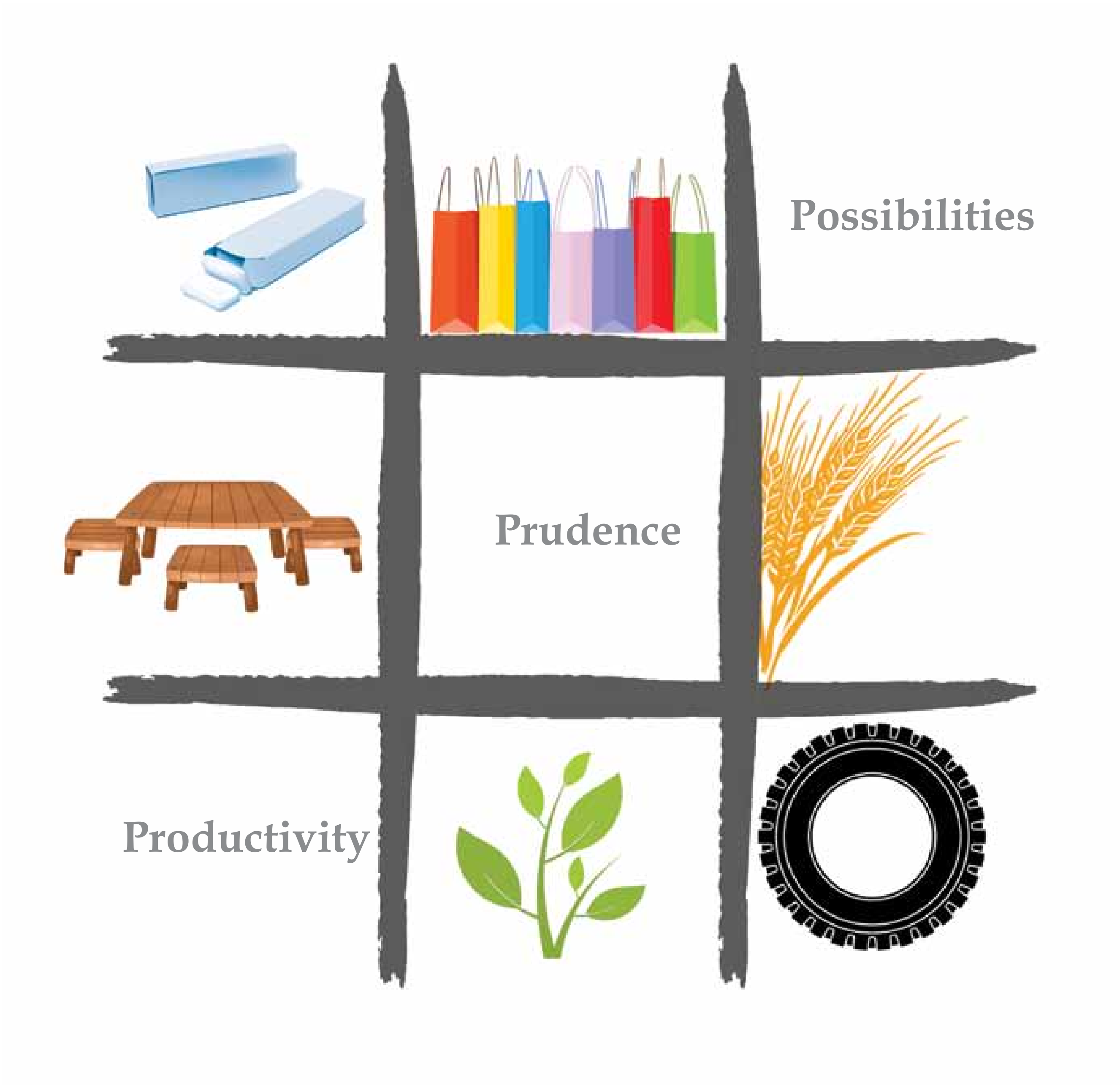
Annual Report 2013 - 14



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Board of Directors

Mr. Hari S. Bhartia, Chairman

Mr. Priyavrat Bhartia, Director

Mr. Shamit Bhartia, Director

Dr. Ashok Misra, Director

Mr. R. Bupathy, Director

Mr. S. K. Roongta, Director

Mr. Ghanshyam Dass,
Director

Mr. Videh Kumar Jaipuriar,
Managing Director

Ms. Shivpriya Nanda, Director

Chairman's Message

> "Going forward, we are aiming to improve the cost structure in Agribusiness; expanding our customer base and product portfolio in Performance Polymers and getting stable margins across all product categories in Retail."

Dear Shareholders,

FY 2014 was year of uncertainties as slowdown in consumer demand continued. With significant uncertainty in the global economy and rising commodity prices, we directed our efforts toward business restructuring for future growth and improved profitability.

During FY 2014, the global economy passed through a phase of demand slowdown and emerging economies have performed weaker than expected. Apart from US and Europe, Chinese economy also showed signs of slowdown. Inspite of challenging environment, our company was able to maintain its leadership positions in the key markets characterized by lower economic growth and tepid consumption patterns.

Fertilizer industry in India had a difficult year of FY 2014, on account of increased prices and huge inventory in the channels. Our Agribusiness which had seen a drop of 9% in sales last year, witnessed lower demand this year also but the company was able to maintain its market share in most of the key markets. The overall Phosphatic fertilizer industry shrunk over last year.

Performance Polymers witnessed increased input costs during end of FY 2014. Businesses had to take substantial price increase during the later part of the year to overcome the effect of increased input costs.

We continue to focus on being a leading retail chain in Bangalore. This year focus will be on stablising operations and opening new stores.

Going forward, we are aiming to improve the cost structure in Agribusiness; expanding our customer base and product portfolio in Performance Polymers and getting stable margins across all product categories in Retail. These changes will improve our competitiveness in the market and help us achieve strong profitable growth.

Strategic growth Initiatives

Agribusiness: The Company plans to improve market share in its strong markets to optimize distribution cost and maximize realization. This will be done through intensive marketing in the stronger markets and drive conversion from other phosphatic fertilizers to SSP. Product portfolio has been augmented in Agrochemicals business by adding a range of Organic Fertilizer. This will give the range a differentiated look.

Performance Polymer: The key focus of Performance Polymer segment is to expand its product offering and target new customers. In Food Polymer business, the Company is focusing on introducing some new products and applications. In VP Latex business, some new product development initiatives are in pipelines and we are hopeful of achieving success in coming times. In our Consumer Products business, the sales team restructuring is likely to yield good results and the company is looking at aggressive expansion in distribution channels in key states.

Retail: In Retail segment, focus will be on stablising sales and maintaining healthy margins across all categories. While most of the business segments including Food & Home Needs have become stable, the focus is going to be on Apparel section.

Financial Summary

In a challenging environment, Jubilant delivered a resilient set of results in FY 2014. While the Consolidated Revenue of the company has dropped by around 8% to reach ₹ 9,300 million, its earnings before interest, taxes, depreciation and amortisation (EBITDA) stands at Rs (20) million in FY 2014.

Agribusiness generated revenue of ₹ 1,929 million, with a fall of 30% YoY, on account of difficult market conditions. Performance Polymer segment grew by 2% to ₹ 3,766 million on accounts of higher volume and better realisation. Retail segment recorded Consolidated Revenue of ₹ 3,605 million during FY 2014.

After accounting for depreciation and amortisation of ₹ 316 million, financial charges of ₹ 306 million, and exceptional items of ₹ (851) million, we reported Profit before tax (PBT) of ₹ 209 million. Reported Profit after tax (PAT) of the Company was at ₹ 249 million during FY 2014 as compared to ₹ (350) million during FY 2013.

In view of the losses, your directors have not recommended any dividend for the year ended March 31, 2014.

Outlook

We look to the coming year with more optimism. We have planned for aggressive growth in sales across all business divisions in the current product portfolio and some addition in the offerings in the second half.

We expect a turnaround in domestic economy in coming times and a normal monsoon will help volume to recover in agribusiness.

An improved economy will help Construction industry, which, in turn, will help our adhesive and wood finish business to grow better. In Food Polymers, our main focus will remain on new customer developments and alternate applications. In VP Latex, in line to last year, this year also we expect to gain volume from some new customers and our focus will remain on new business development and identifying new applications.

In Retail business, the focus will be to make operations efficient and to generate healthy profitability across all categories.

We take this opportunity to thank all our employees, customers, vendors, bankers and shareholders for their

continued support. We are hopeful that they will remain with us as we venture into the future which holds unbounded promise.

Best Wishes

Hari S. Bhartia

Hari S Bhartia
Chairman
Date: 28th May 2014

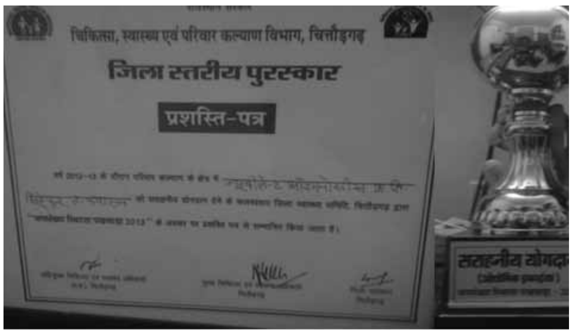
Awards & Accolades

JACPL Gajraula plant received **GREENTECH SAFETY AWARD 2013, SILVER** Category, in Chemical sector for outstanding achievement in **Safety Management system.**

JACPL Gajraula plant received **Silver Award of GREENTECH ENVIRONMENT AWARD 2014,** Silver Category, in Chemical sector for outstanding achievement in **Environment Management System.**

JACPL (Raipur CPD Team) received prestigious "**Best Cooperation Award"** by **Raipur Plywood Traders Association. JACPL (Indore CPD Team)** received the **"Sanmaan Patra"** from the **Plywood & Laminate Vyapari Association of Indore** in recognition of active involvement of the **"Jivanjor"** brand in joint marketing initiatives with the plywood dealers to enhance brand salience and increase territory sales.

JACPL Kapasan Plant received 'Letter of Appreciation' from honourable Cabinet Minister Dr. Girija Vyas in recognition of the CSR activity at Chittorgarh district level for community health and family planning activities in villages of plant vicinity.



Management Discussion and Analysis

Introduction

Jubilant Industries Ltd. is the flagship Company of Agri, Performance Polymers and Retail business of the Jubilant Bhartia group. The Company's diversified product portfolio includes wide range of Crop Nutrition, Crop Growth and Crop protection products and Performance Polymers products comprising consumer products like Adhesives, Wood Finishes; Food Polymers and Latex such as Vinyl Pyridine, SBR and NBR latex. It also operates five hyper markets in Bangalore and IMFL bottling plant at Nira.

FY 2014 witnessed adverse market conditions both domestically and globally, which slowed down the business growth for various industries. The company delivered a year of strong cash flows, making steady progress to enhance its position for long-term growth

Facing a prolonged economic downturn and continued uncertainty in the global economy, the company directed its efforts towards critical decisions for future growth and improved profitability

- Agribusiness was affected on account of high inventory of Phosphatic fertilizer stocks in the market, slowdown in the consumption level, reduced subsidies and rising prices.

- Performance Polymers top-line declined marginally due to economic slow-down in US and European markets and pressure on input costs.

- Our strategy for Retail business is yielding the desired result. The focus remained on making operations efficient and to generate healthy profitability for all categories.

Market leadership

We continue to focus on maintaining our leadership positions in all the product categories we operate into. All our product lines are highly competitive based on quality, customer service, product performance, price and product innovations. Our broad range of products, global presence and end-use applications provides us economies of scale in sourcing, manufacturing, sales and marketing, and process development

We are one of the leading manufacturers of Single Super Phosphate (SSP), Solid Poly Vinyl Acetate (SPVA) and VP Latex. Despite tough competition, we continue to remain one of the largest wood adhesive manufacturers in the country.

Our strategic focus is to deliver growth through new product developments, new applications and identifying forward and backward integration synergies. Going forward we see many opportunities to leverage our reputation for leadership in innovation, and customer service

We have been successfully able to optimize our operations and processes in order to be the technology leader and to be sustainably profitable.

We have operational excellence processes using Six-Sigma, supply chain management software's, automatic plant machinery, and other initiatives in an effort to improve efficiencies and lower our cost structure.

Our cost leadership, product quality, customer orientation, and supplier contracts offer us competitive advantages over other producers.

- In SPVA and VP Latex businesses, we maintain our position as among top three manufacturers across the globe.

- JACPL remains one of the top SSP manufacturers in India with total installed capacity of 4.3 Lakh tons /annum.

- JACPL continues to be one of the leading wood adhesive manufacturers in India.

- The company maintains its position as the second largest retail chain in Bangalore.

Focus For Global Growth

Jubilant is a leading global supplier of specialty polymers for a variety of product categories. With customers across the globe, the company is focusing on strengthening its global footprints in key emerging markets of Latin America, and developed markets like Europe, and Japan etc.

Key Industries such as Food, Automobile and Construction are likely to rebound in coming times. The company is also working on developing some new products lines / applications for these industries.

Over the next five years, the rate of GDP growth in emerging markets is likely to significantly exceed the average global growth rate. Chemicals companies are optimistic about future prospects, despite worries about energy costs, raw materials prices, and skills shortages. Amidst all the worries related to economy, Jubilant is striving hard to achieve a differentiated position as a top global specialty chemicals company.

Financials

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

Consolidated Profit & Loss	FY 2014 (₹ in million)	FY 2013 (₹ in million)
Revenue from operations	9,300	10,108
Other income	3	4
Total Revenue	9,303	10,112
Total expenditure	9,323	9,871
Cost of materials consumed	3,037	3,717
Purchase of Stock-in-trade	2,955	3,010
Change in inventories of Finished Goods, Work-in-progress & Stock-in trade	41	(83)
Employee expense	987	823
Other expenses	2,303	2,404
EBITDA	(20)	241
Depreciation & Amortisation expenses	316	314
Finance cost	306	277
Exceptional items	(851)	-
Tax expenses	(40)	-
Net Profit After Tax	249	(350)

Revenue: The consolidated Revenue from Operations for FY 2014 stands at ₹9,300 million as against ₹10,108 million during FY 2013, reflecting a drop of around 8%. The drop in revenue is mainly on account of reduced sales in Agribusiness due to adverse market conditions.

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

EBITDA: In FY 2014, the EBITDA of company stood at ₹(20) million, compared to ₹241 million in FY 2013. While Agribusiness generated a loss of ₹(51) million at EBITDA level, Performance Polymers segments posted drop of 8% in business EBITDA at ₹520 million. Retail business posted loss at EBITDA level.

PAT: After accounting for depreciation and amortisation of ₹316 million, the company's PBIT stands at ₹(336) million. After accounting for financial charges of 306 million, and exceptional items of ₹(851) million, PBT stands at ₹209 million. Reported Profit after Tax of the Company was at ₹249 million.

Business Segments

Business segment wise consolidated net sales

Composition of Sales (₹ in million)	FY 2014	FY 2013
Agri products	1,929	2,758
Performance polymer	3,766	3,695
Retail business	3,605	3,655
Total	9,300	10,108

Agribusiness

Business Profile – Agribusiness offers a range of products in Crop Nutrition, Crop Growth Regulator and Crop Protection categories under the umbrella brand "Ramban", which is a widely accepted brand in the market. The Company is engaged in manufacturing of SSP, Organic Manure Granules, Sulphuric Acid and trading of agrochemical products.

Industry Overview – Agriculture is the third largest sector of Indian economy after Services and Manufacturing. India has emerged as a global power in the agriculture sector by becoming a leading producer of food grains, commercial crops, fruits and vegetables. Yet the country will have to increase the yield of crops to feed its ever growing population.

