindustries.com>.

[jubilantindustries.com](https://www.jubilantindustries.com). The Audit Committee periodically reviews the functioning of the Policy and Ombudsman Process. During the FY 2017-18, no Director or full time employee was denied access to the Chairman of the Audit Committee.

**xi. Corporate Social Responsibility (CSR) Policy**

The Company's CSR policy is displayed on Company's website <https://www.jubilantindustries.com>.

**xii. Policy on Board Diversity****xiii. Succession Plan for Board Members and Senior Management****xiv. Performance Evaluation Policy****H) Disclosures**

- (i) Jubilant Agri and Consumer Products Limited (JACPL) is a material non-listed wholly owned Indian subsidiary of the Company.
- (ii) There are no materially significant transactions with the related parties viz. Promoters, Directors or the Management, their subsidiaries or relatives, etc. that may have a potential conflict with the interests of the Company at large. Related party transactions are given at Note No. 35 of Notes to the Standalone Financial Statements in the Annual Report.
- (iii) The Company has complied with various rules and regulations prescribed by the Stock Exchanges, SEBI or any other statutory authority relating to the capital markets and no penalties or strictures have been imposed by them on the Company during last three years.
- (iv) Listing fees for the financial year 2018-19 have been paid to the Stock Exchanges where the shares of the Company are listed.
- (v) Detailed notes on risk management are included in the Management Discussion Analysis section.
- (vi) The Company has complied with the requirements specified in Regulation 17 to 27 and Clause (b) to (i) of sub-regulation 2 of Regulation 46 of SEBI Listing Regulations, 2015.

**I) Means of Communication**

- (i) The quarterly financial results are regularly submitted to the Stock Exchanges and are published in leading Business Newspapers of the country i.e. 'HT Mint' and regional newspapers like 'Hindustan' in compliance with SEBI Listing Regulations, 2015.

- (ii) The quarterly and annual financial results are posted on the website of the Company at [www.jubilantindustries.com](http://www.jubilantindustries.com). The website also displays official news release, if any.
- (iii) Various sections of the Company's website [www.jubilantindustries.com](http://www.jubilantindustries.com) 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 stocks and/or encourage 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 company's website for all interested stakeholders.
- (v) Annual Report and Corporate Sustainability Report are emailed to such shareholders whose email ids are registered with the Company/ Depositories.

#### J) General Shareholders' Information

##### (i) Date, Time and Venue for 12<sup>th</sup> Annual General Meeting

As per notice of 12<sup>th</sup> Annual General Meeting.

##### (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 2018-19 is as follows:

Item	Tentative Dates *
First Quarter Results	July 26, 2018
Second Quarter Results	October 25, 2018
Third Quarter Results	January 31, 2019
Audited Annual Results for the year	May 16, 2019

\* 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 12<sup>th</sup> Annual General Meeting. Further, no dividend has been recommended for the year ended March 31, 2018.

#### (iv) Listing

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

S. No.	Name of the Stock Exchange	Security Listed	Stock Code
1.	BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001	Equity Shares	533320
2.	National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai-400051	Equity Shares	JUBLINDS

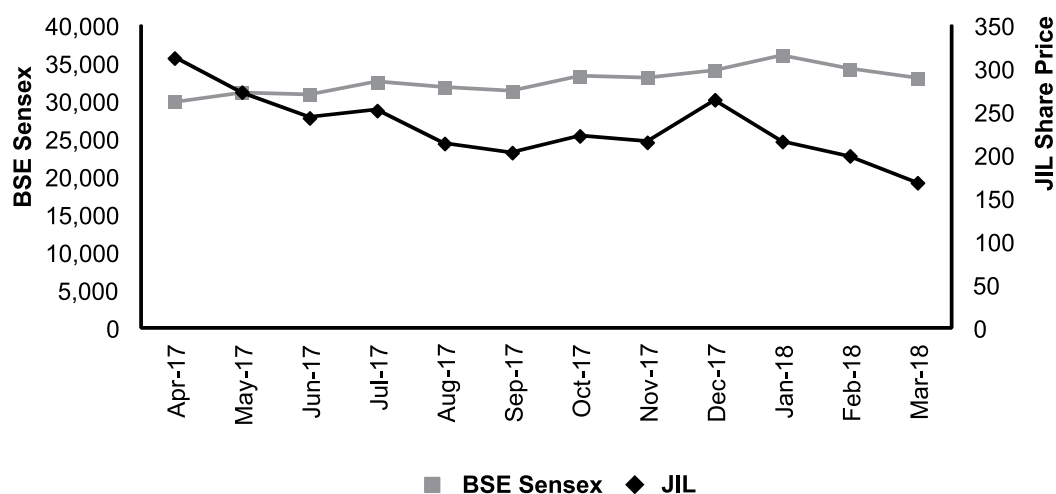
#### (v) Market Price Data

Monthly high/low of market price of the Company's equity shares (of ₹ 10 each) traded on the Stock Exchanges during 2017-18 is given hereinafter:

(Amount in ₹)

Month	BSE		NSE	
	High	Low	High	Low
Apr, 2017	342.00	311.00	344.00	312.20
May, 2017	327.10	241.20	326.95	262.00
Jun, 2017	290.85	241.00	290.75	241.00
Jul, 2017	291.50	230.00	291.90	239.30
Aug, 2017	255.80	200.05	256.00	199.05
Sept, 2017	234.30	200.25	234.70	201.00
Oct, 2017	247.00	201.50	248.00	201.50
Nov, 2017	227.40	206.20	227.80	195.40
Dec, 2017	284.50	204.00	283.70	217.00
Jan, 2018	285.00	212.45	282.00	212.20
Feb, 2018	219.50	182.50	219.00	178.00
Mar, 2018	202.20	165.15	203.00	166.05



**(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
2015	Issue of Equity Shares pursuant to exercise of Options granted under JIL Employees Stock Option Scheme 2013.	37,196	1,18,86,600	10
2016	Issue of Equity Shares pursuant to exercise of Options granted under JIL Employees Stock Option Scheme 2013.	28,470	1,19,15,070	10
2017	Issue of Equity Shares pursuant to exercise of Options granted under JIL Employees Stock Option Scheme 2013.	16,031	1,19,31,101	10

**(viii) Compliance Officer**

Mr. Abhishek Mishra, 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 +91-120-7186000, Fax nos. +91-120-7186176 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 - Alankit Assignments Limited quoting their Folio No. / DP ID & Client ID at the following address:

Alankit Assignments Limited,  
Alankit Heights, 3E/7, Jhandewalan Extension, New Delhi-110055;  
Tel: +91-11-23541234, 42541234; Fax: +91-11-41543474  
E-mail: [rta@alankit.com](mailto:rta@alankit.com), [info@alankit.com](mailto:info@alankit.com)

**(x) Share Transfer System**

Stakeholders Relationship Committee is authorised to approve transfer of shares. In order to expedite the process of share transfers, the Board has delegated the power to the Chief Financial Officer and Company Secretary of the Company. Share transfers which are received in physical form, are processed and the share certificates are returned within a period of 15 days from the date of receipt subject to the documents being valid and complete in all respects. The dematerialised shares are transferred directly to the beneficiaries by the depositories.

The Company has complied with the requirements of Regulation 40 read with Schedule VII of the SEBI Listing Regulations, 2015 with respect to all formalities of transfers or transmissions of share.

The Company obtains a half- yearly compliance certificate from a Company Secretary in Practice as required under Regulation 40(9) of the SEBI Listing Regulations, 2015 and file a copy of the said Certificate with the Stock Exchanges.

Pursuant to Regulation 7(3) of the SEBI Listing Regulations, 2015, Compliance Certificate duly signed by the Compliance Officer and the authorized representative of the Company's RTA viz. Alankit Assignments Limited confirming that all activities in relation to both physical and electronic share transfer facility are being maintained by the RTA for the half year ended September 30, 2017 and March 31, 2018 have been duly submitted to the Stock Exchanges.

**(xi) Distribution of shareholding as on March 31, 2018**

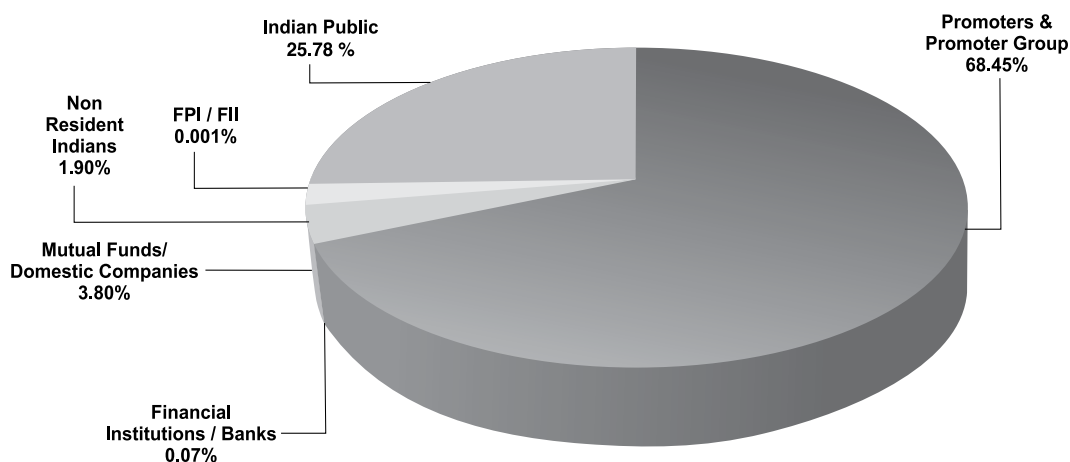
**(a) Value wise**

Shareholding of nominal value (in ₹)	Shareholders		Shareholding	
	Number	% of Total	Number	% of Total
Upto 5,000	18,153	94.83	10170750	8.53
5,001 to 10,000	448	2.34	3633940	3.05
10,001 to 20,000	281	1.47	4151900	3.48
20,001 to 30,000	96	0.50	2391580	2.00
30,001 to 40,000	34	0.18	1219440	1.02
40,001 to 50,000	38	0.20	1739050	1.46
50,001 to 1,00,000	53	0.28	3940230	3.30
1,00,001 and above	38	0.20	92064120	77.16
<b>Total</b>	<b>19141</b>	<b>100.00</b>	<b>119311010</b>	<b>100.00</b>

**(b) Category wise**

S. No.	Category	No. of shares	Shareholding as a percentage of total number of shares
A	Promoters & Promoter Group	81,66,637	68.45
B	Public Shareholding		
1	Financial Institutions / Banks	8,139	0.07
2	Mutual Funds / Domestic Companies	4,53,932	3.80
3	Non Resident Indians	2,26,867	1.90
4	FPI / FII	160	0.00
5	Indian Public / Trust / Others	30,75,366	25.78
	<b>Grand Total</b>	<b>1,19,31,101</b>	<b>100.00</b>

## Graphical Presentation of Shareholding



### (xii) Unclaimed Dividends

In respect of unpaid/unclaimed dividends for the year 2010-11, the shareholders are requested to write to the Company/RTA. Dividends remaining unclaimed for seven years from the date of transfer of unpaid dividend account will be transferred to the Investor Education and Protection Fund.

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 to avoid transfer to IEPF:

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

### (xiii) Equity Shares in Suspense Account

Pursuant to Clause 5A of the erstwhile Listing Agreement (corresponding to Schedule V (F) of the Listing Regulations), shareholders holding physical shares and not having claimed share certificates were sent three reminder letters to claim their equity shares. In terms of the aforesaid clause, equity shares which remained unclaimed were transferred to Jubilant Industries Limited - Unclaimed Suspense Account. Details required under Schedule V (F) of the SEBI Listing Regulations, 2015 are given in the table below:

Particulars	Number of Shareholders	Number of Equity Shares
Aggregate number of shareholders and the outstanding shares in the to Unclaimed Suspense Account lying as on April 01, 2017	1,400	36,436
Aggregate number of shareholders and the outstanding shares transferred to Unclaimed Suspense Account during 2017-18	-	-
Number of shareholders who approached the Company for transfer of shares from the Unclaimed Suspense Account during 2017-18	5	166
Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during 2017-18	5	166
Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account as on March 31, 2018	1,395	36,270

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

### (xiv) Information pursuant to Regulation 36(3) of the SEBI Listing Regulations, 2015

Information pertaining to particulars of Director to be appointed / re-appointed at the forthcoming Annual General Meeting has been included in the Notice convening the Annual General Meeting.

### (xv) Compliance Certificate of the Statutory Auditors

The Company has obtained a Certificate from the Statutory Auditors confirming compliance of conditions of

Corporate Governance as stipulated in Schedule V(E) of the SEBI Listing Regulations, 2015. The Certificate is attached as **Annexure C**.

**(xvi)(a) Dematerialization of Shares**

The shares of the Company fall under the category of confirming delivery in dematerialized mode by all categories of investors. The Company has signed agreements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). 1,17,92,651 equity shares of the Company were in dematerialized form as on March 31, 2018. 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 BSE Limited (Group B).

**(c) Paid-Up Capital**

The Paid-up Capital as at March 31, 2018 stands at 1,19,31,101 equity shares of ₹10 each amounting to ₹ 11,93,11,010 (Rupees Eleven Crore Ninety Three Lakh Eleven Thousand Ten only).

**(d) Stock Options**

The Company has an Employees Stock Option Scheme namely JIL Employees Stock Option Scheme 2013, ('Scheme 2013'). Each Option under Scheme 2013 entitles the holder to one equity share of ₹ 10 each of the Company, at the grant price being the market price as per SEBI SBEB Regulations, 2014 at the time of grant.

During the FY 2017-18, 16031 equity shares of the Company were allotted to eligible employees pursuant to exercise of Stock Options granted under Scheme 2013.

**(xvii) Location of Plant**

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

**(xviii) Address for Correspondence**

Jubilant Industries Limited  
Plot No. 15, Knowledge Park-II,  
Greater Noida, Uttar Pradesh-201306  
Tel: +91 120 -7186000  
Fax: +91 120-7186176  
e-mail: [investorsjil@jubil.com](mailto:investorsjil@jubil.com)  
Website: [www.jubilantindustries.com](http://www.jubilantindustries.com)

**(xix) Corporate Identity Number (CIN)**

L24100UP2007PLC032909

**K) Compliance with the Regulations Related to Corporate Governance in the SEBI Listing Regulations, 2015**

**(a) Mandatory Requirements**

The Company has complied with mandatory requirements relating to corporate governance as prescribed in SEBI Listing Regulations, 2015.

**(b) Extent to which Discretionary Requirements have been adopted:**

The status of adoption of non-mandatory requirements as specified in Regulation 27(1) read with Part E of Schedule II of the SEBI Listing Regulations, 2015 is given below:

**1. The Board**

**Non Executive Chairman's Office**

The Chairman is Non-Executive Promoter Director.

**2. Shareholders' Rights**

Half yearly financial performance is not being sent to Shareholders.

**3. Modified Opinion(s) in Audit Report**

Audit Reports on Financial Statements of the Company do not contain any modified opinion.

**4. Separate posts of Chairman and Managing Director/CEO**

The Company has separate posts of Chairman and Managing Director/CEO.

**5. Reporting of Internal Auditor**

Internal Auditor reports to the Audit Committee.

**CEO/CFO Certification**

In compliance with Regulation 17(8) read with Schedule II(B) of the SEBI Listing Regulations 2015, a declaration by CEO & Managing Director and CFO is enclosed as **Annexure D** which, inter-alia, certifies to the Board the accuracy of financial statements and the adequacy of internal controls for the financial reporting purpose.

**Investor Services**

In an endeavour 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](http://www.jubilantindustries.com).
- A dedicated e-mail ID viz. [investorsjil@jubil.com](mailto:investorsjil@jubil.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 A****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, 2018.

For **Jubilant Industries Limited**

Place : NOIDA  
Date : May 10, 2018

**Manu Ahuja**  
CEO & Managing Director

**Annexure B****APPOINTMENT AND REMUNERATION POLICY****SCOPE**

This Policy aims to ensure that the persons appointed as Directors, Key Managerial Personnel and Senior Management possess requisite qualifications, experience, expertise and attributes commensurate to their positions and level and that the composition of remuneration to such persons is fair and reasonable and sufficient to attract, retain and motivate the personnel to manage the Company successfully.

This Policy has been developed and implemented by the Nomination, Remuneration and Compensation Committee and is applicable to Directors, Key Managerial Personnel, Senior Management and other employees of the Company.

This Policy is in compliance with Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement with the Stock Exchanges and applies to the following categories of Directors and employees of the Company:

- Part I - Key Managerial Personnel
- Part II - Non-executive Directors / Independent Directors
- Part II - Senior Management and other employees

**DEFINITIONS**

- i. "Act" means the Companies Act, 2013 read with the rules, clarifications, circulars and orders issued thereunder from time to time including any modification or re-enactment thereof.
- ii. "Board" means the Board of Directors of the Company.
- iii. "Independent Director" means an Independent Director of the Company appointed in pursuance of the Act and Listing Agreement with the stock exchanges.
- iv. "Key Managerial Personnel" or "KMP" means person(s) appointed as such in pursuance of Section 203 of the Act.
- v. "Listing Agreement" means the listing agreement between the Company and the stock exchanges on which the securities of the Company are listed and traded.
- vi. "NRC" means Nomination, Remuneration and Compensation Committee of the Board, constituted in accordance with the provisions of Section 178 of the Act and the Listing Agreement.
- vii. "Other Employees" means all the employees of the Company other than the Key Managerial Personnel and the Senior Management.
- viii. "Rules" means the rules framed under the Act.
- ix. "Senior Management" shall mean the personnel of the Company designated as Senior Management in accordance with the definition laid down under Explanation to Section 178 of the Act and Clause 49(VIII)(D)(2) of the Listing Agreement.
- x. "Stock Options" means the options given or to be given by the Company as per the prevalent Employees Stock Option Scheme/Plans of the Company.



Unless the context otherwise provides, terms not defined herein and used in this Policy, shall bear the same meaning as prescribed under the Act, the Listing Agreement or any other relevant law.

Where an employee is a Key Managerial Personnel as well as holds a Senior Management Position (such as CFO), his/her terms of appointment shall be governed by both Part I and Part III of this Policy and in the event of any conflict, the stricter clause shall prevail.

## **GENERAL QUALIFICATIONS AND ATTRIBUTES FOR ALL DIRECTORS**

### **The prospective Director:**

- Should be a reasonable person with integrity and ethical standards.
- Should meet the requirements of the Act, the Listing Agreement and other applicable laws for the time being in force.
- Should have the requisite qualifications, skills, knowledge, experience and expertise relevant or useful to the business of the Company. The relevant experience could be in areas of management, human resources, sales, administration, research, Corporate Governance, manufacturing, international operations, public service, finance, accounting, strategic planning, risk management, supply chain, science and technology, marketing, law or any other area considered necessary by the Board/NRC.
- Should be a person who is capable of balancing the interests of the Company, its employees, the shareholders, the community and for the protection of the environment.
- Is expected to:
  - a. Uphold ethical standards of integrity and probity.
  - b. Act objectively and constructively while exercising his/her duties.
  - c. Exercise his/her responsibilities in a bonafide manner in the interest of the Company.
  - d. Devote sufficient time and attention for informed and balanced decision making.
  - e. Not allow any extraneous considerations that will vitiate his/her exercise of objective independent judgment in the paramount interest of the Company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making.
  - f. Not abuse his/her position to the detriment of the Company or its shareholders or to gain direct or indirect personal advantage or advantage for any associated person.
  - g. Avoid conflict of interest, and in case of any situation of conflict of interest, make appropriate disclosures to the Board.
  - h. Assist the Company in implementing the best corporate governance practices.
  - i. Exhibit his/her total submission to the limits of law in drawing up the business policies, including strict adherence to and monitoring of legal compliances at all levels.
  - j. Have ability to read and understand the financial statements.
  - k. Protect confidentiality of the confidential and proprietary information of the Company.

NRC has the discretion to decide whether qualification, expertise, experience and attributes possessed by a person are sufficient / satisfactory for the concerned position.

## **COMPLIANCES**

The terms/ process of appointment / re-appointment and remuneration of the Directors and other employees covered under this Policy shall be governed by the provisions of the Act, Rules, Listing Agreement, other applicable laws and policies and practices of the Company.

## **DISCLOSURES**

This Policy shall be disclosed in the Annual Report of the Company.

## **REVIEW / AMENDMENT**

Based on the recommendation of the NRC, the Board may amend, abrogate, modify or revise any or all clauses of this Policy in accordance with the Act, Listing Agreement and/or any other applicable law or regulation.

This Appointment and Remuneration Policy has been approved by the Board on March 27, 2015 on recommendation of Nomination, Remuneration and Compensation Committee. It shall be effective from March 27, 2015.

## **PART I – KEY MANAGERIAL PERSONNEL**

**Part I of this Policy comprises of two parts as under:**

**PART A - Managing Directors / Whole-time Directors (“EDs”)**

**PART B - Chief Financial Officer, Company Secretary and other KMPs**

### **PART A- MANAGING DIRECTORS / WHOLE-TIME DIRECTORS (“EDs”)**

#### **OBJECTIVES**

- Identify persons who possess appropriate qualifications, experience and attributes for appointment as EDs.
- The remuneration payable to the EDs is commensurate with their qualification, experience and capabilities and takes into account the past performance and achievements of such ED. A suitable component of remuneration payable to the EDs is linked to their performance, performance of the business and the Company.
- The remuneration payable to the EDs is comparable with the remuneration paid to the EDs of other companies which are similar to the Company in terms of nature of business, size and complexity.

#### **SPECIFIC QUALIFICATIONS AND ATTRIBUTES**

In addition to the qualifications and attributes specified in ‘General Qualifications and Attributes’ above, the prospective Director satisfies the criteria set out under the applicable law including the Act and the Listing Agreement for eligibility to be appointed as ED.

#### **PROCESS OF APPOINTMENT AND REMOVAL**

##### **Appointment**

- NRC shall identify suitable persons for appointment and recommend their appointment to the Board along with the terms of appointment and remuneration. The Board will consider recommendations of NRC and approve the appointment and remuneration, subject to approval of the shareholders of the Company.

##### **Removal**

- Where the appointee is subjected to any disqualification(s) mentioned in the Act, Rules or under any other law, rules and regulations, code of conduct and / or policies of the Company, NRC shall recommend to the Board his/her removal from the services of the Company.

#### **COMPONENTS OF REMUNERATION / INCREMENTS**

##### **Remuneration shall consist of:**

- Fixed remuneration including perquisites and allowances, retiral benefits (like Provident Fund/ Gratuity/ Superannuation/ Leave encashment, etc.) and other benefits as per policy of the Company.
- Variable pay based on the performance of the individual, business and the Company as a whole.
- No Sitting Fee shall be payable for attending the meetings of the Board or committees thereof.
- Stock Options as per terms of the prevalent Stock Options Plan, if eligible.
- Any other incentive as may be applicable.

#### **ANNUAL INCREMENT**

Annual increment will be granted by the Board on recommendation of NRC, based on the performance of the individual, performance of the business and the Company as a whole.

### **PART B - CHIEF FINANCIAL OFFICER, COMPANY SECRETARY AND OTHER KMPs**

#### **OBJECTIVES**

- Identify persons who possess appropriate qualifications, experience and attributes for appointment as Chief Financial Officer (“CFO”), Company Secretary (“CS”) and other Key Managerial Personnel (“KMPs”).
- The remuneration payable to CFO, CS and KMPs is commensurate with his/her qualification, experience and capabilities and takes into account the past performance and achievements of such individual. Remuneration payable to them is comparable with the remuneration paid to persons performing the same or similar roles in other companies which are similar to the Company in terms of nature of business, size and complexity.
- A suitable component of their remuneration is linked to his/her performance, performance of the business and the Company.

## **QUALIFICATIONS AND ATTRIBUTES**

- Should be a reasonable person with integrity and ethical standards.
- Have requisite qualification and experience as may be relevant to the task he/she is expected to perform.

NRC/ Board has the discretion to decide whether qualification, expertise, experience and attributes possessed by the person are sufficient / satisfactory for the concerned position.

## **PROCESS OF APPOINTMENT AND REMOVAL**

### **Appointment**

- Appointment of KMPs (including terms and remuneration) shall be approved by the Board.
- Upon the NRC recommending the appointment of the CFO to the Audit Committee, the Audit Committee shall approve the appointment of CFO and recommend the same to the Board for approval after assessing the qualifications, experience, background, etc.
- Where a KMP is in Senior Management, the appointment (including terms and remuneration) shall be recommended by NRC to the Board for its approval.

### **Removal**

- Where KMP is subjected to any disqualification(s) mentioned in the Act, Rules or under any other applicable law, rules and regulations, Code of Conduct and/or Policies of the Company, the Board may remove such KMP from the services of the Company.
- Where KMP is in Senior Management, his/her removal shall be recommended by NRC to the Board for its approval.

## **ELEMENTS / COMPONENTS OF REMUNERATION**

Remuneration and other perquisites / facilities (including loans/advances) shall be governed by the policies and practices of the Company from time to time. Remuneration shall consist of:

- Fixed remuneration including perquisites and allowances, retiral benefits (like Provident Fund/ Gratuity/ Superannuation/ Leave encashment, etc.) and other benefits as per policy of the Company.
- Variable remuneration based on the performance of the individual, the function and the Company as a whole.
- Stock Options as per terms of the prevalent Stock Options Plan.
- Any other incentive as may be applicable.

## **ANNUAL APPRAISAL AND INCREMENT**

Appraisal and increment will be done by the Managing Director/Whole-time-Director in consultation with the Chairman of the Company after taking into account the following:

- Individual's performance against Key Performance Indicators.
- The performance of:
  - a) Individual;
  - b) Business function handled by the individual; and
  - c) Company.
- The prevalent rate of increments given by companies of similar nature of business and size;
- The criticality of the individual to the Company in his capacity as a Key Managerial Personnel.

## **PART II – NON-EXECUTIVE DIRECTORS / INDEPENDENT DIRECTORS**

### **OBJECTIVES**

- Identify persons who meet the criteria for independence, if required, as set out under the Act and the Listing Agreement and possess appropriate qualifications, experience and attributes for appointment to a Company of our size.
- The remuneration payable to the Non-executive/ Independent Directors takes into account the contributions of the Director to the performance of the Company. Remuneration payable to them is fair and reasonable and comparable with the remuneration paid by other companies which are similar to the Company in terms of nature of business, size and complexity.

## **SPECIAL QUALIFICATIONS AND ATTRIBUTES FOR INDEPENDENT DIRECTORS**

In addition to the qualifications and attributes specified in 'General Qualifications and Attributes' above, the prospective

Independent Director should meet the requirements of Schedule IV to the Act and the Listing Agreement.

## **PROCESS OF APPOINTMENT AND REMOVAL**

### **Appointment**

- NRC shall identify suitable persons for appointment and recommend their appointment to the Board. The Board will consider recommendations of NRC and accordingly, approve appointment and remuneration of Non-executive and/or Independent Directors subject to approval of the shareholders of the Company.
- The appointment of Independent Directors shall be formalized in accordance with the applicable laws.

### **Removal**

- Where the appointee is subjected to any disqualification(s) mentioned in the Act, Rules or under any other law, rules and regulations, Code of Conduct and / or Policies of the Company, NRC shall recommend to the Board for removal of the appointee from directorship of the Company.

## **ELEMENTS/COMPONENTS OF REMUNERATION**

- Variable remuneration - Commission - As a % of the net profits of the Company as approved by the Board and/or the shareholders of the Company.
- Sitting fees for attending meetings of the Board and Committees thereof as recommended by NRC and approved by the Board and reimbursement of expenses for participation in the meetings of the Board and other meetings.
- Stock Options as per terms of prevalent Stock Options Plan. Independent Directors will not be entitled to Stock Options.

## **PART III – SENIOR MANAGEMENT & OTHER EMPLOYEES**

### **OBJECTIVES**

- Identify persons who possess appropriate qualifications, experience and attributes for appointment in the Senior Management and Other Employees category.
- Remuneration payable to the Senior Management and other employees is commensurate with their qualification, experience and capabilities and takes into account their past performance and achievements. Remuneration payable to them is comparable with the remuneration paid to employees at the same level in other companies which are similar to the Company in terms of nature of business, size and complexity.
- Depending on the level of the employee, a suitable component of remuneration is linked to performance of such individual employee, the performance of the business and the Company as per the HR Policy of the Company.

### **QUALIFICATIONS AND ATTRIBUTES**

- Should be a reasonable person with integrity and ethical standards.
- Senior Management: Should have the requisite qualification and experience as may be relevant to the task he / she is expected to perform.

NRC has the discretion to decide whether qualification, expertise, experience and attributes possessed by a person are sufficient/ satisfactory for the concerned Senior Management position.

- Other Employees: Qualification, expertise, experience and attributes will be determined by the Management as per the HR Policy of the Company.

## **PROCESS OF APPOINTMENT AND REMOVAL**

### **Appointment**

- NRC shall identify suitable persons for appointment in the Senior Management and recommend to the Board their appointment alongwith the terms of appointment and remuneration.
- The Board will consider recommendation of NRC and approve the appointment alongwith the terms of appointment and remuneration.
- Appointments to positions other than the Senior Management will be made as per the Company's HR policy.

### **Removal**

- Where an employee in the Senior Management is subjected to any disqualification(s) mentioned in the Act, Rules or

under any other law, rules and regulations, Code of Conduct and / or Policies of the Company, the Board may remove such employee from the services of the Company, on recommendation of NRC.

- In case of other employees, the Management of the Company may terminate the services of such employee as per HR Policy of the Company.

### **ELEMENTS / COMPONENTS OF REMUNERATION**

Remuneration and other perquisites / facilities (including loans/advances) shall be governed by the policies and practices of the Company from time to time. Remuneration shall consist of:

- Fixed remuneration including perquisites and allowances, retiral benefits (like Provident Fund/ Gratuity/ Superannuation/ Leave encashment, etc.) and other benefits as per policy of the Company.
- Variable remuneration based on the performance of the individual, the function and the Company as a whole.
- Stock Options as per terms of the prevalent Stock Options Plan.
- Any other incentive as may be applicable.

### **ANNUAL APPRAISAL AND INCREMENT**

Appraisal and increment will be done by the Managing Director / Whole-time Director or any other appropriate authorities in consultation with the Chairman of the Company or any other person authorised by him after taking into account the following:

- Individual's performance against Key Performance Indicators.
  - The performance of the:
    - a) Individual ;
    - b) Business function handled by the individual; and
    - c) Company.
  - The prevalent rate of increments given by the companies of similar nature of business and size.
  - The criticality of the individual to the Company in his capacity as a member of the Senior Management or other employees category.
-



**Annexure C****INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

To,  
The Members of  
Jubilant Industries Limited

1. We, K. N. GUTGUTIA & CO., CHARTERED ACCOUNTANTS, the Statutory Auditors of JUBILANT INDUSTRIES LIMITED (the "Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31st March, 2018, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

**Management's Responsibility**

2. The Compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with conditions of the Corporate Governance stipulated in Listing Regulations.

**Auditor's Responsibility**

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.

We have examined the books of account and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

4. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143 (10) of the Companies Act, 2013, in so far as applicable for the purpose of this Certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
5. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1 Quality Control of Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

**Opinion**

6. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended 31st March, 2018
7. We 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 & Company**  
Chartered Accountants  
FRN 304153E

**(B.R. GOYAL)**  
PARTNER  
M.NO. 12172

Place : New Delhi  
Dated : May 10, 2018

**CERTIFICATE OF CEO/CFO**

This is to certify that:

- (a) We have reviewed financial statements and the cash flow statement for the year 2017-18 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  
Date : May 10, 2018

**Umesh Sharma**  
Chief Financial Officer

**Manu Ahuja**  
CEO & Managing Director

## **STANDALONE FINANCIAL STATEMENTS**

# Independent Auditor's Report

## TO THE MEMBERS OF JUBILANT INDUSTRIES LIMITED

### Report on the Standalone Ind AS Financial Statements

We have audited the accompanying Standalone Ind AS financial statements of **JUBILANT INDUSTRIES LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement, the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after refer to us "Ind AS Financial Statements").

### Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these Standalone Ind AS financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under section 143(11) of the Act.

We conducted our audit of the Standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan

and perform the audit to obtain reasonable assurance about whether the Standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Standalone Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Ind AS financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Ind AS and other accounting principles generally accepted in India, of the financial position of the Company as at March 31, 2018, and its Loss, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income,

the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

- d) In our opinion, the aforesaid Standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act;
- e) On the basis of the written representations received from the directors of the Company as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164(2) of the Act;
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting; and
- g) With respect to the other matters to be included in the Auditor's Report in accordance with

Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS financial statements. Refer note 36 to the Standalone Ind AS financial statements;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
- iii. The Company did not have any dues in respect of investor Education and Protection fund.

