

**INDEPENDENT AUDITORS' REPORT**

**TO THE MEMBERS OF JUBILANT INDUSTRIES INC. USA**

**Report on the Financial Statements**

- 1 We have audited the accompanying financial statements of **JUBILANT INDUSTRIES INC. USA** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information which we have signed under reference to this report.

**Management's responsibility for the Financial Statements**

- 2 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 and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provision 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

- 3 Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made 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 financial statements are free from material misstatement.
- 4 An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments; the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design the audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

- 5 We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

- 6 In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2016;
- (ii) in the case of the Statement of Profit and Loss, of the Profit of the Company for the year ended on that date; and
- (iii) in the case of Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

- 7 This report does not include a statement on the matters specified vide Companies (Auditor's Report) Order, 2016 ('Order'), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, in our opinion the said order is not applicable to the Company as the Company is not incorporated in India under the Indian Companies Act, 2013.

- 8 As required by Section 143 (3) of the Act, we report that:

- a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b. in our opinion proper books of accounts as required by the law have been kept by the Company, so far as appears from our examination of those books;
- c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- d. In our opinion, the aforesaid financial statements dealt with by this report comply with the Accounting Standards referred to in section 133 of the Companies Act, 2013;
- e. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. There were no pending litigations which would impact the consolidated financial position of the Company;
  - ii. The Company did not have any foreseeable losses on long term contracts and had no derivative contracts outstanding as at 31<sup>st</sup> March, 2016; and

- iii. The Company did not have any dues on account of Investor Education and Protection Fund.

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

**Sd/-**

**Place : Noida**

**Date : 20th May, 2016**

**B.R. GOYAL**  
Partner  
Membership No. 12172

Jubilant Industries Inc. USA

Balance Sheet as at 31 March 2016

	Note No.	USD		(\$ in million)	
		As at 31 March 2016	As at 31 March 2015	As at 31 March 2016	As at 31 March 2015
<b>I. EQUITY AND LIABILITIES</b>					
Shareholders' funds					
Share Capital	3	110	110	0.01	0.01
Reserve & surplus	4	5,03,822	1,45,977	33.38	9.13
		5,03,932	1,46,087.00		9.14
Current liabilities					
Trade payables	5	11,26,743	29,67,013	74.65	185.44
Other current liabilities	6	27,633	47,153	1.83	2.95
Short term provisions	7	2,191	-	0.14	-
		11,56,567	30,14,166		188.39
<b>Total</b>		<b>16,60,499</b>	<b>31,60,253</b>	<b>110.01</b>	<b>197.53</b>
<b>II. ASSETS</b>					
Non-current assets					
Fixed assets					
Tangible assets	8	2,110	484	0.13	0.03
Current assets					
Inventories	9	10,46,326	23,45,680	69.32	146.61
Trade receivables	10	1,67,114	7,40,370	11.07	46.28
Cash & bank balances	11	4,38,692	73,547	29.07	4.60
Short term loans and advances	12	6,257	172	0.42	0.01
		16,58,389	31,59,769	109.88	197.50
<b>Total</b>		<b>16,60,499</b>	<b>31,60,253</b>	<b>110.01</b>	<b>197.53</b>
Significant accounting policies	2				
Notes to the financial statements	1-28				
In terms of our review report of even date attached.					
For K. N. Gutgutia & Co. Chartered Accountants Firm Registration Number : 304153E Sd/- B. R. Goyal Partner Membership No. 12172				Sd/- <b>Manish Gupta</b> Director	
Place: Date : 20 May 2016					