India imports around 40% its total fertilizer requirement, with bulk of phosphate and the entire requirement for potash fertilizers.

In India, SSP contributes around 12% to the total Phosphatic fertiliser usage while in countries like Egypt, China, Brazil etc; the average contribution of SSP to the total Phosphatic fertilisers' usage is around 30%. This gives us the scope to further increase the share of SSP in the overall market.

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.

FY 2014 was quite challenging for overall agriculture & fertilizer industry. SSP industry was affected by multiple factors which led to drop in volumes & profitability. During the year, SSP production decreased by 6% (42 lakh MT in the year 2013-14). This has raised concerns in the industry and at the same time it also provides us opportunity to maintain the balance.

Business Performance – The Company is focused on further strengthening its distribution network in its area of operation. Currently it operates in Uttar Pradesh, Rajasthan, Madhya Pradesh, Bihar, Punjab and Haryana. The Company's brand "Ramban" has strong brand equity in these areas. The Company was also able to partly offset the rising rock phosphate cost by developing various cocktail rock compositions through its strong R&D setup.

Jubilant has also entered into Water Soluble fertilizer (WSF) segment which is picking up in the country in recent years; Use of WSF helps to maintain the nutritional balance, efficient use of fertilizers and reduces cost by adopting 'fertigation' (i.e. Micro-irrigation + WSF application). In present scenario, Indian soils are depleting in nutrients and organic matter, leading to reduction in yield levels and poor plant health. As a major player in agri-business, we find it our responsibility to maintain plant & soil health at a sustainable basis.

To contribute in this regard, in-house production of Organic Manure Granules was also started at our Gajraula plant. The category includes products "SHAKTIZYME" (Plant Stimulant) and "NUTRAVITA" (Organic Nutrition).

Labour shortage and high cost involved in manual weeding is making farmers to shift towards usage of herbicides. This provides a scope for Jubilant in strengthening its herbicide segment. Thus we introduced product "METRO" (Metribuzin).

Product VAM-C, a Plant Growth Regulator is giving promising results in crops like Soybean so its promotion and further development was continued by the company.

Business Strategy – The Company is putting continuous efforts to expand its product basket with the addition of new products like Boronated Granular SSP. The Company strategizes to expand its distribution network and geographical reach on a wider scale by entering into strategic alliances for distribution, tolling, sales promotion activities and exploration of new markets.

Performance Polymers

In the Performance Polymers segment, Jubilant is engaged in three major businesses i.e. Consumer Products, Food Polymers and VP Latex, each of which are discussed below:

Consumer Products

Business Profile – The Consumer Products division under the brand 'JIVANJOR' has a good market presence and is known for its product quality among the influencers and consumers. It covers Woodworking solutions i.e. Adhesives & Wood Finishes.

- 'JIVANJOR' Wood Adhesives are very popular and effective assembly adhesives in the woodworking industry. The Company's water based adhesives comprise of "Water Shield", "Lamino", "All Rounder", Vamicol, "Polystic", "Hero", and "Vambond Excel". These are ready to use adhesives which set rapidly at room temperature & offer superior bond strength to the users. 'JIVANJOR' also offers contact adhesive "SR grade" which is a synthetic rubber based adhesive for exceptional fast drying and vertical lamination.

- 'JIVANJOR' offers complete wood finishing system, stains and ancillaries for decoration & protection of wooden furniture. The wood finishes system includes Polyurethane finish, Melamine Non Yellowing finish, Melamine finish, Nitrocellulose finish & PU Alkyd finish. These systems offer exceptional fast drying properties, tough coatings and superior resistance. 'JIVANJOR' also offers a wide range of

> "Jubilant is one of the three major global suppliers of Polyvinyl Acetate. PVA is the major raw material for making gum base for chewing gum and bubble gum."

stains that can be mixed to generate unique colours to suit every desire. 'JIVANJOR' offers ancillaries like sealers & thinners required for the purpose of successful application.

The Consumer Products business is focused on providing customers with a complete range of Wood Working Adhesives, Wood Finishes. With a nationwide network, the brand 'JIVANJOR' is a major player in these segments. We have a pan India presence due to a strong distribution network of dealers and distributors.

Industry Overview – The major users of adhesives are in packaging, automotive, construction and furniture industries.

With increase in per capita income and improving living standards is creating demand for better furnished houses. This is giving a boost to the plywood and veneers in housing segment. Thus, requirement for wood working adhesives and wood finishes are likely to witness rapid growth in the coming years.

Business Performance – The overall economic slow-down has impacted the volume growth in some product categories. The raw material prices went up sharply during the later part of the year, and this has put pressure and affected the margins. The Company has recently launched "Water Shield" – a specialised adhesive which is a waterproof product; it is a unique offering in the market. Initial results for "Water Shield" have been very encouraging and we expect this product to do well in coming times.

Business Strategy – Our business strategy has three key pivots – Product Quality, Innovation and Distribution. Product Quality can be real differentiator in the product category which has localized competition. 'JIVANJOR' has built a reputation for quality in the market. The Company is looking at maintaining its quality leadership position in the market. The product category has not seen too many innovations in India. With a strong R&D set up, we plan to bring in newer alternatives to the Indian Consumers. Our motto for ourselves is 'Kuch Naya Karo', which is our brand tag-line. The company is looking at aggressive expansion in distribution in the coming years in focussed states to support the demand growth.

Food Polymers

Business Profile – Jubilant is one of the three major global suppliers of Polyvinyl Acetate. PVA 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", and Vamipol 60". Food Polymer products are manufactured in our plant at Gajraula, UP. The customer profile of Company in this business includes the market leaders in chewing gum industry worldwide.

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 five chewing gum companies are estimated to be around 83%. The remaining 17% of the global market is provided by an estimated 200 to 250 smaller gum companies.

The chewing gum industry that consumes Solid Poly Vinyl Acetate (SPVA) has seen tough times in last one year and companies have reported fall in sales. The industry is in need of innovation and this has shifted focus towards growing popularity of functional chewing gums. Increase in health and calorie consciousness on part of the consumer has led to the growth of sugar free gums. The industry is focusing on new, strong flavors in gums, as well as 'nutraceutical gums' and innovations in packaging, that are expected to be the growth drivers in the future.

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

The Solid PVA industry demands high quality standards and technological developments which lead to high market concentration with the top four suppliers accounting for more than 75% of the global SPVA consumption.

Business Performance – During FY 2014, the Company added some new customers in its portfolio, both in India as well as overseas. To cater to rising demand, our production capacity was increased from 11,500 MT to 13,000 MT per annum, through de bottlenecking.

Business Strategy - The business plans to expand its product offering and targeting new customers to become a preferred global supplier. The Company has long term plans to identify alternate applications of PVA including industrial applications, and introduce some new products under the Food Polymer business.

Latex

Business Profile – Jubilant ranks No. 1 in India and is 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 Latex used in tyre cord fabric. The Company is bulk supplier of these lattices to global automobile tyre manufactures and dippers. The products under this category are "Encord VP Latex", "Encord SBR Latex". Another product "Encord NBR Latex" is used in automotive gasket jointing. All of these products are manufactured in our plant at Samlaya near Vadodara, Gujarat. The Company has a Research and Development laboratory equipped with testing facilities for different Latex products at Samlaya, which is recognized by the Department of Science and Technology, Government of India.

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. Indian automobile sector is one of the largest automobile markets in the world. The country's automobile market exhibited a CAGR of about 11% during 2009-13. The expansion of the Indian consumer market, rising per capita income, and the increase in the supply of vehicle models for the domestic market are the major factors attracting tyre manufacturers and retailers into the market.

Overall the automotive industry showed signs of slow-down during FY 2013. Poor demand, massive discounts and inventory pile-up has torn apart the financials of many truck makers

New players are planning to introduce new models and the existing large Commercial Vehicle (CV) players are also launching new models to hold onto their share. Hence an increase in CV market is anticipated in coming years. To support the CV manufacturers, many established tyre cord dippers are expanding and setting up new plants. These developments augur well for VP Latex dipped tyre cord and conveyor belt fabric markets.

Business Performance – Due to impact of increasing input costs and slowdown in market demand, profitability was under pressure and we ended year just below the last year's no's.

Business Strategy – We are focusing on increasing global presence by achieving the status of a preferred vendor by large international key accounts and improving customer service levels both in domestic and export market. Like last year, going forward we plan to increase our capacity utilization from around 77% during FY 2014 to around 85% levels, by growing business in existing product lines and addition of new products in the basket.

Retail

Business Profile – Jubilant Retail chain 'Total' is currently the second largest retail chain in Bangalore with five operating stores in the hypermarket format. It is a well established brand with high recall across Bangalore.

Jubilant entered the retail business in FY 2000 by acquiring Food Express Store Limited from Amalgam Food Limited, which operated the supermarket format Monday to Sunday. In FY 2003, two more stores were opened in Koramangala and J.P. Nagar, Bangalore. Jubilant opened the first hypermarket store on Mysore Road in FY 2006 under the brand name "Jumbo" – in order to build a more financially lucrative format. Subsequently, the brand name was changed to "Total" and in FY 2007 a second store was opened at Madivala. In FY 2008, two more stores were opened, one at Sarjapura Road and another at Old Airport Road. In FY 2012 a new store was opened at Mahadevapura.

The single city operations lead to benefits no other retailer enjoys – in terms of supply chain efficiencies, advertising spend and management focus. The hypermarket format has high economic potential and is one toward which most players in India are beginning to gravitate.

Industry Overview – The Indian retail market is estimated to be $ 450 billion and one of the top five retail markets in the world by economic value. India is one of the fastest growing retail markets in the world, catering to 1.2 billion people.

Organised retail penetration in India is quite low (below 8%). This is significantly lower if compared to developed markets like US and Japan. Total retail employment in India, both organized and unorganized, account for about 6% of Indian labor work force currently – most of which is unorganized.

In the last decade, consumers in select Indian cities have gradually begun to experience the quality, choice, convenience and benefits of the organized retail industry. The opening of retail industry to global competition is expected to spur a retail rush to India. It has the potential to transform not only the retailing landscape but also the nation's ailing infrastructure.

Business Performance – In FY 2014, the key focus area was to optimize the margin structure and correct the business economics. A revised store financials prototype was adhered to with higher structural margins to drive format viability. Thus, the company saw significant improvement in store level EBITDA year on year. Food and essentials business did well with stable and predictable sales. Apparel saw some traction and the company is on its way to building a strong apparel proposition. Strong control over costs was maintained, further strengthening store EBITDA.

Business Strategy – The focus of this year is to continue healthy profitability for all categories. While most of the business including food and home seems to be stable, apparel section will need to be improved further. Operational standards will have to be further worked upon to give customers a better experience. Further, with store sales and margins stabilizing the focus will also be to open new stores, at prototype specified rentals to take the company towards break even. One store has already been finalized and is scheduled to open in Q1 FY 2015.

Company Outlook

Over the years, all the businesses of Company, covering a broad range of products, have attained a significant size. Going forward, our strategic focus is on operational efficiencies, innovation and to accelerate the process of catering to the needs of the customers through delivery of good quality products and services.

Research & Development Initiatives

Research & Development plays a vital role in developing and adopting new technologies and enhancing our operational efficiencies. The Company develops new technologies at the lab scale and the scientists and manufacturing engineers work in close co-ordination to seamlessly scale-up the processes to commercial scale without losing on efficiency of the process with a lead-time comparable to the best in the industry. Six Sigma initiatives at plants and R&D support the adoption of new technologies and enhance the efficiencies of our manufacturing plants to provide better services to our customers.

Jubilant has successfully enhanced the capacity in SPVA business in the present facility. New SPVA grades for chewing gum & flavour encapsulation have been developed. To keep synergy with the business, the Company also developed Ester Gum & Food grade SBR technology, which is under commercialization. New stains for wood finish, Zero sheen melamine & D3 technology (wood adhesive) platform have been developed & under commercialization. Jubilant successfully established the production capacity of 18,000 MT in VP Latex in the present facility and developed new technology – High Solid SBR Latex & New grade of Nitrile & SBR latex. Jubilant also developed special cost effective rock cocktail formulations for manufacturing SSP. It gives flexibility to source raw materials as per availability and lowest available cost. The Company also developed a new product *Organic Fertilizer* under the name of Zyme & Neutravita and sold 1548 MT in the year of 2013-14. All existing infrastructure is used for the production organic manure.

Manufacturing

Jubilant continuously focuses on making its manufacturing processes efficient without compromising the quality, safety and flexibility necessary to serve the needs of its customers. The company's innovative manufacturing systems and technique allows it to control manufacturing costs, debottleneck capacity and consistently deliver in keeping with business demand.

The Company efforts for continual improvements have been appreciated and acknowledged at various platforms. Gajraula Plant was awarded with Silver Award in Chemical Sector for Outstanding Achievement in Safety Management by "Greentech Foundation" for the year 2013, second year in succession; the Greentech Environmental Silver Award - 2014 in Chemical Sector for Outstanding Achievement in Environment Management System for the year 2013. Kapasan Plant received 'Letter of Appreciation' from honorable Cabinet Minister Dr. Girija Vyas in recognition of the CSR activity at Chittorgarh district level for community health and family planning in villages of plant vicinity.

During the year, Jubilant has successfully completed work on modification & automation of the plant to manufacture granulated SSP, to cater the demand and exploiting the gap in the market by converting the entire powder SSP production to granulated SSP.

Supply Chain Management

Jubilant Industries practices the best programs & techniques to support excellence in supply chain. The Company engaged an external management consulting firm 'ARIBA' which is world renowned for their spend management techniques. The 'ARIBA' engagement brought better cost efficiencies in procurement processes through utilization of various reverse auction techniques as well as enhancement of company's supplier base. The company took strategic procurement initiatives in view of high volatility in foreign currencies for making a balance between imports and domestic procurement.

The company took major initiatives for managing its 'Net Working Capital' more effectively by optimizing production at its all manufacturing locations. Just in time imports of key raw materials was done to take advantage of decreasing international price trends. Strategic tie-up with key raw material suppliers helped the company to get volume liked discounts on its bulk raw materials.

Human Resources – the 'Catalyst' for Growth

In this ever evolving environment, HR strategies needs to be abreast with the changing scenario for the organisation & the profiles of its employees to find, bind and support the employees in the right positions at the right time. The motto of HR strategy is to Attract, Retain, Develop and Excite JILITE through innovating people & business solutions. The Company has a total workforce of around 2,400 resourceful employees spread across its corporate office in Noida, hypermarkets in Bangalore, manufacturing units and sales and distribution offices / stores, across India.

Through periodic interventions viz. different programs & developmental tools, we keep our leadership pipeline flourishing. As a vibrant Company, Jubilant Industries Limited ensures strategic HR and management development that is oriented by the business targets as well as social and economic changes. Our effective HR practices remain flexible, close to the business to maintain the success of all of its employees in developing their skills by using an integrated approach.

Jubilant Industries Limited believes that the employees are their biggest assets hence invest in productive training programs for its employees. We ensure that people across the Company experience in-depth trainings in a wide range of commercial, technical and business role. Our effective HR training and development programs focus especially on developing skills and competencies. Jubilant Industries Limited offers its nationwide employees a comprehensive range of behavioral and functional training interventions like 'Young Leaders Acceleration Program', 'Orbit Shift', Breakthrough Workshops, Talent & Succession Planning, Cross Functional Teams etc., focusing on the transfer of specific know how and advancing each of the participating employees. The aim is to sustainably support talent. Employees and managers receive help in recognizing, enhancing and applying their individual strengths for the benefit of the organization.