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

Chartered Accountants  
(Firm Registration Number: 304153E)

**B.R. GOYAL**

(Partner)

(Membership No.12172)

Place: Noida

Date : May 10, 2018



## **ANNEXURE “A” TO THE INDEPENDENT AUDITORS’ REPORT**

(Referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

- (i) In respect of the Company's fixed assets:
- (a) The Company has maintained records showing particulars, including situation of fixed assets.
  - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - (c) Title deeds of immovable properties of the Company are held in the name of the Company.
- (ii) As explained to us, the inventories, except goods in transit, were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) According to the information and explanations given to us, the Company has not granted loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013. Therefore, reporting under this clause is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the Company has compiled the provision of sections 185 and 186 of the Companies Act, 2013 with respect to Investments and guarantees.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit under Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014, as amended.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148 of the Companies Act, 2013 for the product of the Company.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Goods and Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities.
  - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Goods and Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2018 for a period of more than six months from the date they became payable.
  - (c) Details of dues of Service Tax, Custom Duty Sales Tax and Excise Duty which have not been deposited as at March 31, 2018 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates (Financial Year)	Amount Involved (₹ in million)
Sales/VAT Tax Laws	Sales Tax/VAT	DC Sales Tax, LTU 4, Mumbai	2013-14	15.23

- (viii) In our opinion and according to the information and explanations given to us, the Company has not taken any loan or borrowing from any financial Institution, bank, government and hence reporting under this clause is not applicable.
- (ix) In our opinion and according to the information and explanations given to us, the company has not taken any term loan during the year and not raised moneys by way of initial public offer (including debt instruments) during the year; hence reporting under this clause is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not paid/provided any managerial remunerations during the year and hence reporting under this clause is not applicable.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed vide note no 35 to the financial statements as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or associate company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

Chartered Accountants  
(Firm Registration Number: 304153E)

**B.R. GOYAL**

(Partner)

Place : Noida

Date : May 10, 2018

(Membership No.12172)

## **ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT**

(Referred to in paragraph 2(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

### **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of **JUBILANT INDUSTRIES LIMITED** (“the Company”) as of March 31, 2018 in conjunction with our audit of the Standalone Ind AS financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (the “Guidance Note”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial

controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal

financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the criteria for internal financial control over financial reporting established by

the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Control over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Chartered Accountants  
(Firm Registration Number: 304153E)

**B.R. GOYAL**

Place: Noida

Date : May 10, 2018

(Partner)

(Membership No.12172)

# Balance Sheet

## As at 31 March 2018

(₹ in million)

	Notes	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	3	16.88	17.99	18.87
Other Intangible assets	4	0.04	0.05	0.24
Financial assets				
(i) Investments	5	2,637.98	2,629.66	2,235.97
(ii) Loans	6	0.03	0.03	-
Deferred tax assets (net)	7	0.06	-	-
Other non-current assets	8	1.35	1.35	7.24
<b>Total non-current assets</b>		<b>2,656.34</b>	<b>2,649.08</b>	<b>2,262.32</b>
<b>Current assets</b>				
Inventories	9	23.91	21.35	32.90
Financial assets				
(i) Trade receivables	10	16.78	34.85	4.79
(ii) Cash and cash equivalents	11 (a)	1.60	1.48	3.17
(iii) Other bank balances	11 (b)	-	-	0.05
(iv) Loans	6	0.01	-	0.03
(v) Other financial assets	12	3.79	3.48	0.57
Income tax assets (net)		1.81	1.47	82.16
Other current assets	8	20.73	11.88	14.35
<b>Total current assets</b>		<b>68.63</b>	<b>74.51</b>	<b>138.02</b>
<b>Total Assets</b>		<b>2,724.97</b>	<b>2,723.59</b>	<b>2,400.34</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity Share capital	13	119.31	119.15	118.87
Other Equity	13 (a)	2,464.68	2,475.41	2,089.59
<b>Total equity</b>		<b>2,583.99</b>	<b>2,594.56</b>	<b>2,208.46</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Provisions	14	1.81	1.53	1.23
<b>Total non-current liabilities</b>		<b>1.81</b>	<b>1.53</b>	<b>1.23</b>
<b>Current liabilities</b>				
Financial liabilities				
(i) Borrowings	15	-	-	10.00
(ii) Trade payables	16	18.30	32.18	11.61
(iii) Other financial liabilities	17	105.52	82.35	155.49
Other current liabilities	18	12.25	1.18	3.65
Provisions	14	3.10	11.79	9.90
<b>Total current liabilities</b>		<b>139.17</b>	<b>127.50</b>	<b>190.65</b>
<b>Total Equity and Liabilities</b>		<b>2,724.97</b>	<b>2,723.59</b>	<b>2,400.34</b>
Corporate information and Significant accounting policies	1 & 2			
Notes to the financial statements	3 to 40			
The accompanying notes "1 to 40" form an integral part of the financial statements				

In terms of our report of even date attached.

For and on behalf of the Board

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

Chartered Accountants

Firm Registration Number : 304153E

**B. R. Goyal**

Partner

Membership No. 12172

**Priyavrat Bhartia**

Chairman

DIN: 00020603

**Manu Ahuja**

CEO & Managing Director

DIN: 05123127

**Place : Noida**

Date : 10th May, 2018

**Abhishek Mishra**

Company Secretary

**Umesh Sharma**

Chief Financial Officer

# Statement of Profit and Loss

## For the year ended 31 March 2018

(₹ in million)

	Notes	For the year ended 31 March 2018	For the year ended 31 March 2017
Revenue from operations	19	217.08	278.60
Other Income	20	6.21	409.25
<b>Total income</b>		<b>223.29</b>	<b>687.85</b>
<b>EXPENSES</b>			
Cost of materials consumed	21	70.47	82.58
Purchases of stock-in-trade	22	0.19	0.48
Changes in inventories of finished goods and work-in-progress	23	2.52	4.59
Excise duty on sale		29.69	41.38
Employee benefits expense	24	10.84	12.51
Finance costs	25	-	0.67
Depreciation & amortisation expense	26	1.04	1.21
Other expenses	27	123.10	163.34
<b>Total expenses</b>		<b>237.85</b>	<b>306.76</b>
<b>Profit/(Loss) for the year</b>		<b>(14.56)</b>	<b>381.09</b>
<b>Other Comprehensive Income</b>			
<i>Items that will not be reclassified to profit or loss</i>			
Re-measurements of the defined benefit obligations		(0.17)	(0.01)
Income tax relating to items that will not be reclassified to profit or loss	28	0.06	-
<b>Other comprehensive income for the year (net of tax)</b>		<b>(0.11)</b>	<b>(0.01)</b>
<b>Total comprehensive income for the year</b>		<b>(14.67)</b>	<b>381.08</b>
Earnings per equity share of ₹ 10.00 each			
Basic (In ₹)	40	(1.22)	32.02
Diluted (In ₹)	40	(1.22)	31.99
Corporate information and Significant accounting policies	1 & 2		
Notes to the financial statements	3 to 40		
The accompanying notes "1 to 40" form an integral part of the financial statements			

In terms of our report of even date attached.

**For and on behalf of the Board**
**For K. N. Gutgutia & Co.**

Chartered Accountants

Firm Registration Number : 304153E

**B. R. Goyal**

Partner

Membership No. 12172

**Priyavrat Bhartia**

Chairman

DIN: 00020603

**Place : Noida**

Date : 10th May, 2018

**Abhishek Mishra**

Company Secretary

**Umesh Sharma**

Chief Financial Officer

**Manu Ahuja**

CEO &amp; Managing Director

DIN: 05123127



# Statement of Changes in Equity

## For the year ended 31 March 2018

A. Equity		(₹ in million)
<b>Balance as at 1 April 2016</b>		<b>118.87</b>
Changes in the equity share capital during the year		0.28
<b>Balance as at 31 March 2017</b>		<b>119.15</b>
Changes in the equity share capital during the year		0.16
<b>Balance as at 31 March 2018</b>		<b>119.31</b>

### B. Other Equity

	Reserve and surplus				Items of other comprehensive income	Total
	Security premium reserve	General reserve	Share based payment reserve*	Retained earnings	Re-measurement of defined benefits obligations	
<b>As at 1 April 2016</b>	<b>827.05</b>	<b>227.78</b>	<b>2.66</b>	<b>1,032.10</b>	-	<b>2,089.59</b>
Profit/(loss) for the year	-	-	-	381.09	-	381.09
Other comprehensive income	-	-	-	-	(0.01)	(0.01)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>381.09</b>	<b>(0.01)</b>	<b>381.08</b>
Employee stock option expense	-	-	2.09	-	-	2.09
Upon issue of share capital	2.65	-	-	-	-	2.65
Transfer to securities premium reserve	-	1.93	(1.93)	-	-	-
<b>As at 31 March 2017</b>	<b>829.70</b>	<b>229.71</b>	<b>2.82</b>	<b>1,413.19</b>	<b>(0.01)</b>	<b>2,475.41</b>
Profit/(loss) for the year	-	-	-	(14.56)	-	(14.56)
Other comprehensive income	-	-	-	-	(0.11)	(0.11)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(14.56)</b>	<b>(0.11)</b>	<b>(14.67)</b>
Employee stock option expense	-	-	2.37	-	-	2.37
Upon issue of share capital	1.57	-	-	-	-	1.57
Transfer to securities premium reserve	-	1.80	(1.80)	-	-	-
<b>As at 31 March 2018</b>	<b>831.27</b>	<b>231.51</b>	<b>3.39</b>	<b>1,398.63</b>	<b>(0.12)</b>	<b>2,464.68</b>

\* Refer note 38.

# Statement of Changes in Equity

## For the year ended 31 March 2018

### Notes:

- **Security premium reserve**

The unutilized accumulated excess of issue price over face value on issue of shares. This reserve is utilized in accordance with the provision of the Act.

- **General reserve**

This represents appropriation of profit by the Company and is available for distribution of dividend.

- **Share based payment reserve**

The fair value of the equity settled share based payment transactions with employees is recognised in Statement of Profit and Loss with corresponding credit to Share based payment reserve. Further, equity settled share based payment transaction with employees of subsidiary is recognised in investment of subsidiaries with corresponding credit to Share based payment reserve. Balance of a share based payment reserve is transferred to general reserve upon expiry of grants or upon exercise of stock options by an employee.

- **Re-measurement of defined benefit obligation**

Re-measurement of defined benefits obligation comprises actuarial gains and losses and return on plan assets.

The accompanying notes "1 to 40" form an integral part of the financial statements.

In terms of our report of even date attached.

### For K. N. Gutgutia & Co.

Chartered Accountants

Firm Registration Number : 304153E

### B. R. Goyal

Partner

Membership No. 12172

### Place: Noida

Date : 10th May, 2018

### For and on behalf of the Board

### Priyavrat Bhartia

Chairman

DIN: 00020603

### Manu Ahuja

CEO & Managing Director

DIN: 05123127

### Umesh Sharma

Chief Financial Officer

### Abhishek Mishra

Company Secretary

# Statement of Cash Flows

## For the year ended 31 March 2018

(₹ in million)

	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>A. Cash flow from operating activities:</b>		
Net profit/(loss) before tax	(14.56)	381.09
Adjustments for:		
Depreciation & amortisation expense	1.04	1.21
Finance costs	-	0.67
Fair value gain on financial instruments at FVTPL	(5.95)	(391.60)
Interest Income	(0.22)	(16.26)
	(5.13)	(405.98)
<b>Operating cash flow before working capital changes</b>	<b>(19.69)</b>	<b>(24.89)</b>
Adjustments for:		
(Increase)/Decrease in trade receivables, loans, other financial assets and other assets	9.00	(24.61)
(Increase)/Decrease in inventories	(2.56)	11.55
Increase/(Decrease) in trade payable, other financial liabilities, other liabilities and provisions	11.77	(51.47)
<b>Cash generated from operations</b>	<b>(1.48)</b>	<b>(89.42)</b>
Direct taxes (paid)/refund (net)	(0.34)	96.83
<b>Net cash generated from operating activities</b>	<b>(1.82)</b>	<b>7.41</b>
<b>B. Cash flow from investing activities:</b>		
Purchase of property, plant and equipment & other intangible assets	-	(0.14)
Sale of property, plant and equipment	0.08	-
Interest received	0.13	0.11
Redemption of term deposit with bank	-	0.05
<b>Net cash generated/(used) in investing activities</b>	<b>0.21</b>	<b>0.02</b>
<b>C. Cash flow arising from financing activities:</b>		
Proceeds from issue of shares on exercise of stock options	1.73	2.93
Repayment of inter-corporate borrowings from related parties	-	(10.00)
Repayment of interest converted into inter-corporate loan taken	-	(1.38)
Finance costs paid	-	(0.67)
<b>Net cash inflow/(outflow) in course of financing activities</b>	<b>1.73</b>	<b>(9.12)</b>
Net increase/(decrease) in cash & cash equivalents (A+B+C)	0.12	(1.69)
Add: Cash & cash equivalents at the beginning of the year (including balance in dividend account)	1.48	3.17
<b>Cash &amp; cash equivalents at the close of the year (including balance in dividend account)</b>	<b>1.60</b>	<b>1.48</b>
		(₹ in million)
	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>Components of cash and cash equivalents</b>		
Balance With Banks		
- On current accounts	1.35	1.23
- On dividend account	0.24	0.24
Cash in hand	0.01	0.01
	<b>1.60</b>	<b>1.48</b>
<b>Notes:</b>		
i) Statement of Cash Flow has been prepared under the Indirect Method as set out in the Ind AS 7 "Statement of Cash Flows".		
ii) Acquisition/Purchase of property, plant and equipment/other intangible assets includes movement of capital work-in-progress, intangible assets under development and capital advances/payable during the year.		

In terms of our report of even date attached .

For and on behalf of the Board

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

Chartered Accountants

Firm Registration Number : 304153E

**B. R. Goyal**

Partner

Membership No. 12172

**Priyavrat Bhartia**

Chairman

DIN: 00020603

**Manu Ahuja**

CEO & Managing Director

DIN: 05123127

**Place : Noida**

Date : 10th May, 2018

**Abhishek Mishra**

Company Secretary

**Umesh Sharma**

Chief Financial Officer

# Notes to the Financial Statements

## For the year ended 31 March 2018

### 1. Corporate Information

Jubilant industries Limited (“the Company” or the “Parent Company”) is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Presently, the Company is engaged in the business of manufacturing of Indian-made foreign liquor. Its shares are listed on the BSE Limited and the National Stock Exchange of India Limited. The registered office of the Company is situated at Bharttiagram, Gajraula District Amroha-244 223.

These financial statements were authorised for issuance by the Board of Directors of the Company in their meeting held on May 10, 2018.

### 2. Significant accounting policies

This note provides significant accounting policies adopted and applied in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### (a) Basis of preparation

##### (i) Statement of compliance

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013 (“the Act”) and other relevant provisions of the Act.

The financial statements of the Company for all periods covered therein and including the year ended 31 March 2017 were prepared in accordance with Accounting Standards notified under Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or previous GAAP).

These financial statements for the year ended 31 March 2018 are the first financial statements of the Company prepared in accordance with Ind AS, Ind AS 101, First-time Adoption of Indian Accounting Standards has been applied. An explanation as to how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in note 39.

##### (ii) Historical cost convention

The financial statements have been prepared on a historical cost convention on accrual

basis except for the following material items those have been measured at fair value as required by relevant Ind AS:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments);
- Defined benefit plans and other long-term employee benefits;
- Share-based payment transactions;
- Investment in preference shares.

The financial statements of the Company are presented in Indian Rupee and all values are rounded to the nearest million, except as stated otherwise.

#### (b) Current versus non-current classification

The Company presents assets and liabilities in the Balance Sheet based on current/ non-current classification. An asset is treated as current when:

- It is expected to be realised or intended to be sold or consumed in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is expected to be realised within twelve months after the reporting period; or
- It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Company classifies all other assets as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities, respectively.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The

## Notes to the Financial Statements for the year ended 31 March 2018

Company has identified twelve months as its operating cycle for the purpose of current-non-current classification of assets and liabilities.

### (c) Property, plant and equipment (PPE) and intangible assets

#### (i) Property, plant and equipment

Freehold land is carried at cost. All other items of property, plant and equipment are stated at cost, which includes capitalized finance costs, less accumulated depreciation and any accumulated impairment loss. Cost includes expenditure that is directly attributable to the acquisition of the items. The cost of an item of a PPE comprises its purchase price including import duty, and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition of its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Expenditure incurred on start-up and commissioning of the project and/ or substantial expansion, including the expenditure incurred on trial runs (net of trial run receipts, if any) up to the date of commencement of commercial production are capitalised. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as the appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Advances paid towards acquisition of property, plant and equipment outstanding at each Balance Sheet date, are shown under other non-current assets and cost of assets not ready for intended use before the year end, are shown as capital work-in-progress.

#### (ii) Intangible assets

Intangible assets that are acquired (including implementation of software system) and in process research and development are measured initially at cost.

After initial recognition, an intangible asset is carried at its cost less accumulated amortisation and any accumulated impairment

loss. Subsequent expenditure is capitalized only when it increases the future economic benefits from the specific asset to which it related.

Expenditure on intangible assets eligible for capitalisation are carried as Intangible assets under development where such assets are not yet ready for their intended use.

#### (iii) Depreciation and amortisation methods, estimated useful lives and residual value

Depreciation is provided on straight line basis on the original cost/ acquisition cost of assets or other amounts substituted for cost of fixed assets as per the useful life specified in Part 'C' of Schedule II of the Act, read with notification dated 29 August 2014 of the Ministry of Corporate Affairs, except for the following classes of fixed assets which are depreciated based on the internal technical assessment of the management as under:

Category of assets	Management estimate of useful life	Useful life as per Schedule II
Employee perquisite related assets (included in office equipment)	5 years being the period of perquisite scheme	10

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

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

Depreciation and amortisation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

#### (iv) De-recognition

A property, plant and equipment and intangible assets is derecognised on disposal or when no future economic benefits are expected from its use and disposal. Losses arising from retirement and gains or losses arising from disposal of a tangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss.



## Notes to the Financial Statements for the year ended 31 March 2018

### (v) Transition to Ind AS

On transition to Ind AS, the Company has elected to measure all its property, plant and equipment and intangible assets at carrying amount as per previous GAAP as its deemed cost on the date of transition of Ind AS i.e. 1 April 2016.

### (d) Non-current assets held for sale

Non-current assets are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets are generally measured at the lower of their carrying amount and fair value less cost to sell. Losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognised in the Statement of Profit and Loss.

Once classified as held-for sale, property, plant and equipment and intangible assets are no longer depreciated or amortised.

### (e) Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. The Company's non-financial assets other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs) represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs. The recoverable amount of a CGU is the higher of its value in use and its fair value less cost to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

An impairment loss in respect of assets for which impairment loss has been recognised in prior periods, the Company reviews at reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognised.

### (f) Financial instrument

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### *Financial assets*

#### *Initial recognition and measurement*

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e. the date the Company commits to purchase or sale the asset.

#### *Subsequent measurement*

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVOCI)
- Debts instruments, derivatives and equity instruments at fair value through profit or loss (FVPL)
- Equity instruments measured at fair value through other comprehensive income (FVOCI)

#### *Debt instruments at amortised cost*

A "debt instrument" is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specific dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

## Notes to the Financial Statements for the year ended 31 March 2018

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking in to account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables.

### *Debt instrument at FVOCI*

A 'debt instrument' is classified as at the FVOCI in both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

Debt instruments included with in the FVOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified to the Statement of Profit and Loss. Interest earned whilst holding FVOCI debt instrument is reported as interest income using the EIR method.

### *Debt instrument at FVPL*

FVPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVOCI, is classified as at FVPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortised cost or FVOCI criteria, as at FVPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

### *Equity investments*

For the purpose of subsequent measurement, equity instruments are classified in two categories:

- Equity instruments at fair value through profit or loss (FVPL)

- Equity instruments at fair value through other comprehensive income (FVOCI)

All equity investments in scope of Ind AS 109 are measured at fair value. The Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVOCI then all fair value changes on the instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

### *Investments in subsidiaries*

Investments in subsidiaries are carried at cost less accumulated impairment losses, if any except in case of investment in preference shares (debt instrument) which is carried in accordance with Ind AS 109 "Financial instruments".

### *Impairment of Financial assets*

The Company recognises loss allowance using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount to lifetime ECL. For all financial assets with contractual cash flows other than trade receivable, ECLs are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of ECLs (or reversal), that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised as an impairment gain or loss in the Statement of Profit and Loss.

### *De-recognition*

A financial asset (or, where applicable, a part of a financial asset or part of Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's Balance Sheet) when:

## Notes to the Financial Statements for the year ended 31 March 2018

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass through' arrangement and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

### *Financial liabilities*

Financial liabilities are classified as measured at amortised cost or FVPL. A financial liability is classified as at FVPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVPL are measured at fair value and net gains and losses, including any interest expense, are recognised in Statement of Profit and Loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in Statement of Profit and Loss. Any gain or loss on de-recognition is also recognised in Statement of Profit and Loss.

### De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statements of Profit and Loss.

### **(g) 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:

<b>Raw materials</b>	Weighted average method
<b>Work-in-progress and finished goods (manufactured)</b>	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
<b>Finished goods (traded)</b>	Cost of purchases
<b>Stores &amp; spares</b>	Weighted average method
<b>Fuel and Packing materials etc</b>	Weighted average method
<b>Goods-in-transit</b>	Cost of purchases

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.

The net realizable value of work-in-progress is determined with reference to the selling price of related finished products. Raw materials and other supplies held for use in the production of finished goods are not written down below cost except in cases where material prices have declined and it's estimated that the cost of finished goods will exceed their net realizable value.

### **(h) Cash and cash equivalents**

Cash and cash equivalents comprise cash at banks and on hand and short term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

### **(i) Provisions**

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated

## Notes to the Financial Statements for the year ended 31 March 2018

reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the future cash flows at a pre-tax rate that effects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

### (j) Contingent assets and liabilities

Contingent liabilities are disclosed in respect of possible obligations that may arise from past events but their existence is confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent Assets are neither recognized nor disclosed in the financial statements. However, contingent assets are assessed continuously and if it is virtually certain that an inflow of economic benefits will arise, the assets and related income are recognized in the period in which the change occurs.

### (k) Revenue recognition

Revenue from sale of products is recognised when the property in the goods or all significant risks and rewards of ownership of the products have been transferred to the buyer, and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of products as well as regarding its collection. Revenues include excise duty and are shown net of sales tax, value added tax, goods and service tax and applicable discounts, rebates and allowances, if any.

Revenue includes only those sales for which the Company has acted as a principal in the transaction, takes title to the products, and has the risks and rewards of ownership, including the risk of loss for collection, delivery and returns. Any sales for which Company has acted as an agent or broker without assuming the risks and rewards of ownership have been reported on a 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.

### Other income recognition:

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 basis.

### (l) Employee benefits

(i) **Short-term employee benefits:** All employee benefits falling due within twelve months of the end of the period in which the employees render the related services are classified as short-term employee benefits, which include benefits like salaries, wages, short term compensated absences, performance incentives, etc. And are recognised as expenses in the period in which the employee renders the related service and measured accordingly.

(ii) **Post-employment benefits:** Post employment benefit plans are classified into defined benefits plans and defined contribution plans as under:

#### a) Gratuity

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount based on the respective employee's salary and the tenure of employment. The liability in respect of gratuity is recognized in the books of accounts based on actuarial valuation by an independent actuary. The gratuity liability for certain employees of the one of the units of the Company is funded with Life Insurance Corporation of India.

#### b) Superannuation

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

## Notes to the Financial Statements for the year ended 31 March 2018

### c) Provident Fund

- (i) The Company makes contributions to the recognized provident fund – “VAM EMPLOYEES PROVIDENT FUND TRUST” (a multi employer trust) for most of its employees in India, which is a defined benefit plan to the extent that the Company has an obligation to make good the shortfall, if any, between the return from the investments of the trust and the notified interest rate. The Company's obligation in this regard is determined by an independent actuary and provided for if the circumstances indicate that the Trust may not be able to generate adequate returns to cover the interest rates notified by the Government.

For other employees in India, provident fund is deposited with Regional Provident Fund Commissioner. This is treated as defined contribution plan.

- (ii) Company's contribution to the provident fund is charged to Statement of Profit and Loss.

### (iii) Other long-term employee benefits:

#### *Compensated absences*

As per the Company's policy, eligible leaves can be accumulated by the employees and carried forward to future periods to either be utilised during the service, or encashed. Encashment can be made during service, on early retirement, on withdrawal of scheme, at resignation and upon death of employee. Accumulated compensated absences are treated as other long-term employee benefits. The Company's liability in respect of other long-term employee benefits is recognized in the books of accounts based on actuarial valuation using projected unit credit method as at Balance Sheet date by and independent actuary. Actuarial losses/gains are recognised in the Statement of Profit and Loss in the year in which they arise.

#### *Actuarial Valuation*

The liability in respect of all defined benefit plans is accrued in the books of accounts on the basis of actuarial valuation carried out by an independent

actuary using the Project Unit Credit Method, which recognizes each year of service as giving rise to additional unit of employees benefit entitlement and measure each unit separately to build up the final obligation. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the Balance Sheet date, having maturity periods approximating to the terms of obligation.

Re-measurement gains and losses in respect of all defined benefit plans arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the Statement of Changes in the Equity and in the Balance Sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost. Gains or losses on the curtailment or settlement of any defined benefit plan are recognized when the curtailment or settlement occurs. Any differential between the plan assets (for a funded defined benefit plan) and the defined benefit obligation as per actuarial valuation is recognised as a liability if it is a deficit or as an asset if it is a surplus (to the extent of the lower of present value of any economic benefits available in the form of refunds from the plan or reduction in future contribution plan).

Past service cost is recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits are already vested immediately following the introduction of, or changes to, a defined benefit plan, the past service cost is recognised immediately in the Statement of Profit and Loss. Past service cost may be either positive (where benefits are introduced or improved) or negative (where existing benefits are reduced).

### (m) Share based payments

The grant date fair value of options granted (net of estimated forfeiture) to employees of



## Notes to the Financial Statements for the year ended 31 March 2018

the Company is recognized as an employee expense, and those granted to employees of subsidiaries is considered as the Company's equity contribution and is added to the carrying value of investment in the respective subsidiaries, with a corresponding increase in share based payment reserve. The expense is recorded for separately each vesting portion of the award as if the award was, in substance, multiple awards. The increase in equity recognized in connection with share based payment transaction is presented as a separate component in equity under "share based payment reserve". The amount recognized as an expense is adjusted to reflect the actual number of stock options that vest. For the option awards, grant date fair value is determined under the option-pricing model (Black-Scholes Model). Forfeitures are estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures materially differ from those estimates.

### (n) Borrowing costs

Finance costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Finance cost also includes exchange differences to the extent regarded as an adjustment to the finance costs. Finance costs that are directly attributable to the construction or production or development of a qualifying asset are capitalized as part of the cost of that asset. Qualifying assets are assets that are necessarily take a substantial period of time to get ready for their intended use or sale. All other finance costs are expensed in the period in which they occur.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the finance costs eligible for capitalization.

Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the effective interest method. Ancillary costs incurred in connection with the arrangement of borrowings are amortised over the period of such borrowings.

### (o) Income tax

Income tax expense comprises current and deferred tax. It is recognised in Statement of Profit and Loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

#### • Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received after considering uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantially enacted at the reporting date in the countries where the Company operates and generates taxable income.

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis simultaneously.

#### • Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting not taxable profit or loss at the time of the transaction;
- temporary differences related to freehold land and investment in subsidiaries to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future;
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets (DTA) include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India which is likely to give future economic benefits in the form of availability of set off against future income tax liability.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can



## Notes to the Financial Statements for the year ended 31 March 2018

be used. Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used. Deferred tax is measured at the tax rates that are expected to be apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if there is legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis simultaneously.

Deferred income tax is not provided on the undistributed earnings of the subsidiaries where it is expected that the earnings of the subsidiary will not be distributed in the foreseeable future.

### (p) Leases

At the inception of each lease, the lease arrangement is classified as either a finance lease or an operating lease, based on the substance of the lease arrangement.

#### Finance Leases

Assets leased by the Company in its capacity as lessee where substantially all the risks and rewards of ownership vest in the Company are classified as finance leases. A finance lease is recognised as an asset and a liability at the commencement of lease, at the lower of the fair value of the asset and the present value of the minimum lease payments. Minimum lease payments made under finance leases are apportioned between the finance expenses and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

#### Operating Leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the Statement of Profit and Loss on a straight-line basis over the period of the

lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

### (q) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The CEO and Managing Director of the Company is responsible for allocating resources and assessing performance of the operating segments and accordingly identified as the chief operating decision maker. Revenues, expenses, assets and liabilities, which are common to the enterprise as a whole and are not allocable to segments on a reasonable basis, have been treated as "un-allocable revenue/ expenses/ assets/ liabilities", as the case may be. However, there is no business segment for the year under report.

### (r) Foreign currency translation

#### (i) Functional and presentation currency

The functional currency of the Company in the Indian rupee. These financial statements are presented in Indian rupee.

#### (ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at Balance Sheet date exchange rate are generally recognised in Statement of Profit and Loss.

### (s) Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply all attached conditions.

Government grants relating to income are deferred and recognised in the Statement of Profit and Loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to Statement of Profit and Loss on a straight-line basis over the expected lives of the related assets and presented within other income.

## Notes to the Financial Statements for the year ended 31 March 2018

### (t) Earnings per share

#### (i) Basic earnings per share

Basic earnings per share, is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

#### (ii) Diluted earnings per share

Diluted earnings per share, adjusts the figures used in the determination of basic earnings per share to take into account:

- The after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

### (u) Measurement of fair values

A number of the accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities.

Fair values are categorised into different level in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability, those are not based on observable market data (unobservable data).

The Company has an established control framework with respect to the measurement of fair values. This includes a finance team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values.

The finance team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, is used to measure

fair values, then the finance team assesses the evidence obtained from the third parties to support the conclusion that these valuations met the requirement of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

When measuring the fair values of an asset or a liability, the Company uses observable market data as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values used in preparing these financial statements is included in the respective notes.

### (v) Critical estimates and judgements

The preparation of Financial Statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future period affected. In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the Financial Statements is included in the following notes.

- Recognition and estimation of tax expense including deferred tax – Note 28.
- Estimated impairment of financial assets and non-financial assets- Note 2(e), 2(f).
- Assessment of useful life of property, plant and equipment and intangible asset- Note 2(c).
- Estimation of assets and obligations relating to employee benefits- Note 30.
- Share-based payments- Note 38.
- Valuation of inventories- Note 2(g).

## Notes to the Financial Statements for the year ended 31 March 2018

- Recognition of revenue and related accruals- Note 2(k).
- Recognition and measurement of contingency: Key assumption about the likelihood and magnitude of an outflow of resources- Note 36.
- Lease classification- Note 37(b).
- Fair value measurements 2(u).

### **(w) Recent accounting pronouncements issued but not yet effective up to date of issuance of financial statements**

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) Rules, 2015, notifying Ind AS 115, 'Revenue from Contracts with Customers'. This Ind AS is in accordance with the IFRS 15. However, considering the challenges and difficulties, MCA

deferred the applicability of this Ind AS and made it implemented from April 01, 2018.

This Ind AS obliges the Company to book its revenue from customers on the 5 step model as below:-

Step-1: Identify the contract with the customer.

Step-2: Identify the performance obligations in the contract.

Step-3: Determine the transaction price.

Step-4: Allocate the transaction price to the performance obligations.

Step-5: Recognise Revenue when (or as) the entity satisfies a performance obligation.

Basis the operations of the Company, this Ind AS is not applicable over the Company.