Statement of Profit and Loss for the year ended 31 March 2016

	Note No.	USD		₹ in million	
		For the year ended 31 March 2016	For the year ended 31 March 2015	For the year ended 31 March 2016	For the year ended 31 March 2015
<b>REVENUE</b>					
Revenue from operations	13	94,84,651	68,52,270	618.59	419.02
<b>Total revenue</b>		<b>94,84,651</b>	<b>68,52,270</b>	<b>618.59</b>	<b>419.02</b>
<b>EXPENSES</b>					
Purchase of traded goods	14	74,55,119	89,91,275	486.22	549.82
Change in inventories of traded goods	15	12,99,352	(23,45,680)	84.74	(143.44)
Employee benefits expense	16	1,04,788	49,214	6.83	3.01
Finance costs	17	33,793	17,305	2.21	1.06
Depreciation & Amortisation	8	83	96	0.01	0.01
Other expenses	18	2,29,480	1,73,373	14.97	10.63
<b>Total expenses</b>		<b>91,22,615</b>	<b>68,86,183</b>	<b>594.98</b>	<b>421.09</b>
<b>Profit/(Loss) before tax</b>		<b>3,62,036</b>	<b>(33,913)</b>	<b>23.61</b>	<b>(2.07)</b>
Tax Expenses:					
Current Tax (Refer note 21)		4,191	-	0.27	-
<b>Profit/(Loss) for the year</b>		<b>3,57,845</b>	<b>(33,913)</b>	<b>23.34</b>	<b>(2.07)</b>
Basic earnings per share (in ₹)	25			1,16,675.68	(10,360.58)
Diluted earnings per share (In ₹)	25			1,16,675.68	(10,360.58)
Significant accounting policies	1				
Notes to the financial statements	1-28				
In terms of our review report of even date attached.					
For K. N. Gutgutia & Co. Chartered Accountants Firm Registration Number : 304153E Sd/- B. R. Goyal Partner Membership No. 12172				Sd/- <b>Manish Gupta</b> Director	
Place: Date : 20 May 2016					

## Cash Flow Statement for the year ended 31 March 2016

	USD		₹ in million	
	For the year ended 31 March 2016	For the year ended 31 March 2015	For the year ended 31 March 2016	For the year ended 31 March 2015
<b>A. Cash flow arising from operating activities:</b>				
Net profit/(loss) before tax	3,62,036	(33,913)	23.61	(2.07)
Adjustments for:				
Depreciation & amortisation expense	83	96	0.01	0.01
Finance costs	33,793	17,305	2.21	1.06
Operating profit before working capital changes	35,876	17,401	2.22	1.07
Adjustments for:	3,95,912	(16,512)	25.83	(1.00)
(Increase)/Decrease in trade receivables, loans & advances and other assets	5,65,171	(7,40,542)	34.93	(46.29)
(Increase)/Decrease in inventories	12,99,354	(23,45,680)	77.29	(146.61)
Increase/(Decrease) in trade payables, provisions and other liabilities	(18,59,790)	30,14,166	(111.91)	188.39
Cash generated from operations	4,04,647	(88,568)	26.14	(5.51)
Direct taxes (paid)/refund	(4,000)	-	(0.26)	-
Net cash inflow/(outflow) in course of operating activities	4,00,647	(88,568)	25.88	(5.51)
<b>B. Cash flow arising from investing activities:</b>				
Acquisition/Purchase of fixed assets	(1,709)	(580)	(0.11)	(0.04)
Net cash inflow/(outflow) in course of investing activities	(1,709)	(580)	(0.11)	(0.04)
<b>C. Cash flow arising from financing activities:</b>				
Subscription towards capital from Holding company	-	1,80,000	-	10.75
Finance costs paid	(33,793)	(17,305)	(2.21)	(1.06)
Net cash inflow/(outflow) in course of financing activities	(33,793)	1,62,695	(2.21)	9.69
<b>D. Foreign currency translation difference arising on consolidation</b>				
	-	-	0.91	0.46
Net increase/(decrease) in cash & cash equivalents (A+B+C+D)	3,65,145	73,547	24.47	4.60
Add: Cash & cash equivalents at the beginning of the year	73,547	-	4.60	-
Cash & cash equivalents at the close of the year	4,38,692	73,547	29.07	4.60
<b>Note :</b> Cash Flow Statement has been prepared under the Indirect Method as set out in the Accounting Standard 3 (AS-3) "Cash Flow Statements" as notified by the Central Government of India.				
In terms of our report of even date attached.				
For K. N. Gutgutia & Co. Chartered Accountants Firm Registration Number : 304153E			Sd/-	
B. R. Goyal Partner Membership No. 12172			Manish Gupta Director	
<b>Place:</b> Date : 20 May 2016				

## Notes to the Financial Statements

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### 1. Corporate information

Jubilant Industries (USA) Inc. (the Company) is a company incorporated in United States of America (USA) in April, 2014. The Company is wholly owned subsidiary of Jubilant Industries Limited (the parent company), a company incorporated in India. The Company is engaged in marketing and distribution of SPVA produced by its fellow subsidiary namely, Jubilant Agri and Consumer Products Limited to customers based in the Americas.