With intensive collaboration, Human Resources at Jubilant industries Limited bind performers as they are constantly presented with challenging, diverse career opportunities within the Company. For the Company as a whole, we ensure flexible, sustainable HR and succession planning with an increasingly business orientation. The maxim of our values - "Caring, Sharing and Growing", brings together all its employees and other stakeholders to the range of Human Resource interface to the internal and the external world.

Internal Control Systems & Risk Management

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

Jubilant's Vision on Risk Management

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

Risk Management Strategy

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

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

Risk Management Structure

Our risk management structure comprises the Board of Directors and Audit Committee at the Apex level, supported by the leadership team. 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 CEO and actions are drawn upon. The Audit Committee, CEO, CFO and Head of Assurance act as a governing body to monitor the effectiveness of the internal controls framework.

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

The Audit Committee, on a quarterly basis, reviews the adequacy and effectiveness of the internal controls being exercised by various businesses and support functions and advises the Board on matters of core concern for appropriate redressal.

Risk Mitigation Methodology

We have a comprehensive internal audit plan and a robust Enterprise Risk Management (ERM) exercise which helps to identify risks at an early stage and take appropriate steps to mitigate the same. We have completed three years of our certification process wherein, all concerned Control Owners certify the correctness of about 1,900 controls related to key operating, financial and compliance related issues, every quarter. This has made our internal controls and processes stronger and also serves as the basis for compliance with revised Clause 49 requirements mandated by the Securities and Exchange Board of India (SEBI). The newly enacted Companies Act, 2013 has become mandatory and the Company is geared up to meet the enhanced control requirements under the same.

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

Management's Assessment of Risk

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

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

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

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

For its Agri business, the Company has added a number of dealers to build up strong distribution network.

> "As a part of growth strategy, the Company proposes to make significant investments to expand capacity and service capabilities and focus on debottlenecking the existing plants."

In its retail business, there is an intense competition amongst leading fashion brands and retailers for marquee locations, quality real estate and customer footfalls. Attracted by the ample growth potential of Indian retail market, many global brands have also entered India and increased their presence rapidly. Easing of FDI in retail is likely to further intensify the competition with the potential entry of more international brands. To overcome the competition due to increasing participants in food and non-food categories the company has built a strong and differentiated value proposition to attract target customers within the catchment areas.

Cost Competitiveness: Rising Input Prices - The Company believes that growth and its market position is due to the cost competitiveness of its products in addition to the quality that it stands for. Constant and rising input prices amidst inflationary market conditions poses a risk to the Company's ability to remain price competitive and build reserves to drive future growth. Volatility in raw material prices like Rock Phosphate, VAM, Catalysts, Butadiene, 2VP Monomer etc, and also surge in logistics cost may have a significant impact on operating margins.

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

Retail business has high operating leverage, owing to high fixed cost structure. The ability of the business to garner higher sales on assets employed is the key to mitigate the risk and generate optimum returns on investments.

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

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

Dependence on real estate: The retail industry is heavily dependent on availability of quality retail space at desired locations and at a reasonable cost. Non-availability of retail space in timely or cost effective manner may hamper the business growth. The Company has a strong pipeline of potential properties and it keeps continually evaluating and assessing opportunities in its target catchments.

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

The Company has robust processes in place to continuously monitor planned capacities and utilisation ratio, aligned

> "The Company regularly reviews its portfolio – product, customer and geography and draws out strategies to achieve desired mix."

with good manufacturing practices and stringent plant maintenance plan. The Company plans to take additional initiatives to commit to customer orders only after taking into consideration the key capital projects planned for execution. 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.

The next phase of expansion of retail business has started and flawless execution of projects is critical. The Company has strong execution focused team with the right resources and learning's to ensure timely execution of projects.

Portfolio and mix: Product and Customer Concentration - A balanced portfolio in terms of customers, markets and products is critical for the Company to be able to execute business strategies and monitor and assess impact of decisions. Any change in customer's organisation, behavior, needs and or expectations may adversely impact the competitive position and margins of the Company. A high customer concentration poses a risk of sudden fall in revenue and margins and share of business due to any change in consumers' needs and trends, shift of preference to a competitor and/or liquidity crunch due to inability to collect dues from customers.

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

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

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

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

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

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

For its Consumer Products business, 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 for success of the Company. Failure in innovation and building a robust product pipeline which can be timely commercialized 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 loss of future business. It is equally critical for the business to innovate new application of key material (like VAM, Rock Phosphate, Butadiene, 2VP Monomer etc.) to maintain its leadership position.

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

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

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

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

At Jubilant, the challenges due to Company's operations related to EHS aspects of the business, employees and society are mapped and mitigated through a series of systematic and disciplined sets of policies and procedures. For further details, investors may kindly refer to the Corporate Sustainability Report of the Company which is available on the website, www.jubilantindustries.com under the "sustainability" section.

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

DIRECTORS' REPORT

Your Directors have pleasure in presenting the Eighth Annual Report and Audited Accounts for the year ended March 31, 2014.

Financial Results

(₹ in Million)

Particulars	Consolidated		Standalone	
	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2014	Year ended March 31, 2013
Revenue from Operations	**9195.18**	10016.30	**272.40**	227.64
Other Operating Income	**105.16**	91.66	**1.64**	1.11
Total Revenue from Operations	**9300.34**	10107.96	**274.04**	228.75
Total Expenses	**9323.73**	9870.74	**280.60**	233.98
Operating Profit/(Loss)	**(23.39)**	237.22	**(6.56)**	(5.23)
Other Income	**3.00**	3.86	**0.17**	0.35
EBITDA (including Other Income)	**(20.39)**	241.08	**(6.39)**	(4.88)
Depreciation & Amortisation Expenses	**316.40**	314.54	**1.48**	1.25
Interest (Finance Cost)	**305.58**	276.52	**0.07**	-
Profit/(Loss) before Exceptional Items & Tax	**(642.37)**	(349.98)	**(7.94)**	(6.13)
Exceptional Items	**(850.90)**	-	**-**	(1.74)
Tax Expenses	**(40.56)**	0.29	**1.48**	0.29
Reported Net Profit/(Loss) for the year	**249.09**	(350.27)	**(9.42)**	(4.68)
Balance brought forward from previous year	**295.64**	645.91	**1465.77**	1,470.45
Amount available for Appropriation which the Directors have appropriated as follows:	**544.73**	295.64	**1456.35**	1465.77
- Proposed Dividend on Equity shares	**-**	-	**-**	-
- Tax on Distributed Profits on Equity Shares	**-**	-	**-**	-
- Transfer to General Reserve	**-**	-	**-**	-
Balance to be carried forward	**544.73**	295.64	**1456.35**	1465.77

Standalone Financials

In FY2014 total revenue from operations was ₹274.04 million. EBITDA for the year stood at (₹6.39 million), Net loss was ₹9.42 million.

Consolidated Financials

In FY2014 the consolidated revenue from operations was ₹9300.34 million. EBITDA for the year stood at (₹20.39) million.

Reported net profit for the year was ₹249.09 million after adjusting net income from exceptional items of ₹850.90 million on account of reversal of lease rent equalisation reserve of ₹1291.50 million consequent to entering of new lease agreements for hypermarkets and writing-off of associated leasehold improvements and other fixed assets amounting to ₹440.60 million pertaining to surrendered spaces of hypermarkets. Basic EPS stood at ₹21.02.

Dividend

In view of the losses, your Directors do not recommend any dividend for the year ended March 31, 2014.

Operations

The Company is engaged in manufacturing of Indian Made Foreign Liquor (IMFL) products for the various established brands in India, engaged in liquor business. The capacity is 100,000 cases/month for IMFL. With a configuration of 5 automatic/semi-automatic lines, it can handle all sizes of the bottles.

All lines are well equipped with required vats for storage of ENA, Blending and equipped automatic machines rinsing, filling, sealing & labeling which provides flexibility for bottling various sizes of IMFL. We have fully equipped state of art laboratory, chilling unit for the scotch blending and well established Water treatment plant with RO facility to support our bottling plant.

Capital Structure

Authorised Share Capital

The authorized share capital of the Company as at March 31, 2014 was ₹ 150 million.

Paid-Up Share Capital

The paid-up share capital as at March 31, 2014 stands at ₹ 118.49 million comprising of 11,849,404 equity shares of ₹ 10/- each fully paid up.

Employees Stock Option Scheme (ESOPs)

During the current financial year 2013-14, 1,41,712 stock options were granted to the eligible employees of the

Company and the subsidiary. Assuming exercise of these options, equivalent number of equity shares will be allotted to the eligible employees.

The disclosures required under regulation 12 of the SEBI Guidelines are given in **Annexure A** and form part of this report.

Fixed Deposits

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

Subsidiary

In terms of Clause 49 of the listing agreement, Jubilant Agri and Consumer Products Limited (JACPL) is a material non-listed Indian Subsidiary of the Company as at the end of previous year.

JACPL is a wholly owned subsidiary of the Company, engaged in the business of Agri Products comprising of wide range of crop nutrition, crop growth and crop protection, Performance polymers comprising of consumer products, Food polymers, VP Latex and Retail comprising of hypermarket stores.

Consolidated Financial Statements

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

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

In terms of the general exemption granted by the Government of India vide its general circular no. 2/2011 dated February 08, 2011, from attaching the Directors' Report, Balance Sheet, Statement of Profit & Loss and other particulars of the subsidiaries, the Board of Directors in its meeting held on May 28, 2014 decided not to attach Directors' Report, Balance Sheet, Statement of Profit & Loss and other particulars of JACPL, the wholly owned Subsidiary Company with the Annual Report of the Company this year.

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

Auditors

In terms of the provisions of the Companies Act, 2013, M/s. K. N. Gutgutia & Co., Chartered Accountants, [ICAI Registration Number - 304153E] Statutory Auditors of the Company, will complete their first term of 5 (Five) consecutive years at the conclusion of the ensuing Annual General Meeting. They can be further appointed as statutory auditors for another term of 5 (Five) consecutive years i.e, till the conclusion of Annual General Meeting to be held in the year 2019. The Company has obtained necessary certificate under section 141 of the Companies Act, 2013 from the auditor conveying their eligibility for the above appointment. The Audit Committee and the Board reviewed their eligibility criteria, as laid down under section 141 of the Companies Act, 2013 and recommended their appointment as auditors for the above said period.

Directors

Presently, in conformity with clause 49 of the Listing Agreement, the Company has the following directors as non-executive Independent Directors, namely Mr. R Bupathy, Mr. Ghanshyam Dass, Mr S. K. Roongta, Dr. Ashok Misra and Ms. Shivpriya Nanda.

During the year, Ms. Shivpriya Nanda was appointed as an additional director of the Company who shall hold office upto the date of ensuing Annual General Meeting of the Company.

As per the provisions of the Companies Act, 2013, Independent Directors are eligible to hold office for a term upto five consecutive years and are eligible for re-appointment for the second term on passing special resolutions by the Company. During their tenure, they will not be liable to retire by rotation.

The Company has received from all the Independent Directors consents for their appointment and declarations confirming that they meet the criteria of independence as envisaged under the Companies Act, 2013 and Listing Agreement.

Notices under Section 160 of the Companies Act, 2013 have been received from members proposing their candidature alongwith requisite deposits.

Accordingly, in terms of Section 149(10) read with Schedule IV of the Companies Act, 2013, the Board recommends the appointment of the above directors as Independent Directors who shall hold office upto March 31, 2019 and shall not be liable to retire by rotation during their tenure.

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr Shamit Bhartia retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment.

Brief resumes of these directors proposed to be appointed/ re-appointed and other relevant information have been furnished in the Notice convening the Annual General Meeting. Appropriate resolutions for their appointment / re-appointment are being placed for approval of the members at the Annual General Meeting.

Directors' Responsibility Statement

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

- that in the preparation of annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- that 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 at March 31, 2014 and of profit or loss of the Company for the year ended March 31, 2014.
- that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- that the Directors had prepared the annual accounts on a going concern basis.

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

The Company being engaged in the business of contract manufacturing of Indian made Foreign Liquor (IMFL), most of the information as required under section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, as amended is not applicable. However, the information as applicable has been given in **Annexure B** and forms part of this Report.

Employees

During the year there were no employees whose particulars are required to be reported under section 217 (2A) of the Companies Act, 1956.

Corporate Governance

A detailed report on Corporate Governance is attached to this Report as **Annexure C**. A certificate from the Auditors of the Company confirming compliance of conditions of Corporate Governance as stipulated in clause 49 of the Listing Agreement with Stock Exchanges is enclosed as **Annexure D**. A certificate from the Managing Director that all Board members and senior management personnel have affirmed compliance with the Code of Conduct for the year ended March 31, 2014 is attached as **Annexure E**.

A Certificate from CEO/CFO confirming the correctness of the financial statements, adequacy of the internal control measures etc. is also enclosed as **Annexure F**.

Management Discussion & Analysis

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

Corporate Sustainability Report

Your Company is committed to addressing Environment, Health and Safety (EHS) issues and to discharging its Corporate Social Responsibility.

The Company undertook Sustainability initiatives through Energy Conservation and Climate Change Mitigation, Reduction of Environmental Footprints in Water consumption, Waste Water Treatment, Recycle and Reuse and Hazardous Waste Reuse and Recycle. Supplier Audits were carried out covering review for their EHS and no Child Labour employment thereby strengthening Green Supply Chain Management of the Company.

Sustainability initiatives of the Company are published in the Corporate Sustainability Report 2013-14 and it is duly audited by Ernst & Young LLP, and conforms to Global Reporting Initiative (GRI) G3.1 Reporting Guidelines fulfilling A+ level of reporting. This report is published on CD to conserve paper. The Report in CD is being sent to all the shareholders along with the Annual Report of the Company. The same shall also be available on the website of the Company at www.jubilantindustries.com.

Inclusive Growth has always been a part of Corporate Social Responsibility of the Company. Corporate Social Initiatives are conceptualised and implemented through Jubilant Bhartia

Foundation (JBF), the social wing of Jubilant Bhartia Group established in 2007, as a not for profit organisation. JBF works on 4P model (Public-Private-People-Partnership) for empowering communities and believes that for sustainable social intervention, people themselves would have to be the drivers on these projects.

Based on the 4P approach, following major areas have been selected for Social Initiatives by Jubilant:

- Supporting Government Rural Primary Education System through Project Muskaan in 100 schools;
- Strengthening Basic Healthcare Facilities in local community; and
- Improving Employability of Local Youths through Vocational Training Programmes such as Project Samriddhi.
- Building Farming capability and Cattle care through 'Krishi Paathshala'.

CII Jubilant Bhartia Food and Agriculture Centre of Excellence (FACE) has provided Food Safety capacity building and training services to 3000+ members and has outreached to 5000 + farmers, creating better linkages with the private sector, introducing new technologies and enabling access to markets.

A summary of the activities of JBF is provided on its website at www.jubilantbhartiafoundation.com

Risk Management

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

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

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

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

Human Resources

The Company recognizes that its people are the primary source of competitiveness and therefore strives to support and build people capabilities to make them achieve better results. As a result and in view of the current megatrend of globalizing and internationalizing business processes, our HR systems are integrated to develop a continuously learning organization in order to create a win-win situation for both the employees and the organization. By focussing on the most innovative HR practices, the Company continues to function with the aim of attracting, developing and retaining the best talent available. The Company and its wholly owned subsidiary has a total workforce of around 2500 resourceful employees spread across its corporate office in Noida, manufacturing units and sales and distribution offices / stores across India that witness their development aligned to the growth of the organization.

With an aim to be the employer of choice, Jubilant Industries encourages leadership and commitment through various measures to maintain management quality, improve employee productivity and employee satisfaction through a neutral and congenial organization culture.