## Notes to the Financial Statements for the year ended 31 March 2018

(₹ in million)

Description	Land Free hold	Building Factory	Plant and Equipment	Furniture and Fixtures	Office Equipment	Total
<b>3. Property, plant and equipment</b>						
<b>Gross carrying amount</b>						
Deemed cost as at 1 April 2016	6.81	5.49	6.36	0.02	0.19	18.87
Additions/adjustments	-	-	0.03	-	0.11	0.14
<b>Gross carrying amount as at 31 March 2017</b>	<b>6.81</b>	<b>5.49</b>	<b>6.39</b>	<b>0.02</b>	<b>0.30</b>	<b>19.01</b>
<b>Accumulated depreciation as at 1 April 2016</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Depreciation charge for the year	-	0.29	0.68	-	0.05	1.02
<b>Accumulated depreciation as at 31 March 2017</b>	<b>-</b>	<b>0.29</b>	<b>0.68</b>	<b>-</b>	<b>0.05</b>	<b>1.02</b>
<b>Net carrying amount as at 31 March 2017</b>	<b>6.81</b>	<b>5.20</b>	<b>5.71</b>	<b>0.02</b>	<b>0.25</b>	<b>17.99</b>

(₹ in million)

Description	Land Free hold	Building Factory	Plant and Equipment	Furniture and Fixtures	Office Equipment	Total
<b>Property, plant and equipment</b>						
<b>Gross carrying amount as at 31 March 2017</b>	<b>6.81</b>	<b>5.49</b>	<b>6.39</b>	<b>0.02</b>	<b>0.30</b>	<b>19.01</b>
Additions/adjustments	-	-	-	-	-	-
Deductions/adjustments	-	-	-	-	(0.13)	(0.13)
<b>Gross carrying amount as at 31 March 2018</b>	<b>6.81</b>	<b>5.49</b>	<b>6.39</b>	<b>0.02</b>	<b>0.17</b>	<b>18.88</b>
<b>Accumulated depreciation as at 31 March 2017</b>	<b>-</b>	<b>0.29</b>	<b>0.68</b>	<b>-</b>	<b>0.05</b>	<b>1.02</b>
Depreciation charge for the year	-	0.28	0.69	-	0.06	1.03
Deductions/adjustments	-	-	-	-	(0.05)	(0.05)
<b>Accumulated depreciation as at 31 March 2018</b>	<b>-</b>	<b>0.57</b>	<b>1.37</b>	<b>-</b>	<b>0.06</b>	<b>2.00</b>
<b>Net carrying amount as at 31 March 2018</b>	<b>6.81</b>	<b>4.92</b>	<b>5.02</b>	<b>0.02</b>	<b>0.11</b>	<b>16.88</b>
<b>Net carrying amount as at 31 March 2017</b>	<b>6.81</b>	<b>5.20</b>	<b>5.71</b>	<b>0.02</b>	<b>0.25</b>	<b>17.99</b>

**3.1** Property, plant and equipment of the Company are charged in favour of bankers for term loan availed by Jubilant Agri and Consumer Products Limited, its wholly owned subsidiary company.

## Notes to the Financial Statements for the year ended 31 March 2018

(₹ in million)

Description	Softwares
<b>4. Other intangible assets</b>	
<b>Gross carrying amount</b>	
Deemed cost as at 1 April 2016	0.24
Additions/adjustments	-
Deductions/adjustments	-
<b>Gross carrying amount as at 31 March 2017</b>	<b>0.24</b>
<b>Accumulated amortization as at 1 April 2016</b>	<b>-</b>
Amortization for the year	0.19
Deductions/adjustments	-
<b>Accumulated amortization as at 31 March 2017</b>	<b>0.19</b>
<b>Net carrying amount as at 31 March 2017</b>	<b>0.05</b>

(₹ in million)

Description	Softwares
<b>Other intangible assets</b>	
<b>Gross carrying amount as at 31 March 2017</b>	<b>0.24</b>
Additions/adjustments	-
Deductions/adjustments	-
<b>Gross carrying amount as at 31 March 2018</b>	<b>0.24</b>
<b>Accumulated amortization as at 31 March 2017</b>	<b>0.19</b>
Amortization for the year	0.01
Deductions/adjustments	-
<b>Accumulated amortization as at 31 March 2018</b>	<b>0.20</b>
<b>Net carrying amount as at 31 March 2018</b>	<b>0.04</b>
<b>Net carrying amount as at 31 March 2017</b>	<b>0.05</b>

## Notes to the Financial Statements for the year ended 31 March 2018

(₹ in million)

		As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
<b>5.</b>	<b>Non-current investments</b>			
	<b>I. Investment in equity shares (at cost)</b>			
	<b>Un-quoted investments (fully paid up)</b>			
	Subsidiary companies:			
	200 (31 March 2017: 200; 1 April 2016: 200) equity shares with no par value			
	Jubilant Industries Inc. USA	10.75	10.75	10.75
	50,000 (31 March 2017: 50,000; 1 April 2016: 50,000) equity shares of ₹ 10 each			
	Jubilant Agri and Consumer Products Limited	0.50	0.50	0.50
	<b>II. Investment in preference shares (at fair value through FVPL)</b>			
	<b>Preference shares-unquoted (fully paid up)</b>			
	Subsidiary company:			
	16,48,817 (31 March 2017: 16,48,817; 1 April 2016: 16,48,817) 10% optionally convertible non-cumulative redeemable preference shares of ₹ 10 each			
	Jubilant Agri and Consumer Products Limited	2,457.40	2,446.19	2,049.81
	9,74,800 (31 March 2017: 9,74,800; 1 April 2016: 9,74,800) 10% non-cumulative redeemable preference shares of ₹ 10 each			
	Jubilant Agri and Consumer Products Limited	162.21	167.47	172.25
	<b>III. Deemed capital investment</b>			
	Capital contribution towards ESOP	7.12	4.75	2.66
	<b>Total non-current investments</b>	<b>2,637.98</b>	<b>2,629.66</b>	<b>2,235.97</b>

(₹ in million)]

		As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
		Non-current	Current	Non-current	Current	Non-current	Current
<b>6.</b>	<b>Loans</b>						
	<b>(Unsecured considered good)</b>						
	Loan to employees	0.03	0.01	0.03	-	-	0.03
	<b>Total loans</b>	<b>0.03</b>	<b>0.01</b>	<b>0.03</b>	<b>-</b>	<b>-</b>	<b>0.03</b>

### 7. Deferred tax

Deferred income tax reflect the net tax effects of temporary difference between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant component of the Company's net deferred income tax are as follows:



## Notes to the Financial Statements for the year ended 31 March 2018

### Deferred tax assets:

(₹ in million)

	Others (Re-measurement of employee benefits)	Total
<b>As at 1 April 2016</b>	-	-
Credited/(Charged)		
- to statement of profit and loss	-	-
- to Other comprehensive income	-	-
<b>As at 31 March 2017</b>	-	-
Credited/(Charged)		
- to statement of profit and loss	-	-
- to Other comprehensive income	0.06	0.06
<b>As at 31 March 2018</b>	<b>0.06</b>	<b>0.06</b>

### Reconciliation of deferred tax assets (net):

(₹ in million)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Balance as at the commencement of the year	-	-
Credit/(Expense) recognised in profit and loss during the year	-	-
Credit/(Expense) recognised in other comprehensive income during the year	0.06	-
Balance as at the end of the year	<b>0.06</b>	-

### Deferred tax assets not recognised in respect of the Company:

(₹ in million)

Particulars	As at 31 March 2018	
	Amount of temporary differences	Amount of deferred tax on temporary differences
<b>Deductible temporary differences:</b>		
Provision for compensated absences and gratuity	1.86	0.65
Expenditure allowed on actual payment basis	0.16	0.05
Tax losses carried forward	45.36	15.85
Unabsorbed depreciation	2.92	1.02
<b>Taxable temporary differences:</b>		
Depreciation, amortisation and other temporary differences	(6.48)	(2.26)
<b>Net unrecognized temporary differences</b>	<b>43.82</b>	<b>15.31</b>

## Notes to the Financial Statements for the year ended 31 March 2018

(₹ in million)

Particulars	As at 31 March 2017	
	Amount of temporary differences	Amount of deferred tax on temporary differences
<b>Deductible temporary differences:</b>		
Provision for compensated absences and gratuity	1.58	0.55
Expenditure allowed on actual payment basis	0.47	0.16
Tax losses carried forward	25.70	8.89
Unabsorbed depreciation	2.36	0.82
<b>Taxable temporary differences:</b>		
Depreciation, amortisation and other temporary differences	(6.96)	(2.41)
<b>Net unrecognized temporary differences</b>	<b>23.15</b>	<b>8.01</b>

(₹ in million)

Particulars	As at 1 April 2016	
	Amount of temporary differences	Amount of deferred tax on temporary differences
<b>Deductible temporary differences:</b>		
Provision for compensated absences and gratuity	1.27	0.44
Expenditure allowed on actual payment basis	0.35	0.12
Tax losses carried forward	15.68	5.42
Unabsorbed depreciation	1.69	0.59
<b>Taxable temporary differences:</b>		
Depreciation, amortisation and other temporary differences	(7.50)	(2.60)
<b>Net unrecognized temporary differences</b>	<b>11.49</b>	<b>3.97</b>

### Expiry period of unused tax losses:

Company has unused tax losses and unabsorbed depreciation amounting to ₹45.36 million (31 March 2017: ₹ 25.70 million; 1 April 2016: ₹ 15.68 million) and ₹ 2.92 million (31 March 2017: ₹ 2.36 million; 1 April 2016: ₹ 1.69 million), respectively as at year end, available to reduce future income taxes. If not used, the unused tax losses will expire in the tax year 2024-2025 (31 March 2017: 2023-24; 1 April 2016: 2022-23) and unabsorbed depreciation can be carried forward for an indefinite period.

(₹ in million)

	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Non-current	Current	Non-current	Current	Non-current	Current
<b>8. Other assets</b>						
Advance to suppliers	-	0.52	-	0.40	-	2.02
Security deposits	1.35	-	1.35	-	7.24	-
Prepaid expenses	-	7.02	-	7.71	-	7.84
Recoverable from/balances with government authorities	-	13.19	-	3.73	-	4.49
Others	-	-	-	0.04	-	-
<b>Total other assets</b>	<b>1.35</b>	<b>20.73</b>	<b>1.35</b>	<b>11.88</b>	<b>7.24</b>	<b>14.35</b>

## Notes to the Financial Statements for the year ended 31 March 2018

(₹ in million)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
<b>9. Inventories</b>			
Raw materials	5.55	1.00	4.66
Work-in-progress	2.72	1.14	3.94
Finished goods	8.75	12.85	14.64
Stores and spares	0.31	0.68	0.79
Fuel and packing materials	6.58	5.68	8.87
<b>Total inventories</b>	<b>23.91</b>	<b>21.35</b>	<b>32.90</b>

(₹ in million)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
<b>10. Trade receivables</b>			
<b>(Unsecured and current)</b>			
Considered good	16.78	34.85	4.79
<b>Total receivables</b>	<b>16.78</b>	<b>34.85</b>	<b>4.79</b>

(₹ in million)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
<b>11(a). Cash and cash equivalents</b>			
Balance With Banks			
- On current accounts	1.35	1.23	2.92
- On dividend account	0.24	0.24	0.24
Cash in hand	0.01	0.01	0.01
<b>Total cash and cash equivalents</b>	<b>1.60</b>	<b>1.48</b>	<b>3.17</b>

(₹ in million)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
<b>11(b). Other bank balances</b>			
Margin money with bank (1)	-	-	0.05
<b>Total other bank balances</b>	<b>-</b>	<b>-</b>	<b>0.05</b>

(1) For bank guarantees in favour of government authorities

(₹ in million)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
<b>12. Other financial assets</b>			
<b>(Current)</b>			
Interest receivable	0.09	-	-
Recoverable from related parties (Refer note 35)	3.70	3.48	0.57
<b>Total other financial assets</b>	<b>3.79</b>	<b>3.48</b>	<b>0.57</b>

## Notes to the Financial Statements for the year ended 31 March 2018

(₹ in million)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
<b>13. Equity share capital</b>			
<b>Authorised</b>			
15,000,000 (31 March 2017: 15,000,000; 1 April 2016: 15,000,000) equity shares of ₹ 10 each	150.00	150.00	150.00
	<b>150.00</b>	<b>150.00</b>	<b>150.00</b>
<b>Issued, subscribed and paid-up</b>			
11,931,101 (31 March 2017: 11,915,070; 1 April 2016: 11,886,600) equity shares of ₹ 10 each	119.31	119.15	118.87
<b>Total equity share capital</b>	<b>119.31</b>	<b>119.15</b>	<b>118.87</b>

### 13.1 Movement in equity share capital:

	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	No. of shares	₹ in million	No. of shares	₹ in million	No. of shares	₹ in million
At the commencement of the year	11,915,070	119.15	11,886,600	118.87	11,849,404	118.49
Add: Issued during the year (Refer note 13.5)	16,031	0.16	28,470	0.28	37,196	0.38
At the end of the year	<b>11,931,101</b>	<b>119.31</b>	<b>11,915,070</b>	<b>119.15</b>	<b>11,886,600</b>	<b>118.87</b>

**13.2** The Company has only one class of shares referred to as equity shares having par value of ₹ 10 each. Holder of each equity share is entitled to vote one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	No. of shares	% held	No. of shares	% held	No. of shares	% held
Jubilant Stock Holding (P) Ltd.	-	-	-	-	1,329,757	11.19
Jubilant Capital (P) Ltd.	-	-	-	-	1,166,600	9.81
Jubilant Enpro (P) Ltd.	-	-	-	-	3,729,683	31.38
Jubilant Securities (P) Ltd.	-	-	-	-	1,051,075	8.84
HSSS Investment Holding (P) Ltd.	5,059,440	42.46	5,059,440	42.46	-	-
KBHB Investment Holding (P) Ltd.	1,226,302	10.29	1,226,302	10.29	-	-
SSBPB Investment Holding (P) Ltd.	1,166,600	9.79	1,166,600	9.79	-	-

**13.4** Aggregate number of shares issued for consideration other than cash:

Issued, subscribed and paid-up share capital includes 3,835,348 (31 March 2017: 3,835,348; 1 April 2016: 3,835,348) equity shares of ₹ 10 each allotted and issued pursuant to Scheme of arrangement with Jubilant Agri and Consumer Products Limited and Enpro Oil Private Limited during the FY 2011-12.

**13.5** 16,031 (31 March 2017: 28,470; 1 April, 2016: 37,196) equity shares, of ₹ 10 each allotted on exercise of the vested stock options in accordance with the terms of exercise under the "Employee Stock Option Scheme, 2013" (Refer note 38).

## Notes to the Financial Statements for the year ended 31 March 2018

(₹ in million)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
<b>13 (a). Other equity</b>			
<b>Reserve and surplus:</b>			
Security premium reserve	831.27	829.70	827.05
General reserve	231.51	229.71	227.78
Share based payment reserve	3.39	2.82	2.66
Retained earnings	1398.63	1413.19	1032.10
<b>Items of other comprehensive income:</b>			
Re-measurement of defined benefits obligations	(0.12)	(0.01)	-
<b>Total other equity</b>	<b>2,464.68</b>	<b>2,475.41</b>	<b>2,089.59</b>

(₹ in million)

	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Non-current	Current	Non-current	Current	Non-current	Current
<b>14. Provisions</b>						
<b>(Unsecured considered good)</b>						
Provisions for employee benefits	1.81	0.16	1.53	0.47	1.23	0.35
Provision for excise duty	-	0.56	-	8.94	-	6.01
Other provisions	-	2.38	-	2.38	-	3.54
<b>Total provisions</b>	<b>1.81</b>	<b>3.10</b>	<b>1.53</b>	<b>11.79</b>	<b>1.23</b>	<b>9.90</b>

(₹ in million)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
<b>15. Current borrowings</b>			
<b>(Unsecured)</b>			
Loan from related party (Subsidiary) (Refer note 35)	-	-	10.00
<b>Total current borrowings</b>	<b>-</b>	<b>-</b>	<b>10.00</b>

**15.1** Short term borrowings from related party is repayable as per terms of agreement within one year.

(₹ in million)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
<b>16. Trade payables</b>			
<b>Current</b>			
Payable to Micro enterprises and small enterprises (Refer note 29)	-	-	-
Payable to Others	18.30	32.18	11.61
<b>Total trade payables</b>	<b>18.30</b>	<b>32.18</b>	<b>11.61</b>

(₹ in million)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
<b>17. Other financial liabilities</b>			
<b>Current</b>			
Employee benefits payable	0.34	0.63	0.67
Interest accrued and due on borrowings	-	-	1.38
Due to related parties (Refer note 35)	86.13	63.43	130.90
Unpaid dividend	0.24	0.24	0.24
Other payables	18.81	18.05	22.30
<b>Total other financial liabilities</b>	<b>105.52</b>	<b>82.35</b>	<b>155.49</b>

## Notes to the Financial Statements for the year ended 31 March 2018

(₹ in million)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
<b>18. Other liabilities</b>			
<b>Current</b>			
Advance from customers	0.27	-	0.14
Statutory dues payables	11.98	1.18	3.51
<b>Total other liabilities</b>	<b>12.25</b>	<b>1.18</b>	<b>3.65</b>

(₹ in million)

	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>19. Revenue from operations</b>		
Sale of products (including excise duty)*	216.36	277.60
Other operating revenue	0.72	1.00
<b>Total revenue from operations</b>	<b>217.08</b>	<b>278.60</b>
*Company is engaged in the Indian-made foreign liquor (IMFL) business, therefor, Goods and Service Tax is not applicable.		

(₹ in million)

	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>20. Other income</b>		
Fair value gain on financial instruments at FVPL	5.95	391.60
Excess provision written-back	-	1.39
Interest income [including interest on income tax refund ₹ Nil (31 March 2017: ₹ 16.14 million)]	0.22	16.26
Other non-operating income	0.04	-
<b>Total other income</b>	<b>6.21</b>	<b>409.25</b>

(₹ in million)

	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>21. Cost of materials consumed</b>		
Raw & process materials consumed	70.47	82.58
<b>Total cost of materials consumed</b>	<b>70.47</b>	<b>82.58</b>

(₹ in million)

	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>22. Purchases of stock-in-trade</b>		
Purchases of stock-in-trade	0.19	0.48
<b>Total purchases of stock-in-trade</b>	<b>0.19</b>	<b>0.48</b>

(₹ in million)

	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>23. Changes in inventories of finished goods and work-in-progress</b>		
<b>Opening balance</b>		
Work-in-progress	1.14	3.94
Finished goods	12.85	14.64
<b>Total opening balance</b>	<b>13.99</b>	<b>18.58</b>
<b>Closing balance</b>		
Work-in-progress	2.72	1.14
Finished goods	8.75	12.85
<b>Total closing balance</b>	<b>11.47</b>	<b>13.99</b>
<b>Changes in inventories of finished goods and work-in-progress</b>	<b>2.52</b>	<b>4.59</b>



## Notes to the Financial Statements for the year ended 31 March 2018

(₹ in million)

	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>24. Employee benefits expense</b>		
Salaries, wages, bonus, gratuity and allowances	10.31	11.75
Contribution to provident and other funds	0.31	0.33
Staff welfare expenses	0.22	0.43
<b>Total employee benefits expense</b>	<b>10.84</b>	<b>12.51</b>

(₹ in million)

	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>25. Finance costs</b>		
Interest expense	-	0.67
<b>Total finance costs</b>	<b>-</b>	<b>0.67</b>

(₹ in million)

	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>26. Depreciation and amortisation expense</b>		
Depreciation of property, plant and equipment	1.03	1.02
Amortisation of intangible assets	0.01	0.19
<b>Total depreciation and amortisation expense</b>	<b>1.04</b>	<b>1.21</b>

(₹ in million)

	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>27. Other expenses</b>		
Power and fuel	1.14	1.18
Stores, spares and packing materials consumed	91.97	115.44
Repairs and maintenance:		
Plant and machineries	0.82	0.16
Others	0.60	0.74
Excise duty on increase/(decrease) in inventory	(8.38)	2.93
Rent	0.18	0.17
Rates & taxes	12.91	14.62
Insurance	0.09	0.16
Advertisement, publicity & sales promotion	0.30	0.49
Travelling & other incidental expenses	0.08	0.15
Vehicle running & maintenance	0.34	0.42
Printing & stationery	0.77	0.15
Communication expenses	0.38	0.55
Auditors remuneration - As auditors	0.17	0.17
- For limited review	0.13	0.13
- For taxation matters	0.03	0.03
- For certifications etc	0.20	0.23
Legal, professional and consultancy charges	6.66	12.59
Directors' sitting fees	1.55	1.32
Bank charges	0.03	0.01
Miscellaneous expenses	0.02	-
Freight & forwarding	0.32	0.55
Discounts, claims to customers and other selling expenses	12.79	11.78
Bad Debts/ irrecoverable advances & receivables written in (net)	-	(0.63)
<b>Total other expenses</b>	<b>123.10</b>	<b>163.34</b>

- 27.1** Expenditure related to corporate social responsibility as per Section 135 of the Companies Act, 2013, read with Schedule VII thereof: ₹ Nil (31 March 2017: ₹ Nil). There is no requirement of CSR specific for the year as there is no profits calculated under Section 198 of the Companies Act, 2013.

## Notes to the Financial Statements for the year ended 31 March 2018

### 28. Income tax

The major components of income tax expense for the year ended 31 March 2018 and 31 March 2017 are:

#### OCI section

(₹ in million)

	For the year ended 31 March 2018	For the year ended 31 March 2017
Tax related to items that will not be reclassified to profit or loss	0.06	-
Income tax charged to OCI	0.06	-

#### Reconciliation between average effective rate and applicable tax rate for the year ended 31 March 2018 and 31 March 2017:

(₹ in million)

	For the year ended 31 March 2018	For the year ended 31 March 2017
Accounting profit before income tax	(14.56)	381.09
At India's statutory income tax rate 34.608% (31 March 2017: 34.608%)	(5.04)	131.88
- Effect of non deductible expenses and exempt income	(2.06)	(0.40)
- Change in statutory tax rate & others	(0.14)	-
- Effect of non-taxable income and others	-	(135.52)
- Unrecognised deferred tax	7.24	4.04
<b>Income tax expense reported in the Statement of profit and loss</b>	<b>-</b>	<b>-</b>

### 29. Micro, small and medium enterprises

There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at the end of the year. The information as required to be disclosed in relation to Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

(₹ in million)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
The principal amount remaining unpaid to any supplier as at the end of the year	-	-	-
The interest due on principal amount remaining unpaid to any supplier as at the end of the year	-	-	-
The amount of interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (MEMED Act), along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	-	-	-
The amount of interest accrued and remaining unpaid at the end of the year	-	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under the MSMED Act	-	-	-

## Notes to the Financial Statements for the year ended 31 March 2018

### 30. Employee benefits in respect of the Company have been calculated as under:

#### A. Defined Contribution Plans

The Company has certain defined contribution plan such as provident fund (1), employee state insurance, employee pension scheme, employee superannuation fund wherein specified percentage is contributed to them. During the year, the Company has contributed following amounts to:

(₹ in million)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Employer's contribution to provident fund	0.14	0.13
Employer's contribution to employee's pension scheme 1995	0.04	0.05

- (1) For certain employees where provident fund is deposited with government authority e.g. Regional Provident Fund Commissioner.

#### B. Defined Benefits Plans

##### i. Gratuity

In accordance with Ind AS 19 "Employee Benefits", an actuarial valuation has been carried out in respect of gratuity. The discount rate assumed is 7.70% p.a. (31 March 2017: 7.37% p.a.; 1 April 2016: 7.90% p.a.) which is determined by reference to market yield at the Balance Sheet date on government bonds. The retirement age has been considered at 58 years (31 March 2017: 58 years; 1 April 2016: 58 years) and mortality table is as per IALM (2006-08) [31 March 2017: IALM (2006-08); 1 April 2016: IALM (2006-08)].

The estimates of future salary increases, considered in actuarial valuation is 9% p.a. for first three years and 5% p.a. thereafter (31 March 2017: 9% p.a. for first three years and 5% p.a. thereafter; 1 April 2016: 10% p.a. for first three years and 5% p.a. thereafter), taking into account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

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

(₹ in million)

	31 March 2018	31 March 2017
Present value of obligation at the beginning of the year	0.90	0.72
Current service cost	0.09	0.11
Interest cost	0.07	0.06
Actuarial (gain)/loss	0.17	0.01
Benefits paid	(0.08)	-
Present value of obligation at the end of the year	1.15	0.90

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

(₹ in million)

Particulars	31 March 2018	31 March 2017	01 April 2016
Present value of obligation at the end of the year	1.15	0.90	0.72
Net liabilities recognised in the Balance Sheet	1.15	0.90	0.72

Company's best estimate of contribution during next year is ₹ 0.19 million (31 March 2017: ₹ 0.19 million).

#### Expense recognised in the Statement of Profit and Loss under employee benefits expense:

(₹ in million)

Particulars	31 March 2018	31 March 2017
Total service cost	0.09	0.11
Net interest cost	0.07	0.06
<b>Expenses recognised in the Statement of Profit and Loss</b>	<b>0.16</b>	<b>0.17</b>

## Notes to the Financial Statements for the year ended 31 March 2018

### Amount recognised in other comprehensive income:

(₹ in million)

Particulars	31 March 2018	31 March 2017
Actuarial gain/(loss) due to financial assumption change	-	0.03
Actuarial gain/(loss) due to experience adjustment	(0.17)	(0.04)
<b>Amount recognised in the Other Comprehensive Income</b>	<b>(0.17)</b>	<b>(0.01)</b>

### Sensitivity analysis:

(₹ in million)

Particulars	31 March 2018			
	Discount rate		Future salary increase	
Assumptions				
Sensitivity level	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Impact on defined benefit obligation	(0.04)	0.04	0.04	(0.04)

The sensitivity analysis above have been determined based on reasonable possible changes of the respective assumptions occurring at the end of the year and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant.

### ii. Provident Fund:

The Company makes monthly contributions to provident fund managed by trust for qualifying employees. Under the scheme, the Company is required to contribute a specific percentage of the payroll costs to fund the benefits. As per Ind AS 19 on "Employee Benefits", employer established provident fund trusts are treated as defined benefit plans, since the Company is obliged to meet interest shortfall, if any, with respect to covered employees. The total liability of ₹ Nil (31 March 2017: ₹ Nil; 1 April 2016: ₹ Nil) has been allocated to Company and ₹ Nil (31 March 2017: ₹ Nil) has been charged to Statement of Profit and Loss during the year.

### Actuarial assumptions made to determine interest rate guarantee on exempt provident fund liabilities are as follows:

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Discount rate	7.70%	7.50%	7.90%
Guaranteed rate of return	8.55%	8.65%	8.80%

The Company has contributed ₹ 0.11 million to provident fund (31 March 2017: ₹ 0.14 million) for the year.

### C. Other long term benefits (compensated absences)

(₹ in million)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Present value of obligation at the end of the year	0.71	0.67	0.54

## Notes to the Financial Statements for the year ended 31 March 2018

### 31. Fair value measurement

(₹ in million)

	Note	Level of hierarchy	31 March 2018			31 March 2017			1 April 2016		
			FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
<b>Financial assets</b>											
Investments	(b)	3	2,626.73	-	11.25	2,618.41	-	11.25	2,224.72	-	11.25
Trade receivables	(a)		-	-	16.78	-	-	34.85	-	-	4.79
Loans	(a)		-	-	0.04	-	-	0.03	-	-	0.03
Cash and cash equivalents	(a)		-	-	1.60	-	-	1.48	-	-	3.17
Other bank balances	(a)		-	-	-	-	-	-	-	-	0.05
Other financial assets	(a)		-	-	3.79	-	-	3.48	-	-	0.57
<b>Total financial assets</b>			<b>2,626.73</b>	<b>-</b>	<b>33.46</b>	<b>2,618.41</b>	<b>-</b>	<b>51.09</b>	<b>2,224.72</b>	<b>-</b>	<b>19.86</b>
<b>Financial liabilities</b>											
Current borrowings	(a)		-	-	-	-	-	-	-	-	10.00
Trade payables	(a)		-	-	18.30	-	-	32.18	-	-	11.61
Other financial liabilities	(a)		-	-	105.52	-	-	82.35	-	-	155.49
<b>Total financial liabilities</b>			<b>-</b>	<b>-</b>	<b>123.82</b>	<b>-</b>	<b>-</b>	<b>114.53</b>	<b>-</b>	<b>-</b>	<b>177.10</b>

#### Note:

- (a) Fair valuation of financial assets and liabilities with short term maturities is considered as approximate to respective carrying amount due to the short term maturities of these instruments.
- (b) The fair value is determined by using the valuation model/technique with observable/non-observable inputs and assumptions.

There are no transfers between Level 1, Level 2 and Level 3 during the years ended 31 March 2018 and 31 March 2017.

Reconciliation of Level 3 fair value measurement:

(₹ in million)

	For the year ended 31 March 2018	For the year ended 31 March 2017
Opening balance	2,629.66	2,235.97
Additional investments (Capital contribution towards ESOP)	2.37	2.09
Gain/(loss) recognized in statement of profit and loss	5.95	391.60
Sale of investments	-	-
<b>Closing balance</b>	<b>2,637.98</b>	<b>2,629.66</b>

### 32. Financial risk management

#### Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company, through three layers of defence namely policies and procedures, review mechanism and assurance aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations. The Audit committee of the Board with top management oversee the formulation and implementation of the risk management policies. The risk are identified at business unit level and mitigation plan are identified, deliberated and reviewed at appropriate forums.

## Notes to the Financial Statements for the year ended 31 March 2018

The Company has exposure to the following risks arising from financial instruments:

- credit risk [see (i)];
- liquidity risk [see (ii)]; and
- market risk [see (iii)].

### i. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counter-party to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, loans and investments.

The carrying amount of financial assets represents the maximum credit exposure.

#### Trade receivables and other financial assets

The Company has established a credit policy under which new customer is analysed individually for creditworthiness before the payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, financial statements, credit agency information, industry information and business intelligence. Sale limits are established for each customer and reviewed annually. Any sales exceeding those limits require approval from the appropriate authority as per policy.

In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or a legal entity, whether they are institutional, dealers or end-user customer, their geographic location, industry, trade history with the Company and existence of previous financial difficulties.

#### *Expected credit loss for trade receivables:*

Based on internal assessment which is driven by the historical experience/ current facts available in relation to default and delays in collection thereof, the credit risk for trade receivables is considered low. The Company estimates its allowance for trade receivable using lifetime expected credit loss. The balance past due for more than 6 months is ₹ 4.19 million (31 March 2017: ₹ 8.69 million; 1 April 2016: ₹ Nil).

#### *Expected credit loss on financial assets other than trade receivables:*

With regard to all financial assets with contractual cash flows, other than trade receivables, management believes these to be high quality assets with negligible credit risk. The management believes that the parties from which these financial assets are recoverable, have strong capacity to meet the obligations and where the risk of default is negligible and accordingly no provision for excepted loss has been provided on these financial assets. Break up of financial assets other than trade receivables have been disclosed on Balance Sheet.

### ii. Liquidity risk

Liquidity risk is the risk that the will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company's treasury department is responsible for managing the short-term and long-term liquidity requirements. Short term liquidity situation is reviewed daily by the Treasury. Longer term liquidity position is reviewed on a regular basis by the Company's Board of Directors and appropriate decisions are taken according to the situation.

#### Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and un-discounted, and include contractual interest payments and exclude the impact of netting agreements.



## Notes to the Financial Statements for the year ended 31 March 2018

(₹ in million)

As at 31 March 2018	Contractual cash flows			
	Carrying amount	Total	Within 1 year	More than 1 year
<b>Non-derivative financial liabilities</b>				
Trade payables	18.30	18.30	18.30	-
Other financial liabilities	105.52	105.52	105.52	-

(₹ in million)

As at 31 March 2017	Contractual cash flows			
	Carrying amount	Total	Within 1 year	More than 1 year
<b>Non-derivative financial liabilities</b>				
Trade payables	32.18	32.18	32.18	-
Other financial liabilities	82.35	82.35	82.35	-

(₹ in million)

As at 1 April 2016	Contractual cash flows			
	Carrying amount	Total	Within 1 year	More than 1 year
<b>Non-derivative financial liabilities</b>				
Borrowings	10.00	10.00	10.00	-
Trade payables	11.61	11.61	11.61	-
Other financial liabilities	155.49	155.49	155.49	-

### iii. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

#### Currency risk

Foreign currency is the risk that the fair value of future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company has not foreign currency borrowing, foreign currency trade payable and trade receivable, therefore, no exposed to foreign currency risk.

#### Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk because funds are not borrowed.

## 33. Capital management

### Risk management

The Company's objectives when managing capital are to:

- safeguarding their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Company monitors capital on the basis of the following gearing ratio:

'Net Debt' (total borrowings net of cash and cash equivalents and other bank balances) divided by 'Total Equity' (as shown in the Balance sheet).

## Notes to the Financial Statements for the year ended 31 March 2018

The gearing ratios were as follows:

(₹ in million)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Net debt	-	-	6.78
Total equity	2,583.99	2,594.56	2,208.46
Net debt to equity ratio	0.00%	0.00%	0.31%

### 34. Segment information

The Company's operation comprises of IMFL business only. As such, there are no separate reportable business segments in terms of Ind AS-108 "Operating Segments".