### 2. Statement of Significant Accounting Policies

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

The accounts of the Company are prepared under the historical cost convention on the accrual basis of accounting in accordance with the accounting principles generally accepted in India ("GAAP") and comply with the Accounting Standards specified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, the other relevant provisions of the Companies Act, 2013 (including provisions of Companies Act, 1956 which continue to remain in force, to the extent applicable), pronouncements of the Institute of Chartered Accountants of India, guidelines issued by the Securities and Exchange Board of India ("SEBI"), to the extent applicable. The Financial Statements are presented as per Schedule III to the Companies Act, 2013 and in Indian rupees rounded off to the nearest million.

#### Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, the disclosure of contingent liabilities at the date of financial statements and the results of operations during the reporting periods. Examples of such estimate include future obligations under employee benefit plans, income taxes, useful lives of tangible assets and intangible assets, impairment of assets, valuation of derivatives, provision for doubtful debts, etc. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results could vary from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Appropriate changes in estimates are made as the management becomes aware of the changes in circumstances surrounding the estimates. Any revision to accounting estimates is recognized prospectively in current and future periods. Effect of material changes is disclosed in the notes to the financial statements.

#### Current-non-current classification

All assets and liabilities are classified into current and non-current.

Notes to the Financial Statements

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**Assets**

An asset is classified as current when it satisfies any of the following criteria:

- a. it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;
- b. it is held primarily for the purpose of being traded;
- c. it is expected to be realized within 12 months after the reporting date; or
- d. it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

**Liabilities**

A liability is classified as current when it satisfies any of the following criteria:

- a. it is expected to be settled in the Company's normal operating cycle;
- b. it is held primarily for the purpose of being traded;
- c. it is due to be settled within 12 months after the reporting date; or
- d. the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result on its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

**Operating Cycle**

Operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents.

Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current-non-current classification of assets and liabilities.



Notes to the Financial Statements

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**B. Tangible and Intangible Fixed Assets**

Fixed Assets are stated at original cost net of tax/duty credits availed, if any, less accumulated depreciation/amortization and impairment loss. The cost of fixed assets includes freight and other incidental expenses related to the acquisition, installation of the respective assets.

**C. Depreciation and Amortization**

Pursuant to the Companies Act, 2013 ("the Act") being effective from 1<sup>st</sup> April, 2014, the Company has provided depreciation rates on fixed assets as per useful life specified in Part "C" of Schedule II of the Act, read with Notification dated 29<sup>th</sup> August, 2014 of the Ministry of Corporate Affairs, on the original cost/ acquisition cost of fixed assets or other amount substituted for cost.

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

**D. Leases**

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

**E. Valuation of Inventories**

Inventories are valued at lower of cost or net realizable value.

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

Finished goods (traded)	Cost of Purchase*
Goods-in-transit	Cost of Purchase

\*Cost includes all direct costs and such other costs incurred as to bring the inventory to its present location and condition.

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

## Notes to the Financial Statements

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### F. Income Tax

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

#### Current Tax

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

#### Deferred Tax

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

### G. Foreign Currency Transactions and Translations

- a) **Initial Recognition:** Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency on/or closely approximating to the date of the transaction.
- b) **Conversion:** Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Notes to the Financial Statements

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

For the purpose of conversion of Financial Statement, , year to date average rate of currencies has been taken for revenue items and closing rate has been taken for Balance Sheet items, except for Share Capital and Reserve and Surplus, which are carried at historical exchange rate. The net exchange difference on account of translation of financial statement is taken to Foreign Exchange Fluctuation Reserve.

**H. Provisions, Contingent Liabilities and Contingent Assets**

The Company recognizes a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. Contingent liabilities are disclosed in respect of possible obligations that may arise from past events but their existence is confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent Assets are neither recognized nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the assets and related income are recognized in the period in which the change occurs.

**I. Employee Benefits**

All employee benefits falling due wholly within twelve months of rendering the services are classified as short-term employee benefits, which include benefits like salaries, wages, short-term compensated absences, performance incentives and contribution to 401 (k) plan as it prevalent in USA, etc. and are recognized as expenses in the period in which the employee renders the related service and measured accordingly.