As a modern company, Jubilant Industries ensures strategic HR and management development that is oriented by the business targets as well as social and economic changes. Our effective HR practices remain flexible, close to the market and mobile to maintain the success of all of its employees in developing their skills – using an integrative approach. Competencies such as performance, results orientation, assertiveness, leadership, reliability, communication and creativity form the basis of these. Building upon these competencies, performance management, talent management, training and development, retention management and culture management are the mainstays of HR and management development within our company. All these aspects work together, are interlinked and thereby contribute to the overall Company strategy. We have continued to preserve pleasant employer – employee relationship and there have been no instances of major strikes, lockouts or any other disruptive labour disputes. We continue to provide better range of benefits to our employees and their dependents, addressing their social security needs.

We ensure that people across the company experience in-depth trainings in a wide range of commercial, technical and business role. Our effective HR training and development programs focus especially on developing skill and competency. Employees and managers receive help in recognizing, enhancing and applying their individual strengths for the benefit of the organization. We believe that each individual success contributes to the sustained success of the entire Jubilant Bhartia Group.

We ensure flexible, sustainable HR and succession planning with an increasingly business orientation. The maxim of our values - “Caring, Sharing and Growing”, brings together all its employees and other stakeholders to the range of Human Resource interface to the internal and the external world.

The Company has a policy for Prevention of Sexual harassment which applies to all employees, associated vendors, Contract Labour and consultants / retainers of the Company at all its establishments. It ensures prevention and deterrence towards commission of acts of sexual harassment and communicates procedures for their resolution, settlement or prosecution.

In terms of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has not received any complaint during the calender year 2013.

Awards and Accolades

During the year 2013-14, one of the units of Jubilant Agri and Consumer Products Limited, a wholly owned subsidiary of the Company, won the prestigious “Silver Award” in Chemical Sector for outstanding achievement in Environment Management at the 14th Annual Greentech Environment Awards. This unit was also awarded with the “Silver Award” in Chemical Sector for outstanding achievement in Safety Management at the 12th Annual Greentech Safety Awards.

Investor Services

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

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

Green Initiatives

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

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

Acknowledgments

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

For and on behalf of the Board

Place : Noida **Hari S. Bhartia**
Date : May 28, 2014 Chairman

ANNEXURE A

DISCLOSURES AS PER REGULATION 12 OF SEBI(ESOP AND ESPS) GUIDELINES, 1999

JIL EMPLOYEES STOCK OPTION SCHEME 2013

<table>
<tr><td>a)</td><td>Options granted during 2013-14</td><td>1,41,712</td></tr>
<tr><td>b)</td><td>Options granted upto March 31, 2014</td><td>1,41,712</td></tr>
<tr><td>c)</td><td>Pricing formula</td><td>Market price of share as on the date of grant, as per SEBI Guidelines.</td></tr>
<tr><td>d)</td><td>Options vested upto March 31, 2014</td><td>None</td></tr>
<tr><td>e)</td><td>Options exercised upto March 31, 2014</td><td>None</td></tr>
<tr><td>f)</td><td>Total number of shares arising as a results of exercise of options upto March 31, 2014</td><td>None</td></tr>
<tr><td>g)</td><td>Options lapsed upto March 31, 2014</td><td>7,774</td></tr>
<tr><td>h)</td><td>Variation of terms of options upto March 31, 2014</td><td>No Variation</td></tr>
<tr><td>i)</td><td>Money realized by exercise of options upto March 31, 2014</td><td>None</td></tr>
<tr><td>j)</td><td>Total number of options in force upto March 31, 2014</td><td>1,33,938</td></tr>
<tr><td>k)</td><td>Employee-wise details of options granted during 2013-14 to:</td><td></td></tr>
<tr><td></td><td>i) Senior management personnel</td><td><table>
<tr><th>Name of the person</th><th>Options granted during FY 2013-14</th></tr>
<tr><td>Mr. Videh Kumar Jaipuriar</td><td>40,000</td></tr>
<tr><td>Mr. Puneet Mathur</td><td>9,771</td></tr>
<tr><td>Mr. Jagdish Kestur Rao</td><td>9,732</td></tr>
<tr><td>Mr. C. Reddy</td><td>6,069</td></tr>
<tr><td>Mr. Sandeep Kumar Shaw</td><td>3,938</td></tr>
</table></td></tr>
<tr><td></td><td>ii) Any other employee who received a grant in any one year of options amounting to 5% or more of options granted during that year</td><td>None</td></tr>
<tr><td></td><td>iii) Identified employees who are granted options, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant</td><td>None</td></tr>
<tr><td>l)</td><td>Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard (AS) - 20.</td><td>The Company has calculated the employee compensation cost using the intrinsic value method of accounting to account for Options issued under “JIL Employees Stock Option Scheme, 2013 (Scheme 2013)”. The stock based compensation cost as per the intrinsic value method for the financial year 2013-14 is NIL</td></tr>
</table>

m)	Where the company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options, shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed	If the employee compensation cost was calculated as per the fair-value of Options based on Black Scholes methodology, read with Guidance Note on "Accounting for Employee Share-based Payments" issued by Institute of Chartered Accountants of India, the total cost to be recognised in the financial statements for the year 2013-14 would be ₹ 1.77 million. The effect of adopting the fair value method on the net income and earnings per share is presented below:

Particulars	**₹ /Million**
Net Income - As Reported	(9.42)
Add: Intrinsic Value Compensation Cost	Nil
Less: Fair Value Compensation Cost	1.22
Adjusted Pro Forma Net Income	(10.64)
Earnings Per Share of ₹ 10 each	
Basic (In ₹)	
As Reported	(0.79)
Adjusted Proforma	(0.89)
Earnings Per Share of ₹ 10 each	
Diluted (In ₹)	
As Reported	(0.79)
Adjusted Proforma	(0.89)

n)	Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock options	(i) Where exercise price equals the market price of the Options: - Weighted average of exercise prices of Options: ₹ 101.46 - Weighted average of fair values of Options: ₹ 46.95 (ii) Where exercise price exceeds the market price of the Options: **Not Applicable** (iii) Where exercise price is less than the market price of the Options: **Not Applicable**
o)	A description of the method and significant assumptions used during the year to estimate the fair values of options, including the following weighted-average information:	The fair value has been calculated using the Black Scholes Option Pricing Model

	i) Date of grant	**May 08, 2013**	**Feb 05, 2014**
	ii) Risk-free interest rate	7.69%	8.71%
	iii) Expected life	3.65 Years	3.65 Years
	iv) Expected volatility	50.89%	55.29%
	v) Expected dividends	NIL	NIL
	vi) The price of the underlying share in market at the time of option grant.	₹108.10	₹50.50

ANNEXURE B

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

A. *Conservation of Energy:*

(a) Energy Conservation Measures Taken

1) OPE improvement.

2) Reducing line changeover.

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

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

1) Reduction in power consumption norms.

2) Improvement in process and norms.

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

The information required to be provided in FORM A has not been furnished as the Company is not covered under the industries specified in the schedule to The Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

B. *Technology Absorption:*

(e) efforts made in technology absorption

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

FORM B

Research and Development (R&D):

1. **Specific areas in which R&D carried out by the Company:** None
2. **Benefits derived as a result of the above R&D:** None
3. **Future plan of action:** None
4. **Expenditure on R&D:** None

Technology absorption, adaptation and innovation:

1. **Efforts, in brief, made towards technology absorption, adaptation and innovation:** None
2. **Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution etc.:** None
3. **In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year):** Not Applicable

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

C. *Foreign Exchange Earnings and Outgo:* **None**

(f) Activities relating to exports; initiatives taken to increase exports; development of new export markets for products and services; and export plans: None

- **Approach towards Foreign Exchange Risk Management:**

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

(g) Total Foreign exchange used and earned:

None

ANNEXURE C

REPORT ON CORPORATE GOVERNANCE

a) Company's Philosophy:

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

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

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

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

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

- Broad based and well represented Board with fair mix of Executive, Non-Executive and Independent Directors bringing in expertise in diverse areas with more than half of the Board being Independent
- Constitution of several Board Committees for focused attention and proactive flow of information and informed decisions
- 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
- Focus on hiring, retaining and nurturing best talent and to promote a culture of excellence across the organisation. Exhaustive HRD Policies cover succession planning, training and development, employee grievance handling
- Organisation wide 'Velocity' initiatives taken which include world-class improvement methodologies such as Six Sigma, Lean and World Class manufacturing
- Employee Stock Option Plan – to attract, reward and retain key senior executives
- Exhaustive and unique system of internal controls spanning over 1900 control points monitored through especially designed software
- Robust Risk Management framework for identifying various risks, assessing their probability as well as likely impact and finalizing risk mitigation and minimization plans
- Timely, transparent and regular disclosures
- Effective control on statutory compliances by quarterly reporting and presentation
- Paperless meetings of Board and Committees
- Communication with shareholders including emailing of Annual Reports, other documents and Corporate Sustainability Report
- Comprehensive Corporate Sustainability Management System focusing on triple bottom- line reporting on economic, environment and society parameters as per Global Reporting Initiatives standards with a stated policy on sustainability

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

b) Board of Directors:

(i) Composition

The Board comprises of nine Directors out of which five are Non-Executive Independent Directors, three are Promoter Directors and one Managing Director.

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

(ii) Meetings of the Board

Meetings of the Board are generally held at the Corporate office of the Company at 1A, Sector 16A, Noida - 201301, Uttar Pradesh, India. During the financial year under review, the Board met four times on May 8, 2013; July 31, 2013; October 30, 2013 and February 5, 2014.

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

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

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

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

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

Name and Designation	Category	Attendance at Meetings		
		No. of Board Meetings		Last AGM
		Held during Tenure	Attended	Attended
Mr. Hari S. Bhartia@ Chairman	Non-Executive and Promoter	4	4	Yes
Mr. Priyavrat Bhartia@ Director	Non-Executive and Promoter	4	4	Yes
Mr. Shamit Bhartia@ Director	Non-Executive and Promoter	4	4	No
Mr. Videh Kumar Jaipuriar Managing Director	Executive	4	4	Yes
Mr. R. Bupathy Director	Non-Executive and Independent	4	4	Yes
Mr. Ghanshyam Dass Director	Non-Executive and Independent	4	3	Yes
Mr. S.K. Roongta Director	Non-Executive and Independent	4	3	No
Dr. Ashok Misra Director	Non-Executive and Independent	4	4	Yes
Ms. Shivpriya Nanda* Director	Non-Executive and Independent	1	1	N.A.

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

* Ms. Shivpriya Nanda was appointed as an additional Director w.e.f. February 5, 2014.

(iii) Other Directorships

The number of directorships and memberships/chairmanships of Board and Committees held by the Directors in other bodies corporate as on March 31, 2014 are as given in TABLE below:

Name of Director	No. of Directorships in Other Companies#			No. of Chairmanship / Membership of Committees*	
	Public	Private	Foreign	Chairmanship	Membership
Mr. Hari S. Bhartia	10	17	5	-	2
Mr. Priyavrat Bhartia	12	13	-	2	7
Mr. Shamit Bhartia	12	14	-	1	3
Mr. Videh Kumar Jaipuriar	1	-	-	-	1
Mr. R. Bupathy	2	2	-	2	-
Mr. Ghanshyam Dass	5	2	-	2	1
Mr. S.K. Roongta	4	-	-	-	3
Dr. Ashok Misra	2	-	-	-	2
Ms. Shivpriya Nanda	-	-	-	-	-

Excluding Section 25 Companies and Limited Liability Partnerships

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

(iv) Code of Conduct

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

(v) Information given to the Board

The Board and Committees thereof have complete access to the information. Such information is submitted either as a part of the agenda papers 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 and budgets and any updates;
- Capital budgets and any updates;
- Quarterly results for the Company and its operating divisions or business segments;
- Minutes of the meetings of various committees of the Board;
- Information on recruitment and remuneration of senior officers just below the Board level;
- Show cause, demand, prosecution notices and penalty notices, which are materially important;
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems;
- Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company;
- Any issue which involves possible public or product liability claims of substantial nature;
- Details of any joint venture or collaboration agreement;
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property;
- Significant labour problems and their proposed solutions including any significant development in Human Resources / Industrial Relations front;
- Sale of material nature, of investments, subsidiaries, assets, which is not in normal course of business;
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material;
- Minutes of Board Meetings of unlisted subsidiary company;
- Statement of significant transactions or arrangements made by unlisted subsidiary company;

- Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.

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

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

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

c) Committees of the Board:

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

Details of the Committees of the Board and other related information are provided hereunder:

Audit Committee Mr. R. Bupathy (Chairman) Mr. Ghanshyam Dass Dr. Ashok Misra	**Stakeholders Relationship Committee (Earlier Investors' Grievance Committee)** Mr. S.K. Roongta (Chairman) Mr. Priyavrat Bhartia Mr. Videh Kumar Jaipuriar	**Remuneration Committee (Dissolved w.e.f. May 28, 2014)** Mr. Ghanshyam Dass (Chairman) Mr. Hari S. Bhartia Mr. R. Bupathy Mr. S.K. Roongta
Corporate Governance Committee Mr. Hari S. Bhartia (Chairman) Mr. Ghanshyam Dass Mr. R. Bupathy Mr. Videh Kumar Jaipuriar	**Sustainability and Corporate Social Responsibility Committee (Earlier Sustainability Committee)** Mr. Hari S. Bhartia (Chairman) Mr. Priyavrat Bhartia Mr. Ghanshyam Dass Mr. Videh Kumar Jaipuriar	**Finance Committee** Mr. Hari S. Bhartia (Chairman) Mr. Priyavrat Bhartia Mr. Videh Kumar Jaipuriar
Compensation Committee (Dissolved w.e.f. May 28, 2014 Mr. Ghanshyam Dass (Chairman) Mr. Priyavrat Bhartia Dr. Ashok Misra	**Restructuring Committee** Mr. Hari S. Bhartia (Chairman) Mr. Priyavrat Bhartia Mr. Videh Kumar Jaipuriar	**Listing Committee** Mr. Hari S. Bhartia (Chairman) Mr. Priyavrat Bhartia Mr. Videh Kumar Jaipuriar
	Nomination, Remuneration and Compensation Committee Mr. Ghanshyam Dass (Chairman) Mr. Priyavrat Bhartia Mr. Shamit Bhartia Mr. R. Bupathy Mr. S.K. Roongta	

Mr. Deepak Gupta, Company Secretary, is the Secretary of all Board Committees.

Meetings of the Board Level Committees held during the year and attendance of Directors

Name of the Committee	Meetings held	Hari S. Bhartia	Priyavrat Bhartia	Videh Kumar Jaipuriar	R. Bupathy	Ghanshyam Dass	S.K. Roongta	Dr. Ashok Misra
Audit	4	N.A.	N.A.	N.A.	4	3	N.A	4
Investors' Grievance	4	N.A.	4	4	N.A.	N.A.	3	N.A.
Sustainability	2	2	2	2	N.A.	2	N.A.	N.A.
Finance	4	4	4	4	N.A.	N.A.	N.A.	N.A.
Compensation	2	N.A.	2	N.A.	N.A.	2	N.A.	2

N.A. – Not a member of the Committee

No meeting of Remuneration Committee, Corporate Governance Committee, Restructuring Committee and Listing Committee was held during the year.