### 35. Related party disclosures

#### 1. Subsidiaries:

Jubilant Agri And Consumer Products Limited, Jubilant Industries Inc., USA.

#### 2. Key management personnel (KMP) and other related entities

Mr. Manu Ahuja\* (CEO and Managing Director)(w.e.f. 10 May 2018), Mr. Videh Kumar Jaipuriar\*\* (Managing Director) (up to 11 December 2017), Mr. Sandeep Kumar Shaw (Chief Financial Officer) (up to 28 April 2017), Mr. Umesh Sharma\*\*\*, Mr. Dinesh Kumar Gupta (Company Secretary) (up to 18 December 2018), Mr. Abhishek Mishra (Company Secretary) (w.e.f. 16 March 2018), Mr. Priyavrat Bhartia (Chairman), Mr. Shamit Bhartia (Director), Mr. Ghanshyam Dass (Director) (up to 26 February 2018), Mr. R. Bupathy (Director), Mr. S.K. Roongta (Director), Ms Shivpriya Nanda (Director).

\* He was appointed as CEO and Managing Director without remuneration w.e.f. May 10, 2018 for a period of three years and also serve and draw remuneration as CEO and Whole-time Director from Jubilant Agri and Consumer Products Limited, a wholly owned subsidiary of the Company.

\*\* He was appointed as Managing Director without remuneration w.e.f. March 1, 2016 for a period of three years and also serving and drawing remuneration as Whole-time Director from Jubilant Agri and Consumer Products Limited, a wholly owned subsidiary of the Company.

\*\*\* **Chief Financial Officer:** Appointed w.e.f. 24 May 2017; **Whole-time Director:** Appointed w.e.f. 16 March 2018 and subsequently resigned w.e.f. 10 May 2018.

Jubilant Life Sciences Limited, HSSS Investment Holding Private Limited.

#### 3. Others:

VAM Employees Provident Fund Trust, Jubilant Bhartia Foundation.

#### 4. Details of related party transactions:

##### 31 March 2018

(₹ in million)

Sr. No.	Particulars	Subsidiaries	Enterprises in which certain key management personnel are interested	Key management personnel	Others	Total
1	<b>Rent expenses:</b>					
	Jubilant Life Sciences Limited	-	0.18	-	-	0.18
		-	<b>0.18</b>	-	-	<b>0.18</b>
2	<b>Remuneration (including perquisites):</b>					
	Umesh Sharma (Whole-time Director)	-	-	0.01	-	0.01
	Sandeep Kumar Shaw (Chief Financial Officer)	-	-	0.21	-	0.21
	Umesh Sharma (Chief Financial Officer)	-	-	0.21	-	0.21
	Dinesh Kumar Gupta (Company Secretary)	-	-	3.16	-	3.16
	Abhishek Mishra (Company Secretary)	-	-	0.05	-	0.05
		-	-	<b>3.64</b>	-	<b>3.64</b>

# Notes to the Financial Statements for the year ended 31 March 2018

(₹ in million)

Sr. No.	Particulars	Subsidiaries	Enterprises in which certain key management personnel are interested	Key management personnel	Others	Total
3	<b>Sitting fees:</b>					
	Ghanshyam Dass (Director)	-	-	0.13	-	0.13
	R. Bupathy (Director)	-	-	0.42	-	0.42
	S.K. Roongta (Director)	-	-	0.56	-	0.56
	Shivpriya Nanda (Director)	-	-	0.35	-	0.35
		-	-	<b>1.46</b>	-	<b>1.46</b>
4	<b>Recovery of expenses:</b>					
	Jubilant Life Sciences Limited	-	1.27	-	-	1.27
		-	<b>1.27</b>	-	-	<b>1.27</b>
5	<b>Reimbursement of expenses:</b>					
	Jubilant Agri and Consumer Products Limited	5.47	-	-	-	5.47
		<b>5.47</b>	-	-	-	<b>5.47</b>
6	<b>Contribution towards provident fund:</b>					
	VAM Employees Provident Fund Trust	-	-	-	0.24	0.24
		-	-	-	<b>0.24</b>	<b>0.24</b>
7	<b>Other payables:</b>					
	Jubilant Agri and consumer Products Limited	86.13	-	-	-	86.13
		<b>86.13</b>	-	-	-	<b>86.13</b>
8	<b>Trade receivables:</b>					
	Jubilant Life Sciences Limited	-	1.01	-	-	1.01
		-	<b>1.01</b>	-	-	<b>1.01</b>
9	<b>Other receivables:</b>					
	Jubilant Life Sciences Limited	-	3.70	-	-	3.70
		-	<b>3.70</b>	-	-	<b>3.70</b>
10	<b>Outstanding investment in Equity share capital:</b>					
	Jubilant Agri and consumer Products Limited	0.50	-	-	-	0.50
		<b>0.50</b>	-	-	-	<b>0.50</b>
11	<b>Outstanding investment in 10% Optionally convertible non-cumulative redeemable preference share capital:</b>					
	Jubilant Agri and consumer Products Limited	2,457.40	-	-	-	2,457.40
		<b>2,457.40</b>	-	-	-	<b>2,457.40</b>
12	<b>Outstanding investment in 10% Non-cumulative redeemable preference share capital:</b>					
	Jubilant Agri and consumer Products Limited	162.21	-	-	-	162.21
		<b>162.21</b>	-	-	-	<b>162.21</b>

## Notes to the Financial Statements for the year ended 31 March 2018

(₹ in million)

Sr. No.	Particulars	Subsidiaries	Enterprises in which certain key management personnel are interested	Key management personnel	Others	Total
13	<b>Outstanding investment in Equity stock:</b>					
	Jubilant Industries Inc. USA	10.75	-	-	-	10.75
		<b>10.75</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10.75</b>
14	<b>Financial guarantee given on behalf of subsidiary and outstanding at the end of the year:</b>					
	Jubilant Agri and consumer Products Limited	2,574.76	-	-	-	2,574.76
		<b>2,574.76</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,574.76</b>

### 31 March 2017

(₹ in million)

Sr. No.	Particulars	Subsidiary company	Enterprises in which certain key management personnel are interested	Key management personnel	Others	Total
1	<b>Rent expenses:</b>					
	Jubilant Life Sciences Limited	-	0.18	-	-	0.18
		<b>-</b>	<b>0.18</b>	<b>-</b>	<b>-</b>	<b>0.18</b>
2	<b>Interest expenses on inter-corporate loan:</b>					
	Jubilant Agri and Consumer Products Limited	0.67	-	-	-	0.67
		<b>0.67</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.67</b>
3	<b>Remuneration (including perquisites):</b>					
	Sandeep Kumar Shaw (Chief Financial Officer)	-	-	0.24	-	0.24
	Dinesh Kumar Gupta (Company Secretary)	-	-	3.16	-	3.16
		<b>-</b>	<b>-</b>	<b>3.40</b>	<b>-</b>	<b>3.40</b>
4	<b>Sitting fees:</b>					
	Ghanshyam Dass (Director)	-	-	0.32	-	0.32
	R. Bupathy (Director)	-	-	0.30	-	0.30
	S.K. Roongta (Director)	-	-	0.33	-	0.33
	Shivpriya Nanda (Director)	-	-	0.20	-	0.20
		<b>-</b>	<b>-</b>	<b>1.15</b>	<b>-</b>	<b>1.15</b>
5	<b>Recovery of expenses:</b>					
	Jubilant Life Sciences Limited	-	1.84	-	-	1.84
		<b>-</b>	<b>1.84</b>	<b>-</b>	<b>-</b>	<b>1.84</b>
6	<b>Reimbursement of expenses:</b>					
	Jubilant Agri and Consumer Products Limited	9.40	-	-	-	9.40
		<b>9.40</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9.40</b>

# Notes to the Financial Statements for the year ended 31 March 2018

(₹ in million)

Sr. No.	Particulars	Subsidiary company	Enterprises in which certain key management personnel are interested	Key management personnel	Others	Total
7	<b>Contribution towards provident fund:</b>					
	VAM Employees Provident Fund Trust	-	-	-	0.29	0.29
		-	-	-	<b>0.29</b>	<b>0.29</b>
8	<b>Interest converted in to loan taken:</b>					
	Jubilant Agri and Consumer Products Limited	1.38	-	-	-	1.38
		<b>1.38</b>	-	-	-	<b>1.38</b>
9	<b>Repayment of interest converted in to loan taken:</b>					
	Jubilant Agri and Consumer Products Limited	1.38	-	-	-	1.38
		<b>1.38</b>	-	-	-	<b>1.38</b>
10	<b>Repayment of inter-corporate loan taken:</b>					
	Jubilant Agri and Consumer Products Limited	10.00	-	-	-	10.00
		<b>10.00</b>	-	-	-	<b>10.00</b>
11	<b>Other payables:</b>					
	Jubilant Agri and Consumer Products Limited	63.43	-	-	-	63.43
		<b>63.43</b>	-	-	-	<b>63.43</b>
12	<b>Other receivables:</b>					
	Jubilant Life Sciences Limited	-	3.48	-	-	3.48
		-	<b>3.48</b>	-	-	<b>3.48</b>
13	<b>Outstanding investment in Equity share capital:</b>					
	Jubilant Agri and Consumer Products Limited	0.50	-	-	-	0.50
		<b>0.50</b>	-	-	-	<b>0.50</b>
14	<b>Outstanding investment in 10% Optionally convertible non-cumulative redeemable preference share capital:</b>					
	Jubilant Agri and Consumer Products Limited	2,446.19	-	-	-	2,446.19
		<b>2,446.19</b>	-	-	-	<b>2,446.19</b>
15	<b>Outstanding investment in 10% Non-cumulative redeemable preference share capital:</b>					
	Jubilant Agri and Consumer Products Limited	167.47	-	-	-	167.47
		<b>167.47</b>	-	-	-	<b>167.47</b>

## Notes to the Financial Statements for the year ended 31 March 2018

(₹ in million)

Sr. No.	Particulars	Subsidiary company	Enterprises in which certain key management personnel are interested	Key management personnel	Others	Total
16	<b>Outstanding investment in Equity stock:</b>					
	Jubilant Industries Inc. USA	10.75	-	-	-	10.75
		<b>10.75</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10.75</b>
17	<b>Financial guarantee given on behalf of subsidiary and outstanding at the end of the year:</b>					
	Jubilant Agri and Consumer Products Limited	2,344.64	-	-	-	2,344.64
		<b>2,344.64</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,344.64</b>

### 1 April 2016

(₹ in million)

Sr. No.	Particulars	Subsidiary company	Enterprises in which certain key management personnel are interested	Key management personnel	Others	Total
1	Jubilant Agri and Consumer Products Limited	10.00	-	-	-	10.00
		<b>10.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10.00</b>
2	<b>Interest payable on loan:</b>					
	Jubilant Agri and Consumer Products Limited	1.38	-	-	-	1.38
		<b>1.38</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.38</b>
3	<b>Other payables:</b>					
	Jubilant Agri and Consumer Products Limited	130.90	-	-	-	130.90
		<b>130.90</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>130.90</b>
4	<b>Trade receivables:</b>					
	Jubilant Life Sciences Limited	-	1.25	-	-	1.25
		<b>-</b>	<b>1.25</b>	<b>-</b>	<b>-</b>	<b>1.25</b>
5	<b>Other receivables:</b>					
	Jubilant Life Sciences Limited	-	0.57	-	-	0.57
		<b>-</b>	<b>0.57</b>	<b>-</b>	<b>-</b>	<b>0.57</b>
6	<b>Outstanding investment in Equity share capital:</b>					
	Jubilant Agri and Consumer Products Limited	0.50	-	-	-	0.50
		<b>0.50</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.50</b>



## Notes to the Financial Statements for the year ended 31 March 2018

(₹ in million)

Sr. No.	Particulars	Subsidiary company	Enterprises in which certain key management personnel are interested	Key management personnel	Others	Total
7	<b>Outstanding investment in 10% Optionally convertible non-cumulative redeemable preference share capital:</b>					
	Jubilant Agri and Consumer Products Limited	2,049.81	-	-	-	2,049.81
		<b>2,049.81</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,049.81</b>
8	<b>Outstanding investment in 10% Non-cumulative redeemable preference share capital:</b>					
	Jubilant Agri and Consumer Products Limited	172.25	-	-	-	172.25
		<b>172.25</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>172.25</b>
9	<b>Outstanding investment in Equity stock:</b>					
	Jubilant Industries Inc. USA	10.75	-	-	-	10.75
		<b>10.75</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10.75</b>
10	<b>Financial guarantee given on behalf of subsidiary and outstanding at the end of the year:</b>					
	Jubilant Agri and Consumer Products Limited	2,514.52	-	-	-	2,514.52
		<b>2,514.52</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,514.52</b>

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

#### A) Guarantees:

- I The Company has given corporate guarantee on behalf of its wholly owned subsidiary, Jubilant Agri and Consumer Products Limited to secure financial facilities granted by banks, details for guarantees as at 31 March 2018 are as under:
  - a) To Axis Bank Ltd of ₹ 520 million (31 March 2017: ₹ 528.00 million; 01 April 2016: ₹ 528.00 million) for working capital facility (including non fund based facility) and effective guarantee is ₹ 250.10 million (31 March 2017: ₹ 225.24 million; 01 April 2016: ₹ 115.05 million).
  - b) To Yes Bank Ltd of ₹ 680.00 million (31 March 2017: ₹ 302.50 million; 01 April 2016: ₹ 302.50 million) for working capital facility (including non fund based facility) and effective guarantee is ₹ 79.24 million (31 March 2017: ₹ 167.48 million; 01 April 2016: ₹ 204.32 million).
  - c) To IDBI Bank Ltd of ₹ Nil (31 March 2017: ₹ 566.00 million; 01 April 2016: ₹ 566.00 million) for working capital facility (including non fund based facility) and effective guarantee is ₹ Nil (31 March 2017: ₹ 180.45 million; 01 April 2016: ₹ 291.07 million).
  - d) To Corporation Bank of ₹ 200.00 million (31 March 2017: ₹ 753.50.00 million; 01 April 2016: ₹ 753.50 million) for working capital facility (including non fund based facility) and effective guarantee is ₹ 90.09 million (31 March 2017: ₹ 294.55 million; 01 April 2016: ₹ 388.60 million).

## Notes to the Financial Statements for the year ended 31 March 2018

- e) To RBL Limited of ₹ 750.00 million (31 March 2017: ₹ Nil; 01 April 2016: ₹ Nil) for working capital facility (including non fund based facility) and effective guarantee is ₹ 372.83 million (31 March 2017: ₹ Nil; 01 April 2016: ₹ Nil).
- f) To Axis Bank Limited of ₹ Nil (31 March 2017: ₹ 1500.00 million; 01 April 2016: ₹ 1500.00 million) for term loan facility and effective guarantee is ₹ Nil including interest (31 March 2017: ₹ 1476.91 million; 01 April 2016: ₹ 1515.48 million).
- g) To RBL Limited of ₹ 1812.50 million (31 March 2017: ₹ Nil; 01 April 2016: ₹ Nil) for term loan facility and effective guarantee is ₹ 1782.50 million including interest (31 March 2017: ₹ Nil; 01 April 2016: ₹ Nil).
- II Outstanding guarantees furnished by banks on behalf of the Company is ₹ Nil (31 March 2017: ₹ Nil; 01 April 2016: ₹ 0.50 million).

### B) Claims against Company not acknowledged as debt\*:

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

(₹ in million)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Sales tax	15.23	-	-

## 37. Commitments as at year end

### a) Capital Commitments:

Estimated amount of contracts remaining to be executed on capital account (net of advances) ₹ Nil (31 March 2017: ₹ Nil; 1 April 2016: ₹ Nil) [Advances ₹ Nil (31 March 2017: ₹ Nil; 1 April 2016: ₹ Nil)].

### b) Leases

- i) The Company's significant operating lease arrangements are in respect of premises (residential, offices, godowns, vehicles 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) The Company has operating lease arrangements in respect of vehicles which are cancellable, range between 2 years and 5 years. The aggregate lease rentals payable are charged as expenses. Rental expenses recognized under such leases amounting to ₹ 0.14 million (31 March 2017: ₹ 0.18 million) has been included under vehicle running and maintenance expense in note 27.

## 38. Employee Stock Option Scheme

In terms of approval of members accorded and in accordance with SEBI (ESOP & ESPS) Guidelines, 1999, the Parent Company constituted "JIL Employees Stock Option Scheme, 2013 (Scheme 2013)" for specified categories of employees and directors of the Company, its subsidiaries and holding companies. Under the Scheme 2013, up to 590000 stock options can be issued to eligible directors (other than promoter directors, independent directors and nominee directors of the Company/subsidiaries/holding companies) and other specified categories of employees of the Company/subsidiaries/holding companies. The options are to be granted at market price. As per SEBI Guidelines, the market price is taken as the closing price on the day preceding the date of grant of options, on the stock exchange where the trading volume is the highest.

Each option, upon vesting, shall entitle the holder to subscribe 1 (one) fully paid equity share of ₹ 10 of the Company. 20% of the options shall vest on first anniversary of the grant date, subsequent 30% shall vest on second anniversary and balance 50% of the options shall vest on the third anniversary of the grant date.

The Company has constituted a Compensation Committee, comprising of a majority of independent directors. This Committee is fully empowered to administer the Scheme 2013.

## Notes to the Financial Statements for the year ended 31 March 2018

The movement in the stock option under the "Scheme 2013" during the year is set out below:

Particulars	For the year ended 31 March 2018		For the year ended 31 March 2017	
	Number of Options	Weighted Average Exercise Price (₹)	Number of Options	Weighted Average Exercise Price (₹)
Options outstanding at the beginning of the year	112,906	188.85	61,423	97.91
Granted during the year	-	-	100,038	209.10
Expired/Lapsed during the year	40,043	192.43	20,085	133.32
Options forfeited during the year	-	-	-	-
Options exercised during the year	16,031	108.10	28,470	102.99
Options outstanding at the end of the year	56,832	209.10	112,906	188.85

### Expenses arising from share-based payment transaction

The expenses arising from share-based payment transaction recognised in Standalone Financial Statements as part of Investments as at 31 March 2018 ₹ 2.37 million (31 March 2017: ₹ 2.09 million; 01 April 2016: ₹ 2.66 million).

## 39. First-time adoption of Ind AS

### Transition to Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS.

The significant accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended 31 March 2018, the comparative information presented in these financial statements for the year ended 31 March 2017 and in the preparation of an opening Ind AS balance sheet at 1 April 2016 (the Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

## 39(A). Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

### Ind AS optional exemptions

#### 1. Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible assets.

Accordingly, the Company had elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying date.

#### 2. De-recognition of financial assets and liabilities

Ind AS 101 permits a first-time adopter to apply the de-recognition provisions of Ind AS 109 "Financial Instruments" prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

## Notes to the Financial Statements for the year ended 31 March 2018

### Ind AS mandatory exceptions

#### 1. Estimates

An entity's estimate in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for investments in preference shares (debt instruments) carried at FVPL in accordance with Ind AS at the date of transition as this was not required under previous GAAP.

#### 2. Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of the facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Management of the financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

### 39(B). Effect of Ind AS adoption on balance sheet

(₹ in million)

Particulars	Note	As at March 31, 2017 (End of last period presented under previous GAAP)			As at April 01, 2016 (Date of transition)		
		Previous GAAP *	Effect of transition to Ind-AS	Ind-AS	Previous GAAP *	Effect of transition to Ind-AS	Ind-AS
<b>ASSETS</b>							
<b>Non - current assets</b>							
Property, plant and equipment		17.99	-	17.99	18.87	-	18.87
Other Intangible assets		0.05	-	0.05	0.24	-	0.24
Financial assets							
(i) Investments	1	2,634.87	(5.21)	2,629.66	2,634.87	(398.90)	2,235.97
(ii) Loans		0.03	-	0.03	-	-	-
Other non current assets		1.35	-	1.35	7.24	-	7.24
<b>Total non-current assets</b>		<b>2,654.29</b>	<b>(5.21)</b>	<b>2,649.08</b>	<b>2,661.22</b>	<b>(398.90)</b>	<b>2,262.32</b>
<b>Current assets</b>							
Inventories		21.35	-	21.35	32.90	-	32.90
Financial assets							
(i) Trade receivables		34.85	-	34.85	4.79	-	4.79
(ii) Cash and cash equivalents		1.48	-	1.48	3.17	-	3.17
(iii) Other bank balances		-	-	-	0.05	-	0.05
(iv) Loans		-	-	-	0.03	-	0.03
(v) Others financial assets		3.48	-	3.48	0.57	-	0.57
Income tax assets (net)		1.47	-	1.47	82.16	-	82.16
Other current assets		11.88	-	11.88	14.35	-	14.35
<b>Total current assets</b>		<b>74.51</b>	<b>-</b>	<b>74.51</b>	<b>138.02</b>	<b>-</b>	<b>138.02</b>
<b>TOTAL ASSETS</b>		<b>2,728.80</b>	<b>(5.21)</b>	<b>2,723.59</b>	<b>2,799.24</b>	<b>(398.90)</b>	<b>2,400.34</b>
<b>EQUITY AND LIABILITIES</b>							
<b>Equity</b>							
Equity share capital		119.15	-	119.15	118.87	-	118.87
Other equity		2,480.62	(5.21)	2,475.41	2,488.49	(398.90)	2,089.59
<b>Total equity</b>	39(D)	<b>2,599.77</b>	<b>(5.21)</b>	<b>2,594.56</b>	<b>2,607.36</b>	<b>(398.90)</b>	<b>2,208.46</b>
<b>Liabilities</b>							
<b>Non - current liabilities</b>							
Provisions		1.53	-	1.53	1.23	-	1.23
<b>Total non-current liabilities</b>		<b>1.53</b>	<b>-</b>	<b>1.53</b>	<b>1.23</b>	<b>-</b>	<b>1.23</b>
<b>Current liabilities</b>							
Financial liabilities		-	-	-	-	-	-
(i) Borrowings		-	-	-	10.00	-	10.00
(ii) Trade payables		32.18	-	32.18	11.61	-	11.61
(iii) Other financial liabilities		82.35	-	82.35	155.49	-	155.49
Other current liabilities		1.18	-	1.18	3.65	-	3.65
Provisions		11.79	-	11.79	9.90	-	9.90
<b>Total current liabilities</b>		<b>127.50</b>	<b>-</b>	<b>127.50</b>	<b>190.65</b>	<b>-</b>	<b>190.65</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,728.80</b>	<b>(5.21)</b>	<b>2,723.59</b>	<b>2,799.24</b>	<b>(398.90)</b>	<b>2,400.34</b>

\* The previous GAAP numbers have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

## Notes to the Financial Statements for the year ended 31 March 2018

### 39(C). Effect of Ind-AS adoption on the Statement of profit and loss for the year ended March 31, 2017

(₹ in million)

Particulars	Note	For the year ended March 31, 2017		
		(Latest period presented under previous GAAP)		
		Previous GAAP*	Effect of transition to Ind-AS	Ind-AS
Revenue from operations		278.60	-	278.60
Other income	1	17.65	391.60	409.25
<b>Total income</b>		<b>296.25</b>	<b>391.60</b>	<b>687.85</b>
<b>Expenses:</b>				
Cost of materials consumed		82.58	-	82.58
Purchases of stock-in-trade		0.48	-	0.48
Changes in inventories of finished goods, stock-in-trade and work in progress		4.59	-	4.59
Excise duty on sales		41.38	-	41.38
Employee benefits expense	2	12.52	(0.01)	12.51
Finance costs		0.67	-	0.67
Depreciation and amortisation expense		1.21	-	1.21
Other expenses	5	157.41	5.93	163.34
<b>Total expenses</b>		<b>300.84</b>	<b>5.92</b>	<b>306.76</b>
<b>Profit/(Loss) before exceptional items</b>		<b>(4.59)</b>	<b>385.68</b>	<b>381.09</b>
Exceptional items	5	5.93	(5.93)	-
<b>Profit/(Loss) for the year</b>		<b>(10.52)</b>	<b>391.61</b>	<b>381.09</b>
<b>Other comprehensive income (OCI)</b>				
Items that will not be reclassified to profit or loss				
Re-measurements of the defined benefit obligations	2	-	(0.01)	(0.01)
Income tax relating to items that will not be reclassified to profit and loss		-	-	-
<b>Total other comprehensive income for the year</b>		<b>-</b>	<b>(0.01)</b>	<b>(0.01)</b>
<b>Total comprehensive income for the year</b>		<b>(10.52)</b>	<b>391.60</b>	<b>381.08</b>

\* The previous GAAP numbers have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

## Notes to the Financial Statements for the year ended 31 March 2018

### 39(D). Reconciliation of equity

Particulars	Note	As at March 31, 2017	As at April 01, 2016
		(End of last period presented under previous GAAP)	(Date of transition)
<b>Reported earlier under Previous GAAP</b>		<b>2,599.77</b>	<b>2,607.36</b>
Impact of fair value of investments	1	(9.96)	(401.56)
Employee share-based payment	3	4.75	2.66
<b>Total adjustment to equity</b>		<b>(5.21)</b>	<b>(398.90)</b>
<b>Now reported under Ind AS</b>		<b>2,594.56</b>	<b>2,208.46</b>

### 39(E). Statement of Cash Flows

Other than effect of certain reclassifications due to difference in presentation, there was no other material effect of cash flows from operating, financing, investing activities for all period presented.

#### Note 1: Fair valuation of investments

Under the previous GAAP, investments in equity instruments and debt instruments were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, investments in subsidiaries are carried at cost except investments in preference shares (debt instruments) are measured at fair value. The resulting fair value changes with respect to investments in preference shares (debt instruments) designated as at FVPL. Accordingly, an amount of ₹ (9.96) million has been recognised as fair value gain/(loss) in to the value of investments as at 31 March 2017 (01 April 2016: ₹ (401.56) million) with corresponding increase/decrease in other equity and profit for the year ended 31 March 2017 by ₹ 391.60 million.

#### Note 2: Re-measurements of post-employment benefit obligations

Under Ind AS, re-measurements i.e. actuarial gains and losses and the return on plan assets on the net defined benefit obligation are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these re-measurements were forming part of the profit or loss for the year. As a result of this change, the profit before tax for the year ended 31 March 2017 increased by ₹ 0.01 million. There is no impact on the total equity as at 1 April 2016 and 31 March 2017.

#### Note 3: Employee share-based payment expense

Under the previous GAAP, the cost of equity-settled employee share based plan were recognised using the intrinsic value method. Under Ind AS, the cost of equity settled share based plan is recognised based on the fair value of options as at the grant date. Consequently, the investments in subsidiaries for the year ended 31 March 2017 increased by ₹ 2.09 million in relation to equity settled share based payment transaction with the employee of the subsidiary company, with the corresponding increase in share based payment reserve by ₹ 2.09 million as at 31 March 2017 (01 April 2016: ₹ 2.66 million).

#### Note 4: Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expenses that are not recognised in profit or loss but are shown in the statement of profit and loss as 'Other comprehensive income' includes re-measurements of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP.

#### Note 5: Exceptional items

Exceptional items have been reclassified to the respective heads to conform to Ind AS classification.



## Notes to the Financial Statements for the year ended 31 March 2018

### 40. Earnings per share (EPS)

			For the year ended 31 March 2018	For the year ended 31 March 2017
<b>I</b>	<b>Profit computation for basic &amp; diluted earnings per share of ₹ 10/- each</b>			
	Net profit/(loss) as per Statement of Profit & Loss available for equity shareholders	₹ in million	(14.56)	381.09
<b>II</b>	<b>Weighted average number of equity shares for earnings per share computation</b>			
	(A) For basic earnings per share *	Nos	11,926,747	11,901,420
	(B) For diluted earnings per share:			
	Nos of shares for basic EPS as per II (A)	Nos	11,926,747	11,901,420
	Add: Weighted average outstanding options related to employee stock options	Nos		12,404
	Nos of shares for diluted earnings per share	Nos	11,926,747	11,913,824
<b>III</b>	<b>Earnings per share (weighted average)</b>			
	Basic	₹	(1.22)	32.02
	Diluted	₹	(1.22)	31.99

* Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Number of Shares at the beginning of the year	11,915,070	11,886,600
Add: 11,531 Equity shares and 4500 Equity shares issued on 22 June 2017 and 22 August 2017, respectively (31 March 2017: 28, 470 Equity shares issued on 23 September 2016)		
Current Year: $11531/365 \times 283 + 4500/365 \times 222$ (31 March 2017: $28470/365 \times 190$ )	11,677	14,820
<b>Weighted average number of equity shares</b>	<b>11,926,747</b>	<b>11,901,420</b>

The accompanying notes "1 to 40" form an integral part of financial statements.

In terms of our report of even date attached.

For and on behalf of the Board

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

Chartered Accountants

Firm Registration Number : 304153E

**B. R. Goyal**

Partner

Membership No. 12172

**Priyavrat Bhartia**

Chairman

DIN: 00020603

**Manu Ahuja**

CEO & Managing Director

DIN: 05123127

**Place: Noida**

Date : 10th May, 2018

**Abhishek Mishra**

Company Secretary

**Umesh Sharma**

Chief Financial Officer

**CONSOLIDATED  
FINANCIAL STATEMENTS**

# Independent Auditor's Report

## TO THE MEMBERS OF JUBILANT INDUSTRIES LIMITED

### To The Members of Jubilant Industries Limited

#### Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of **JUBILANT INDUSTRIES LIMITED** (hereinafter referred to as "the Parent") and its subsidiary (the Parent and its subsidiary together referred to as "the Group") comprising the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity, for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

#### Management's Responsibility for the Consolidated Ind AS Financial Statements

The Parent's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Parent, as aforesaid.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Parent's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Parent's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditor in terms of his report referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and, give a true and fair view in conformity with the Ind AS and other accounting principles generally accepted in India, of the consolidated financial position of the Group as at March 31, 2018, and their consolidated loss, consolidated total comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

#### Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it

appears from our examination of those books and the report of the other auditor;

- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;
- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act;
- (e) On the basis of the written representations received from the directors of the Parent as on March 31, 2018 taken on record by the Board of Directors of the Parent and the report of the statutory auditor of its subsidiary company incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164(2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the

auditors' reports of the Parent and subsidiary company incorporated in India; and

- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. Refer Note 36 to the consolidated financial statements;
  - ii. The group did not have any foreseeable losses on long-term contracts including derivative contracts; and
  - iii. The group did not have any dues requiring transfer to investor Education and Protection Fund.

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

Chartered Accountants  
(Firm's Registration No. 304153E)

**B.R. GOYAL**

(Partner)

(Membership No. 12172)

Place: Noida

Date: May 10, 2018

## **ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT**

### **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of Jubilant Industries Limited (hereinafter referred to as "Parent") and its subsidiary company, which are companies incorporated in India as of that date.

#### **Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the Parent and its subsidiary company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI) (the "Guidance Note"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent and its subsidiary company, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion to the best of our information and according to the explanations given to us, the Parent and its subsidiary company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Control over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Chartered Accountants  
(Firm's Registration No. 304153E)

**B.R. GOYAL**

(Partner)

(Membership No. 12172)

Place: Noida  
Date: May 10, 2018

# Consolidated Balance Sheet

## As at 31 March 2018

(₹ in million)

	Notes	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	3	1,256.52	1,326.65	1,250.50
Capital work-in-progress	3	59.69	29.09	65.62
Other Intangible assets	4	0.43	0.88	2.04
Intangible assets under development	4	1.53	1.53	-
Financial assets				
(i) Loans	5	0.92	1.23	1.15
(ii) Other financial assets	6	3.04	3.04	3.04
Deferred tax assets (net)	7	913.58	913.84	911.75
Other non-current assets	8	19.88	16.99	20.22
<b>Total non-current assets</b>		<b>2,255.59</b>	<b>2,293.25</b>	<b>2,254.32</b>
<b>Current assets</b>				
Inventories	9	730.04	632.03	594.90
Financial assets				
(i) Investments	10	0.36	0.28	0.23
(ii) Trade receivables	11	972.14	1,157.53	988.89
(iii) Cash and cash equivalents	12 (a)	68.68	30.83	58.18
(iv) Other bank balances	12 (b)	2.09	2.09	4.88
(v) Loans	5	2.07	2.08	2.64
(vi) Other financial assets	6	4.91	5.88	22.76
Income tax assets (net)		12.06	18.44	115.98
Other current assets	8	174.96	141.49	155.52
<b>Total current assets</b>		<b>1,967.31</b>	<b>1,990.65</b>	<b>1,943.98</b>
<b>Total Assets</b>		<b>4,222.90</b>	<b>4,283.90</b>	<b>4,198.30</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity Share capital	13	119.31	119.15	118.87
Other Equity	13 (a)	258.09	300.37	317.32
<b>Total equity</b>		<b>377.40</b>	<b>419.52</b>	<b>436.19</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Financial liabilities				
Borrowings	14 (a)	1,659.05	1,329.33	1,673.33
Provisions	15	101.93	112.11	97.19
<b>Total non-current liabilities</b>		<b>1,760.98</b>	<b>1,441.44</b>	<b>1,770.52</b>
<b>Current liabilities</b>				
Financial liabilities				
(i) Borrowings	14 (b)	753.67	944.86	999.35
(ii) Trade payables	16	704.14	691.38	522.04
(iii) Other financial liabilities	17	496.44	655.84	360.41
Other current liabilities	18	82.44	71.29	55.73
Provisions	15	46.47	57.51	53.92
Current tax liabilities (net)		1.36	2.06	0.14
<b>Total current liabilities</b>		<b>2,084.52</b>	<b>2,422.94</b>	<b>1,991.59</b>
<b>Total Equity and Liabilities</b>		<b>4,222.90</b>	<b>4,283.90</b>	<b>4,198.30</b>
Corporate information and Significant accounting policies	1 & 2			
Notes to the financial statements	3 to 43			
The accompanying notes "1 to 43" form an integral part of the financial statements				

In terms of our report of even date attached.