**J. Revenue Recognition**

Revenue from sale of products is recognized when the significant risks and rewards of ownership of the products are transferred to the buyer, recovery of the consideration is reasonably assured and the amount of revenue can be measured reliably.

**K. Segment Reporting**

The accounting policies adopted for segment reporting are in line with accounting policies of the Company. Revenue, Expenses, Assets and Liabilities have been identified to segments on the basis of their relationship to operating activities of the segments (taking in account the nature of products and services and risks &

## Notes to the Financial Statements

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rewards associated with them) and Internal Management Information Systems and the same is reviewed from time to time to realign the same to conform to the Business Units of the Company. Revenue, Expenses, Assets and Liabilities, which are common to the enterprise as a whole and are not allocable to segments on a reasonable basis, have been treated as "Common Revenue/ Expenses/ Assets/ Liabilities", as the case may be.

### L. Earnings Per Share

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

### M. Impairment of Fixed Assets

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

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

Jubilant Industries Inc. USA

Notes to the Financial Statements for the year ended 31 March 2016

	USD		₹ in million	
	As at 31 March 2016	As at 31 March 2015	As at 31 March 2016	As at 31 March 2015
<b>3. SHARE CAPITAL</b>				
<b>Authorised</b>				
Equity share capital				
3000 common stock with no par value (Previous Year: 3000 common stock with no par value)	-	-	-	-
<b>Issued, subscribed &amp; paid-up</b>				
Equity share capital				
200 common stock fully paid-up (Previous Year: 200 common stock fully paid-up)	110	110.00	0.01	0.01
	<b>110</b>	<b>110</b>	<b>0.01</b>	<b>0.01</b>

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

Name of the shareholder	As at 31 March 2016		As at 31 March 2015	
	No. of shares	% held	No. of shares	% held
Jubilant Industries Limited, India	200	100	200	100

3.2 The reconciliation of the number of shares outstanding as at 31st March, 2014 and 31st March, 2013 is set out below:

Particulars	As at 31 March 2016				As at 31 March 2015			
	No. of shares	USD	No. of shares	₹ in million	No. of shares	USD	No. of shares	₹ in million
Number of shares at the beginning of the year	200	110	200	0.01	-	-	-	-
Allotment of equity shares during the year	-	-	-	-	200	110	200	0.01
Numbers of shares at the end of the year	<b>200</b>	<b>110</b>	<b>200</b>	<b>0.01</b>	<b>200</b>	<b>110</b>	<b>200</b>	<b>0.01</b>

3.3 The Company has only one class of shares referred to as equity shares having no par value. Each holder of equity share is entitled to one vote per share.

3.4 In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amount, if any, in proportion to their shareholding. However, no such preferential amounts exist currently.

3.5 Out of the equity shares issued by the Company, shares held by it's holding company/ultimate holding company and/ or their subsidiaries/ associates are as below:

Particulars	As at 31 March 2016				As at 31 March 2015			
	No. of shares	USD	No. of shares	₹ in million	No. of shares	USD	No. of shares	₹ in million
Jubilant Industries Limited, India, the holding company	200.00	110	200.00	0.01	200.00	110	200.00	0.01

Jubilant Industries Inc. USA

Notes to the Financial Statements for the year ended 31 March 2016

	USD		₹ in million	
	As at 31 March 2016	As at 31 March 2015	As at 31 March 2016	As at 31 March 2015
<b>4. RESERVES AND SURPLUS</b>				
<b>Foreign Currency Translation Reserve</b>				
As per last Balance Sheet	-	-	0.46	-
Addition/(deduction): Effect of foreign exchange rate variation during the year	-	-	0.91	0.46
Closing Balance	-	-	1.37	0.46
<b>Securities Premium Account</b>				
As per last Balance Sheet	1,79,890	-	10.74	-
Addition during the year	-	1,79,890	-	10.74
Closing Balance	1,79,890	1,79,890	10.74	10.74
<b>Surplus/(Deficit)</b>				
As per last Balance Sheet	(33,913)	-	(2.07)	-
Add: Net profit/(loss) after tax as per Statement of Profit & Loss for the year	3,57,845	(33,913)	23.34	(2.07)
Closing Balance	3,23,932	(33,913)	21.27	(2.07)
<b>Total</b>	<b>5,03,822</b>	<b>1,45,977</b>	<b>33.38</b>	<b>9.13</b>
<b>5. TRADE PAYABLES</b>				
Trade payables	11,26,743	29,67,013.00	74.65	185.44
	<b>11,26,743</b>	<b>29,67,013</b>	<b>74.65</b>	<b>185.44</b>
<b>6. OTHER CURRENT LIABILITIES</b>				
Other current liability	27,633	47,153.00	1.83	2.95
	<b>27,633</b>	<b>47,153</b>	<b>1.83</b>	<b>2.95</b>
<b>7. SHORT TERM PROVISIONS</b>				
Provision for income tax	2,191	-	0.14	-
	<b>2,191</b>	<b>-</b>	<b>0.14</b>	<b>-</b>