Terms of Reference and Other Details

AUDIT COMMITTEE

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

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

(i) Terms of reference:

The Audit Committee functions according to its terms of reference that define its composition, authority, responsibility and reporting functions in accordance with the provisions of the Companies Act and Clause 49 of the Listing Agreement which, inter-alia, currently include 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 auditor of the Company;
3. 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 in terms of Section 134(3)(c) of the Companies Act, 2013
   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
4. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
5. 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 up steps in this matter;
6. 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;
7. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official

heading the department, reporting structure coverage and frequency of internal audit;

8. Discussion with internal auditors any significant findings and follow up there on;
9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
10. 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;
11. 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;
12. To ensure establishment of and to review the functioning of the Whistle Blower Policy (Vigil Mechanism);
13. 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;
14. Approval or any subsequent modification of transactions of the Company with related parties;
15. Scrutiny of inter-corporate loans and investments;
16. Valuation of undertakings or assets of the Company, wherever it is necessary;
17. Evaluation of internal financial controls and risk management system;
18. Review of Management discussion and analysis of financial condition and results of operations;
19. Review of Management letters / letters of internal control weaknesses issued by the statutory auditors;
20. Review of Internal audit reports relating to internal control weaknesses;
21. Review of Financial statement, in particular, investments made by the subsidiary company(s);
22. Review of appointment, removal and terms of reference of Chief Internal Auditor.
23. Recommend appointment and remuneration of Cost Auditors

24 Any other role as prescribed by the Companies Act, 2013 and the Listing Agreement.

(ii) Invitees:

- Mr. Videh Kumar Jaipuriar, Managing Director
- Mr. Sandeep Kumar Shaw, Chief Financial Officer (CFO)

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

(iii) Meetings and Quorum

The Audit Committee meets at least four times in a year with a gap of not more than four months between two meetings. During the year the Committee met four times on May 8, 2013, July 31, 2013, October 30, 2013 and February 5, 2014.

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

NOMINATION, REMUNERATION AND COMPENSATION COMMITTEE

The Committee has been constituted on May 28, 2014, as per the requirements of section 178 of the Companies Act, 2013, Clause 49 of the Listing Agreement and SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. The erstwhile Remuneration Committee and Compensation Committee have been dissolved with effect from that date.

(i) Terms of Reference

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 SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme), Guidelines, 1999, as under:
   (i) To administer and supervise the Employee Stock Option Scheme ("ESOS");
   (ii) the quantum of Options to be granted under Scheme 2013 per employee and in the aggregate;
   (iii) the conditions under which Options vested in employees may lapse in case of termination of employment for misconduct;
   (iv) the exercise period within which the employee should exercise the Option and that Option would lapse on failure to exercise within the Exercise Period;
   (v) the specified time period within which the employee shall exercise the Vested Options in the event of his termination or resignation;
   (vi) the right of an employee to exercise all the Options vested in him at one time or at various points of time within the Exercise Period;
   (vii) the procedure for making a fair and reasonable adjustment to the number of Options and to the Exercise Price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others;
   (viii) the grant, vesting and exercise of Options in case of employees who are on long leave;
   (ix) the procedure, if any, for cashless exercise of Options;
   (x) making any variation/modification/changes in the Scheme 2013 as may be deemed necessary from time to time and to do all acts and deeds and execute all documents as may be necessary in connection with the above;
   (xi) settling any question or remove any difficulty in this connection; and
   (xii) framing suitable policies and systems to ensure that there is no violation of:
      i. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; and
      ii. Securities Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003, by any employee.
   (xiii) Any other role as may be prescribed by law, from time to time.

STAKEHOLDERS RELATIONSHIP COMMITTEE (EARLIER INVESTORS' GRIEVANCE COMMITTEE)

The Board has delegated the power of share transfers and other related matters to the Committee. The Committee meets as often as required. Additionally, the Board has authorised Chief Financial Officer and Company Secretary to jointly exercise powers of approving transfer/transmission of shares. Normally, transfers/transmissions are approved weekly on every Monday. With effect from May 28, 2014, the name of the Committee has been changed to 'Stakeholders Relationship Committee'.

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

(i) Terms of Reference:

The Committee, currently deals the following matters:

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.

4. Other areas of Stakeholders' service.

(ii) Meetings and Quorum

The Committee meets as often as required. During the year under review, the Committee met four times on May 8, 2013, July 31, 2013, October 30, 2013 and February 5, 2014.

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

(iii) Investors' Grievances/Complaints

During the year, the Company received 7 complaints, which were resolved. No complaint was pending as on March 31, 2014.

(iv) Transfers, Transmissions etc. approved

During the year under review, the Company received 60 cases (2,737 equity shares) of share transfer/ transmission out of which 33 cases (1,447 equity shares) were transferred/ transmitted and 27 cases (1,290 equity shares) were rejected for technical reasons.

The Company had 19317 shareholders as on March 31, 2014.

REMUNERATION COMMITTEE

The Remuneration Committee was responsible for fixing the remuneration packages of Whole-time/Managing Director. It also ensured that the levels of remuneration are sufficient to attract, retain and motivate Directors to run the Company successfully.

(i) Terms of reference:

The Committee was empowered to recommend the remuneration and terms of appointment of the Executive Board Members of the Company.

(ii) Meetings and Quorum

The Committee met as and when necessary. No meeting of the Committee was held during the year.

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

With effect from May 28, 2014, the Committee has been dissolved. A Nomination, Remuneration and Compensation Committee has been constituted.

CORPORATE GOVERNANCE COMMITTEE

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

(i) Terms of reference:

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

(ii) Meetings and Quorum

The Committee meets as and when necessary. No meeting of the Committee was held during the year under review.

The quorum for the meeting is two members.

SUSTAINABILITY AND CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (EARLIER SUSTAINABILITY COMMITTEE)

This Committee was originally constituted to oversee the performance of the Company on triple bottom line indicators viz. Environmental, Economic and Social factors. With effect from May 28, 2014, the name of the Committee has been change to "Sustainability and Corporate Social Responsibility Committee".

(i) Terms of Reference:

Currently, the role of Committee is :

1. Sustainability-
   - To take all steps and decide all matters relating to triple bottom line indicators viz. Economic, Environmental and Social factors.
2. Corporate Social Responsibility-
   - To formulate and recommend to the Board, a Corporate Social Responsibility Policy ("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) Meetings and Quorum

The Committee usually meets twice a year. During the year under review, the Committee met twice on May 8, 2013 and October 30, 2013.

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

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:

1. Borrow upto ₹5,000 million from Banks / Financial Institutions / NBFCs / Mutual Funds / Insurance Companies etc. (powers delegated to the Board by the members),
2. Charge/mortgage the company's property for securing the borrowings from time to time not exceeding ₹5,000 million (powers delegated to the Board by the members),
3. 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 in connection with the term/working capital loan/facilities availed by Jubilant Agri and Consumer Products Limited (JACPL) up to an aggregate amount of ₹7500 million outstanding at any point of time,
4. 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. Furnish Corporate Guarantee up to an amount not exceeding ₹10 Crores in aggregate outstanding at any point of time on behalf of JACPL to Customs Department; and
6. Make investments and /grant loans to the subsidiary in USA upto an aggregate amount of USD 5 million outstanding at any point of time.

(ii) Meetings and Quorum

The Committee meets as and when necessary. During the year under review, the Committee met four times i.e. May 8, 2013, September 10, 2013, October 30, 2013 and February 5, 2014.

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

COMPENSATION COMMITTEE

The Compensation Committee had been constituted for administration and superintendence of JIL Employees Stock Option Scheme, 2013 (ESOS).

The Committee framed suitable policies and systems for grant of stock options so that there was full compliance with the relevant provisions of the law. It also monitored the quantum of options to be granted under ESOS.

(i) Terms of Reference:

1. the quantum of options to be granted under ESOS per employee and in the aggregate;
2. the conditions under which options vested in employees may lapse in case of termination of employment for misconduct etc.;
3. the exercise period within which the employee should exercise the option and that option would lapse on failure to exercise the option within the exercise period;
4. the specified time period within which the employee shall exercise the vested options in the event of termination or resignation of an employee;
5. the right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period;
6. the procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others;

7. the grant, vest and exercise of options in case of employees who are on long leave;
8. the procedure, if any, for cashless exercise of options; and
9. making any variation/modification in the ESOS as may be deemed necessary.

Further, the Compensation Committee was also responsible to frame suitable policies and systems to ensure that there is no violation of:-

(a) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; and

(b) Securities Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003.

(ii) Meetings and Quorum

The Committee met as and when necessary. During the year under review, the Committee met twice on May 8, 2013 and February 5, 2014.

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

With effect from May 28, 2014, the Committee has been dissolved. A "Nomination, Remuneration and Compensation Committee" has been constituted.

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.

(i) Terms of Reference:

1. To make any alterations/ changes/modifications to the Scheme as may be expedient or necessary which do not materially change the substance of the Scheme, particularly for satisfying the requirements or conditions imposed by the Central Government or the Court or any other authority;
2. To approve share exchange ratio;
3. To file the Scheme before the Court and/or any other information / details with any other body or regulatory authority or agency to obtain approval or sanction to any of the provisions of the Scheme or for giving effect thereto.

(ii) Meetings and Quorum

The Committee meets as and when necessary. No meeting of the Committee was held during the year.

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

LISTING COMMITTEE

The Listing Committee had been constituted to deal with Stock Exchanges/SEBI to take all actions and decide all matters relating to and/or incidental for listing and other matters, from time to time.

(i) Terms of Reference

1. To deal with Stock Exchange/SEBI for listing and other matters, from time to time.
2. To make application and deal with Stock Exchanges and/or such other authorities as may be required in matter of obtaining in-principal approval for issue of shares and final approval at the time of exercise of option under JIL Employee Stock Option Scheme 2013 and comply with such other formalities as may be incidental and consequential thereto.

(ii) Meetings and Quorum

The Committee meets as and when necessary. No meeting of the Committee was held during the year.

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

d) Remuneration of Directors

(i) Remuneration to Executive Directors

Mr. Videh Kumar Jaipuriar was appointed as Managing Director without any remuneration w.e.f. March 1, 2013 for a period of three years. He is getting remuneration from Jubilant Agri and Consumer Products Limited, a wholly owned subsidiary of the Company, as its Whole-time Director.

Mr Videh Kumar Jaipuriar does not hold any share in the Company. He has been granted 40,000 stock options under JIL Employees Stock Option Scheme 2013. Each stock option on vesting shall be entitled to One equity share of ₹10/-.

(ii) Remuneration to Non-Executive Directors

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

The details of sitting fees paid/payable for Board/ Committee Meetings to other Non-Executive Directors for year ended March 31, 2014 is as follows:

Name	Sitting Fees (₹)
Mr. R. Bupathy	1,20,000
Mr. Ghanshyam Dass	1,10,000
Mr. S.K. Roongta	67,500
Dr. Ashok Misra	1,30,000
Ms. Shivpriya Nanda	20,000
Total	**4,47,500**

Mr. Hari S. Bhartia holds 20,873 equity shares in the Company, Mr. Priyavrat Bhartia holds 253 equity shares in the Company and Mr. Shamit Bhartia holds 6,561 equity shares in the Company. Other Non-Executive Directors do not hold any equity share in the Company.

Other than holding shares and remuneration as indicated above, the Non-Executive Directors did not have any pecuniary relationship or transactions with the Company.

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

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

e) Remuneration Policy

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

f) General Body Meetings

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

Financial Year	Date	Time	Location
2012-13 (7th AGM)	August 27, 2013	1:30 pm	Registered office: Bhartiagram, Gajraula – 244223, District Amroha, U.P.
2011-12 (6th AGM)	August 28, 2012	1:30 pm	Registered office: Bhartiagram, Gajraula – 244223, District Amroha, U.P.
2010-11 (5th AGM)	August 23, 2011	2:30 pm	Registered office: Bhartiagram, Gajraula – 244223, District Amroha, U.P.

(ii) Special resolutions passed during last 3 Annual General Meetings

Special resolution was passed at the last Annual General Meeting of the Company held on August 28, 2012 for appointment of Mr. Videh Kumar Jaipuriar as Whole-time Director of the Company and payment of Commission upto ₹10,00,000 per annum to Non- Executive Directors of the Company.

(iii) Special resolutions passed through Postal Ballot last year

None

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

Special Resolution(s) as may be necessary under Companies Act, 2013/Listing Agreement 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 addresses of all shareholders of the Company alongwith a Postal Ballot Form and a postage pre-paid envelope containing the address of the Scrutinizer appointed by the Board for carrying out postal ballot process.
- The Postal Ballot Forms received within 30 days of dispatch are considered by the Scrutinizer.
- The Scrutinizer submits his report to the Chairman of the Company, who on the basis of the report announces the results.
- 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 will be provided an electronic platform to participate and vote on the Postal Ballots at the Company.

g) Disclosures

(i) Jubilant Agri and Consumer Products Limited (JACPL) is a material non-listed 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. 39 to the financial statements.

(iii) The Company has complied with various rules and regulations prescribed by Stock Exchanges, Securities and Exchange Board of India or any other statutory authority relating to the capital markets and no penalties or strictures have been imposed by them on the Company during last three years.

(iv) Listing fees for the financial year 2014-15 have been paid to the Stock Exchanges where the shares of the Company are listed.

(v) The Company has established a Whistle Blower Policy (WBP) to make the work place conducive to open communication regarding business practices and to protect the employees from unlawful victimization, retaliation or discrimination for their having disclosed or reported fraud, unethical behaviour, violation of Code of Conduct, questionable accounting practices, grave misconduct etc. The Board has revised the WBP, in its meeting held on May 28, 2014 to enable its Directors also to report concerns about unethical behaviour, actual or suspected fraud etc.

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

h) Means of Communication

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

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

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

(iv) The Investor Relations department of the Company regularly interacts with current and prospective investors and capital market intermediaries (brokers) who either invest in Company 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 corporate website for all interested stakeholders.

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

i) General Shareholders' Information

(i) Date, Time and Venue for 8th Annual General Meeting

As per notice of 8th 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 2013-14 is as follows:

Item	Tentative Dates*
First Quarter Results	August 6, 2014
Second Quarter Results	October 29. 2014
Third Quarter Results	February 4, 2015
Audited Annual Results for the year	May 13, 2015

*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 8th Annual General Meeting. Further, no dividend has been recommended for the year ended March 31, 2014.

(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 Ltd.	Equity Shares	533320
2.	National Stock Exchange of India Ltd.	Equity Shares	JUBLINDS

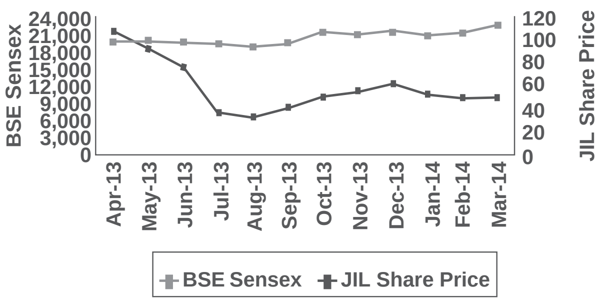
(v) Market Price Data

Monthly high/low of market price of the Company's equity shares traded on the Stock Exchanges during 2013-14 is given here under:

(Equity Shares of ₹10/- each)

Month	BSE		NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
Apr-13	117.95	95.00	114.70	97.05
May-13	115.90	92.00	110.70	92.50
Jun-13	98.35	70.20	97.00	74.50
Jul-13	92.00	34.25	85.55	37.80
Aug-13	36.95	26.55	38.30	26.15
Sep-13	54.45	32.00	53.95	30.55
Oct-13	56.85	39.95	57.75	40.10
Nov-13	55.90	46.05	57.00	45.75
Dec-13	73.00	55.40	73.40	56.35
Jan-14	65.00	52.25	65.10	51.15
Feb-14	57.50	45.25	55.25	46.35
Mar-14	59.90	46.05	54.50	47.50

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



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

(vii) Growth in Equity Capital

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

(viii) Compliance Officer

Mr. Deepak Gupta, 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 -120-7186040-6140 and e-mail id is "investorsjil@jubl.com".