For and on behalf of the Board

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

Chartered Accountants

Firm Registration Number : 304153E

**B. R. Goyal**

Partner

Membership No. 12172

**Priyavrat Bhartia**

Chairman

DIN: 00020603

**Manu Ahuja**

CEO & Managing Director

DIN: 05123127

**Place : Noida**

Date : 10th May, 2018

**Abhishek Mishra**

Company Secretary

**Umesh Sharma**

Chief Financial Officer



# Consolidated Statement of Profit and Loss

## For the year ended 31 March 2018

(₹ in million)

	Notes	For the year ended 31 March 2018	For the year ended 31 March 2017
Revenue from operations	19	4,870.52	5,504.76
Other Income	20	7.81	25.72
<b>Total income</b>		<b>4,878.33</b>	<b>5,530.48</b>
<b>EXPENSES</b>			
Cost of materials consumed	21	2,438.44	2,579.97
Purchases of stock-in-trade	22	50.32	88.00
Changes in inventories of finished goods, Stock-in-trade and work-in-progress	23	(32.76)	(70.82)
Excise duty on sale		129.77	420.20
Employee benefits expense	24	699.33	720.53
Finance costs	25	259.56	299.19
Depreciation & amortisation expense	26	90.73	90.98
Other expenses	27	1,288.89	1,403.20
<b>Total expenses</b>		<b>4,924.28</b>	<b>5,531.25</b>
<b>Profit/(Loss) before tax</b>		<b>(45.95)</b>	<b>(0.77)</b>
<b>Tax Expenses:</b>	28		
- Current Tax		2.24	17.60
- Deferred tax credit		(0.82)	(0.54)
<b>Profit/(Loss) for the year</b>		<b>(47.37)</b>	<b>(17.83)</b>
<b>Other Comprehensive Income</b>			
<i>Items that will not be reclassified to profit or loss</i>			
Changes in fair value of investments which are classified at fair value through OCI		0.08	0.05
Re-measurements of the defined benefit obligations		3.08	(4.55)
Income tax charge/ (credit) relating to items that will not be reclassified to profit or loss		1.08	(1.55)
<i>Items that will be reclassified to profit or loss</i>			
Exchange differences in translating the financial statements of foreign operations		(0.93)	(0.91)
<b>Other comprehensive income for the year (net of tax)</b>		<b>1.15</b>	<b>(3.86)</b>
<b>Total comprehensive income for the year</b>		<b>(46.22)</b>	<b>(21.69)</b>
<b>Profit/(Loss) is attributable to:</b>			
Owners of the Company		(47.37)	(17.83)
Non-controlling interests		-	-
		<b>(47.37)</b>	<b>(17.83)</b>
<b>Other comprehensive income is attributable to:</b>			
Owners of the Company		1.15	(3.86)
Non-controlling interests		-	-
		<b>1.15</b>	<b>(3.86)</b>
<b>Total comprehensive income is attributable to:</b>			
Owners of the Company		(46.22)	(21.69)
Non-controlling interests		-	-
		<b>(46.22)</b>	<b>(21.69)</b>
<b>Earnings per equity share of ₹ 10.00 each</b>			
Basic (In ₹)	43	(3.97)	(1.50)
Diluted (In ₹)	43	(3.97)	(1.50)
Corporate information and Significant accounting policies	1 & 2		
Notes to the financial statements	3 to 43		
The accompanying notes "1 to 43" form an integral part of the financial statements			

In terms of our report of even date attached.

For and on behalf of the Board

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

Chartered Accountants

Firm Registration Number : 304153E

**B. R. Goyal**

Partner

Membership No. 12172

**Priyavrat Bhartia**

Chairman

DIN: 00020603

**Manu Ahuja**

CEO &amp; Managing Director

DIN: 05123127

**Place : Noida**

Date : 10th May, 2018

**Abhishek Mishra**

Company Secretary

**Umesh Sharma**

Chief Financial Officer

# Consolidated Statement of Changes in Equity

## For the year ended 31 March 2018

A. Equity		(₹ in million)
<b>Balance as at 1 April 2016</b>		<b>118.87</b>
Changes in the equity share capital during the year		0.28
<b>Balance as at 31 March 2017</b>		<b>119.15</b>
Changes in the equity share capital during the year		0.16
<b>Balance as at 31 March 2018</b>		<b>119.31</b>

	Attributable to owners of the Company								Total attributable to owners of the Company	Attributable to non-controlling interest	Total
	Reserve and surplus				Items of other Comprehensive Income						
	Securities premium reserve	General reserve	Share based payment reserve*	Retained earnings	Equity instruments through OCI	Foreign currency translation reserve	Remeasurement of defined benefits obligations				
<b>As at 1 April 2016</b>	827.05	227.78	2.66	(740.28)	0.11	-	-	-	317.32	-	317.32
Profit/(loss) for the year	-	-	-	(17.83)	-	-	-	-	(17.83)	-	(17.83)
Other Comprehensive income	-	-	-	-	0.04	(0.91)	(2.99)	(3.86)	-	-	(3.86)
<b>Total Comprehensive income for the year</b>	-	-	-	(17.83)	0.04	(0.91)	(2.99)	(21.69)	-	-	(21.69)
Employee stock option expense	-	-	2.09	-	-	-	-	2.09	-	-	2.09
Upon issue of share capital	2.65	-	-	-	-	-	-	2.65	-	-	2.65
Transfer to general reserve	-	1.93	(1.93)	-	-	-	-	-	-	-	-
<b>As at 31 March 2017</b>	829.70	229.71	2.82	(758.11)	0.15	(0.91)	(2.99)	300.37	-	-	300.37
Profit/(loss) for the year	-	-	-	(47.37)	-	-	-	(47.37)	-	-	(47.37)
Other Comprehensive income	-	-	-	-	0.06	(0.93)	2.02	1.15	-	-	1.15
<b>Total Comprehensive income for the year</b>	-	-	-	(47.37)	0.06	(0.93)	2.02	(46.22)	-	-	(46.22)
Employee stock option expense	-	-	2.37	-	-	-	-	2.37	-	-	2.37
Upon issue of share capital	1.57	-	-	-	-	-	-	1.57	-	-	1.57
Transfer to general reserve	-	1.80	(1.80)	-	-	-	-	-	-	-	-
<b>As at 31 March 2018</b>	831.27	231.51	3.39	(805.48)	0.21	(1.84)	(0.97)	258.09	-	-	258.09

\* Refer note 40.

# Consolidated Statement of Changes in Equity

## For the year ended 31 March 2018

### Notes:

- **Security premium reserve**

The un-utilized accumulated excess of issue price over face value on issue of shares. This reserve is utilized in accordance with the provision of the Act.

- **General reserve**

This represents appropriation of profit by the Company and is available for distribution of dividend.

- **Share based payment reserve**

The fair value of the equity settled share based payment transactions with employees is recognised in Statement of Profit and Loss with corresponding credit to Share based payment reserve. Further, equity settled share based payment transaction with employees of subsidiary is recognised in investment of subsidiaries with corresponding credit to Share based payment reserve. Balance of a share based payment reserve is transferred to general reserve upon expiry of grants or upon exercise of stock options by an employee.

- **Equity instrument through OCI**

The Group has elected to recognise changes in fair value of certain investment in equity securities in other comprehensive income. These changes are accumulated within the equity instrument through OCI within equity. The Group transfers amount therefrom to retained earnings when the relevant securities are derecognised.

- **Re-measurement of defined benefit obligation**

Re-measurement of defined benefits obligation comprises actuarial gains and losses and return on plan assets.

- **Foreign currency translation reserve**

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the Group dispose or partially dispose off its interest in a foreign operation through sale, liquidation, repayment of share capital or abandonment of all, or part of, that entity.

The accompanying notes "1 to 43" form an integral part of the financial statements.

In terms of our report of even date attached.

### For K. N. Gutgutia & Co.

Chartered Accountants

Firm Registration Number : 304153E

### B. R. Goyal

Partner

Membership No. 12172

### Place: Noida

Date : 10th May, 2018

### Abhishek Mishra

Company Secretary

### Umesh Sharma

Chief Financial Officer

### Priyavrat Bhartia

Chairman

DIN: 00020603

### Manu Ahuja

CEO & Managing Director

DIN: 05123127

For and on behalf of the Board

# Consolidated Statement of Cash Flows

## For the year ended 31 March 2018

(₹ in million)

	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>A. Cash flow from operating activities:</b>		
Net profit/(loss) before tax	(45.95)	(0.77)
Adjustments for:		
Depreciation & amortisation expense	90.73	90.98
Loss on sale/disposal/discard/impairment of property, plant and equipment (net)	0.21	0.05
Finance costs	259.56	299.19
Employee share-based payment expense	2.37	2.09
Unrealised (gain)/loss on foreign exchange (net)	1.61	(11.26)
Interest Income	(4.92)	(17.64)
	349.56	363.41
<b>Operating cash flow before working capital changes</b>	<b>303.61</b>	<b>362.64</b>
Adjustments for:		
(Increase)/Decrease in trade receivables, loans, other financial assets and other assets	156.88	(133.65)
(Increase)/Decrease in inventories	(98.01)	(37.13)
Increase/(Decrease) in trade payables, other financial liabilities, other liabilities and provisions	44.82	180.04
<b>Cash generated from operations</b>	<b>407.30</b>	<b>371.90</b>
Direct taxes (paid)/refund (net)	5.19	98.95
<b>Net cash generated from operating activities</b>	<b>412.49</b>	<b>470.85</b>
<b>B. Cash flow from investing activities:</b>		
Purchase of property, plant and equipment, other intangible assets (including capital work-in-progress and intangible assets under development)	(63.38)	(137.50)
Sale of property, plant and equipment	2.63	0.76
Interest received	2.92	0.55
Redemption of term deposit with bank	-	2.80
<b>Net cash generated/(used) in investing activities</b>	<b>(57.83)</b>	<b>(133.39)</b>
<b>C. Cash flow arising from financing activities:</b>		
Proceeds from issue of shares on exercise of stock options	1.73	2.93
Proceeds from long term borrowings	1,814.68	2.77
Repayment of long term borrowings	(1,496.00)	(39.90)
Proceeds from / (Repayment) of short term borrowings (net)	(76.19)	(54.49)
Proceeds from inter-corporate borrowings from related parties	200.00	-
Repayment of inter-corporate borrowings from related parties	(435.00)	-
Repayment of interest converted into inter-corporate loan taken	(55.83)	(34.12)
Finance costs paid	(269.27)	(241.09)
<b>Net cash inflow/(outflow) in course of financing activities</b>	<b>(315.88)</b>	<b>(363.90)</b>
<b>D. Effect of exchange rate changes</b>	<b>(0.93)</b>	<b>(0.91)</b>
<b>Net increase/(decrease) in cash &amp; cash equivalents (A+B+C+D)</b>	<b>37.85</b>	<b>(27.35)</b>
Add: Cash & cash equivalents at the beginning of the year (including balance in dividend account)	30.83	58.18
<b>Cash &amp; cash equivalents at the close of the year (including balance in dividend account)</b>	<b>68.68</b>	<b>30.83</b>

# Consolidated Statement of Cash Flows

## For the year ended 31 March 2018

(₹ in million)

	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>Components of cash and cash equivalents</b>		
Balance With Banks		
- On current accounts	57.85	24.05
- On dividend account	0.24	0.24
Cash in hand	0.13	0.10
Cheques/Drafts on hand	0.02	0.83
Others		
- Gift/Meal vouchers in hand	0.01	0.42
- Funds in transit	10.43	5.19
	<b>68.68</b>	<b>30.83</b>
<b>Notes:</b>		
i) Consolidated Statement of Cash Flows has been prepared under the Indirect Method as set out in the Ind AS 7 "Statement of Cash Flows".		
ii) Acquisition/Purchase of property, plant and equipment / other intangible assets includes movement of capital work-in-progress, intangible assets under development and capital advances/payable during the year.		

In terms of our report of even date attached .

**For and on behalf of the Board**
**For K. N. Gutgutia & Co.**

Chartered Accountants

Firm Registration Number : 304153E

**B. R. Goyal**

Partner

Membership No. 12172

**Priyavrat Bhartia**

Chairman

DIN: 00020603

**Place : Noida**

Date : 10th May, 2018

**Abhishek Mishra**

Company Secretary

**Umesh Sharma**

Chief Financial Officer

**Manu Ahuja**

CEO &amp; Managing Director

DIN: 05123127

## Notes to the Consolidated Financial Statements for the year ended 31 March 2018

### 1. Corporate Information

Jubilant industries Limited ("the Company" or the "Parent Company") is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on the BSE Limited and the National Stock Exchange of India Limited. The consolidated financial statements of the Company as at and for the year ended on 31 March 2018 comprise the Company and its subsidiaries (together referred to as "the Group"). Presently, the Group is engaged in the business of manufacturing and sale of agri, industrial polymers and consumer products. The Group caters to both domestic and international markets. The registered office of the Company is situated at Bhartiagram, Gajraula District Amroha-244 223.

These financial statements were authorised for issuance by the Board of Directors of the Company in their meeting held on May 10, 2018.

### 2. Significant accounting policies

This note provides significant accounting policies adopted and applied in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### (a) Basis of preparation

##### (i) Statement of compliance

The consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013 ("the Act") and other relevant provisions of the Act.

The consolidated financial statements of the Company for all periods covered therein and including the year ended 31 March 2017 were prepared in accordance with Accounting Standards notified under Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or previous GAAP).

These consolidated financial statements for the year ended 31 March 2018 are the first consolidated financial statements of the Group prepared in accordance with Ind AS. Ind AS 101, First-time Adoption of Indian Accounting Standards has been applied. An explanation as to how the transition to Ind AS has affected the previously reported

consolidated financial position, consolidated financial performance and consolidated cash flows of the Group is provided in Note 42.

##### (ii) Historical cost convention

The consolidated financial statements have been prepared on a historical cost convention on accrual basis except for the following material items those have been measured at fair value as required by relevant Ind AS:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments);
- Defined benefit plans and other long-term employee benefits;
- Share-based payment transactions;
- Investment in equity instruments.

The financial statements of the Company are presented in Indian Rupee and all values are rounded to the nearest million, except as stated otherwise.

#### (b) Principles of consolidation

The consolidated financial statements comprises the financial statement of the Company and its subsidiaries as at 31 March 2018. Subsidiaries are those entities in which the parent directly or indirectly has interest more than 50% of the voting power or otherwise control the composition of the board or governing body so as to obtain economic benefits from activities.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The details of the consolidated entities are as follows:

Sr. No.	Name	Country of Incorporation	Name of the Parent	Percentage of ownership
1	Jubilant Agri and Consumer Products Ltd.	India	Jubilant Industries Ltd.	100%
2	Jubilant Industries Inc. USA	United States of America	Jubilant Industries Ltd.	100%



## Notes to the Consolidated Financial Statements for the year ended 31 March 2018

### (c) Consolidation procedure

The financial statements of the subsidiaries are combined on a line-by-line basis by adding together the like items of assets, liabilities, income and expenses after fully eliminating intra-group balances and intra-group transactions and unrealized profits or losses in accordance with IND AS 110 – 'Consolidated Financial Statements' notified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015 as amended time to time. The deferred tax to be recognised for temporary differences arises from elimination of profits and losses resulting from intra group transactions.

### (d) Business combinations

In accordance with Ind AS 101 provisions related to first time adoption, the Group has elected to apply Ind AS accounting for business combinations prospectively from 1 April 2016. As such previous GAAP balances relating to business combinations consummated into before that date, including goodwill, have been carried forward without any adjustment.

Business combinations (other than common control business combinations) are accounted for using the purchase (acquisitions) method. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at fair value at the date of acquisition. Transaction costs incurred in connection with a business combination are expenses as incurred.

The excess of the consideration transferred over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in the other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase.

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date common control was established; for this purpose comparatives

are revised. The assets and liabilities acquired are recognised at their carrying amounts. The identity of the reserves is preserved and they appear in the consolidated financial statements of the Group in the same form in which they appeared in the financial statement of the acquired entity. The differences, if any, between the consideration and the amount of share capital of the acquired entity is transferred to capital reserve.

### (e) Current versus non-current classification

The Group presents assets and liabilities in the Balance Sheet based on current/ non-current classification. An asset is treated as current when:

- It is expected to be realised or intended to be sold or consumed in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is expected to be realised within twelve months after the reporting period; or
- It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Group classifies all other assets as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities, respectively.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. Each entity of the Group has identified twelve months as its operating cycle for the purpose of current-non-current classification of assets and liabilities.

### (f) Property, plant and equipment (PPE) and intangible assets

#### (i) Property, plant and equipment

Freehold land is carried at cost. All other items of property, plant and equipment are stated

## Notes to the Consolidated Financial Statements for the year ended 31 March 2018

at cost, which includes capitalized finance costs, less accumulated depreciation and any accumulated impairment loss. Cost includes expenditure that is directly attributable to the acquisition of the items. The cost of an item of a PPE comprises its purchase price including import duty, and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition of its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Expenditure incurred on start up and commissioning of the project and/ or substantial expansion, including the expenditure incurred on trial runs (net of trial run receipts, if any) up to the date of commencement of commercial production are capitalised. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as the appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Advances paid towards acquisition of property, plant and equipment outstanding at each Consolidated Balance Sheet date, are shown under other non-current assets and cost of assets not ready for intended use before the year end, are shown as capital work-in-progress.

### (ii) Intangible assets

Intangible assets that are acquired (including implementation of software system) and in process research and development are measured initially at cost.

After initial recognition, an intangible asset is carried at its cost less accumulated amortisation and any accumulated impairment loss. Subsequent expenditure is capitalized only when it increases the future economic benefits from the specific asset to which it related.

Expenditure on intangible assets eligible for capitalisation are carried as Intangible assets under development where such assets are not yet ready for their intended use.

### (iii) Depreciation and amortisation methods, estimated useful lives and residual value

For Indian entities, depreciation is provided on straight line basis on the original cost/ acquisition cost of assets or other amounts substituted for cost of fixed assets as per the useful life specified in Part 'C' of Schedule II of the Act, read with notification dated 29 August 2014 of the Ministry of Corporate Affairs, except for the following classes of fixed assets which are depreciated based on the internal technical assessment of the management as under:

Category of assets	Management estimate of useful life	Useful life as per Schedule II
Motor Vehicles under finance lease	Tenure of lease or 5 years whichever is shorter	8 years
Employee perquisite related assets (included in office equipment)	5 years being the period of perquisite scheme	10 years

Leasehold land, which qualify as finance lease is amortised over the lease period on straight line basis.

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

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

Depreciation and amortisation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted, if appropriate.

### (iv) De-recognition

A property, plant and equipment and intangible assets is derecognised on disposal or when no future economic benefits are expected from its use and disposal. Losses arising from retirement and gains or losses arising from disposal of a tangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Consolidated Statement of Profit and Loss.

## Notes to the Consolidated Financial Statements for the year ended 31 March 2018

### **(v) Transition to Ind AS**

On transition to Ind AS, the Group has elected to measure all its property, plant and equipment and intangible assets at carrying amount as per previous GAAP as its deemed cost on the date of transition of Ind AS i.e. 1 April 2016.

### **(g) Non-current assets held for sale**

Non-current assets are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets are generally measured at the lower of their carrying amount and fair value less cost to sell. Losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognised in the Consolidated Statement of Profit and Loss.

Once classified as held-for sale, property, plant and equipment and intangible assets are no longer depreciated or amortised.

### **(h) Impairment of non-financial assets**

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. The Group's non-financial assets other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs) represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU is the higher of its value in use and its fair value less cost to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

An impairment loss in respect of assets for which impairment loss has been recognised in prior periods, the Group reviews at reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognised.

### **(i) Financial instrument**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### **Financial assets**

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e. the date the Group commits to purchase or sale the asset.

#### **Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVOCI)
- Debts instruments, derivatives and equity instruments at fair value through profit or loss (FVPL)
- Equity instruments measured at fair value through other comprehensive income (FVOCI)

#### **Debt instruments at amortised cost**

A "debt instrument" is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specific dates to cash flows that are solely

## Notes to the Consolidated Financial Statements for the year ended 31 March 2018

payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking in to account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the Consolidated Statement of Profit and Loss. The losses arising from impairment are recognised in the Consolidated Statement of Profit and Loss. This category generally applies to trade and other receivables.

### **Debt instrument at FVOCI**

A 'debt instrument' is classified as at the FVOCI in both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

Debt instruments included with in the FVOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified to the Consolidated Statement of Profit and Loss. Interest earned whilst holding FVOCI debt instrument is reported as interest income using the EIR method.

### **Debt instrument at FVPL**

FVPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVOCI, is classified as at FVPL.

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortised cost or FVOCI criteria, as at FVPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVPL category are measured at fair value with all

changes recognised in the Consolidated Statement of Profit and Loss.

### **Equity investments**

For the purpose of subsequent measurement, equity instruments are classified in two categories:

- Equity instruments at fair value through profit or loss (FVPL)
- Equity instruments at fair value through other comprehensive income (FVOCI)

All equity investments in scope of Ind AS 109 are measured at fair value. Equity Instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVOCI then all fair value changes on the instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the Consolidated Statement of Profit and Loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVPL category are measured at fair value with all changes recognised in the Consolidated Statement of Profit and Loss.

### **Impairment of Financial assets**

The Group recognises loss allowance using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount to lifetime ECL. For all financial assets with contractual cash flows other than trade receivable, ECLs are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of

## Notes to the Consolidated Financial Statements for the year ended 31 March 2018

ECLs (or reversal), that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised as an impairment gain or loss in the Consolidated Statement of Profit and Loss.

### **De-recognition**

A financial asset (or, where applicable, a part of a financial asset or part of group of similar financial assets) is primarily derecognised (i.e. removed from the Group's Balance Sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass through' arrangement and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

### **Financial liabilities**

Financial liabilities are classified as measured at amortised cost or FVPL. A financial liability is classified as at FVPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVPL are measured at fair value and net gains and losses, including any interest expense, are recognised in Consolidated Statement of Profit and Loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign

exchange gains and losses are recognised in Consolidated Statement of Profit and Loss. Any gain or loss on de-recognition is also recognised in Consolidated Statement of Profit and Loss.

### **De-recognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Consolidated Statements of Profit and Loss.

### **Transition to Ind AS**

Under previous GAAP, the Group has de-recognised any assets or liabilities for accounting purposes as and when the asset was written off or liability written back. On transition to Ind AS, the Group has elected to apply the de-recognition provision of Ind AS 109 prospectively from the date of transition to Ind AS.

### **Compound financial instruments**

The liability component of a compound financial instrument is recognised initially at fair value of a similar liability that does not have an equity component. The equity component is recognised initially as the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and the equity components, if material, in proportion to their initial carrying amounts.

Subsequent to the initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest rate method. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition except on conversion or expiry.

### **Derivative financial instruments**

The Group uses various types of derivative financial instruments to hedge its currency



## Notes to the Consolidated Financial Statements for the year ended 31 March 2018

and interest risks etc. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

### **Offsetting**

Financial assets and financial liabilities are off set and the net amount presented in the Consolidated Balance Sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and is intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

### **(j) 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:

<b>Raw materials</b>	Weighted average method
<b>Work-in-progress and finished goods (manufactured)</b>	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
<b>Finished goods (traded)</b>	Cost of purchases
<b>Stores &amp; spares</b>	Weighted average method
<b>Fuel and Packing materials etc</b>	Weighted average method
<b>Goods-in-transit</b>	Cost of purchases

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.

The net realizable value of work-in-progress is determined with reference to the selling price of related finished products. Raw materials and other supplies held for use in the production of finished

goods are not written down below cost except in cases where material prices have declined and it's estimated that the cost of finished goods will exceed their net realizable value.

### **(k) Cash and cash equivalents**

Cash and cash equivalents comprise cash at banks and on hand and short term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

### **(l) Provisions**

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the future cash flows at a pre-tax rate that effects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

### **(m) Contingent assets and liabilities**

Contingent liabilities are disclosed in respect of possible obligations that may arise from past events but their existence is confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Contingent Assets are neither recognized nor disclosed in the financial statements. However, contingent assets are assessed continuously and if it is virtually certain that an inflow of economic benefits will arise, the assets and related income are recognized in the period in which the change occurs.

### **(n) Revenue recognition**

Revenue from sale of products is recognised when the property in the goods or all significant risks and rewards of ownership of the products have been transferred to the buyer, and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale



## Notes to the Consolidated Financial Statements for the year ended 31 March 2018

of products as well as regarding its collection. Revenues include excise duty and are shown net of sales tax, value added tax, goods and service tax and applicable discounts, rebates and allowances, if any.

Revenue includes only those sales for which the Group has acted as a principal in the transaction, takes title to the products, and has the risks and rewards of ownership, including the risk of loss for collection, delivery and returns. Any sales for which Group has acted as an agent or broker without assuming the risks and rewards of ownership have been reported on a net basis.

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

Subsidy in respect of fertilizer being disbursed by the Central Government of India is included in turnover and the same is recognized based upon the latest notified rates and only to the extent that the realization is reasonably assured.

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 entitlements are recognized as income when the right to receive credit as per the terms of the scheme is established in respect of exports made, and where no significant uncertainty regarding the ultimate collection of the relevant export proceeds exists.

### **Other income recognition:**

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 basis.

### **(o) Employee benefits**

(i) **Short-term employee benefits:** All employee benefits falling due within twelve months of the end of the period in which the employees render the related services are classified as short-term employee benefits, which include benefits like salaries, wages, short term compensated absences, performance incentives, etc. And are recognised as expenses in the period in which the employee renders the related service and measured accordingly.

(ii) **Post-employment benefits:** Post employment benefit plans are classified into defined benefits plans and defined contribution plans as under:

#### **a) Gratuity**

The Group has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount based on the respective employee's salary and the tenure of employment. The liability in respect of gratuity (applicable for Indian entities of the Group), is recognized in the books of accounts based on actuarial valuation by an independent actuary. The gratuity liability for certain employees of the one of the units of the Group is funded with Life Insurance Corporation of India.

#### **b) 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 during the year is charged to Consolidated Statement of Profit and Loss.

#### **c) Provident Fund**

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

For other employees in India, provident fund is deposited with Regional Provident Fund Commissioner. This is treated as defined contribution plan.

(ii) Group's contribution to the provident fund is charged to Consolidated Statement of Profit and Loss.

d) Foreign subsidiary make contribution to various social security plans and insurance schemes as per local requirements and

## Notes to the Consolidated Financial Statements for the year ended 31 March 2018

generally accepted practices in its country of incorporation. Such contributions are charged to Consolidated Statement of Profit and Loss on accrual basis in the year in which liability to pay arise.

### *(iii) Other long-term employee benefits:*

#### **Compensated absences**

As per the Group's policy, eligible leaves can be accumulated by the employees and carried forward to future periods to either be utilised during the service, or encashed. Encashment can be made during service, on early retirement, on withdrawal of scheme, at resignation and upon death of employee. Accumulated compensated absences are treated as other long-term employee benefits. The Group's liability in respect of other long-term employee benefits is recognized in the books of accounts based on actuarial valuation using projected unit credit method as at Balance Sheet date by and independent actuary. Actuarial losses/gains are recognised in the Consolidated Statement of Profit and Loss in the year in which they arise.

#### **Actuarial Valuation**

The liability in respect of all defined benefit plans is accrued in the books of accounts on the basis of actuarial valuation carried out by an independent actuary using the Project Unit Credit Method, which recognizes each year of service as giving rise to additional unit of employees benefit entitlement and measure each unit separately to build up the final obligation. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the Balance Sheet date, having maturity periods approximating to the terms of obligation.

Re-measurement gains and losses in respect of all defined benefit plans arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the Consolidated Statement of Changes in the Equity and in the Balance Sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost. Gains

or losses on the curtailment or settlement of any defined benefit plan are recognized when the curtailment or settlement occurs. Any differential between the plan assets (for a funded defined benefit plan) and the defined benefit obligation as per actuarial valuation is recognised as a liability if it is a deficit or as an asset if it is a surplus (to the extent of the lower of present value of any economic benefits available in the form of refunds from the plan or reduction in future contribution plan).

Past service cost is recognised as an expense in the Consolidated Statement of Profit and Loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits are already vested immediately following the introduction of, or changes to, a defined benefit plan, the past service cost is recognised immediately in the Consolidated Statement of Profit and Loss. Past service cost may be either positive (where benefits are introduced or improved) or negative (where existing benefits are reduced).

### **(p) Share based payments**

The grant date fair value of options granted (net of estimated forfeiture) to employees of the Group is recognized as an employee expense, and those granted to employees of subsidiaries is considered as the Company's equity contribution and is added to the carrying value of investment in the respective subsidiaries, with a corresponding increase in share based payment reserve. The expense is recorded for separately each vesting portion of the award as if the award was, in substance, multiple awards. The increase in equity recognized in connection with share based payment transaction is presented as a separate component in equity under "share based payment reserve". The amount recognized as an expense is adjusted to reflect the actual number of stock options that vest. For the option awards, grant date fair value is determined under the option-pricing model (Black-Scholes Model). Forfeitures are estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures materially differ from those estimates.

### **(q) Borrowing costs**

Finance costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Finance cost also includes exchange differences to the extent regarded as an adjustment to the finance costs. Finance costs

## Notes to the Consolidated Financial Statements for the year ended 31 March 2018

that are directly attributable to the construction or production or development of a qualifying asset are capitalized as part of the cost of that asset. Qualifying assets are assets that are necessarily take a substantial period of time to get ready for their intended use or sale. All other finance costs are expensed in the period in which they occur.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the finance costs eligible for capitalization.

Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Consolidated Statement of Profit and Loss over the period of the borrowings using the effective interest method. Ancillary costs incurred in connection with the arrangement of borrowings are amortised over the period of such borrowings.

### (r) Income tax

Income tax expense comprises current and deferred tax. It is recognised in Statement of Profit and Loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

#### • Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received after considering uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantially enacted at the reporting date in the countries where the Group operates and generates taxable income.

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis simultaneously.

#### • Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting not taxable profit or loss at the time of the transaction;
- temporary differences related to freehold land and investment in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future;
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets (DTA) include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India which is likely to give future economic benefits in the form of availability of set off against future income tax liability.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used. Deferred tax is measured at the tax rates that are expected to be apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if there is legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis simultaneously.

Deferred income tax is not provided on the undistributed earnings of the subsidiaries where it is expected that the earnings of the subsidiary will not be distributed in the foreseeable future.

### (s) Leases

At the inception of each lease, the lease arrangement is classified as either a finance lease

## Notes to the Consolidated Financial Statements for the year ended 31 March 2018

or an operating lease, based on the substance of the lease arrangement.

### Finance leases

Assets leased by the Group in its capacity as lessee where substantially all the risks and rewards of ownership vest in the Group are classified as finance leases. A finance lease is recognised as an asset and a liability at the commencement of lease, at the lower of the fair value of the asset and the present value of the minimum lease payments. Minimum lease payments made under finance leases are apportioned between the finance expenses and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

### Operating leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the Consolidated Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

## (t) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The CEO and Managing Director of the Parent Company is responsible for allocating resources and assessing performance of the operating segments and accordingly identified as the chief operating decision maker. Revenues, expenses, assets and liabilities, which are common to the enterprise as a whole and are not allocable to segments on a reasonable basis, have been treated as "un-allocable revenue/ expenses/ assets/ liabilities", as the case may be.