Jubilant Industries Inc. USA

Notes to the Financial Statements for the year ended 31 March 2016

8. TANGIBLE FIXED ASSETS

Description	GROSS BLOCK-COST/BOOK VALUE				DEPRECIATION / AMORTISATION/IMPAIRMENT				NET BLOCK	
	As at 31 March 2015	Additions/ adjustments during the year	Deductions/ adjustments during the year	As at 31 March 2016	As at 31 March 2015	Provided for the year	Deductions/ adjustments during the year	As at 31 March 2016	As at 31 March 2016	As at 31 March 2015
Furniture & fixtures:										
USD	580	-	-	580	96	-	-	96	484	484
(₹ in million)	0.04	-	-	0.04	0.01	-	-	0.01	0.03	0.03
Office equipments										
USD	-	1,709	-	1,709	-	83	-	83	1,626	-
(₹ in million)	-	0.11	-	0.11	-	0.01	-	0.01	0.10	-
<b>Total:</b>										
USD	580	1,709	-	2,289	96	33	-	179	2,110	484
(₹ in million)	0.04	0.11	-	0.15	0.01	0.01	-	0.02	0.13	0.03
<b>Previous Year:</b>										
USD	-	580	-	580	-	96	-	96	484	-
(₹ in million)	-	0.04	-	0.04	-	0.01	-	0.01	0.03	-

Jubilant Industries Inc. USA

Notes to the Financial Statements for the year ended 31 March 2016

	USD		₹ in million	
	As at 31 March 2016	As at 31 March 2015	As at 31 March 2016	As at 31 March 2015
<b>9. INVENTORIES</b>				
Traded goods (SPVA products)	10,46,326	23,45,680	69.32	146.61
(For method of valuation refer note 2E)	<b>10,46,326</b>	<b>23,45,680</b>	<b>69.32</b>	<b>146.61</b>
<b>10. TRADE RECEIVABLES</b> (Unsecured)				
Outstanding for period exceeding six months from the date they are due for	-	-	-	-
Considered good	-	-	-	-
Doubtful	-	-	-	-
Less: Provision for doubtful receivables	-	-	-	-
Other receivables	-	-	-	-
Considered good	1,67,114	7,40,370	11.07	46.28
	<b>1,67,114</b>	<b>7,40,370</b>	<b>11.07</b>	<b>46.28</b>
<b>11. CASH &amp; BANK BALANCES</b>				
Cash and cash equivalents				
Balance With Banks				
- On current accounts	4,38,692	73,547	29.07	4.60
	<b>4,38,692</b>	<b>73,547</b>	<b>29.07</b>	<b>4.60</b>
<b>12. SHORT TERM LOANS &amp; ADVANCES</b>				
Employee loans & advances	-	10	-	-
Prepaid Expenses	4,257	162	0.29	0.01
Advance Income tax	2,000	-	0.13	-
	<b>6,257</b>	<b>172</b>	<b>0.42</b>	<b>0.01</b>