(ix) Registrar and Share Transfer Agent

For share related matters, members are requested to correspond with the Company's Registrar and Share Transfer Agent - M/s. Alankit Assignments

Limited quoting their Folio No. / DP ID & Client ID at the following address:

M/s. Alankit Assignments Limited
205-208, Anarkali complex
Jhandewalan Extension
New Delhi-110055;
Tel: +91-11-23541234, 42541234;
E-mail: rta@alankit.com

(x) Share Transfer System

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

(xi) Distribution of shareholding as on March 31, 2014

(a) Value wise

Shareholding of nominal value (in ₹)	Shareholders		Shareholding	
	Number	% of Total	Face value of shares (₹)	% of Total
Upto 5000	18847	97.54	78,21,900	6.60
5001 to 10000	188	0.97	14,47,060	1.22
10001 to 20000	119	0.62	17,42,600	1.47
20001 to 30000	43	0.22	10,80,300	0.91
30001 to 40000	20	0.10	6,99,930	0.59
40001 to 50000	23	0.12	10,40,270	0.88
50001 to 100000	33	0.17	23,94,960	2.02
100001 and above	50	0.26	10,22,67,020	86.31
Total	**19323**	**100.00**	**11,84,94,040**	**100.00**

(b) Category wise

S. No.	Category	No. of shares	Shareholding as a percentage of total number of shares
A	Promoters & Promoter Group	80,54,261	67.97
B	Public Shareholding		
1	Financial Institutions / Banks	3,697	0.03
2	UTI/Mutual Funds	1,31,654	1.11
3	Domestic Companies	3,23,407	2.73
4	Non Resident Indians	1,77,749	1.50
5	FII / Foreign Investors	9,07,096	7.66
6	Indian Public	22,51,540	19.00
	Grand Total	**11,849,404**	**100.00**

(xii) Code of Conduct for Insider Trading

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

The Company Secretary is the Compliance Officer in this regard.

(xiii) Unclaimed Dividends

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

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

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

(xiv) Unclaimed Shares

Pursuant to Clause 5A of the Listing Agreement, shareholders holding physical shares and not having claimed share certificates, had been sent three reminder letters to claim their equity shares. In terms of Listing Agreement, equity shares, which remained unclaimed, were transferred to Jubilant Industries Limited-Unclaimed Suspense Account. The details required under Clause 5A of the Listing Agreement are given below:

Particulars	Number of Shareholders	Number of Equity Shares
Aggregate number of shareholders and the outstanding shares in the Unclaimed Suspense Account lying at the beginning of the year	1420	37,185
Aggregate number of shareholders and the outstanding shares transferred to Unclaimed Suspense Account during the year	Nil	Nil
Number of shareholders who approached the Company for transfer of shares from the Unclaimed Suspense Account during the year	6	174
Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the year	6	174
Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the year	1414	37,011

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.

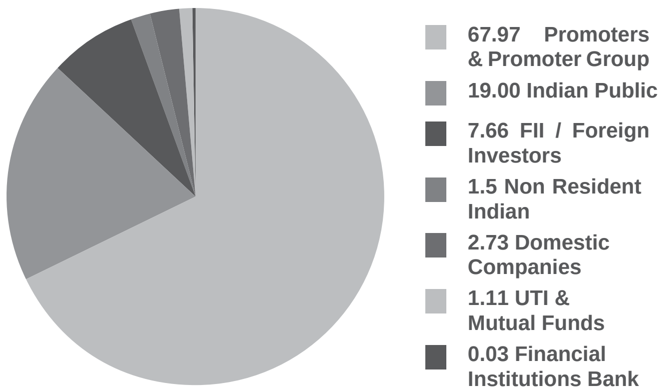
(xv) Information pursuant to Clause 49 IV (G) (i) of the Listing Agreement

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

(xvi) Compliance Certificate of the Statutory Auditors

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

(xvii) Distribution of Shareholding as on March 31, 2014



(xviii) (a) Dematerialization of Shares

The shares of the Company fall under the category of compulsory delivery in dematerialized mode by all categories of investors. The Company has signed agreements with National Securities Depository Limited (NSDL) and Central Depositories Services (India) Limited (CDSL). 1,16,83,357 equity shares of the Company (98.60% of the paid-up capital) were in dematerialized form as on March 31, 2014.

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, 2014 stands at 1,18,49,404 equity shares of ₹ 10 each amounting to ₹ 11,84,94,040 (Rupees Eleven crores Eighty Four Lacs Ninety Four Thousand and Forty only).

(xix) Location of Plant

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

(xx) Address for Correspondence

Jubilant Industries Limited
Plot No. 15, Knowledge Park-II, Greater Noida
Uttar Pradesh-201306
Tel: +91 120 -7186000
Fax: +91 120-7186040 / 7186140
e-mail: investorsjil@jubl.com
Website: http:// www.jubilantindustries.com

(xxi) Corporate Identity Number (CIN)

L24100UP2007PLC032909

Compliance with Clause 49 of Listing Agreement

(a) Mandatory Requirements

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

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

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

1. The Board

- **Non Executive Chairman's Office**

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

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

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

2. Remuneration Committee

The Company has set up a Remuneration Committee.

The composition, terms of reference and other details of the same are given in preceding pages. The said Committee has been dissolved with effect from May 28, 2014 and a Nomination, Remuneration and Compensation Committee comprising of Non-executive and Independent Directors, the Chairman, being an Independent Director has been constituted from the date.

3. Shareholders' Rights

Half yearly financial performance is not being sent to Shareholders.

4. Audit Qualifications

The financial statements of the Company contain no audit qualifications.

5. Training of Board Members

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

6. Mechanism for Evaluating Non-Executive Board Members

Not Adopted.

7. Whistle Blower Policy

Jubilant has a robust Whistle Blower Policy (WBP) and Ombudsman Process in place to enable any full time employee and Director to voice concerns without fear of retaliation /victimization / discrimination which is a sine qua non for an ethical organization. The Board has revised the WBP, in its meeting held on May 28, 2014 to enable its Directors also to report concerns about unethical behaviour, actual or suspected fraud etc. Any issue or concern may be reported by way of e-mail by an employee. The Audit Committee periodically reviews functioning of 'Whistle Blower Mechanism'.

Compliance with Code of Conduct

A declaration by the Managing Director that all directors and senior management personnel have affirmed compliance with the Code of Conduct of the Company for the year ended March 31, 2014 is enclosed as **Annexure E**.

CEO/CFO Certification

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

Investor Services

In an 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.
- A dedicated e-mail ID viz. investorsjil@jubl.com for sending communications to the Company Secretary/ Compliance Officer. Members may lodge their complaints or suggestions on this e-mail ID as well.

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

ANNEXURE D

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

To the Members of

Jubilant Industries Limited

We have examined the compliance of conditions of corporate governance by Jubilant Industries Limited ("the Company") for the year ended on March 31, 2014, as stipulated in clause 49 of the Listing Agreement of the Company with the stock exchanges. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India.

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

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

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

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

B.R. Goyal
Partner
Membership No. 12172

Place : Noida
Date : May 28, 2014

ANNEXURE E

TO WHOMSOEVER IT MAY CONCERN

This is to confirm that all the Board members and senior management personnel have affirmed compliance with the Code of Conduct of the Company for the year ended March 31, 2014.

For **Jubilant Industries Limited**

Place : Noida
Date : May 28, 2014

Videh Kumar Jaipuriar
Managing Director

ANNEXURE F

CERTIFICATE OF CEO/CFO

This is to certify that:

(a) We have reviewed financial statements and the cash flow statement for the year 2013-14 and that to the best of our knowledge and belief:

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

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

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

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

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

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

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

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

For **Jubilant Industries Limited**

Place : Noida	**Videh Kumar Jaipuriar**	**Sandeep Kumar Shaw**
Date : May 28, 2014	Managing Director	Chief Financial Officer

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF JUBILANT IDUSTRIES LIMITED

Report on the Financial Statements

1. We have audited the accompanying financial statements of **JUBILANT INDUSTRIES LIMITED** (“the Company”), which comprise the Balance Sheet as at 31st March, 2014, 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. Management is responsible for the preparation 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 accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 (“the Act”). This responsibility includes the design, implementation and maintenance of internal control 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 conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 31st March, 2014;
   (ii) in the case of the Statement of Profit and Loss, of the Loss 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. As required by the Companies (Auditors’ Report) Order, 2003, (“the Order”) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order, to the extent applicable to the Company.

8. As required by section 227(3) of the Act, we report that:
   a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
   e. On the basis of written representations received from the Directors as on 31st March, 2014 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

B. R. GOYAL
Partner
Membership No.12172

Place : Noida
Date : 28th May, 2014

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 7 of our report of even date to the members of Jubilant Industries Limited on the financial statements for the year ended 31st March, 2014)

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

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

(c) During the year the Company has not disposed off any substantial/ major part of fixed assets.

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

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

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

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

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

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

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

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

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

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

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

ix) (a) According to the records examined by us , the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investors education and protection fund, employees state insurance, income tax , sales tax , wealth tax, service tax, custom duty, excise duty, cess and other statutory dues wherever applicable. According to the information and explanations given to us, no undisputed arrears of statutory dues were outstanding as at 31st March, 2014 for a period of more than six months from the date they became payable.

(b) According to the records of the Company, there are no dues of sales tax, customs, service tax, excise duty, cess which have not been deposited on account of dispute.

x) There are no accumulated losses of the Company as at 31st March 2014. The Company has incurred cash losses during the financial year covered by our audit, as well as in the immediately preceding financial year of the Company.

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

xii) Based on our examination of the records and the information and explanations given to us, the Company has not granted any loans and/ or advances on the basis of security by way of pledge of shares, debentures and other securities.

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

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

xv) According to the information and explanations given to us, Company has not given any guarantee during the year for loans taken by others from banks or financial institution except in respect of its wholly owned subsidiary and the same is not prejudicing in the interest of the Company.

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

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

xviii) The Company has not made any preferential allotment of shares during the year to parties/companies covered in the register maintained under section 301 of the Companies Act, 1956.

xix) During the year covered by our audit report the Company has not issued secured debentures.

xx) The Company has not raised any money by Public Issue during the year.

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

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

B. R. GOYAL
Partner
Membership No.12172

Place : Noida
Date : 28th May, 2014

BALANCE SHEET

(₹ in million)

As at 31st March,	Note No.	2014		2013	
I EQUITY AND LIABILITIES					
Shareholders' funds					
Share capital	3	118.49		118.49	
Reserves & surplus	4	2,507.58		2,517.00	
			2,626.07		2,635.49
Non- current liabilities					
Long term borrowings	5	0.11		-	
Deferred tax liabilities (net)	6	1.73		1.96	
Long term provisions	7	0.89		0.72	
			2.73		2.68
Current liabilities					
Trade payables	8	141.15		78.42	
Other current liabilities	9	151.40		140.18	
Short term provisions	10	6.79		4.90	
			299.34		223.50
Total			**2,928.14**		**2,861.67**
II ASSETS					
Non-current Assets					
Fixed assets					
Tangible assets	11	21.29		21.46	
Intangible assets	12	0.63		-	
Non-current investments	13	2,624.12		2,624.12	
Long term loans & advances	14	1.36		1.72	
			2,647.40		2,647.30
Current assets					
Current investments	15	-		0.38	
Inventories	16	54.63		33.83	
Trade receivables	17	116.66		79.33	
Cash & bank balances	18	2.90		5.11	
Short-term loans and advances	19	106.55		95.72	
			280.74		214.37
Total			**2,928.14**		**2,861.67**
Statement of significant accounting policies & notes to the Financial Statements	1 - 45				

In terms of our report of even date attached.

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

For and on behalf of the Board

B.R. Goyal
Partner
Membership No. 12172

Hari S. Bhartia
Chairman

Place : Noida
Date : 28th May, 2014

Deepak Gupta
Company Secretary

Sandeep Kumar Shaw
Chief Financial Officer

Videh Kumar Jaipuriar
Managing Director

STATEMENT OF PROFIT AND LOSS

(₹ in million)

For the year ended 31st March,	Note No.	2014		2013	
REVENUE					
Revenue from operations (gross)	20	522.16		377.85	
Less: Excise duty		248.12		149.10	
Revenue from operations (net)			274.04		228.75
Other income	21		0.17		0.35
Total revenue			**274.21**		**229.10**
EXPENSES					
Cost of materials consumed	22		93.11		77.68
Purchase of traded goods	23		-		1.50
Change in inventories of work-in-progress & finished goods	24		(3.13)		(5.68)
Other manufacturing expenses	25		141.31		134.02
Employee benefits expense	26		12.67		10.02
Finance costs	27		0.07		-
Depreciation & amortization expense	11 & 12		1.48		1.25
Other expenses	28		36.64		16.44
Total expenses			**282.15**		**235.23**
Profit/(Loss) before exceptional items and tax			(7.94)		(6.13)
Exceptional items	29		-		(1.74)
Profit/(Loss) before tax			**(7.94)**		**(4.39)**
Tax expenses:					
- Current tax (Refer note 35)		1.71		0.58	
- Deferred tax credit		(0.23)		(0.29)	
			1.48		0.29
Profit/(Loss) for the year			**(9.42)**		**(4.68)**
Basic earnings per share of ₹ 10 each (in ₹)	44		(0.79)		(0.39)
Diluted earnings per share of ₹ 10 each (in ₹)	44		(0.79)		(0.39)
Statement of significant accounting policies & notes to the Financial Statements	1-45				

In terms of our report of even date attached.

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

For and on behalf of the Board

B.R. Goyal
Partner
Membership No. 12172

Hari S. Bhartia
Chairman

Place : Noida
Date : 28th May, 2014

Deepak Gupta
Company Secretary

Sandeep Kumar Shaw
Chief Financial Officer

Videh Kumar Jaipuriar
Managing Director

CASH FLOW STATEMENT

(₹ in million)

For the year ended 31st March,		2014	2013
A.	**Cash flow arising from operating activities:**		
	Net profit/(loss) before Tax	**(7.94)**	**(4.39)**
	Adjustments for:		
	Depreciation & amortisation expenses	1.48	1.25
	Finance costs	0.07	-
	Provision for employee benefits	0.11	0.18
	Bad debts/irrecoverable advances written-in (net of write-off)	(0.06)	(0.04)
	Gain on sale of current investments	(0.03)	(0.31)
	Non-cash exceptional item	-	(1.74)
		1.57	(0.66)
	Operating profit before working capital changes	**(6.37)**	**(5.05)**
	Adjustments for:		
	(Increase)/Decrease in trade receivables, loans & advances and other assets	(50.43)	(76.78)
	(Increase)/Decrease in inventories	(20.80)	(1.20)
	Increase/(Decrease) in trade payable, provisions and other liabilities	76.10	178.81
	Cash generated from operations	**(1.50)**	**95.78**
	Direct taxes (paid)/refund (net)	0.52	(101.92)
	Net cash inflow/(outflow) in course of operating activities	**(0.98)**	**(6.14)**
B.	**Cash flow arising from investing activities:**		
	Acquisition/ Purchase of fixed assets	(1.96)	(0.05)
	Sale proceeds of fixed assets	0.03	-
	(Purchase)/Sale of investments (net)	0.41	-
	Net cash inflow/(outflow) in course of investing activities	**(1.52)**	**(0.05)**
C.	**Cash flow arising from financing activities:**		
	Proceeds from / (Repayment) of long term borrowings (net)	0.36	-
	Finance costs paid	(0.07)	-
	Net cash inflow/(outflow) in course of financing activities	**0.29**	**-**
	Net increase/(decrease) in cash & cash equivalents (A+B+C)	**(2.21)**	**(6.19)**
	Add : Cash & cash equivalent at the beginning of the year (including balance in dividend account)	5.11	21.46
	Adjustment: Cash & cash equivalents on account of Business Transfer Agreement	-	(10.16)
	Cash & cash equivalents at the close of the year (including balance in dividend account)	**2.90**	**5.11**

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

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

iii) Closing cash and cash equivalents includes ₹ 0.24 million (Previous Year: ₹ 0.24 million), which has restricted use.