## (u) Foreign currency translation

### (i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Indian rupee (INR), which is also the Parent company's functional currency.

### (ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at Balance Sheet date exchange rate are generally recognised in Consolidated Statement of Profit and Loss.

### (iii) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated in to the presentation currency as follows:

- o Share capital and opening reserves and surplus are carried at historical cost.
- o All assets and liabilities, both monetary and non-monetary, (excluding share capital, opening reserve and surplus) are translated using closing rates at Balance Sheet date.
- o Profit and Loss items are translated at the respective year to dates average rates or the exchange rate that approximates the actual exchange rate on the date of specific transaction.
- o Contingent liabilities are translated at the closing rates at Balance Sheet date.
- o All resulting exchange differences are recognised on Other Comprehensive Income.

When a foreign operation is sold, the associated cumulative exchange differences are classified to profit or loss, as part of the gain or loss on sale.

The items of Consolidated Cash Flow Statement are translated at the respective average rates or the exchange rate that approximates the actual exchange rate on date of specific transaction. The impact of changes in exchange rate on cash and cash equivalent held in foreign currency is included in effect of exchange rate changes.

### (iv) Transition to Ind As

On transition to Ind AS, as per the Ind AS 1, the Group has deemed the cumulative translation differences for all foreign operations to be zero as the date of transition to Ind AS that

## Notes to the Consolidated Financial Statements for the year ended 31 March 2018

is 1 April, 2016, by transferring cumulative differences to retained earnings.

### (v) Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply all attached conditions.

Government grants relating to income are deferred and recognised in the Consolidated Statement of Profit and Loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to Consolidated Statement of Profit and Loss on a straight-line basis over the expected lives of the related assets and presented within other income.

### (w) Royalty

The liability for payment of royalty is provided in terms of the agreement on accrual basis calculated at net sale value of the product (covered under the agreement) sold.

### (x) Earnings per share

#### (i) Basic earnings per share

Basic earnings per share, is calculated by dividing:

- o the profit attributable to owners of the Group
- o by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

#### (ii) Diluted earnings per share

Diluted earnings per share, adjusts the figures used in the determination of basic earnings per share to take into account:

- o The after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- o The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

### (y) Measurement of fair values

A number of the accounting policies and disclosures require measurement of fair values,

for both financial and non-financial assets and liabilities.

Fair values are categorised into different level in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability, those are not based on observable market data (unobservable data).

The Group has an established control framework with respect to the measurement of fair values. This includes a finance team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values.

The finance team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, is used to measure fair values, then the finance team assesses the evidence obtained from the third parties to support the conclusion that these valuations met the requirement of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

When measuring the fair values of an asset or a liability, the Group uses observable market data as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values used in preparing these financial statements is included in the respective notes.

### (z) Critical estimates and judgements

The preparation of Consolidated Financial Statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

## Notes to the Consolidated Financial Statements for the year ended 31 March 2018

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future period affected. In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the Consolidated Financial Statements is included in the following notes.

- Recognition and estimation of tax expense including deferred tax – Note 28.
- Estimated impairment of financial assets and non-financial assets- Note 2(h), 2(i).
- Assessment of useful life of property, plant and equipment and intangible asset- Note 2(f).
- Estimation of assets and obligations relating to employee benefits- Note 30.
- Share-based payments- Note 40.
- Valuation of inventories- Note 2(j).
- Recognition of revenue and related accruals- Note 2(n).
- Recognition and measurement of contingency: Key assumption about the likelihood and magnitude of an outflow of resources- Note 36.

- Lease classification- Note 37(b).
- Fair value measurements 2(y).

### (aa) Recent accounting pronouncements

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) Rules, 2015, notifying Ind AS 115, 'Revenue from Contracts with Customers'. This Ind AS is in accordance with the IFRS 15. However, considering the challenges and difficulties, MCA deferred the applicability of this Ind AS and made it implemented from April 01, 2018.

This Ind AS obliges the Company to book its revenue from customers on the 5 step model as below:-

Step-1: Identify the contract with the customer

Step-2: Identify the performance obligations in the contract

Step-3: Determine the transaction price

Step-4: Allocate the transaction price to the performance obligations

Step-5: Recognise Revenue when (or as) the entity satisfies a performance obligation.

Basis the operations of the Group, this Ind AS is not applicable over the Group.



## Notes to the Consolidated Financial Statements for the year ended 31 March 2018

(₹ in million)

Description	Land Free hold	Land Leasehold	Building Factory	Building Other	Plant and Equipment	Furniture and Fixtures	Office Equipment	Vehicles Owned	Vehicles Leased	Total
<b>3. Property, plant and equipment</b>										
<b>Gross carrying amount</b>										
<b>Deemed cost as at 1 April 2016</b>	<b>33.54</b>	<b>12.87</b>	<b>180.75</b>	<b>36.28</b>	<b>963.85</b>	<b>4.13</b>	<b>14.09</b>	<b>0.01</b>	<b>4.98</b>	<b>1,250.50</b>
Additions/adjustments	23.08	5.28	30.80	0.29	96.52	0.24	7.65	-	2.77	166.63
Deductions/adjustments	-	-	-	-	(0.01)	(0.06)	(0.92)	-	(0.07)	(1.06)
<b>Gross carrying amount as at 31 March 2017</b>	<b>56.62</b>	<b>18.15</b>	<b>211.55</b>	<b>36.57</b>	<b>1,060.36</b>	<b>4.31</b>	<b>20.82</b>	<b>0.01</b>	<b>7.68</b>	<b>1,416.07</b>
<b>Accumulated depreciation as at 1 April 2016</b>	-	-	-	-	-	-	-	-	-	-
Depreciation charge for the year	-	0.26	12.38	0.70	67.02	0.92	6.05	-	2.34	89.67
Deductions/adjustments	-	-	-	-	-	(0.03)	(0.15)	-	(0.07)	(0.25)
<b>Accumulated depreciation as at 31 March 2017</b>	<b>-</b>	<b>0.26</b>	<b>12.38</b>	<b>0.70</b>	<b>67.02</b>	<b>0.89</b>	<b>5.90</b>	<b>-</b>	<b>2.27</b>	<b>89.42</b>
<b>Net carrying amount as at 31 March 2017</b>	<b>56.62</b>	<b>17.89</b>	<b>199.17</b>	<b>35.87</b>	<b>993.34</b>	<b>3.42</b>	<b>14.92</b>	<b>0.01</b>	<b>5.41</b>	<b>1,326.65</b>
<b>Capital work-in-progress</b>										
As at 31 March 2017										29.09
As at 1 April 2016										65.62

(₹ in million)

Description	Land Free hold	Land Leasehold	Building Factory	Building Other	Plant and Equipment	Furniture and Fixtures	Office Equipment	Vehicles Owned	Vehicles Leased	Total
<b>Property, plant and equipment</b>										
<b>Gross carrying amount as at 31 March 2017</b>	<b>56.62</b>	<b>18.15</b>	<b>211.55</b>	<b>36.57</b>	<b>1,060.36</b>	<b>4.31</b>	<b>20.82</b>	<b>0.01</b>	<b>7.68</b>	<b>1,416.07</b>
Additions/adjustments	-	-	7.50	-	8.41	-	4.90	-	2.18	22.99
Deductions/adjustments	-	-	(0.23)	-	(0.32)	(0.05)	(2.17)	-	(2.48)	(5.25)
<b>Gross carrying amount as at 31 March 2018</b>	<b>56.62</b>	<b>18.15</b>	<b>218.82</b>	<b>36.57</b>	<b>1,068.45</b>	<b>4.26</b>	<b>23.55</b>	<b>0.01</b>	<b>7.38</b>	<b>1,433.81</b>
<b>Accumulated depreciation as at 31 March 2017</b>	<b>-</b>	<b>0.26</b>	<b>12.38</b>	<b>0.70</b>	<b>67.02</b>	<b>0.89</b>	<b>5.90</b>	<b>-</b>	<b>2.27</b>	<b>89.42</b>
Depreciation charge for the year	-	0.29	12.80	0.76	67.89	0.85	5.48	-	2.21	90.28
Deductions/adjustments	-	-	(0.01)	-	(0.24)	(0.03)	(0.85)	-	(1.28)	(2.41)
<b>Accumulated depreciation as at 31 March 2018</b>	<b>-</b>	<b>0.55</b>	<b>25.17</b>	<b>1.46</b>	<b>134.67</b>	<b>1.71</b>	<b>10.53</b>	<b>-</b>	<b>3.20</b>	<b>177.29</b>
<b>Net carrying amount as at 31 March 2018</b>	<b>56.62</b>	<b>17.60</b>	<b>193.65</b>	<b>35.11</b>	<b>933.78</b>	<b>2.55</b>	<b>13.02</b>	<b>0.01</b>	<b>4.18</b>	<b>1,256.52</b>
<b>Net carrying amount as at 31 March 2017</b>	<b>56.62</b>	<b>17.89</b>	<b>199.17</b>	<b>35.87</b>	<b>993.34</b>	<b>3.42</b>	<b>14.92</b>	<b>0.01</b>	<b>5.41</b>	<b>1,326.65</b>
<b>Capital work-in-progress</b>										
As at 31 March 2018										59.69
As at 31 March 2017										29.09

## Notes to the Consolidated Financial Statements for the year ended 31 March 2018

(₹ in million)

Description	Softwares
<b>4. Other intangible assets</b>	
<b>Gross carrying amount</b>	
<b>Deemed cost as at 1 April 2016</b>	<b>2.04</b>
Additions/adjustments	0.15
Deductions/adjustments	-
<b>Gross carrying amount as at 31 March 2017</b>	<b>2.19</b>
<b>Accumulated amortization as at 1 April 2016</b>	<b>-</b>
Amortization for the year	1.31
Deductions/adjustments	-
<b>Accumulated amortization as at 31 March 2017</b>	<b>1.31</b>
<b>Net carrying amount as at 31 March 2017</b>	<b>0.88</b>
<b>Intangible assets under development</b>	
As at 31 March 2017	1.53
As at 1 April 2016	-

(₹ in million)

Description	Softwares
<b>Other intangible assets</b>	
<b>Gross carrying amount as at 31 March 2017</b>	<b>2.19</b>
Additions/adjustments	-
Deductions/adjustments	-
<b>Gross carrying amount as at 31 March 2018</b>	<b>2.19</b>
<b>Accumulated amortization as at 31 March 2017</b>	<b>1.31</b>
Amortization for the year	0.45
Deductions/adjustments	-
<b>Accumulated amortization as at 31 March 2018</b>	<b>1.76</b>
<b>Net carrying amount as at 31 March 2018</b>	<b>0.43</b>
<b>Net carrying amount as at 31 March 2017</b>	<b>0.88</b>
<b>Intangible assets under development</b>	
As at 31 March 2018	1.53
As at 31 March 2017	1.53

(₹ in million)

	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Non-current	Current	Non-current	Current	Non-current	Current
<b>5. Loans</b>						
<b>(Unsecured considered good)</b>						
Loan to employees	0.92	2.07	1.23	2.08	1.15	2.64
<b>Total loans</b>	<b>0.92</b>	<b>2.07</b>	<b>1.23</b>	<b>2.08</b>	<b>1.15</b>	<b>2.64</b>

(₹ in million)

	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Non-current	Current	Non-current	Current	Non-current	Current
<b>6. Other financial assets</b>						
Interest receivable	-	1.10	-	0.83	-	1.05
Security deposits	2.71	3.81	2.71	5.05	2.71	2.71
Others	0.33	-	0.33	-	0.33	19.00
<b>Total other financial assets</b>	<b>3.04</b>	<b>4.91</b>	<b>3.04</b>	<b>5.88</b>	<b>3.04</b>	<b>22.76</b>

## Notes to the Consolidated Financial Statements for the year ended 31 March 2018

### 7. Deferred tax

Deferred income tax reflect the net tax effects of temporary difference between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant component of the Group's net deferred income tax are as follows:

#### Deferred tax assets:

(₹ in million)

	Provision for compensated absences and gratuity	Expenditure allowed on actual payment basis	Tax losses carried forward	Unabsorbed depreciation	Depreciation, amortisation and other temporary differences	Total
<b>As at 1 April 2016</b>	<b>37.54</b>	<b>14.20</b>	<b>347.04</b>	<b>496.63</b>	<b>16.37</b>	<b>911.78</b>
<b>Credited/(Charged)</b>						
- to consolidated statement of profit and loss	3.37	3.60	1.35	27.08	(34.87)	0.53
- to Other comprehensive income	-	-	-	-	-	-
<b>As at 31 March 2017</b>	<b>40.91</b>	<b>17.80</b>	<b>348.39</b>	<b>523.71</b>	<b>(18.50)</b>	<b>912.31</b>
<b>Credited/(Charged)</b>						
- to consolidated statement of profit and loss	(1.72)	(0.14)	(17.89)	44.75	(24.24)	0.76
- to Other comprehensive income	0.06	-	-	-	-	0.06
<b>As at 31 March 2018</b>	<b>39.25</b>	<b>17.66</b>	<b>330.50</b>	<b>568.46</b>	<b>(42.74)</b>	<b>913.13</b>

#### Deferred tax liabilities:

(₹ in million)

	Others	Total
<b>As at 1 April 2016</b>	<b>0.03</b>	<b>0.03</b>
<b>Charged/(Credited)</b>		
- to consolidated statement of profit and loss	(0.01)	(0.01)
- to Other comprehensive income	(1.55)	(1.55)
<b>As at 31 March 2017</b>	<b>(1.53)</b>	<b>(1.53)</b>
<b>Charged/(Credited)</b>		
- to consolidated statement of profit and loss	(0.06)	(0.06)
- to Other comprehensive income	1.14	1.14
<b>As at 31 March 2018</b>	<b>(0.45)</b>	<b>(0.45)</b>

#### Net deferred tax assets:

(₹ in million)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Deferred tax assets	913.13	912.31	911.78
Deferred tax liabilities	(0.45)	(1.53)	0.03
<b>Deferred tax assets (net)</b>	<b>913.58</b>	<b>913.84</b>	<b>911.75</b>

## Notes to the Consolidated Financial Statements for the year ended 31 March 2018

### Reconciliation of deferred tax assets (net):

(₹ in million)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Balance as at the commencement of the year	913.84	911.75
Credit/(Expense) recognised in profit and loss during the year	0.82	0.54
Credit/(Expense) recognised in other comprehensive income during the year	(1.08)	1.55
<b>Balance as at the end of the year</b>	<b>913.58</b>	<b>913.84</b>

### Deferred tax assets not recognised in respect of the Group:

(₹ in million)

Particulars	As at 31 March 2018	
	Amount of temporary differences	Amount of deferred tax on temporary differences
<b>Deductible temporary differences:</b>		
Provision for compensated absences and gratuity	1.86	0.65
Expenditure allowed on actual payment basis	0.16	0.05
Tax losses carried forward	552.56	193.09
Unabsorbed depreciation	2.92	1.02
Others	1.43	0.32
<b>Taxable temporary differences:</b>		
Depreciation, amortisation and other temporary differences	(6.48)	(2.26)
<b>Net unrecognized temporary differences</b>	<b>552.45</b>	<b>192.87</b>

(₹ in million)

Particulars	As at 31 March 2017	
	Amount of temporary differences	Amount of deferred tax on temporary differences
<b>Deductible temporary differences:</b>		
Provision for compensated absences and gratuity	1.58	0.55
Expenditure allowed on actual payment basis	0.47	0.16
Tax losses carried forward	803.12	277.94
Unabsorbed depreciation	2.36	0.82
Others	0.94	0.33
<b>Taxable temporary differences:</b>		
Depreciation, amortisation and other temporary differences	(6.96)	(2.41)
<b>Net unrecognized temporary differences</b>	<b>801.51</b>	<b>277.39</b>

## Notes to the Consolidated Financial Statements for the year ended 31 March 2018

(₹ in million)

Particulars	As at 1 April 2016	
	Amount of temporary differences	Amount of deferred tax on temporary differences
<b>Deductible temporary differences:</b>		
Provision for compensated absences and gratuity	1.27	0.44
Expenditure allowed on actual payment basis	0.35	0.12
Tax losses carried forward	797.01	275.82
Unabsorbed depreciation	1.69	0.59
Others	0.51	0.18
<b>Taxable temporary differences:</b>		
Depreciation, amortisation and other temporary differences	(7.50)	(2.60)
<b>Net unrecognized temporary differences</b>	<b>793.33</b>	<b>274.55</b>

### Expiry period of unused tax losses:

Group has unused tax losses and unabsorbed depreciation amounting to ₹ 1,498.37 million (31 March 2017: ₹1,809.80 million; 1 April 2016 ₹ 1,799.78 million) and ₹ 1,629.71 million (31 March 2017: ₹ 1,515.63 million; 1 April 2016: ₹ 1,436.71 million), respectively as at year end, available to reduce future income taxes. If not used, the unused tax losses will expire in the tax year 2018-2026 (31 March 2017: 2017-25; 1 April 2016: 2016-24) and unabsorbed depreciation can be carried forward for an indefinite period.

(₹ in million)

	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Non-current	Current	Non-current	Current	Non-current	Current
<b>8. Other assets</b>						
Advance to suppliers	-	28.54	-	23.01	-	7.02
Capital advances	3.39	-	0.06	-	1.22	-
Security deposits	13.68	-	13.45	-	19.00	-
Prepaid expenses	2.81	20.56	3.48	21.34	-	27.31
Advances to employees	-	0.02	-	0.32	-	-
Recoverable from/balances with government authorities	-	114.16	-	80.77	-	78.28
Others	-	11.68	-	16.05	-	42.91
<b>Total other assets</b>	<b>19.88</b>	<b>174.96</b>	<b>16.99</b>	<b>141.49</b>	<b>20.22</b>	<b>155.52</b>

(₹ in million)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
<b>9. Inventories</b>			
Raw materials	264.86	213.91	246.20
[including goods-in-transit ₹ 109.78 million (31 March 2017: ₹ 97.56 million; 1 April 2016: ₹ 121.19 million)]			
Work-in-progress	77.15	39.09	14.77
Finished goods	296.75	301.51	257.51
Stock-in-trade	10.46	10.84	11.20
Stores and spares	48.78	41.59	38.28
[including goods-in-transit ₹ Nil (31 March 2017: ₹ Nil; 1 April 2016: ₹ 0.16 million)]			
Fuel and packing materials	32.04	25.09	26.94
<b>Total inventories</b>	<b>730.04</b>	<b>632.03</b>	<b>594.90</b>

## Notes to the Consolidated Financial Statements for the year ended 31 March 2018

(₹ in million)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
<b>10. Current investments</b>			
<b>I. Quoted investment in equity shares (at fair value through other comprehensive income)</b>			
448 (31 March 2017: 448; 1 April 2016: 448) equity shares of ₹ 10 each			
Voith Paper Fabrics India Limited	0.36	0.28	0.23
<b>II. Unquoted investment in equity shares (at cost)*</b>			
530 (31 March 2017: 530; 1 April 2016: 530) equity shares of ₹ 10 each			
Minerva Holding Limited (1)	-	-	-
132 (31 March 2017: 132; 1 April 2016: 132) equity shares of ₹ 10 each			
Kashipur Holdings Limited (1)	-	-	-
<b>Total current investments</b>	<b>0.36</b>	<b>0.28</b>	<b>0.23</b>

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

(₹ in million)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
<b>11. Trade receivables</b>			
<b>(Unsecured and current)</b>			
Considered good	972.14	1,157.53	988.89
Considered doubtful	7.69	11.32	3.08
	<b>979.83</b>	<b>1,168.85</b>	<b>991.97</b>
Less: Provision/Allowance for doubtful debts	7.69	11.32	3.08
<b>Total receivables (1)</b>	<b>972.14</b>	<b>1,157.53</b>	<b>988.89</b>

11.1 Trade receivable includes subsidy receivable ₹ 132.85 million (31 March 2017: ₹ 251.97 million; 1 April 2016: ₹ 275.87 million)

(₹ in million)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
<b>12(a). Cash and cash equivalents</b>			
Balance With Banks			
- On current accounts	57.85	24.05	57.29
- On dividend account	0.24	0.24	0.24
Cash in hand	0.13	0.10	0.05
Cheques/Drafts on hand	0.02	0.83	0.42
Others			
- Gift/Meal vouchers in hand	0.01	0.42	0.18
- Funds in transit	10.43	5.19	-
<b>Total cash and cash equivalents</b>	<b>68.68</b>	<b>30.83</b>	<b>58.18</b>

(₹ in million)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
<b>12(b). Other bank balances</b>			
Margin money with bank (1)	2.09	2.09	4.88
<b>Total other bank balances</b>	<b>2.09</b>	<b>2.09</b>	<b>4.88</b>

(1) For bank guarantees in favour of government authorities



## Notes to the Consolidated Financial Statements for the year ended 31 March 2018

(₹ in million)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
<b>13. Equity share capital</b>			
<b>Authorised</b>			
15,000,000 (31 March 2017: 15,000,000; 1 April 2016: 15,000,000) equity shares of ₹ 10 each	150.00	150.00	150.00
	<b>150.00</b>	<b>150.00</b>	<b>150.00</b>
<b>Issued, subscribed and paid-up</b>			
11,931,101 (31 March 2017: 11,915,070; 1 April 2016: 11,886,600) equity shares of ₹ 10 each	119.31	119.15	118.87
<b>Total equity share capital</b>	<b>119.31</b>	<b>119.15</b>	<b>118.87</b>

### 13.1 Movement in equity share capital:

	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	No. of shares	₹ in million	No. of shares	₹ in million	No. of shares	₹ in million
At the commencement of the year	11,915,070	119.15	11,886,600	118.87	11,849,404	118.49
Add: Issued during the year (Refer Note 13.5)	16,031	0.16	28,470	0.28	37,196	0.38
At the end of the year	<b>11,931,101</b>	<b>119.31</b>	<b>11,915,070</b>	<b>119.15</b>	<b>11,886,600</b>	<b>118.87</b>

**13.2** The Company has only one class of shares referred to as equity shares having par value of ₹ 10 each. Holder of each equity share is entitled to vote one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	No. of shares	% held	No. of shares	% held	No. of shares	% held
Jubilant Stock Holding (P) Ltd.	-	-	-	-	1,329,757	11.19
Jubilant Capital (P) Ltd.	-	-	-	-	1,166,600	9.81
Jubilant Enpro (P) Ltd.	-	-	-	-	3,729,683	31.38
Jubilant Securities (P) Ltd.	-	-	-	-	1,051,075	8.84
HSSS Investment Holding (P) Ltd.	5,059,440	42.46	5,059,440	42.46	-	-
KBHB Investment Holding (P) Ltd.	1,226,302	10.29	1,226,302	10.29	-	-
SSBPB Investment Holding (P) Ltd.	1,166,600	9.79	1,166,600	9.79	-	-

**13.4** Aggregate number of shares issued for consideration other than cash:

Issued, subscribed and paid-up share capital includes 3,835,348 (31 March 2017: 3,835,348; 1 April 2016: 3,835,348) equity shares of ₹ 10 each allotted and issued pursuant to Scheme of arrangement with Jubilant Agri and Consumer Products Limited and Enpro Oil Private Limited during the FY 2011-12.

**13.5** 16,031 (31 March 2017: 28,470; 1 April, 2016: 37,196) equity shares, of ₹ 10 each allotted on exercise of the vested stock options in accordance with the terms of exercise under the "Employee Stock Option Scheme, 2013". (Refer note 40)

## Notes to the Consolidated Financial Statements for the year ended 31 March 2018

(₹ in million)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
<b>13(a). Other equity</b>			
<b>Reserve and surplus:</b>			
Security premium reserve	831.27	829.70	827.05
General reserve	231.51	229.71	227.78
Share based payment reserve	3.39	2.82	2.66
Retained earnings	(805.48)	(758.11)	(740.28)
<b>Items of other comprehensive income:</b>			
Equity instruments through OCI	0.21	0.15	0.11
Foreign currency translation reserve	(1.84)	(0.91)	-
Re-measurement of defined benefits obligations	(0.97)	(2.99)	-
<b>Total other equity</b>	<b>258.09</b>	<b>300.37</b>	<b>317.32</b>

(₹ in million)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
<b>14(a). Non-current borrowings</b>			
<b>Term loans from banks</b>			
- Indian rupee loans (secured)	1,536.61	1,285.88	1,429.97
<b>Long term maturities of finance lease obligation</b>			
- Finance lease obligations (secured)	2.44	3.45	3.36
<b>Term loan from others</b>			
Loans from related party (unsecured) (Refer note 35)	120.00	40.00	240.00
<b>Total non-current borrowings</b>	<b>1,659.05</b>	<b>1,329.33</b>	<b>1,673.33</b>
Add: Current maturities of non-current borrowings (Refer note 17)	208.75	350.00	37.50
Add: Current maturities of finance lease obligations (Refer note 17)	2.12	2.42	2.15
<b>Total non-current borrowings (including current maturities)</b>	<b>1,869.92</b>	<b>1,681.75</b>	<b>1,712.98</b>

(₹ in million)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
<b>14(b). Current borrowings</b>			
<b>Loans repayable on demand</b>			
<b>From Banks</b>			
Secured	376.87	507.70	534.35
Unsecured	176.80	122.16	150.00
<b>From Others</b>			
Unsecured-from related party (Refer note 35)	200.00	315.00	315.00
<b>Total current borrowings</b>	<b>753.67</b>	<b>944.86</b>	<b>999.35</b>

### 14.1 Nature of security of non-current borrowings and other terms of repayment

- 14.1.1** Term loan I availed from Ratnakar Bank Limited amounting to ₹ 467.03 million (31 March 2017: ₹ Nil; 1 April 2016: ₹ Nil) including current maturities of ₹ 40.00 million (31 March 2017: ₹ Nil; 1 April 2016: ₹ Nil) is secured by first pari passu charge on all fixed assets (both present and future) of the wholly owned subsidiary namely, Jubilant Agri and Consumer Products Limited and the parent company and unconditional and irrevocable corporate guarantee of the parent company.

## Notes to the Consolidated Financial Statements for the year ended 31 March 2018

- 14.1.2** Term loan II availed from Ratnakar Bank Limited amounting to ₹ 1,278.33 million (31 March 2017: ₹ Nil; 1 April 2016: ₹ Nil) including current maturities of ₹ 168.75 million (31 March 2017: ₹ Nil; 1 April 2016: ₹ Nil) is secured by first pari passu charge on all fixed assets (both present and future) of the wholly owned subsidiary namely, Jubilant Agri and Consumer Products Limited and the parent company and unconditional and irrevocable corporate guarantee of the parent company.
- 14.1.3** Term loan availed from Axis Bank Limited amounting to ₹ Nil (31 March 2017: ₹ 1,435.88 million; 1 April 2016: ₹ 1,467.47 million) including current maturities of ₹ Nil (31 March 2017: ₹ 150.00 million; 1 April 2016: ₹ 37.50 million) is secured by first pari passu charge on all fixed assets (both present and future) of the wholly owned subsidiary namely, Jubilant Agri and Consumer Products Limited and the parent company and unconditional and irrevocable corporate guarantee of the parent company. This has been fully paid during the year before due date.
- 14.1.4** Term loan I availed from Ratnakar Bank Limited is repayable in remaining twenty three structured quarterly installments, payable up to December 2023.
- 14.1.5** Term loan II availed from Ratnakar Bank Limited is repayable in twenty three structured quarterly installments commenced from April 2018.
- 14.1.6** Finance lease obligations ₹ 4.56 million (31 March 2017: ₹ 5.87 million; 1 April 2016: ₹ 5.51 million) including current maturities of ₹ 2.12 million (31 March 2017: ₹ 2.42 million; 1 April 2016: ₹ 2.15 million) 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.
- 14.1.7** Term loans availed from the related party namely Jubilant Enpro (P) Limited are repayable at the end of three years from the date of respective disbursement.
- 14.2 Nature of security of current borrowings and other terms of repayment**
- 14.2.1** Working capital facilities (including cash credit) sanctioned by Consortium of banks are secured by a first charge by way of hypothecation, of the entire book debts, inventories and current assets both present and future of the wholly owned subsidiary namely, Jubilant Agri and Consumer Products Limited wherever the same may be held and unconditional and irrevocable corporate guarantee of the parent company in favour of bankers. Short term borrowings from banks are availed in Indian rupees and in foreign currency.
- 14.2.2** Short term borrowings from related party are repayable as per terms of agreement within one year.

(₹ in million)

		As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
		Non-current	Current	Non-current	Current	Non-current	Current
<b>15.</b>	<b>Provisions</b>						
	<b>(Unsecured considered good)</b>						
	Provisions for employee benefits	101.93	43.24	112.11	38.12	97.19	34.55
	Provision for excise duty	-	0.56	-	15.44	-	10.83
	Other provisions	-	2.67	-	3.95	-	8.54
	<b>Total provisions</b>	<b>101.93</b>	<b>46.47</b>	<b>112.11</b>	<b>57.51</b>	<b>97.19</b>	<b>53.92</b>

(₹ in million)

		As at	As at	As at
		31 March 2018	31 March 2017	1 April 2016
<b>16.</b>	<b>Trade payables</b>			
	<b>Current</b>			
	Payable to Micro enterprises and small enterprises (Refer note 29)	6.56	6.70	11.41
	Payable to Others	697.58	684.68	510.63
	<b>Total trade payables</b>	<b>704.14</b>	<b>691.38</b>	<b>522.04</b>

## Notes to the Consolidated Financial Statements for the year ended 31 March 2018

(₹ in million)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
<b>17. Other financial liabilities</b>			
<b>Current</b>			
Current maturities of long term debts [Refer note 14(a)]	208.75	350.00	37.50
Current maturities of finance lease obligations [Refer note 14(a)]	2.12	2.42	2.15
Capital creditors	7.51	13.97	20.86
Employee benefits payable	26.58	31.95	61.61
Security deposit	37.63	37.29	36.39
Interest accrued and due on borrowings	18.42	55.83	34.12
Interest accrued but not due on borrowings	1.08	15.72	17.80
Unpaid dividend	0.24	0.24	0.24
Due to related parties (Refer note 35)	5.36	14.46	13.86
Other payables	188.75	133.96	135.88
<b>Total other financial liabilities</b>	<b>496.44</b>	<b>655.84</b>	<b>360.41</b>

(₹ in million)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
<b>18. Other liabilities</b>			
<b>Current</b>			
Advance from customers	36.99	26.10	15.68
Statutory dues payables	45.45	45.19	40.05
<b>Total other liabilities</b>	<b>82.44</b>	<b>71.29</b>	<b>55.73</b>

(₹ in million)

	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>19. Revenue from operations</b>		
Sale of products*	4,850.53	5,477.04
Sale of services	4.15	2.95
Other operating revenue	15.84	24.77
<b>Total revenue from operations</b>	<b>4,870.52</b>	<b>5,504.76</b>

\* Including excise duty up to 30 June 2017 but excluding Goods and Service Tax w.e.f. 1 July 2017 except on liquor business.