Jubilant Industries Inc. USA

Notes to the Financial Statements for the year ended 31 March 2016

	USD		₹ in million	
	For the year ended 31 March 2016	For the year ended 31 March 2015	For the year ended 31 March 2016	For the year ended 31 March 2015
<b>13. REVENUE FROM OPERATIONS</b>				
Sale of SPVA products	94,84,651	68,52,270	618.59	419.02
Revenue from operations	<b>94,84,651</b>	<b>68,52,270</b>	<b>618.59</b>	<b>419.02</b>
<b>14. PURCHASE OF TRADED GOODS</b>				
Purchase of SPVA products	74,55,119	89,91,275	486.22	549.82
	<b>74,55,119</b>	<b>89,91,275</b>	<b>486.22</b>	<b>549.82</b>
<b>15. CHANGES IN INVENTORIES OF TRADED GOODS</b>				
Change in inventories	12,99,352	(23,45,680)	84.74	(143.44)
Net decrease /(increase) in stocks	<b>12,99,352</b>	<b>(23,45,680)</b>	<b>84.74</b>	<b>(143.44)</b>
<b>16. EMPLOYEE BENEFITS EXPENSE</b>				
Salaries, wages, bonus, gratuity & allowances	1,00,963	47,950	6.58	2.93
Contribution to provident & superannuation funds	2,712	946	0.18	0.06
Staff welfare expenses	1,113	318	0.07	0.02
	<b>1,04,788</b>	<b>49,214</b>	<b>6.83</b>	<b>3.01</b>

Jubilant Industries Inc. USA

Notes to the Financial Statements for the year ended 31 March 2016

	USD		₹ in million	
	For the year ended 31 March 2016	For the year ended 31 March 2015	For the year ended 31 March 2016	For the year ended 31 March 2015
<b>17. FINANCE COSTS</b>				
Interest expense	33,793	17,305	2.21	1.06
	<b>33,793</b>	<b>17,305</b>	<b>2.21</b>	<b>1.06</b>
<b>18. OTHER EXPENSES</b>				
Rent	6,000	5,000	0.39	0.31
Rates & taxes	12	350	-	0.02
Insurance	8,166	486	0.53	0.03
Advertisement, publicity & sales promotion	45	-	-	-
Traveling & other incidental expenses	7,963	7,836	0.52	0.48
Repair & maintenance - others	2,131	1,173	0.14	0.07
Printing & stationery	177	777	0.01	0.05
Communication expenses	3,442	2,982	0.22	0.18
Legal, professional and consultancy charges	27,679	14,798	1.81	0.90
Bank charges	1,169	718	0.08	0.04
Freight & forwarding (including ocean freight)	68,202	37,649	4.45	2.30
Discounts, claims to customers and other selling expenses	1,04,494	1,02,204	6.82	6.25
	<b>2,29,480</b>	<b>1,73,973</b>	<b>14.97</b>	<b>10.63</b>

Notes to the Financial Statements

**19.** Accounts of the Company (a wholly owned subsidiary of Jubilant Industries Limited, India, a company incorporated in India), incorporated in USA have been made out as per the requirements of Companies Act, 2013 of India ("the Act"), in due adherence of provisions of the Act. This entailed drawing up the Balance Sheet, Statement of Profit and Loss & Cash Flow Statement (including Auditor's Report thereon) of the subsidiary in a manner so as to make it appear conforming to requirements of the Act for the purpose of annexing the particulars of the Company with its holding company and for the preparation of the consolidated accounts of the group pursuant to the provisions of the Act and consolidating the Financial Statements of this company with the parent holding company in terms of AS-21 in respect of Consolidation of Accounts as required under AS-21 notified by the Ministry of Corporate Affairs and in pursuant of the provisions of the Act and this exercise also related to translation of treatment of various heads of accounts in terms of accounting standards referred to in the Act, read with the accounting policy of parent company and presentation of accounts in terms of Schedule III of the Act, including disclosure of necessary information as laid down under the said Act and Rules made thereunder.

**20. Operating lease:**

The Company's significant operating lease arrangements are in respect of premises (office, godown etc). These leasing arrangements, which are cancellable, and are usually renewable by mutual agreeable terms. The aggregate lease rentals payable are charged as expenses. Total lease charges during the year are ₹ 0.39 million (USD-6000) [Previous Year: ₹ 0.31 million (USD-5000)].

**21.** Current tax includes ₹ 0.13 million (USD-2000) related to previous year.

**22. Employee benefits:**

The Company has 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 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 Company contributions of 3% of eligible compensation. The Company's matching contributions vest 100% after three years of service. The company has contributed ₹ 0.18 million (USD- 2712) to 401 for the year [Previous Year: ₹ 0.06 million (USD-946)].

**23. Segment reporting:**

The Company 's operation comprises of SPVA trading business only. As such, there are no separate reportable business or geographical segments as per Accounting Standard 17 on "Segment Reporting".