In terms of our report of even date attached.

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

For and on behalf of the Board

B.R. Goyal
Partner
Membership No. 12172

Hari S. Bhartia
Chairman

Place : Noida
Date : 28th May, 2014

Deepak Gupta
Company Secretary

Sandeep Kumar Shaw
Chief Financial Officer

Videh Kumar Jaipuriar
Managing Director

NOTES TO THE FINANCIAL STATEMENTS

1. Corporate information

Jubilant Industries Limited (the 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 Bombay Stock Exchange Limited and the National Stock Exchange of India Limited.

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 prescribed in the Companies (Accounting Standards) Rules, 2006 issued by the Central Government, which is as per a clarification issued by the Ministry of Corporate Affairs continue to apply under section 133 of the Companies Act, 2013 (which has superseded section 211(3C) of the Companies Act, 1956 w.e.f. 12 September, 2013), the other relevant provisions of the Companies Act, 1956 (including the new notified sections under Companies Act, 2013, 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 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.

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

NOTES TO THE FINANCIAL STATEMENTS

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.

B. Tangible and Intangible Fixed Assets

Fixed Assets are stated at original cost net of tax/duty credits availed, if any, less accumulated depreciation/ amortization and impairment loss. The cost of fixed assets includes effects of exchange differences on long term foreign currency borrowings, freight and other incidental expenses related to the acquisition, installation and commissioning of the respective assets. Borrowing costs directly attributable to fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalized. In case of fixed assets acquired at the time of amalgamation of certain entities with Company, the same are recognized at book value in case of amalgamation in the nature of merger and at book/fair value in case of amalgamation in the nature of purchase in line with Accounting Standard 14 (AS 14) – "Accounting of Amalgamations".

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

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

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

C. Depreciation and Amortization

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

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

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

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

c. Motor Vehicles: Five Years.

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

Leasehold land is amortized over the lease period.

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

NOTES TO THE FINANCIAL STATEMENTS

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

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

D. Leases

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

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

E. Valuation of Inventories

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

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

Raw materials	Weighted Average Method
Work-in-progress and finished goods (manufactured)	Variable Cost at weighted average including an appropriate share of variable and fixed production overheads. Fixed production overheads are included based on normal capacity of production facilities.
Finished goods (traded)	Cost of Purchases
Stores & spares and Others	Weighted Average Method
Packing materials	Weighted Average Method
Goods-in-transit	Cost of Purchase

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

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

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 products are not written down below cost except in cases where material prices have declined and its estimated that the cost of finished goods will exceed their net realizable value.

F. Investments

Investments that are readily realizable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. However, that part of long-term investments which is expected to be realized within 12 months after the reporting date is also presented under “Current Assets” as “Current portion of long term investments” in consonance with current/non-current classification scheme of revised Schedule VI.

Current Investments are carried at cost or fair value, whichever is lower. Long-term investments are carried at cost. However, provision for diminution is made to recognize a decline, other than temporary, in the value of the investment, such reduction being determined and made for each investment individually.

G. Income Tax

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

Current Tax

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

NOTES TO THE FINANCIAL STATEMENTS

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

Deferred Tax

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

H. Foreign Currency Transactions and Translations

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

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

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

d) **Forward Exchange Contracts:** Monetary Assets and Liabilities are restated at the rate prevailing at the period end or at the spot rate at the inception of forward contract where forward cover for specific asset/liability has been taken and in respect of such forward contracts the difference between the contract rate and the spot rate at the inception of the forward contract is recognized as income or expense in Statement of Profit and Loss over the life of the contract. All other outstanding forward contracts on the closing date are mark to market and resultant loss is recognized as expense in the Statement of Profit and Loss. Mark to market gains, if any, are ignored. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognized as income or as expense for the period.

I. Provisions, Contingent Liabilities and Contingent Assets

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

NOTES TO THE FINANCIAL STATEMENTS

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.

J. Employee Benefits

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

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

- **Gratuity and Leave Encashment**

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

- **Superannuation**

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

- **Provident Fund**

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

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

(iii) **Other Long Term Employee Benefits:**

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

K. Borrowings Cost

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

L. Revenue Recognition

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

Dividend income is recognized when the right to receive the income is established. Income from interest

NOTES TO THE FINANCIAL STATEMENTS

on deposits, loans and interest bearing securities is recognized on time proportionate method.

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

M. Segment Reporting

The accounting policies adopted for segment reporting are in line with accounting policies of the Company. Revenue, Expenses, Assets and Liabilities have been identified to segments on the basis of their relationship to operating activities of the segments (taking in account the nature of products and services and risks & rewards associated with them) and Internal Management Information Systems and the same is reviewed from time to time to realign the same to conform to the Business Units of the Company. Revenue, Expenses, Assets and Liabilities, which are common to the enterprise as a whole and are not allocable to segments on a reasonable basis, have been treated as “Common Revenue/Expenses/Assets/Liabilities”, as the case may be.

N. Earnings Per Share

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

O. Impairment of Fixed Assets

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

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

P. Employee Stock Option Scheme

Equity settled stock options granted are accounted for as per the accounting treatment prescribed by Employee Stock Option Scheme and Employee Stock Purchase Guidelines, 1999, issued by Securities and Exchange Board of India and the Guidance Note on “Accounting for Employee Share-based Payment” issued by the Institute of Chartered Accountants of India. The intrinsic value of the option being excess of market value of the underlying share immediately prior to date of grant over its exercise price is recognized as deferred employee compensation with a credit to employee stock option outstanding account. The deferred employee compensation is charged to Statement of Profit and Loss on straight line basis over the vesting period of the option. The options that lapse are reversed by a credit to employee compensation expense, equal to the amortized portion of value of lapsed portion and credit to deferred employee compensation expense equal to the unamortized portion.

NOTES TO THE FINANCIAL STATEMENTS

(₹ in million)

As at 31st March,		2014	2013
3.	SHARE CAPITAL		
	Authorised		
	1,50,00,000 Equity shares of ₹ 10 each (Previous Year 1,50,00,000 Equity shares of ₹ 10 each)	150.00	150.00
		150.00	150.00
	Issued, subscribed & paid-up		
	1,18,49,404 Equity shares of ₹ 10 each (Refer note 3.1) (Previous Year 1,18,49,404 Equity shares of ₹ 10 each)	118.49	118.49
		118.49	118.49

3.1 Issued, subscribed & paid-up share capital includes shares allotted for consideration other than cash during the last five years:

a) 38,35,348 equity shares of ₹ 10 each allotted pursuant to the Scheme of Arrangement with Jubilant Agri and Consumer Products Limited and Enpro Oil Private Limited during the FY 2011-12.

b) 79,64,056 equity shares of ₹ 10 each allotted pursuant to the Scheme of Amalgamation & Demerger with Jubilant Life Sciences Limited during the FY 2010-11.

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

Name of the shareholder	As at 31st March, 2014		As at 31st March, 2013	
	No. of shares	% held	No. of shares	% held
Jubilant Stock Holding Private Limited	13,29,757	11.22	9,84,840	8.31
Jubilant Capital Private Limited	11,66,600	9.85	11,66,600	9.85
Jubilant Enpro Private Limited	36,17,307	30.53	35,96,837	30.35
Jubilant Securities Private Limited	10,51,075	8.87	10,51,075	8.87
Samena Special Situations Mauritius	6,90,555	5.83	6,90,555	5.83

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

Particulars	As at 31st March, 2014		As at 31st March, 2013	
	No. of shares	₹ in million	No. of shares	₹ in million
Number of shares at the beginning of the year	1,18,49,404	118.49	1,18,49,404	118.49
Number of shares at the end of the year	**1,18,49,404**	**118.49**	**1,18,49,404**	**118.49**

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

3.5 For Employee Stock Option Scheme refer note 33.

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

NOTES TO THE FINANCIAL STATEMENTS

(₹ in million)

As at 31st March,	2014	2013
4. RESERVES & SURPLUS		
Securities Premium Account		
As per last Balance Sheet	823.45	823.45
General Reserve		
As per last Balance Sheet	227.78	227.78
Surplus		
As per last Balance Sheet	1,465.77	1,470.45
Less: Net loss after tax as per Statement of Profit & Loss for the year	9.42	4.68
	1,456.35	1,465.77
	2,507.58	**2,517.00**

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

(₹ in million)

As at 31st March,	2014	2013
5. LONG TERM BORROWINGS		
Long term maturities of finance lease obligation		
- Finance lease obligations (secured)	0.11	-
	0.11	-

5.1 Finance lease obligations ₹ 0.36 million (Previous Year: ₹ Nil) including current maturities of ₹ 0.25 million (Previous Year: ₹ Nil) under other current liabilities are secured by hypothecation of specific assets taken under such lease arrangements and are repayable as per the terms of agreement with the lessor.

(₹ in million)

As at 31st March,	2014	2013
6. DEFERRED TAX LIABILITIES (NET)		
Deferred tax liabilities on account of:		
Accelerated depreciation/amortization	2.05	2.01
	2.05	2.01
Deferred tax assets on account of:		
Provisions for leave encashment and gratuity	0.32	0.05
	0.32	0.05
Deferred tax liabilities (net)	**1.73**	**1.96**

(₹ in million)

As at 31st March,	2014	2013
7. LONG TERM PROVISIONS		
Employee benefits		
	0.89	0.72
	0.89	**0.72**

NOTES TO THE FINANCIAL STATEMENTS

(₹ in million)

As at 31st March,	2014	2013
8. TRADE PAYABLES		
Due to micro, small & medium enterprises under MSMED Act, 2006 (Refer note 31)	-	-
Others	141.15	78.42
	141.15	**78.42**

(₹ in million)

As at 31st March,	2014	2013
9. OTHER CURRENT LIABILITIES		
Current maturities of finance lease obligations (Refer note 5)	0.25	-
Employee benefits payable	0.45	0.44
Trade deposits & advances	4.71	10.34
Unpaid dividend	0.24	0.24
Due to related parties (Refer note 39)	115.09	98.98
Others (including statutory dues)	30.66	30.18
	151.40	**140.18**

(₹ in million)

As at 31st March,	2014	2013
10. SHORT TERM PROVISIONS		
Employee benefits	0.18	0.24
Income tax	0.64	1.08
Excise duty	5.97	3.58
	6.79	**4.90**

NOTES TO THE FINANCIAL STATEMENTS

11. TANGIBLE ASSETS

(₹ in million)

Description	GROSS BLOCK - COST / BOOK VALUE					DEPRECIATION / AMORTISATION / IMPAIRMENT					NET BLOCK	
	Total as at 31st March, 2013	Deductions/ adjustments on account of BTA	Additions/ adjustments during the year	Deductions/ adjustments during the year	Total as at 31st March, 2014	Total as at 31st March, 2013	Deductions/ adjustments on account of BTA	Provided for the year	Deductions/ adjustments during the year	Total as at 31st March, 2014	Total as at 31st March, 2014	Total as at 31st March, 2013
Freehold land	6.23	-	0.58	-	6.81	-	-	-	-	-	6.81	6.23
Factory building	9.12	-	-	-	9.12	2.78	-	0.30	-	3.08	6.04	6.34
Plant & machineries	16.20	-	-	-	16.20	7.59	-	0.85	-	8.44	7.76	8.61
Furniture & fixtures	0.22	-	-	-	0.22	0.11	-	0.01	-	0.12	0.10	0.11
Office equipments	0.37	-	0.10	0.03	0.44	0.20	-	0.11	0.01	0.30	0.14	0.17
Vehicles (Leased)	-	-	0.50	-	0.50	-	-	0.06	-	0.06	0.44	-
TOTAL	**32.14**	**-**	**1.18**	**0.03**	**33.29**	**10.68**	**-**	**1.33**	**0.01**	**12.00**	**21.29**	**21.46**
Previous Year	728.05	695.96	0.05	-	32.14	322.52	313.09	1.25	-	10.68	21.46	405.53

11.1 Fixed assets 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.

11.2 During the previous year (2012-13), assets transferred through Business Transfer Agreement of the Company are under process of registration in the name of Jubilant Agri and Consumer Products Limited, its wholly owned subsidiary company.

12. INTANGIBLE ASSETS

(₹ in million)

Description	GROSS BLOCK - COST / BOOK VALUE					DEPRECIATION / AMORTISATION / IMPAIRMENT					NET BLOCK	
	Total as at 31st March, 2013	Deductions/ adjustments on account of BTA	Additions/ adjustments during the year	Deductions/ adjustments during the year	Total as at 31st March, 2014	Total as at 31st March, 2013	Deductions/ adjustments on account of BTA	Provided for the year	Deductions/ adjustments during the year	Total as at 31st March, 2014	Total as at 31st March, 2014	Total as at 31st March, 2013
Software	-	-	0.78	-	0.78	-	-	0.15	-	0.15	0.63	-
TOTAL	**-**	**-**	**0.78**	**-**	**0.78**	**-**	**-**	**0.15**	**-**	**0.15**	**0.63**	**-**
Previous Year	3.52	3.52	-	-	-	0.48	0.48	-	-	-	-	3.04

NOTES TO THE FINANCIAL STATEMENTS

(₹ in million)

As at 31st March,			2014	2013
13. NON-CURRENT INVESTMENTS				
(At Cost)				
Number	Face value per unit			
		Trade investments (long term) (unquoted)		
		In subsidiary company		
		Jubilant Agri and Consumer Products Limited		
50,000	₹10	Fully paid-up equity shares	0.50	0.50
(50,000)	(₹10)			
16, 48, 817	₹10	10% Optionally convertible non-cumulative redeemable preference shares	1,648.82	1,648.82
(16,48,817)	(₹10)			
9, 74, 800	₹10	10% Non-cumulative redeemable preference shares (Refer note 13.2)	974.80	974.80
(9, 74, 800)	(₹10)			
			2,624.12	**2,624.12**
		Aggregate amount of unquoted investments	2,624.12	2,624.12

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

13.2 During the previous year (2012-13), 9,74,800 10% Non-Cumulative Redeemable Preference Shares of ₹ 10 each were allotted in favour of the Company pursuant to the Business Transfer Agreement between the Company and Jubilant Agri and Consumer Products Limited.

(₹ in million)

As at 31st March,	2014	2013
14. LONG TERM LOANS & ADVANCES		
(Unsecured, considered good)		
Security deposits	1.31	1.31
Others	0.05	0.41
	1.36	**1.72**

(₹ in million)

As at 31st March,			2014	2013
15. CURRENT INVESTMENTS				
(At Cost)				
Number	Face value per unit			
		All unquoted unless otherwise specified		
		Investments in mutual fund		
0.043	₹ 1000	LIC Nomura MF liquid fund - growth plan	-	0.38
(177.527)	(₹ 1000)			
			-	**0.38**
		Aggregate NAV of current investments	-	0.38

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

15.2 During the year, the following investment (non trade) was purchased and sold:
177.484 units (Previous Year: 1,01,98,994.28 units) of LIC nomura mutual fund-liquid fund-growth plan at cost of ₹ 0.41 million (Previous Year: ₹ 200 million).