(₹ in million)

	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>20. Other income</b>		
Excess provision written-back	-	1.39
Interest income [including interest on income tax refund of ₹ 1.73 million (31 march 2017: ₹ 17.08 million)]	4.92	17.64
Insurance claim	2.40	1.86
Other non-operating income	0.49	4.83
<b>Total other income</b>	<b>7.81</b>	<b>25.72</b>

(₹ in million)

	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>21. Cost of materials consumed</b>		
Raw & process materials consumed	2,438.44	2,579.97
<b>Total cost of materials consumed</b>	<b>2,438.44</b>	<b>2,579.97</b>

## Notes to the Consolidated Financial Statements for the year ended 31 March 2018

(₹ in million)

	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>22. Purchases of stock-in-trade</b>		
Purchases of stock-in-trade	50.32	88.00
<b>Total purchases of stock-in-trade</b>	<b>50.32</b>	<b>88.00</b>

(₹ in million)

	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>23. Changes in inventories of finished goods, stock-in-trade and work-in-progress</b>		
<b>Opening balance</b>		
Work-in-progress	39.09	14.77
Finished goods	301.51	257.51
Stock-in-trade	10.84	11.20
<b>Total opening balance</b>	<b>351.44</b>	<b>283.48</b>
<b>Closing balance</b>		
Work-in-progress	77.15	39.09
Finished goods	296.75	301.51
Stock-in-trade	10.46	10.84
<b>Total closing balance</b>		
	<b>384.36</b>	<b>351.44</b>
<b>Increase in inventories of finished goods, stock-in-trade and work-in-progress</b>	<b>(32.92)</b>	<b>(67.96)</b>
Foreign currency translation adjustment	0.16	(2.86)
<b>Changes in inventories of finished goods, stock-in-trade and work-in-progress</b>	<b>(32.76)</b>	<b>(70.82)</b>

(₹ in million)

	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>24. Employee benefits expense</b>		
Salaries, wages, bonus, gratuity and allowances	632.46	651.25
Contribution to provident and other funds	29.12	30.37
Employee share based payment	2.37	2.09
Staff welfare expenses	35.38	36.82
<b>Total employee benefits expense</b>	<b>699.33</b>	<b>720.53</b>

(₹ in million)

	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>25. Finance costs</b>		
Interest expense	247.70	287.22
Other finance costs	19.01	16.95
Exchange difference to the extent considered as an adjustment to finance costs	(7.15)	(4.98)
<b>Total finance costs</b>	<b>259.56</b>	<b>299.19</b>

## Notes to the Consolidated Financial Statements for the year ended 31 March 2018

(₹ in million)

	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>26. Depreciation and amortisation expense</b>		
Depreciation of property, plant and equipment	90.28	89.67
Amortisation of intangible assets	0.45	1.31
<b>Total depreciation and amortisation expense</b>	<b>90.73</b>	<b>90.98</b>

(₹ in million)

	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>27. Other expenses</b>		
Power and fuel	152.35	143.52
Stores, spares and packing materials consumed	366.64	394.26
Repairs and maintenance:		
Plant and machineries	42.98	50.76
Buildings	3.58	4.37
Others	39.46	45.45
Excise duty on increase/(decrease) in inventory	(32.86)	4.61
Rent	43.19	40.28
Rates & taxes	16.32	18.05
Insurance	9.74	12.69
Advertisement, publicity & sales promotion	131.43	138.60
Travelling & other incidental expenses	74.36	79.84
Vehicle running & maintenance	8.19	6.12
Printing & stationery	3.69	3.36
Communication expenses	7.45	9.98
Staff recruitment & training	15.05	36.71
Auditors remuneration - As auditors	1.26	1.34
- For limited review	0.34	0.34
- For taxation matters	0.26	0.26
- For certifications etc	0.74	0.72
- Out of pocket expenses	0.15	0.15
Legal, professional and consultancy charges	51.63	59.90
Donations	0.04	-
Directors' sitting fees	2.89	2.91
Bank charges	7.35	7.93
Miscellaneous expenses	2.66	4.92
Foreign exchange fluctuation loss - (net of gain)	(0.64)	11.89
Freight & forwarding	253.45	246.13
Commission on Sales	21.52	26.50
Discounts, claims to customers and other selling expenses	60.96	48.91
Bad Debts/ irrecoverable advances & receivables written off (net)	4.44	2.65
Loss on sale/disposal of fixed assets	0.21	0.05
Royalty	0.06	-
<b>Total other expenses</b>	<b>1,288.89</b>	<b>1,403.20</b>

- 27.1** Expenditure related to corporate social responsibility as per Section 135 of the Companies Act, 2013, read with Schedule VII, thereof: ₹ Nil (31 March 2017: ₹ Nil). There is no requirement of CSR specific for the year as there is no profits calculated under Section 198 of the Companies Act, 2013.



## Notes to the Consolidated Financial Statements for the year ended 31 March 2018

### 28. Income tax

The major components of income tax expense for the year ended 31 March 2018 and 31 March 2017 are:

#### Profit or loss section

(₹ in million)

	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>Current income tax:</b>		
Current income tax charge for the year	1.35	2.13
Adjustments in respect of current income tax of previous years	0.89	15.47
	<b>2.24</b>	<b>17.60</b>
<b>Deferred tax:</b>		
Deferred tax on profits for the year	(0.82)	(0.54)
Adjustments in respect of deferred tax of previous years	-	-
	<b>(0.82)</b>	<b>(0.54)</b>
<b>Income tax expense reported in the Consolidated statement of profit and loss</b>	<b>1.42</b>	<b>17.06</b>

#### OCI section

(₹ in million)

	For the year ended 31 March 2018	For the year ended 31 March 2017
Tax related to items that will not be reclassified to profit or loss	1.08	(1.55)
<b>Income tax charged to OCI</b>	<b>1.08</b>	<b>(1.55)</b>

#### Reconciliation between average effective rate and applicable tax rate for the year ended 31 March 2018 and 31 March 2017:

(₹ in million)

	For the year ended 31 March 2018	For the year ended 31 March 2017
Accounting profit before income tax	(45.95)	(0.77)
At India's statutory income tax rate 34.608% (31 March 2017: 34.608%)	(16.06)	(0.27)
- Effect of non deductible expenses, non taxable income and others	(1.49)	7.37
- Effect of transaction cost amortisation	(0.75)	(0.54)
- Effect of non taxable income & others	(1.62)	8.16
- Unrecognised deferred tax	29.29	2.34
- Change in statutory tax rate	(7.95)	-
<b>Income tax expense reported in the Consolidated statement of profit and loss</b>	<b>1.42</b>	<b>17.06</b>

## Notes to the Consolidated Financial Statements for the year ended 31 March 2018

### 29. Micro, small and medium enterprises

There are no Micro, Small and Medium Enterprises, to whom the Indian entities owes dues, which are outstanding for more than 45 days as at the end of the year. The information as required to be disclosed in relation to Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Group.

(₹ in million)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
The principal amount remaining unpaid to any supplier as at the end of the year	-	-	-
The interest due on principal amount remaining unpaid to any supplier as at the end of the year	-	-	-
The amount of interest paid by the Group in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (MEMED Act), along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	-	-	-
The amount of interest accrued and remaining unpaid at the end of the year	-	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under the MSMED Act	-	-	-

### 30. Employee benefits in respect of the Group have been calculated as under:

#### A. Defined Contribution Plans

The Group entities located in India have certain defined contribution plan such as provident fund (1), employee state insurance, employee pension scheme, employee superannuation fund wherein specified percentage is contributed to them. During the year, the Group has contributed following amounts to:

(₹ in million)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Employer's contribution to provident fund	1.07	1.12
Employer's contribution to employee's pension scheme 1995	7.71	7.97
Employer's contribution to superannuation fund	1.79	2.20
Employer's contribution to employee state insurance	0.28	0.09

(1) For certain employees where provident fund is deposited with government authority e.g. Regional Provident Fund Commissioner.

The Group entity located in United States of America have a 401(k) Plan, where in the regular, full time and part-time employees are eligible to participate in the defined contribution plan after completion of one month of continuous service. Participants may voluntarily contribute eligible pre-tax and post-tax compensation in 1% increments of up to 90% of their annual compensation in accordance with the annual limits as determined by the Internal Revenue Service. Eligible employees receive a 50% match of their contributions up to 6% of their eligible compensation. Employees above the age of 50 years may choose to contribute "catch-up" contributions in accordance with the Internal Revenue Service limits and are matched the same up to the maximum Group contribution 3% of eligible compensation. The Group's matching contributions vest 100% after three years of service. The Group has contributed ₹ 0.34 million (31 March 2017: ₹ 0.36 million) to 401(k) plan for the year.

## Notes to the Consolidated Financial Statements for the year ended 31 March 2018

### B. Defined Benefits Plans

#### i. Gratuity

In accordance with Ind AS 19 "Employee Benefits", an actuarial valuation has been carried out in respect of gratuity. The discount rate assumed is 7.70% p.a. (31 March 2017: 7.37% p.a.; 1 April 2016: 7.90% p.a.) which is determined by reference to market yield at the Balance Sheet date on government bonds. The retirement age has been considered at 58 years (31 March 2017: 58 years; 1 April 2016: 58 years) and mortality table is as per IALM (2006-08) [31 March 2017: IALM (2006-08); 1 April 2016: IALM (2006-08)].

The estimates of future salary increases, considered in actuarial valuation is 9% p.a. for first three years and 5% p.a. thereafter (31 March 2017: 9% p.a. for first three years and 5% p.a. thereafter; 1 April 2016: 10% p.a. for first three years and 5% p.a. thereafter), taking into account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The plan assets are maintained with Life Insurance Corporation of India in respect of gratuity scheme for certain employees of one unit of the Group. The details of investments maintained by Life Insurance Corporation of India are not available with the Company, hence not disclosed. The expected rate of return on plan assets is 7.50% p.a. (31 March 2017: 9% p.a.; 1 April 2016: 9% p.a.).

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

	(₹ in million)	
Particulars	31 March 2018	31 March 2017
Present vale of obligation at the beginning of the year	84.76	77.00
Current service cost	7.48	8.10
Interest cost	6.25	6.08
Past service cost	0.16	4.15
Actuarial (gain)/loss	(3.04)	4.54
Benefits paid	(12.59)	(15.11)
Present vale of obligation at the end of the year	83.02	84.76

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

	(₹ in million)		
Particulars	31 March 2018	31 March 2017	01 April 2016
Present vale of obligation at the end of the year	83.02	84.76	77.00
Fair value of plan assets at the end of the year	8.59	7.97	7.39
Net liabilities recognised in the Balance Sheet	74.43	76.79	69.61

#### Fair value of plan assets\*\*:

	(₹ in million)	
Particulars	31 March 2018	31 March 2017
Plan assets at the beginning of the year	7.97	7.39
Expected return on plan assets	0.58	0.59
Actuarial gain/(loss)	0.04	(0.01)
Plan assets at the end of the year	8.59	7.97

\*\* In respect of one unit of the Company, the plan assets were invested in insurer managed funds.

Group's best estimate of contribution during next year is ₹ 14.35 million (31 March 2017: ₹ 15.09 million).

#### Expense recognised in the Consolidated statement of Profit and Loss under employee benefits expense:

	(₹ in million)	
Particulars	31 March 2018	31 March 2017
Total service cost	7.65	12.25
Net interest cost	6.25	6.08
<b>Expenses recognised in the Consolidated Statement of Profit and Loss</b>	<b>13.90</b>	<b>18.33</b>

## Notes to the Consolidated Financial Statements for the year ended 31 March 2018

### Amount recognised in other comprehensive income:

(₹ in million)

Particulars	31 March 2018	31 March 2017
Actuarial gain/(loss) due to financial assumption change	3.21	(4.50)
Actuarial gain/(loss) due to experience adjustment	(0.17)	(0.04)
Actuarial gain/(loss) on plan assets	0.04	(0.01)
<b>Amount recognised in the Other Comprehensive Income</b>	<b>3.08</b>	<b>(4.55)</b>

### Sensitivity analysis:

(₹ in million)

Particulars	31 March 2018			
	Discount rate		Future salary increase	
Assumptions				
Sensitivity level	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Impact on defined benefit obligation	(2.83)	3.01	3.05	(2.90)

The sensitivity analysis above have been determined based on reasonable possible changes of the respective assumptions occurring at the end of the year and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant.

### ii. Provident Fund:

The Group makes monthly contributions to provident fund managed by trust for qualifying employees. Under the scheme, the Group is required to contribute a specific percentage of the payroll costs to fund the benefits. As per Ind AS 19 on "Employee Benefits", employer established provident fund trusts are treated as defined benefit plans, since the Group is obliged to meet interest shortfall, if any, with respect to covered employees. The total liability of ₹ Nil (31 March 2017: ₹ Nil; 1 April 2016: ₹ Nil) has been allocated to Group and ₹ Nil (31 March 2017: ₹ Nil) has been charged to Consolidated Statement of Profit and Loss during the year.

### Actuarial assumptions made to determine interest rate guarantee on exempt provident fund liabilities are as follows:

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Discount rate	7.70%	7.50%	7.90%
Guaranteed rate of return	8.55%	8.65%	8.80%

The Group has contributed ₹ 17.46 million to provident fund (31 March 2017: ₹ 18.12 million) for the year.

### C. Other long term benefits (compensated absences)

(₹ in million)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Present value of obligation at the end of the year	39.85	43.00	40.12

## Notes to the Consolidated Financial Statements for the year ended 31 March 2018

### 31. Fair value measurement

(₹ in million)

	Note	Level of hierarchy	31 March 2018			31 March 2017			1 April 2016		
			FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
<b>Financial assets</b>											
Investments in quoted equity instruments	(d)	1	-	0.36	-	-	0.28	-	-	0.23	-
Trade receivables	(a)		-	-	972.14	-	-	1,157.53	-	-	988.89
Loans	(a, b)		-	-	2.99	-	-	3.31	-	-	3.79
Cash and cash equivalents	(a)		-	-	68.68	-	-	30.83	-	-	58.18
Other bank balances	(a)		-	-	2.09	-	-	2.09	-	-	4.88
Other financial assets	(a, b)		-	-	7.95	-	-	8.92	-	-	25.80
<b>Total financial assets</b>			-	<b>0.36</b>	<b>1,053.85</b>	-	<b>0.28</b>	<b>1,202.68</b>	-	<b>0.23</b>	<b>1,081.54</b>
<b>Financial liabilities</b>											
Non-current borrowings (including other current maturities)	(c)	3	-	-	1,869.92	-	-	1,681.75	-	-	1,712.98
Current borrowings	(a)		-	-	753.67	-	-	944.86	-	-	999.35
Trade payables	(a)		-	-	704.14	-	-	691.38	-	-	522.04
Other financial liabilities	(a)		-	-	285.57	-	-	303.42	-	-	320.76
<b>Total financial liabilities</b>			-	-	<b>3,613.30</b>	-	-	<b>3,621.41</b>	-	-	<b>3,555.13</b>

#### Note:

- (a) Fair valuation of financial assets and liabilities with short term maturities is considered as approximate to respective carrying amount due to the short term maturities of these instruments.
- (b) Fair value of non-current financial assets and liabilities has not been disclosed as there is no significant differences between carrying value and fair value.
- (c) Fair value of borrowings as below:

(₹ in million)

	Level	Fair value		
		31 March 2018	31 March 2017	1 April 2016
Borrowings (including other current maturities)*	3	1,907.06	1,708.37	1,745.51
		<b>1,907.06</b>	<b>1,708.37</b>	<b>1,745.51</b>

\* The fair value of other borrowings is based upon a discounted cash flow analysis that used the aggregate cash flows from principal and finance costs over the life of the debt and current market interest rates.

- (d) The fair value is determined by using the valuation model/technique with observable/non-observable inputs and assumptions.

There are no transfers between Level 1, Level 2 and Level 3 during the years ended 31 March 2018 and 31 March 2017.

Reconciliation of Level 1 fair value measurement:

(₹ in million)

	For the year ended 31 March 2018	For the year ended 31 March 2017
Opening balance	0.28	0.23
Additional investments	-	-
Gain/(loss) recognized in other comprehensive income	0.08	0.05
Sale of investments	-	-
<b>Closing balance</b>	<b>0.36</b>	<b>0.28</b>

## Notes to the Consolidated Financial Statements for the year ended 31 March 2018

### 32. Financial risk management

#### Risk management framework

The Parent Company's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group, through three layers of defense namely policies and procedures, review mechanism and assurance aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations. The Audit committee of the Board with top management oversee the formulation and implementation of the risk management policies. The risk are identified at business unit level and mitigation plan are identified, deliberated and reviewed at appropriate forums.

The Group has exposure to the following risks arising from financial instruments:

- credit risk [see (i)];
- liquidity risk [see (ii)]; and
- market risk [see (iii)].

#### i. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counter party to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers, loans and investments.

The carrying amount of financial assets represents the maximum credit exposure.

##### *Trade receivables and other financial assets*

The Group has established a credit policy under which new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, if they are available, financial statements, credit agency information, industry information and business intelligence. Sale limits are established for each customer and reviewed annually. Any sales exceeding those limits require approval from the appropriate authority as per policy.

In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or a legal entity, whether they are institutional, dealers or end-user customer, their geographic location, industry, trade history with the Group and existence of previous financial difficulties.

##### *Expected credit loss for trade receivables:*

Based on internal assessment which is driven by the historical experience/ current facts available in relation to default and delays in collection thereof, the credit risk for trade receivables is considered low. The Group estimates its allowance for trade receivable using lifetime expected credit loss. The balance past due for more than 6 months (net of expected credit loss allowance) is ₹ 99.27 million (31 March 2017: ₹ 140.22 million; 1 April 2016: ₹ 150.05 million).

Movement in the Provision/Allowance for doubtful debts are as follows:

	(₹ in million)	
	31 March 2018	31 March 2017
Balance at the beginning of the year	11.32	3.08
Add: Provided during the year	6.43	9.63
Less Amount written off	10.06	1.39
Balance at the end of the year	7.69	11.32

##### *Expected credit loss on financial assets other than trade receivables:*

With regard to all financial assets with contractual cash flows, other than trade receivables, management believes these to be high quality assets with negligible credit risk. The management believes that the parties from which these financial assets are recoverable, have strong capacity to meet the obligations and where the risk of default is negligible and accordingly no provision for excepted loss has been provided on these financial assets. Break up of financial assets other than trade receivables have been disclosed on Balance Sheet.



## Notes to the Consolidated Financial Statements for the year ended 31 March 2018

### ii. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group's treasury department is responsible for managing the short-term and long-term liquidity requirements. Short term liquidity situation is reviewed daily by the Treasury. Longer term liquidity position is reviewed on a regular basis by the Parent Company's Board of Directors and appropriate decisions are taken according to the situation.

#### Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and un-discounted, and include contractual interest payments and exclude the impact of netting agreements.

(₹ in million)

As at 31 March 2018	Contractual cash flows			
	Carrying amount	Total	Within 1 year	More than 1 year
<b>Non-derivative financial liabilities</b>				
Borrowings (1)	2,623.59	2,660.73	964.54	1,696.19
Trade payable	704.14	704.14	704.14	-
Other financial liabilities	285.57	285.57	285.57	-

(₹ in million)

As at 31 March 2017	Contractual cash flows			
	Carrying amount	Total	Within 1 year	More than 1 year
<b>Non-derivative financial liabilities</b>				
Borrowings (1)	2,626.61	2,653.23	1,297.28	1,355.95
Trade payable	691.38	691.38	691.38	-
Other financial liabilities	303.42	303.42	303.42	-

(₹ in million)

As at 1 April 2016	Contractual cash flows			
	Carrying amount	Total	Within 1 year	More than 1 year
<b>Non-derivative financial liabilities</b>				
Borrowings (1)	2,712.33	2,744.86	1,039.00	1,705.86
Trade payable	522.04	522.04	522.04	-
Other financial liabilities	320.76	320.76	320.76	-

(1) Carrying amount presented as net of unamortised transaction cost.

### iii. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Group's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

#### Currency risk

Foreign currency is the risk that the fair value of future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group has obtained foreign currency borrowing and has foreign currency trade payable and trade receivable and is therefore, exposed to foreign currency risk.

## Notes to the Consolidated Financial Statements for the year ended 31 March 2018

### Exposure to currency risk

The summary quantitative data about the Group's exposure to currency risk as reported to the management of the Group is as follows:

(₹ in million)

	31 March 2018		31 March 2017		1 April 2016	
	USD	EUR	USD	EUR	USD	EUR
Trade receivable	156.34	48.59	216.46	58.61	127.10	51.06
Trade payables	(170.50)	(8.75)	(222.69)	(8.68)	(137.55)	(21.21)
Borrowings	(244.41)	-	(190.32)	-	(369.73)	-
<b>Net exposure</b>	<b>(258.57)</b>	<b>39.84</b>	<b>(196.55)</b>	<b>49.93</b>	<b>(380.18)</b>	<b>29.85</b>

### Sensitivity analysis

A reasonable possible strengthening/ weakening of the EUR, USD currencies at year end would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

(₹ in million)

	Profit or loss (before tax)	
	Strengthening	Weakening
<b>31 March 2018</b>		
USD (1% movement)	(2.59)	2.59
EUR (1% movement)	0.04	(0.04)
<b>31 March 2017</b>		
USD (1% movement)	(1.97)	1.97
EUR (1% movement)	0.05	(0.05)

### Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings of the Group are principally denominated in INR and USD with a mix of fixed and floating rates of interest. The Group has exposure to interest rate risk, arising principally on changes in base lending rate and LIBOR rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings.

### Exposure to interest rate risk

The interest rate profile of the Group's interest bearing financial instruments as reported to the management of the Group is as follows:

The following table provides a break-up of the Group's fixed and floating rate borrowings:

(₹ in million)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Fixed-rate borrowings	320.00	555.00	555.00
Floating rate borrowings	2,303.59	2,071.61	2,157.33
<b>Total borrowings (gross of transaction costs)</b>	<b>2,623.59</b>	<b>2,626.61</b>	<b>2,712.33</b>

The sensitivity analysis below have been determined based on the exposure to interest rates for floating rate liabilities assuming the amount of the liability outstanding at the year-end was outstanding for the whole year.

If interest rates had been 25 basis points higher/ lower and all other variables were held constant, the Group's profit for the year ended 31 March 2018 would decrease/increase by ₹ 5.76 million (31 March 2017: ₹ 5.18 million). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

## Notes to the Consolidated Financial Statements for the year ended 31 March 2018

### 33. Capital management

#### Risk management

The Group's objectives when managing capital are to:

- safeguarding their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the following gearing ratio:

'Net Debt' (total borrowings net of cash and cash equivalents and other bank balances) divided by 'Total Equity' (as shown in the Balance sheet).

The gearing ratios were as follows:

(₹ in million)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Net debt	2,552.82	2,593.69	2,649.27
Total equity	377.40	419.52	436.19
<b>Net debt to equity ratio</b>	<b>676.42</b>	<b>618.25</b>	<b>607.37</b>

### 34. Segment information

#### Business Segment

The CEO and Managing Director of the Parent Company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108 "Operating Segments". Operating Segments have been defined and presented based on the regular review by the CODM to assess the performance of each segment and to make decision about allocation of resources. Accordingly, the Group has determined reportable segments by the nature of its products and services, which are as follows:

- Performance Polymers:** Adhesives & Wood Finishes, Food Polymer (Solid PVA) and Latex
- Agri Products:** Single Super Phosphate, Sulphuric Acid and Agro Chemicals for Crop Products

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group as a whole.

No operating segments have been aggregated to from the above reportable operating segments.

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs

Revenue, expenses, assets and liabilities which relate to the Group as a whole and not allocable to segments on reasonable basis have been included under 'unallocable revenue/ expenses/ assets/ liabilities'.

Finance costs and fair value gains and losses on financial assets are not allocated to individual segments as the underlying instruments are managed on a Group basis.

Borrowings, current taxes, deferred taxes and certain financial assets and liabilities are not allocated to those segments as they are also managed on a Group basis.

## Notes to the Consolidated Financial Statements for the year ended 31 March 2018

(₹ in million)

	For the year ended 31 March 2018			For the year ended 31 March 2017		
	Total segment revenue	Inter-segment revenue	Revenue from external customers	Total segment revenue	Inter-segment revenue	Revenue from external customers
<b>REVENUE</b>						
Performance Polymers	3,460.00	-	3,460.00	4,126.30	-	4,126.30
Agri Products	1,410.52	-	1,410.52	1,378.46	-	1,378.46
<b>Total segment revenue</b>	<b>4,870.52</b>	<b>-</b>	<b>4,870.52</b>	<b>5,504.76</b>	<b>-</b>	<b>5,504.76</b>

(₹ in million)

	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>RESULT</b>		
Performance Polymers	147.05	289.29
Agri Products	181.53	125.15
<b>Total Segment</b>	<b>328.58</b>	<b>414.44</b>
Un-allocated corporate expenses (net of un-allocable income)	114.97	116.02
Finance costs	259.56	299.19
<b>Profit/(Loss) before tax</b>	<b>(45.95)</b>	<b>(0.77)</b>
Tax expense	1.42	17.06
<b>Profit/(Loss) for the year</b>	<b>(47.37)</b>	<b>(17.83)</b>

(₹ in million)

	Segment Assets			Segment Liabilities		
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Performance Polymers	1,990.41	1,985.25	1,776.60	843.27	778.82	652.92
Agri Products	1,178.06	1,267.39	1,302.16	284.42	300.81	256.33
<b>Segment Total</b>	<b>3,168.47</b>	<b>3,252.64</b>	<b>3,078.76</b>	<b>1,127.69</b>	<b>1,079.63</b>	<b>909.25</b>
Un-allocated corporate assets/ liabilities	140.85	117.42	207.79	94.22	158.14	140.53
<b>Total</b>	<b>3,309.32</b>	<b>3,370.06</b>	<b>3,286.55</b>	<b>1,221.91</b>	<b>1,237.77</b>	<b>1,049.78</b>
Deferred tax asset/ liabilities	913.58	913.84	911.75	-	-	-
Borrowings (including other current maturities)	-	-	-	2,623.59	2,626.61	2,712.33
<b>Total assets/ liabilities</b>	<b>4,222.90</b>	<b>4,283.90</b>	<b>4,198.30</b>	<b>3,845.50</b>	<b>3,864.38</b>	<b>3,762.11</b>

### Other information

(₹ in million)

	Capital Expenditure		Depreciation/ amortisation	
	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2018	For the year ended 31 March 2017
Performance Polymers	48.67	69.78	39.92	38.89
Agri Products	2.78	28.39	43.07	42.72
Un-allocated	2.14	33.61	7.74	9.37
<b>Total</b>	<b>53.59</b>	<b>131.78</b>	<b>90.73</b>	<b>90.98</b>

## Notes to the Consolidated Financial Statements for the year ended 31 March 2018

### 35. Related party disclosures

#### 1. Key Management Personnel (KMP) and related entities:

Mr. Manu Ahuja [CEO and Managing Director of the Company and CEO and Whole-time Director of Jubilant Agri and Consumer Products Limited (JACPL)] (w.e.f. 10 May 2018), Mr. Videh Kumar Jaipuria (Managing Director of the Company and Whole-time Director of JACPL (up to 11 December 2017) and Director of Jubilant Industries Inc. USA) (up to 13 April 2016), Mr. Sandeep Kumar Shaw (Chief Financial Officer) (up to 28 April 2017), Mr. Umesh Sharma\*, Mr. Dinesh Kumar Gupta (Company Secretary) (up to 18 December 2018), Mr. Abhishek Mishra (Company Secretary) (w.e.f. 16 March 2018), Ms. Sheetal Kapoor (Company Secretary of JACPL) (Up to 05 July 2016), Mr. Priyavrat Bhartia (Chairman of the Company and Director of JACPL), Mr. Shamit Bhartia (Director of the Company and JACPL), Mr. Ghanshyam Dass (Director of the Company and JACPL) (up to 26 February 2018), Mr. R. Bupathy (Director of the Company and JACPL), Mr. S.K. Roongta (Director of the Company and JACPL), Ms. Shivpriya Nanda (Director of the Company and JACPL), Mr. Manish Gupta (Director of Jubilant Industries Inc. USA), Mr. D Scott Mace (Chairman of Jubilant Industries Inc. USA).

\* **Chief Financial Officer:** Appointed w.e.f. 24 May 2017 in the Company and JACPL and resigned in JACPL w.e.f. 15 December 2017 and re-appointed w.e.f. 10 May 2018; **Whole-time Director:** Appointed w.e.f. 15 December 2017 in JACPL and w.e.f. 16 March 2018 in the Company and resigned in both w.e.f. 10 May 2018.

Jubilant Life Sciences Limited, Jubilant Life Sciences (USA) Inc., USA, Jubilant Enpro (P) Limited, Jubilant Motor Works (P) Limited, Jubilant Generics Limited, Jubilant HollisterStier LLC, USA, JOGPL (P) Limited, HSSS Investment Holding (P) Limited, Jubilant Consumer (P) Limited.

#### 2. Others:

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

#### 3. Details of related party transactions:

31 March 2018

(₹ in million)

Sr. No.	Particulars	Enterprises in which certain key management personnel are interested	Key management personnel	Others	Total
1	<b>Sale of goods, utilities and services:</b>				
	Jubilant Life Sciences Limited	143.55	-	-	143.55
	JOGPL (P) Limited	0.33	-	-	0.33
		<b>143.88</b>	<b>-</b>	<b>-</b>	<b>143.88</b>
2	<b>Purchase of goods, utilities and services:</b>				
	Jubilant Life Sciences Limited	172.10	-	-	172.10
	Jubilant Generics Limited	4.56	-	-	4.56
	Jubilant Life Sciences (USA) Inc. USA	2.32	-	-	2.32
		<b>178.98</b>	<b>-</b>	<b>-</b>	<b>178.98</b>
3	<b>Rent expenses:</b>				
	Jubilant Life Sciences Limited	31.14	-	-	31.14
		<b>31.14</b>	<b>-</b>	<b>-</b>	<b>31.14</b>
4	<b>Interest expenses on inter-corporate loan:</b>				
	Jubilant Enpro (P) Limited	18.29	-	-	18.29
	Jubilant Motor Works (P) Limited	8.66	-	-	8.66
	Jubilant Consumer (P) Limited	0.24	-	-	0.24
		<b>27.19</b>	<b>-</b>	<b>-</b>	<b>27.19</b>

# Notes to the Consolidated Financial Statements for the year ended 31 March 2018

(₹ in million)

Sr. No.	Particulars	Enterprises in which certain key management personnel are interested	Key management personnel	Others	Total
5	<b>Remuneration (including perquisites):</b>				
	Videh Kumar Jaipurkar (Whole-time Director)	-	25.48	-	25.48
	Sandeep Kumar Shaw (Chief Financial Officer)	-	3.65	-	3.65
	Umesh Sharma (Chief Financial Officer)	-	4.54	-	4.54
	Umesh Sharma (Whole-time Director)	-	2.39	-	2.39
	Dinesh Kumar Gupta (Company Secretary)	-	3.16	-	3.16
	Abhishek Mishra (Company Secretary)	-	0.05	-	0.05
		-	<b>39.27</b>	-	<b>39.27</b>
6	<b>Sitting fees:</b>				
	Ghanshyam Dass (Director)	-	0.23	-	0.23
	R. Bupathy (Director)	-	0.93	-	0.93
	S.K. Roongta (Director)	-	1.04	-	1.04
	Shivpriya Nanda (Director)	-	0.60	-	0.60
		-	<b>2.80</b>	-	<b>2.80</b>
7	<b>Recovery of expenses:</b>				
	Jubilant Life Sciences Limited	1.27	-	-	1.27
		<b>1.27</b>	-	-	<b>1.27</b>
8	<b>Reimbursement of expenses:</b>				
	Jubilant Life Sciences Limited	0.50	-	-	0.50
	Jubilant Life Sciences (USA) Inc. USA	0.87	-	-	0.87
	Jubilant HollisterStier LLC, USA	0.41	-	-	0.41
		<b>1.78</b>	-	-	<b>1.78</b>
9	<b>Contribution towards provident fund:</b>				
	VAM Employees Provident Fund Trust	-	-	46.27	46.27
		-	-	<b>46.27</b>	<b>46.27</b>
10	<b>Contribution towards superannuation fund:</b>				
	Pace Marketing Specialities Limited Officer's Superannuation Scheme Trust	-	-	1.79	1.79
		-	-	<b>1.79</b>	<b>1.79</b>
11	<b>Interest converted in to loan taken:</b>				
	Jubilant Enpro (P) Limited	30.33	-	-	30.33
	Jubilant Motor Works (P) Limited	25.50	-	-	25.50
		<b>55.83</b>	-	-	<b>55.83</b>
12	<b>Repayment of interest converted in to loan taken:</b>				
	Jubilant Enpro (P) Limited	30.33	-	-	30.33
	Jubilant Motor Works (P) Limited	25.50	-	-	25.50
		<b>55.83</b>	-	-	<b>55.83</b>

# Notes to the Consolidated Financial Statements for the year ended 31 March 2018

(₹ in million)

Sr. No.	Particulars	Enterprises in which certain key management personnel are interested	Key management personnel	Others	Total
13	<b>Repayment of inter-corporate loan taken:</b>				
	Jubilant Enpro (P) Limited	120.00	-	-	120.00
	Jubilant Motor Works (P) Limited	315.00	-	-	315.00
		<b>435.00</b>	<b>-</b>	<b>-</b>	<b>435.00</b>
14	<b>Inter-corporate loan taken:</b>				
	Jubilant Consumer (P) Limited	200.00	-	-	200.00
		<b>200.00</b>	<b>-</b>	<b>-</b>	<b>200.00</b>
15	<b>Trade payables:</b>				
	Jubilant Life Sciences Limited	71.67	-	-	71.67
	Jubilant Life Sciences (USA) Inc. USA	3.35	-	-	3.35
	Jubilant HollisterStier LLC, USA	1.08	-	-	1.08
		<b>76.10</b>	<b>-</b>	<b>-</b>	<b>76.10</b>
16	<b>Loan payable:</b>				
	Jubilant Enpro (P) Limited	120.00	-	-	120.00
	Jubilant Consumer (P) Limited	200.00	-	-	200.00
		<b>320.00</b>	<b>-</b>	<b>-</b>	<b>320.00</b>
17	<b>Interest payable on loan:</b>				
	Jubilant Enpro (P) Limited	18.20	-	-	18.20
	Jubilant Consumer (P) Limited	0.22	-	-	0.22
		<b>18.42</b>	<b>-</b>	<b>-</b>	<b>18.42</b>
18	<b>Other payables:</b>				
	Jubilant Life Sciences Limited	4.31	-	-	4.31
	Jubilant Generics Limited	1.05	-	-	1.05
		<b>5.36</b>	<b>-</b>	<b>-</b>	<b>5.36</b>
19	<b>Trade receivables:</b>				
	Jubilant Life Sciences Limited	23.63	-	-	23.63
		<b>23.63</b>	<b>-</b>	<b>-</b>	<b>23.63</b>