**24. Related Party Disclosures:**

**1) Related parties where control exists:**

**Holding Company:** Jubilant Industries Limited, India

**Fellow Subsidiary Company:** Jubilant Agri and Consumer Products Limited, India

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

**Enterprise over which directors and major shareholders of the Company substantial influence:** Jubilant Life Sciences (USA) Inc., USA, India, Jubilant HollisterStier LLC, USA.

Notes to the Financial Statements

3) Details of related party transactions during the year:

Particulars	₹ in million					
	Holding Company		Fellow Subsidiary Company		Enterprise over which Directors and Major Shareholders of the Company have substantial influence	
	USD	₹ in million	USD	₹ in million	USD	₹ in million
i) Allotment of equity stocks (b):	-	-	-	-	-	-
	(1,80,000)	(10.75)	(-)	(-)	(-)	(-)
ii) Purchase of goods, utilities & services (c):	-	-	75,02,152	489.23	24,000	1.57
	(-)	(-)	(84,04,455)	(513.93)	(14,000)	(0.86)
iii) Reimbursement of expenses (d):	-	-	-	-	14,353	0.94
	(-)	(-)	(-)	(-)	(1,950)	(0.12)
<b>Balance as at 31 March 2016</b>						
iii) Equity stocks held by (e):	1,80,000	10.75	-	-	-	-
	(1,80,000)	(10.75)	(-)	(-)	(-)	(-)
iv) Amount payable (f):	-	-	10,67,600	70.73	40,304	2.67
	(-)	(-)	(29,42,775)	(183.92)	(1,950)	(0.12)

a) Previous year figures are given in parenthesis.

Details of related party transactions Individually:

	For the year ended/As at 31 March 2016		For the year ended/As at 31 March 2015	
	USD	₹ in million	USD	₹ in million
b) Allotment of equity stocks: Holding company:- Jubilant Industries Limited, India	-	-	1,80,000	10.75
c) Purchase of goods, utilities & services: Fellow subsidiary company:- Jubilant Agri and Consumer Products Limited, India	75,01,252	489.23	84,04,455	513.93
Enterprise over which directors and major shareholders of the Company have substantial influence:- Jubilant Life Sciences (USA) Inc., USA	24,000	1.57	14,000	0.86
d) Reimbursement of expenses Enterprise over which directors and major shareholders of the Company have substantial influence:- Jubilant HollisterStier LLC, USA	14,353	0.94	1,950	0.12
e) Equity stocks held by: Holding company:- Jubilant Industries Limited, India	1,80,000	10.75	1,80,000	10.75

Notes to the Financial Statements

	For the year ended/As at 31 March 2016		For the year ended/As at 31 March 2015	
	USD	(₹ in million)	USD	(₹ in million)
f) <b>Amount payable:</b>				
Fellow subsidiary company:-				
Jubilant Agri and Consumer Products Limited, India	10,67,600	70.73	29,42,775	183.92
Enterprise over which directors and major shareholders of the Company have substantial influence:-				
Jubilant HollisterStier LLC, USA	16,304	1.08	1,950	0.12
Jubilant Life Sciences (USA) Inc.	24,000	1.59	-	-

Related party relationship is as identified by the Company and relied upon by the Auditors.

25. Earnings per share (EPS)

For the year ended 31 March		2016	2015
Net profit/(loss) as per Statement of profit & loss	₹ in million	23.34	(2.07)
Number of equity shares		200	200
Basic and diluted earnings per share	₹	1,16,675.68	(10,360.58)

26. For the purpose of conversion of accounts in to Indian Currency, following rates are applied:

For the year ended/As at 31 March	2016	2015
Average rate for the year	1 USD = ₹ 65.22	1 USD = ₹ 61.15
Closing rate	1 USD = ₹ 66.25	1 USD = ₹ 62.50

27. Figures in USD have been given only for conversion purpose.

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

Signatures to Notes "1" to "28" forming part of the Balance Sheet and Statement of Profit and Loss.

In terms of our review report of even date attached.

For K.N. Gutgutia & Co.

Chartered Accountants

Firm Registration Number: 304153E

Sd/-

B.R. Goyal

Partner

Membership No.12172

Place:

Date: 20 May 2016

Sd/-

Manish Gupta

Director