**31 March 2017**

(₹ in million)

Sr. No.	Particulars	Enterprises in which certain key management personnel are interested	Key management personnel	Others	Total
1	<b>Sale of goods, utilities and services:</b>				
	Jubilant Life Sciences Limited	115.95	-	-	115.95
		<b>115.95</b>	<b>-</b>	<b>-</b>	<b>115.95</b>
2	<b>Purchase of goods, utilities and services:</b>				
	Jubilant Life Sciences Limited	172.67	-	-	172.67
	Jubilant Generics Limited	4.14	-	-	4.14
	Jubilant Life Sciences (USA) Inc. USA	1.61	-	-	1.61
		<b>178.42</b>	<b>-</b>	<b>-</b>	<b>178.42</b>



# Notes to the Consolidated Financial Statements for the year ended 31 March 2018

(₹ in million)

Sr. No.	Particulars	Enterprises in which certain key management personnel are interested	Key management personnel	Others	Total
3	<b>Rent expenses:</b>				
	Jubilant Life Sciences Limited	35.11	-	-	35.11
		<b>35.11</b>	<b>-</b>	<b>-</b>	<b>35.11</b>
4	<b>Interest expenses on inter-corporate loan:</b>				
	Jubilant Enpro (P) Limited	32.86	-	-	32.86
	Jubilant Motor Works (P) Limited	39.35	-	-	39.35
		<b>72.21</b>	<b>-</b>	<b>-</b>	<b>72.21</b>
5	<b>Remuneration (including perquisites):</b>				
	Videh Kumar Jaipurkar (Whole Time Director)	-	22.61	-	22.61
	Sandeep Kumar Shaw (Chief Financial Officer)	-	8.09	-	8.09
	Dinesh Kumar Gupta (Company Secretary)	-	3.16	-	3.16
	Sheetal Kapoor (Company Secretary)	-	0.25	-	0.25
		<b>-</b>	<b>34.11</b>	<b>-</b>	<b>34.11</b>
6	<b>Sitting fees:</b>				
	Ghanshyam Dass (Director)	-	0.74	-	0.74
	R. Bupathy (Director)	-	0.72	-	0.72
	S.K. Roongta (Director)	-	0.72	-	0.72
	Shivpriya Nanda (Director)	-	0.42	-	0.42
		<b>-</b>	<b>2.60</b>	<b>-</b>	<b>2.60</b>
7	<b>Recovery of expenses:</b>				
	Jubilant Life Sciences Limited	1.84			1.84
	JOGPL (P) Limited	0.03	-	-	0.03
		<b>1.87</b>	<b>-</b>	<b>-</b>	<b>1.87</b>
8	<b>Reimbursement of expenses:</b>				
	Jubilant Life Sciences Limited	10.06	-	-	10.06
	Jubilant HollisterStier LLC, USA	2.78			2.78
		<b>12.84</b>	<b>-</b>	<b>-</b>	<b>12.84</b>
9	<b>Contribution towards provident fund:</b>				
	VAM Employees Provident Fund Trust	-	-	50.88	50.88
		<b>-</b>	<b>-</b>	<b>50.88</b>	<b>50.88</b>
10	<b>Contribution towards superannuation fund:</b>				
	Pace Marketing Specialities Limited Officer's Superannuation Scheme Trust	-	-	2.20	2.20
		<b>-</b>	<b>-</b>	<b>2.20</b>	<b>2.20</b>
11	<b>Interest converted in to loan taken:</b>				
	Jubilant Enpro (P) Limited	14.84	-	-	14.84
	Jubilant Motor Works (P) Limited	19.28	-	-	19.28
		<b>34.12</b>	<b>-</b>	<b>-</b>	<b>34.12</b>
12	<b>Repayment of interest converted in to loan taken:</b>				
	Jubilant Enpro (P) Limited	14.84	-	-	14.84
	Jubilant Motor Works (P) Limited	19.28	-	-	19.28
		<b>34.12</b>	<b>-</b>	<b>-</b>	<b>34.12</b>

## Notes to the Consolidated Financial Statements for the year ended 31 March 2018

(₹ in million)

Sr. No.	Particulars	Enterprises in which certain key management personnel are interested	Key management personnel	Others	Total
13	<b>Trade payables:</b>				
	Jubilant Life Sciences Limited	64.94	-	-	64.94
	Jubilant Life Sciences (USA) Inc. USA	5.71	-	-	5.71
	Jubilant Generics Limited	1.89	-	-	1.89
	Jubilant HollisterStier LLC, USA	3.74	-	-	3.74
		<b>76.28</b>	<b>-</b>	<b>-</b>	<b>76.28</b>
14	<b>Loan payable:</b>				
	Jubilant Enpro (P) Limited	240.00	-	-	240.00
	Jubilant Motor Works (P) Limited	315.00	-	-	315.00
		<b>555.00</b>	<b>-</b>	<b>-</b>	<b>555.00</b>
15	<b>Interest payable on loan:</b>				
	Jubilant Enpro (P) Limited	30.33	-	-	30.33
	Jubilant Motor Works (P) Limited	25.50	-	-	25.50
		<b>55.83</b>	<b>-</b>	<b>-</b>	<b>55.83</b>
16	<b>Other payables:</b>				
	Jubilant Life Sciences Limited	14.46	-	-	14.46
		<b>14.46</b>	<b>-</b>	<b>-</b>	<b>14.46</b>
17	<b>Trade receivables:</b>				
	Jubilant Life Sciences Limited	30.43	-	-	30.43
		<b>30.43</b>	<b>-</b>	<b>-</b>	<b>30.43</b>

### 1 April 2016

(₹ in million)

Sr. No.	Particulars	Enterprises in which certain key management personnel are interested	Key management personnel	Others	Total
1	<b>Trade payables:</b>				
	Jubilant Life Sciences Limited	32.14	-	-	32.14
	Jubilant Life Sciences (USA) Inc. USA	2.18	-	-	2.18
	Jubilant Generics Limited	0.94	-	-	0.94
	Jubilant HollisterStier LLC, USA	1.08	-	-	1.08
		<b>36.34</b>	<b>-</b>	<b>-</b>	<b>36.34</b>
2	<b>Loan payable:</b>				
	Jubilant Enpro (P) Limited	240.00	-	-	240.00
	Jubilant Motor Works (P) Limited	315.00	-	-	315.00
		<b>555.00</b>	<b>-</b>	<b>-</b>	<b>555.00</b>
3	<b>Interest payable on loan:</b>				
	Jubilant Enpro (P) Limited	14.84	-	-	14.84
	Jubilant Motor Works (P) Limited	19.28	-	-	19.28
		<b>34.12</b>	<b>-</b>	<b>-</b>	<b>34.12</b>
4	<b>Other payables:</b>				
	Jubilant Life Sciences Limited	13.86	-	-	13.86
		<b>13.86</b>	<b>-</b>	<b>-</b>	<b>13.86</b>
5	<b>Trade receivables:</b>				
	Jubilant Life Sciences Limited	21.85	-	-	21.85
		<b>21.85</b>	<b>-</b>	<b>-</b>	<b>21.85</b>

## Notes to the Consolidated Financial Statements for the year ended 31 March 2018

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

#### A) Guarantees:

Outstanding guarantees furnished by banks on behalf of the Group/by the Group including in respect of letters of credit is ₹ 498.73 million (31 March 2017: ₹ 436.85 million; 1 April 2016: ₹ 484.54 million).

#### B) Claims against Group not acknowledged as debt\*:

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

(₹ in million)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Central excise	24.37	26.60	42.23
Customs	10.49	9.13	8.46
Sales tax	654.42	4.68	2.17
Service tax	-	0.33	3.27
GST	0.51	-	-
Others	60.52	60.52	60.52

- 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 1 April 2002 to 31 December 2007 and raised a demand of ₹ 34.45 million (31 March 2017: ₹ 34.45 million; 1 April 2016: ₹ 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.
- iii) A civil suit (OS No. 5549/2013) has been filed by Kids Kemp (the lessor) against Food Express Stores and Jubilant Agri and Consumer Products Limited (JACPL), a wholly owned subsidiary of the Company, and the same is pending before the City Civil Court Bangalore. Part of the claims were settled by means of a compromise petition between the parties and the remaining claims amounting to ₹ 23.10 million (31 March 2017: ₹ 23.10 million; 1 April 2016: ₹ 23.10 million) relate to claims for past periods. JACPL has filed detailed statement of objections and is strongly contesting the claims on a number of grounds, including that a significant part of the claims is barred by the law of limitation. JACPL is reasonably confident that its position will be upheld by the court. Hence, no liability is acknowledged. This relates to the Retail business which has been sold out.
- iv) Another suit (OS No. 5561/2014) is pending before the City Civil Court, Bangalore and has been filed against the Jubilant Agri and Consumer Products Limited (JACPL), a wholly owned subsidiary of the Company by Shivashakti Builders (the lessor) amounting to ₹ 218.86 million (31 March 2017: ₹ 218.86 million; 1 April 2016: ₹ 218.86 million). The matter relates to damages allegedly suffered by the plaintiff due to the termination of a lease arrangement between the parties. JACPL has filed detailed objections to the plaint and has explained the reasons as to why it terminated the lease arrangement. The matter is pending in trial and the JACPL is reasonably confident of its chances of success in this matter. This relates to Retail business which has been sold out.

### 37. Commitments as at year end

#### a) Capital Commitments:

Estimated amount of contracts remaining to be executed on capital account (net of advances) ₹ 12.64 million (31 March 2017: ₹ 0.77 million; 1 April 2016: ₹ 5.75 million) [Advances ₹ 3.39 million (31 March 2017: ₹ 0.06 million; 1 April 2016: ₹ 1.22 million)].

#### b) Leases

- i) The Group's significant operating lease arrangements are in respect of premises (residential, offices, godowns, vehicles 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.

## Notes to the Consolidated Financial Statements for the year ended 31 March 2018

- ii) The Group has operating lease arrangements in respect of vehicles which are cancellable, range between 2 years and 5 years. The aggregate lease rentals payable are charged as expenses. Rental expenses recognized under such leases amounting to ₹ 2.33 million (31 March 2017: ₹ 1.16 million) has been included under vehicle running and maintenance expense in note 27.

- iii) Assets acquired under finance lease:

Future minimum lease payments and their present values under finance leases in respect of vehicles are as follows:

(₹ in million)

Particulars	Minimum lease payments			Present value of minimum lease payments			Future interest		
	As at 31 March 18	As at 31 March 17	As at 01 April 16	As at 31 March 18	As at 31 March 17	As at 01 April 16	As at 31 March 18	As at 31 March 17	As at 01 April 16
Not later than one year	2.61	3.03	2.74	2.12	2.42	2.15	0.49	0.61	0.59
Later than one year but not later than five years	2.93	3.86	3.81	2.44	3.45	3.36	0.49	0.41	0.45
Later than five years	-	-	-	-	-	-	-	-	-

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

### c) Other commitments

Export obligation under Advance License Scheme on duty free import of raw materials, remaining outstanding ₹ 22.08 million (31 March 2017: ₹ 64.32 million; 1 April 2016: ₹ Nil)

### 38. Hedging and derivatives instruments:

The Group uses derivative instruments such as foreign exchange forward contracts to selective hedge its exposures to movement in foreign exchange rates. These derivatives instruments are not used for speculative or trading purposes.

The following are the outstanding derivative contracts entered in to by the Group:

Category	Currency	Cross Currency	Amount (in million)	Buy/Sell
<b>As at 31 March 2018:</b>				
Forward Contracts	-	-	-	-
<b>As at 31 March 2017:</b>				
Forward Contracts	-	-	-	-
<b>As at 01 April 2016:</b>				
Forward Contracts	Euro	INR	0.06	Sell

39. The Group has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under sections 92-92F of the Income-tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Group is in the process of updating the documentation for the specified domestic transactions entered into with the specified persons and the international transactions entered into with the associated enterprises during the financial year and expects such records to be in existence before the due date of filing of income tax return. The management is of the opinion that its specified domestic transactions and international transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

### 40. Employee Stock Option Scheme

In terms of approval of members accorded and in accordance with SEBI (ESOP & ESPS) Guidelines, 1999, the Parent Company constituted "JIL Employees Stock Option Scheme, 2013 (Scheme 2013)" for specified categories of employees and directors of the Company, its subsidiaries and holding companies. Under the Scheme 2013, up to 590000 stock options can be issued to eligible directors (other than promoter directors, independent directors and nominee directors of the Company/subsidiaries/holding companies) and other specified categories of employees

## Notes to the Consolidated Financial Statements for the year ended 31 March 2018

of the Company/subsidiaries/holding companies. The options are to be granted at market price. As per SEBI Guidelines, the market price is taken as the closing price on the day preceding the date of grant of options, on the stock exchange where the trading volume is the highest.

Each option, upon vesting, shall entitle the holder to subscribe 1 (one) fully paid equity share of ₹ 10 of the Parent Company. 20% of the options shall vest on first anniversary of the grant date, subsequent 30% shall vest on second anniversary and balance 50% of the options shall vest on the third anniversary of the grant date.

The Parent Company has constituted a Compensation Committee, comprising of a majority of independent directors. This Committee is fully empowered to administer the Scheme 2013.

The movement in the stock option under the "Scheme 2013" during the year is set out below:

Particulars	For the year ended 31 March 2018		For the year ended 31 March 2017	
	Number of Options	Weighted Average Exercise Price (₹)	Number of Options	Weighted Average Exercise Price (₹)
Options outstanding at the beginning of the year	112,906	188.85	61,423	97.91
Granted during the year	-	-	100,038	209.10
Expired/Lapsed during the year	40,043	192.43	20,085	133.32
Options forfeited during the year	-	-	-	-
Options exercised during the year	16,031	108.10	28,470	102.99
Options outstanding at the end of the year	56,832	209.10	112,906	188.85

### Expenses arising from shar-based payment transaction

The expenses arising from share-based payment transaction recognised in Consolidated Statement of Profit and Loss as part of employee benefit expense for the year ended 31 March 2018 and 31 March 2017 are ₹ 2.37 million and ₹ 2.09 million, respectively.

### 41. Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary.

Name of the enterprise	Net Assets i.e. Total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount (₹ in million)	As % of consolidated profit or (loss)	Amount (₹ in million)
<b>Parent</b>				
Jubilant Industries Limited	684.68	2,583.99	(30.74)	(14.56)
<b>Subsidiaries</b>				
<b>Indian</b>				
Jubilant Agri and Consumer Products Limited	(204.72)	(772.60)	(152.16)	(72.08)
<b>Foreign</b>				
Jubilant Industries Inc. USA	7.97	30.08	3.57	1.69
Total eliminations	(387.93)	(1,464.07)	79.33	37.58
<b>Total</b>	<b>100.00</b>	<b>377.40</b>	<b>(100.00)</b>	<b>(47.37)</b>

## Notes to the Consolidated Financial Statements for the year ended 31 March 2018

### 42. First-time adoption of Ind AS

#### Transition to Ind AS

These are the Group's first financial statements prepared in accordance with Ind AS.

The significant accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended 31 March 2018, the comparative information presented in these financial statements for the year ended 31 March 2017 and in the preparation of an opening Ind AS balance sheet at 1 April 2016 (the Group's date of transition). In preparing its opening Ind AS balance sheet, the Group has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Group's financial position, financial performance and cash flows is set out in the following tables and notes.

### 42(A). Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

#### Ind AS optional exemptions

##### 1. Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. This exemption can also been used for intangible assets covered by Ind AS 38 Intangible assets.

Accordingly, the Group had elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying date.

##### 2. De-recognition of financial assets and liabilities

Ind AS 101 permits a first-time adopter to apply the de-recognition provisions of Ind AS 109 "Financial Instruments" prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Group has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

#### Ind AS mandatory exceptions

##### 1. Estimates

An entity's estimate in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Group made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP.

- Investment in equity instruments carried at FVOCI.
- Impairment of financial assets based on expected credit loss model.
- Determination of the discounted value for financial instruments carried at amortised cost.

##### 2. Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of the facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly, the Group has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Management of the financial assets accounted at amortised cost has been done retrospective except where the same is impracticable.

## Notes to the Consolidated Financial Statements for the year ended 31 March 2018

### 42(B). Effect of Ind AS adoption on consolidated balance sheet

(₹ in million)

Particulars	Note	As at March 31, 2017			As at April 01, 2016		
		(End of last period presented under previous GAAP)			(Date of transition)		
		Previous GAAP *	Effect of transition to Ind-AS	Ind-AS	Previous GAAP *	Effect of transition to Ind-AS	Ind-AS
<b>ASSETS</b>							
<b>Non - current assets</b>							
Property, plant and equipment	1	1,326.65	-	1,326.65	1,244.89	5.61	1,250.50
Capital work-in-progress		29.09	-	29.09	65.62	-	65.62
Other Intangible assets		0.88	-	0.88	2.04	-	2.04
Intangible assets under development		1.53	-	1.53	-	-	-
Financial assets							
(i) Loans		1.23	-	1.23	1.15	-	1.15
(ii) Others financial assets		3.04	-	3.04	3.04	-	3.04
Deferred tax assets (net)	3	911.65	2.19	913.84	911.65	0.10	911.75
Other non current assets		16.99	-	16.99	20.22	-	20.22
<b>Total non-current assets</b>		<b>2,291.06</b>	<b>2.19</b>	<b>2,293.25</b>	<b>2,248.61</b>	<b>5.71</b>	<b>2,254.32</b>
<b>Current assets</b>							
Inventories		632.03	-	632.03	600.51	(5.61)	594.90
Financial assets						-	
(i) Investments	2	0.08	0.20	0.28	0.08	0.15	0.23
(ii) Trade receivables		1,157.53	-	1,157.53	988.89	-	988.89
(iii) Cash and cash equivalents		30.83	-	30.83	58.18	-	58.18
(iv) Other bank balances		2.09	-	2.09	4.88	-	4.88
(v) Loans		2.08	-	2.08	2.64	-	2.64
(vi) Others financial assets		5.88	-	5.88	22.76	-	22.76
Income tax assets (net)		18.44	-	18.44	115.98	-	115.98
Other current assets	8	170.06	(28.57)	141.49	188.44	(32.92)	155.52
<b>Total current assets</b>		<b>2,019.02</b>	<b>(28.37)</b>	<b>1,990.65</b>	<b>1,982.36</b>	<b>(38.38)</b>	<b>1,943.98</b>
<b>TOTAL ASSETS</b>		<b>4,310.08</b>	<b>(26.18)</b>	<b>4,283.90</b>	<b>4,230.97</b>	<b>(32.67)</b>	<b>4,198.30</b>

\* The previous GAAP numbers have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.



## Notes to the Consolidated Financial Statements for the year ended 31 March 2018

(₹ in million)

Particulars	Note	As at March 31, 2017			As at April 01, 2016		
		(End of last period presented under previous GAAP)			(Date of transition)		
		Previous GAAP *	Effect of transition to Ind-AS	Ind-AS	Previous GAAP *	Effect of transition to Ind-AS	Ind-AS
<b>EQUITY AND LIABILITIES</b>							
Equity							
Equity share capital		119.15	-	119.15	118.87	-	118.87
Other equity		299.93	0.44	300.37	317.47	(0.15)	317.32
<b>Total equity</b>	42(D)	<b>419.08</b>	<b>0.44</b>	<b>419.52</b>	<b>436.34</b>	<b>(0.15)</b>	<b>436.19</b>
<b>Liabilities</b>							
<b>Non - current liabilities</b>							
Financial liabilities							
Borrowings	8	1,355.95	(26.62)	1,329.33	1,705.86	(32.53)	1,673.33
Provisions		112.11	-	112.11	97.19	-	97.19
<b>Total non-current liabilities</b>		<b>1,468.06</b>	<b>(26.62)</b>	<b>1,441.44</b>	<b>1,803.05</b>	<b>(32.53)</b>	<b>1,770.52</b>
<b>Current liabilities</b>							
Financial liabilities							
(i) Borrowings		944.86	-	944.86	999.35	-	999.35
(ii) Trade payables		691.38	-	691.38	522.04	-	522.04
(iii) Other financial liabilities	6	655.84	-	655.84	360.40	0.01	360.41
Other current liabilities		71.29	-	71.29	55.73	-	55.73
Provisions		57.51	-	57.51	53.92	-	53.92
Current tax liabilities (net)		2.06	-	2.06	0.14	-	0.14
<b>Total current liabilities</b>		<b>2,422.94</b>	<b>-</b>	<b>2,422.94</b>	<b>1,991.58</b>	<b>0.01</b>	<b>1,991.59</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>4,310.08</b>	<b>(26.18)</b>	<b>4,283.90</b>	<b>4,230.97</b>	<b>(32.67)</b>	<b>4,198.30</b>

\* The previous GAAP numbers have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

## Notes to the Consolidated Financial Statements for the year ended 31 March 2018

### 42(C). Effect of Ind-AS adoption on the Consolidated statement of profit and loss for the year ended March 31, 2017

(₹ in million)

Particulars	Note	For the year ended March 31, 2017		
		(Latest period presented under previous GAAP)		
		Previous GAAP*	Effect of transition to Ind-AS	Ind-AS
Revenue from operations		5,504.76	-	5,504.76
Other income		25.72	-	25.72
<b>Total income</b>		<b>5,530.48</b>	<b>-</b>	<b>5,530.48</b>
<b>Expenses:</b>				
Cost of materials consumed		2,579.97	-	2,579.97
Purchases of stock-in-trade		88.00	-	88.00
Changes in inventories of finished goods, stock-in-trade and work in progress		(70.82)	-	(70.82)
Excise duty on sales		420.20	-	420.20
Employee benefits expense	4, 5	722.99	(2.46)	720.53
Finance costs	8	297.63	1.56	299.19
Depreciation and amortisation expense	2	90.98	-	90.98
Other expenses	6, 9	1,388.66	14.54	1,403.20
<b>Total expenses</b>		<b>5,517.61</b>	<b>13.64</b>	<b>5,531.25</b>
<b>Profit/(Loss) before exceptional item &amp; tax</b>		<b>12.87</b>	<b>(13.64)</b>	<b>(0.77)</b>
Exceptional items	9	14.55	(14.55)	-
<b>Profit/(Loss) before tax</b>		<b>(1.68)</b>	<b>0.91</b>	<b>(0.77)</b>
<b>Tax expense:</b>				
- Current tax		17.60	-	17.60
- Deferred tax	3	-	(0.54)	(0.54)
<b>Profit/(Loss) for the year</b>		<b>(19.28)</b>	<b>1.45</b>	<b>(17.83)</b>
<b>Other comprehensive income (OCI)</b>				
<b>Items that will not be reclassified to profit or loss</b>				
Changes in fair value of investment which are classified at fair value through OCI	2, 7	-	0.05	0.05
Re-measurements of the defined benefit obligations	4, 7	-	(4.55)	(4.55)
Income tax relating to items that will not be reclassified to profit and loss	3	-	(1.55)	(1.55)
<b>Items that will be reclassified to profit or loss</b>				
Exchange difference in translating the financial statements of foreign operations		-	(0.91)	(0.91)
<b>Total other comprehensive income for the year</b>		<b>-</b>	<b>(3.86)</b>	<b>(3.86)</b>
<b>Total comprehensive income for the year</b>		<b>(19.28)</b>	<b>(2.41)</b>	<b>(21.69)</b>

\* The previous GAAP numbers have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

## Notes to the Consolidated Financial Statements for the year ended 31 March 2018

### 42(D). Reconciliation of equity

(₹ in million)

Particulars	Note	As at March 31, 2017	As at April 01, 2016
		(End of last period presented under previous GAAP)	(Date of transition)
<b>Reported earlier under Previous GAAP</b>		<b>419.08</b>	<b>436.34</b>
Processing fee on loan accounted for using effective interest rate	8	(1.95)	(0.39)
Measurement of equity investments at fair value through OCI	2	0.20	0.15
Mark-to-market gain	6	-	(0.01)
Tax adjustments (net)	3	2.19	0.10
<b>Total adjustment to equity</b>		<b>0.44</b>	<b>(0.15)</b>
<b>Now reported under Ind AS</b>		<b>419.52</b>	<b>436.19</b>

### 42(E). Consolidated Statement of Cash Flows

Other than effect of certain reclassifications due to difference in presentation, there was no other material effect of cash flows from operating, financing, investing activities for all period presented.

#### Note 1: Property, plant and equipment

The Group has elected the option to carrying value as deemed cost for property, plant and equipment as on date of transition to Ind AS. However, major spare parts where life more than one year has been capitalized as on date of transition to Ind AS. This increased the property, plant and equipment by ₹ 5.61 million as at 01 April 2016 with corresponding decreased to inventory of stores and spares. There is no impact on the equity.

#### Note 2: Fair valuation of investments

Under the previous GAAP, investments in equity instruments and other instruments were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments were required to be measured at fair value. The resulting fair value changes with respect to investments in equity instruments designated as at FVOCI have been recognised in FVOCI - Equity instruments through OCI as at the date of transition and subsequently in the other comprehensive income for the year ended 31 March 2017. This increased total equity by ₹ 0.20 million as at 31 March 2017 (01 April 2016: ₹ 0.15 million) and other comprehensive income for the year ended 31 March 2017 by ₹ 0.05 million.

#### Note 3: Deferred taxes

Previous GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

Also deferred tax have been recognised on the adjustments made on transition to Ind AS. On the date of transition, the net impact on deferred tax liabilities is of ₹ 2.19 million as at 31 March 2017 (1 April 2016: ₹ 0.10 million).

## Notes to the Consolidated Financial Statements for the year ended 31 March 2018

### Note 4: Re-measurements of post-employment benefit obligations

Under Ind AS, re-measurements i.e. actuarial gains and losses and the return on plan assets on the net defined benefit obligation are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these re-measurements were forming part of the profit or loss for the year. As a result of this change, the profit before tax for the year ended 31 March 2017 increased by ₹ 4.55 million). There is no impact on the total equity as at 1 April 2016 and 31 March 2017.

### Note 5: Employee share-based payment expense

Under the previous GAAP, the cost of equity-settled employee share based plan were recognised using the intrinsic value method. Under Ind AS, the cost of equity settled share based plan is recognised based on the fair value of options as at the grant date. Consequently, the profit for the year ended 31 March 2017 decreased by ₹ 2.09 million in relation to equity settled share based payment transaction with the employee of the Group, with the corresponding increase in share based payment reserve by ₹ 2.09 million as at 31 March 2017 (01 April 2016: ₹ 2.66 million).

### Note 6: Mark-to-market gain recognition on derivative contracts

Recognition of unrealized mark-to-market gain of ₹ .01 million as at 1 April 2016 on forward contracts which was not permitted under previous GAAP the amount was realised during the year ended 31 March 2017.

### Note 7: Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expenses that are not recognised in profit or loss but are shown in the statement of profit and loss as 'Other comprehensive income' includes change in fair value of investments which are classified at fair value through OCI, re-measurements of defined benefit plans and exchange differences on translation of foreign operations. The concept of other comprehensive income did not exist under previous GAAP.

### Note 8: Borrowings

Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the profit or loss over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method. Accordingly, borrowings as at 31 March 2017 have been reduced by ₹ 26.62 million (01 April 2016: ₹ 32.53 million) with corresponding decreased to other assets by ₹ 28.57 million (01 April 2016: ₹ 32.92 million) and decrease in equity (finance costs) ₹ 1.95 million (01 April 2016: ₹ 0.39 million).

### Note 9: Exceptional items

Exceptional items have been reclassified to the respective heads to conform to Ind AS classification.

## Notes to the Consolidated Financial Statements for the year ended 31 March 2018

### 43. Earnings per share (EPS)

			For the year ended 31 March 2018	For the year ended 31 March 2017
<b>I</b>	<b>Profit computation for basic &amp; diluted earnings per share of ₹ 10/- each</b>			
	Net (loss) as per Consolidated Statement of Profit & Loss available for equity shareholders	₹ in million	(47.37)	(17.83)
<b>II</b>	<b>Weighted average number of equity shares for earnings per share computation</b>			
	(A) For basic earnings per share *	Nos	11,926,747	11,901,420
	(B) For diluted earnings per share:			
	No of shares for Basic EPS as per II (A)	Nos	11,926,747	11,901,420
	Add: Weighted average outstanding options related to employee stock options	Nos	-	12,404
	No of shares for diluted earnings per share	Nos	11,926,747	11,913,824
<b>III</b>	<b>Earnings per share (weighted average)</b>			
	Basic	₹	(3.97)	(1.50)
	Diluted	₹	(3.97)	(1.50)

*	<b>Particulars</b>	<b>For the year ended 31 March 2018</b>	<b>For the year ended 31 March 2017</b>
	Number of Shares at the beginning of the year	11,915,070	11,886,600
	Add: 11,531 Equity shares and 4,500 Equity shares issued on 22 June 2017 and 22 August 2017, respectively (31 March 2017: 28,470 Equity shares issued on 23 September, 2016)		
	Current Year: $11531/365 \times 283 + 4500/365 \times 222$ (31 March 2017: $28470/365 \times 190$ )	11,677	14,820
	<b>Weighted average number of equity shares</b>	<b>11,926,747</b>	<b>11,901,420</b>

The accompanying notes "1 to 43" form an integral part of the consolidated financial statements.

In terms of our report of even date attached.

**For and on behalf of the Board**

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

Chartered Accountants

Firm Registration Number : 304153E

**B. R. Goyal**

Partner

Membership No. 12172

**Priyavrat Bhartia**

Chairman

DIN: 00020603

**Manu Ahuja**

CEO & Managing Director

DIN: 05123127

**Place: Noida**

Date : 10th May, 2018

**Abhishek Mishra**

Company Secretary

**Umesh Sharma**

Chief Financial Officer

## Form AOC - I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

### STATEMENT CONTAINING SALIENT FEATURES OF FINANCIAL STATEMENT OF SUBSIDIARIES AS PER COMPANIES ACT, 2013

#### SUBSIDIARIES OF THE COMPANY

(₹ in million & USD in thousand)

1) Sr. No.	1	2	
2) Name of the subsidiaries	<b>Jubilant Agri and Consumer Products Limited</b>	<b>Jubilant Industries Inc. USA</b>	
3) Reporting currency	INR	USD	INR*
4) Share capital (Equity)	0.50	0.11	0.01
5) Reserve & surplus (Other Equity)	(773.10)	461.50	30.07
6) Total assets	3,426.25	2,030.39	132.32
7) Total Liabilities	4,198.85	1,568.78	102.24
8) Investments	0.36	-	-
9) Turnover/Total income	4,563.27	3,898.51	251.65
10) Profit/(Loss) before taxation	(90.31)	60.79	3.93
11) Provision for taxation	(18.23)	34.66	2.24
12) Profit/(Loss) after taxation	(72.08)	26.13	1.69
13) Proposed dividend	Nil	Nil	
14) % of shareholding	100%	100%	

\* For the purpose of conversion of accounts, USD in to Indian Currency, following rates have been applied:

Average rate for F.Y. 2017-18      1 USD = ₹ 64.55

Rate as at 31 March 2018      1 USD = ₹ 65.17

**Note:** There is no associate companies / joint ventures of the Company.

For and on behalf of the Board

**Priyavrat Bhartia**

Chairman

DIN: 00020603

**Place: Noida**

Date : 10th May, 2018

**Abhishek Mishra**

Company Secretary

**Umesh Sharma**

Chief Financial Officer

**Manu Ahuja**

CEO & Managing Director

DIN: 05123127



## WOOD ADHESIVES



## WOOD FINISHES



## AGRI PRODUCTS







**Jubilant Industries Limited**

Registered Office: Bhartiagram, Gajraula, Distt. Amroha – 244223, Uttar Pradesh, India  
Corporate Office: Plot No. 1A, Sector 16A, Noida – 201301, Uttar Pradesh, India

[www.jubilantindustries.com](http://www.jubilantindustries.com)