NOTES TO THE FINANCIAL STATEMENTS

(₹ in million)

As at 31st March,	2014	2013
16. INVENTORIES		
Raw materials	5.94	0.97
Work-in-progress	4.33	2.02
Finished goods	16.78	15.96
Stores, spares and others	1.33	1.30
Others - Fuels & packing materials	26.25	13.58
	54.63	33.83
For method of valuation refer note 2 E.		

(₹ in million)

As at 31st March,	2014	2013
17. TRADE RECEIVABLES		
(Unsecured, considered good)		
Outstanding for period exceeding six months from the date they are due for payment	1.96	0.93
Other receivables	114.70	78.40
	116.66	79.33

(₹ in million)

As at 31st March,	2014	2013
18. CASH & BANK BALANCES		
Cash and cash equivalents		
Balances with banks		
- On current accounts	2.64	4.83
- On dividend account	0.24	0.24
Cash in hand	0.02	0.02
Others		
- Gift/Meal vouchers in hand	-	0.02
	2.90	5.11

(₹ in million)

As at 31st March,	2014	2013
19. SHORT TERM LOANS AND ADVANCES		
Deposits/Balances with government authorities	11.11	1.86
Advance payment of income tax	81.98	84.64
Employee loans & advances	0.02	0.01
Advances recoverable in cash or in kind or for value to be received:		
- From related parties (Refer note 39)	0.97	-
- Others	12.47	9.21
	106.55	95.72

(₹ in million)

For the year ended 31st March,	2014	2013
20. REVENUE FROM OPERATIONS		
Sale of products*	520.52	376.74
Other operating income**	1.64	1.11
Revenue from operations (gross)	522.16	377.85
Less: Excise duty	248.12	149.10
Revenue from operations (net)	274.04	228.75

* Sale of products is in the nature of Indian-made foreign liquor.

** Other operating income is in the nature of scrap sale.

NOTES TO THE FINANCIAL STATEMENTS

(₹ in million)

For the year ended 31st March,	2014	2013
21. OTHER INCOME		
Gain on sale of current investments	0.03	0.31
Other non-operating income	0.14	0.04
	0.17	0.35

(₹ in million)

For the year ended 31st March,	2014	2013
22. COST OF MATERIALS CONSUMED		
Raw & process materials consumed	93.11	77.68
	93.11	77.68

(₹ in million)

For the year ended 31st March,	2014	2013
22.1 PARTICULARS OF RAW & PROCESS MATERIALS CONSUMED		
Extra netural alcohol	88.74	73.82
Others	4.37	3.86
	93.11	77.68

For the year ended 31st March,	2014		2013	
	%	(₹ in million)	%	(₹ in million)
22.2 PARTICULARS OF IMPORTED AND INDIGENOUS RAW & PROCESS MATERIALS CONSUMED				
Imported	-	-	-	-
Indigenous	100.00	93.11	100.00	77.68
	100.00	**93.11**	**100.00**	**77.68**

(₹ in million)

For the year ended 31st March,	2014	2013
23. PURCHASE OF TRADED GOODS		
Purchase of traded goods	-	1.50
	-	1.50

(₹ in million)

For the year ended 31st March,		2014	2013
24. CHANGES IN INVENTORIES OF WORK-IN-PROGRESS & FINISHED GOODS			
Stock at commencement	- Work-in-progress*	2.02	27.79
Stock at commencement	- Finished gods*	15.96	82.61
		17.98	110.40
Stock at close	- Work-in-progress*	4.33	2.02
Stock at close	- Finished goods*	16.78	15.96
		21.11	17.98
Decrease/ (Increase) in stocks		(3.13)	92.42
Less: Adjustment on account of Business Transfer Agreement		-	98.10
Net Decrease/(Increase) in stocks		**(3.13)**	**(5.68)**

* Work-in-progress & finished goods are in the nature of Indian-made foreign liquor.

NOTES TO THE FINANCIAL STATEMENTS

(₹ in million)

For the year ended 31st March,	2014	2013
25. OTHER MANUFACTURING EXPENSES		
Power and fuel	1.78	1.72
Stores, spares & packing materials consumed	136.32	128.41
Repairs to plant & machinery	0.83	0.31
Excise duty (Refer note 32)	2.38	3.58
	141.31	**134.02**

For the year ended 31st March,	2014		2013	
	%	(₹ in million)	%	(₹ in million)
25.1 PARTICULARS OF IMPORTED AND INDIGENOUS STORES, SPARES & PACKING MATERIALS CONSUMED				
Imported	-	-	-	-
Indigenous	100.00	136.32	100.00	128.41
	100.00	**136.32**	**100.00**	**128.41**

(₹ in million)

For the year ended 31st March,	2014	2013
26. EMPLOYEE BENEFITS EXPENSE		
Salaries, wages, bonus, gratuity & allowances	11.79	9.61
Contribution to provident & superannuation funds	0.35	0.31
Staff welfare expenses	0.53	0.10
	12.67	**10.02**

(₹ in million)

For the year ended 31st March,	2014	2013
27. FINANCE COSTS		
Interest expense	0.07	-
	0.07	**-**

NOTES TO THE FINANCIAL STATEMENTS

(₹ in million)

For the year ended 31st March,		2014	2013
28.. OTHER EXPENSES			
Rent		0.18	0.18
Rates & taxes		5.04	6.16
Insurance		0.08	0.16
Advertisement, publicity & sales promotion		0.89	1.19
Travelling & other incidental expenses		0.60	0.40
Repair & maintenance - others		0.72	0.54
Vehicle running & maintenance		0.09	0.01
Printing & stationery		0.92	1.39
Communication expenses		0.40	1.29
Auditors remuneration	- As auditors	0.10	0.10
	- For limited review	0.13	0.13
	- For taxation matters	0.03	0.02
	- For certifications etc	0.20	0.14
	- Out of pocket expenses	0.11	-
Legal, professional and consultancy charges		1.08	1.41
Directors' sitting fees		0.47	0.46
Bank charges		0.05	0.10
Freight & forwarding		3.45	0.98
Discounts, claims to customers and other selling expenses		22.08	1.74
Miscellaneous expenses		0.02	0.04
		36.64	**16.44**

(₹ in million)

For the year ended 31st March,	2014	2013
29. EXCEPTIONAL ITEMS		
Surplus on slump sale pursuant to BTA	-	(1.74)
	-	**(1.74)**

30. Contingent liabilities & commitments (to the extent not provided for)

I) **Claims against Company not acknowledged as debt**:

Claims/Demands in respect of which proceeding or appeals are pending and are not acknowledged as debts, as at 31st March, 2014 is ₹ Nil (Previous Year: ₹ Nil), however, demands in respect of business transferred in earlier years to Jubilant Agri and Consumer Products Limited in terms of the Business Transfer Agreement and Scheme of Arrangement though the demands may be continuing in the name of the Company.

II) **Guarantees:**

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 31st March, 2014 are as under:

a) To Axis Bank Ltd of ₹ 700.00 million (Previous Year: ₹ 700 million) for working capital facility (including non fund based facility) and effective guarantee is ₹ 354.95 million (Previous Year: ₹ 454.84 million).

NOTES TO THE FINANCIAL STATEMENTS

b) To Yes Bank Ltd of ₹ 400.00 million (Previous Year: ₹ 400 million) for working capital facility (including non fund based facility) and effective guarantee is ₹ 273.51 million (Previous Year: ₹ 209.41 million).

c) To IDBI Bank Ltd of ₹ 750.00 million (Previous Year: ₹ 750 million) for working capital facility (including non fund based facility) and effective guarantee is ₹ 278.00 million (Previous Year: ₹ 70.18 million).

d) To Corporation Bank of ₹ 1000.00 million (Previous Year: ₹ Nil) for working capital facility (including non fund based facility) and effective guarantee is ₹ 553.20 million (Previous Year: ₹ Nil)

e) To Yes Bank Ltd of ₹ 1200.00 million (Previous Year: ₹ 1200 million) for term loan facility and effective guarantee is ₹ 1200.00 million (Previous Year: ₹ 1200 million).

f) To Ratnakar Bank Ltd of ₹ 850.00 million (Previous Year: ₹ 1200 million) for term loan facility and effective guarantee is ₹ 807.50 million (Previous Year: ₹ 800 million).

III) Commitments

a) Capital Commitments

Estimated amount of contracts remaining to be executed on capital account (net of advances) ₹ Nil (Previous Year: ₹ Nil) [Advances ₹ Nil (Previous Year: ₹ Nil).

b) For lease commitment refer note 34.

31. Micro and Small Business Entities

There are no micro and small enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March, 2014. The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) has been determined to the extent such parties have been identified on the basis of information available with the Company.

(₹ in million)

Particulars	As at 31 March, 2014	As at 31 March, 2013
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. This has been relied upon by the auditors.

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

NOTES TO THE FINANCIAL STATEMENTS

33. Employee Stock Option Scheme

In terms of approval of members accorded and in accordance with SEBI (ESOP &ESPS) Guidelines, 1999, the 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.

The movement in the stock option under the "Scheme 2013" during the year is set out below:

Particulars	2013-14		2012-13	
	Number of Options	Weighted Average Exercise Price (₹)	Number of Options	Weighted Average Exercise Price (₹)
Options outstanding at the beginning of the year	-	-	-	-
Granted during the year	141,712	101.83	-	-
Expired/Lapsed during the year	7,774	108.10	-	-
Options forfeited during the year	-	-	-	-
Options exercised during the year	-	-	-	-
Options outstanding at the end of the year	133,938	101.46	-	-

The Company has opted for intrinsic value method of accounting for Employee Stock Options. As market price of the options is equal to the exercise price on the date of grant, intrinsic value is ₹ Nil. Hence, there is no cost charged to Statement of Profit and Loss on account of options granted to employees under the Employee Stock Option Scheme of the Company.

34. Disclosures of leasing arrangements

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

NOTES TO THE FINANCIAL STATEMENTS

II) Assets acquired under finance lease:

The Company has taken vehicles under finance lease. Future minimum lease payments and their present values under finance leases as at 31st March, 2014 are as follows:

(₹ in million)

Particulars	Minimum lease payments	Present value of minimum lease payments	Future interest
Not later than one year	0.28 (-)	0.25 (-)	0.03 (-)
Later than one year but not later than five years	0.12 (-)	0.11 (-)	0.01 (-)
Later than five years	- (-)	- (-)	- (-)

a) Previous year figures are given in parenthesis.

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

35. Current tax includes ₹ 1.07 million (Previous Year: ₹ Nil) related to previous years.

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

Movement in provisions

(₹ in million)

	Particulars of disclosure	Excise duty
1	Balance as at 1st April, 2013	3.58 (14.10)
2	Additional provision during 2013-2014	5.97 (3.58)
3	Provision used during 2013-14	3.58 (5.64)
4	Less: Adjustment on account of Business Transfer Agreement	- (8.46)
5	Balance as at 31st March, 2014	5.97 (3.58)

a) Previous year figures are given in parenthesis.

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

NOTES TO THE FINANCIAL STATEMENTS

37. Employee benefits have been calculated as under:

(A) Defined contribution plans

a) Provident fund*

b) Superannuation fund

During the year the Company has contributed following amounts to:

(₹ in million)

For the year ended 31st March,	2014	2013
Employer's contribution to provident fund	0.11	0.10
Employer's contribution to employee pension scheme, 1995	0.02	0.03
Employer's contribution to superannuation fund	0.09	0.08

* For certain employees where provident fund is deposited with Government Authorities e.g. Regional Provident Fund Commissioner.

(B) Defined benefit plans

a) Compensated absences and gratuity

In accordance with Accounting Standard 15, an actuarial valuation has been carried out in respect of gratuity and compensated absences. The discount rate assumed is 8 % which is determined by reference to market yield at the Balance Sheet date on Government bonds. The retirement age has been considered at 58 years and mortality table is as per IALM (1994-96).

The estimates of future salary increases, considered in actuarial valuation 5% take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

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

(₹ in million)

	Gratuity		Leave encashment	
	2014	2013	2014	2013
Present value of obligation at the beginning of the year	0.38	19.54	0.32	10.65
Less: Adjustment on account of Business Transfer Agreement (net)	-	(19.24)	-	(10.37)
Current service cost	0.08	0.07	0.08	0.07
Interest cost	0.03	0.02	0.03	0.02
Actuarial (gain)/loss	(0.01)	(0.01)	0.09	(0.05)
Benefits paid	-	-	(0.13)	-
Present value of obligation at the end of the year	0.48	0.38	0.39	0.32

NOTES TO THE FINANCIAL STATEMENTS

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

(₹ in million)

	Gratuity		Leave encashment	
	2014	2013	2014	2013
Present value of obligation at the end of the year	0.48	0.38	0.39	0.32
Fair value of plan assets at end of the year	-	-	-	-
Assets/(Liabilities) recognized in the Balance Sheet	(0.48)	(0.38)	(0.39)	(0.32)

Cost recognized for the year (included under salaries, wages, bonus, gratuity & allowances):

(₹ in million)

	Gratuity		Leave encashment	
	2014	2013	2014	2013
Current service cost	0.08	0.07	0.08	0.07
Interest cost	0.03	0.02	0.03	0.02
Actuarial (gain)/loss	(0.01)	(0.01)	0.09	(0.05)
Net cost recognized during the year	0.10	0.08	0.20	0.04

Experience adjustment:

(₹ in million)

	Gratuity		Leave encashment	
	2014	2013	2014	2013
Defined benefit obligation	0.48	0.38	0.39	0.32
Plan assets	-	-	-	-
Surplus/(Deficit)	(0.48)	(0.38)	(0.39)	(0.32)
Experience adjustment of plan liabilities- (loss)/gain	0.01	0.01	(0.09)	0.05
Experience adjustment of plan assets- (loss)/gain	-	-	-	-

b) Provident fund

The Guidance on implementation of AS 15, Employee Benefits (Revised 2005) issued by Accounting Standard Board (ASB) states that benefits involving provident funds, which require interest shortfall to be compensated, are to be considered as defined benefit plans. The actuary has worked out a liability of ₹ Nil (Previous Year: ₹ 9.67 million) likely to arise towards interest guarantee. The Trust is managing common corpus of some of the group companies. The total liability of ₹ Nil (Previous Year: ₹ 9.67 million) as worked out by the actuary has been allocated to each entity based on the corpus value of each entity as on 31st March 2014. Accordingly, liability of ₹ Nil (Previous Year: ₹ Nil) has been allocated to the Company and ₹ Nil (Previous Year: ₹ Nil) has been charged to Statement of Profit and Loss during the year. The Company has contributed ₹ 0.12 million (Previous Year: ₹ 0.09 million) to provident fund for the year.

(C) Other long term benefits

(₹ in million)

	2014	2013
Present value of obligation at the end of the year	0.04	0.01

NOTES TO THE FINANCIAL STATEMENTS

38. Segment Reporting

I) The Company operates under one reportable segment viz. IMFL (Indian Made Foreign Liquor).

II) In respect of secondary segment information, the Company has identified its geographical segments as:

a. With in India, and

b. Outside India.

iii) Secondary segments (geographical segments):

(₹ in million)

For the year ended/As at 31st March,		2014	2013
a)	**Revenue by geographical location of customers (net of excise duty)**		
	Within India	274.04	228.75
	Outside India	-	-
	Total	**274.04**	**228.75**
b)	**Carrying amount of segment assets**		
	Within India	2928.14	2861.67
	Outside India	-	-
	Total	**2928.14**	**2861.67**
c)	**Capital expenditure**		
	Within India	1.96	0.05
	Outside India	-	-
	Total	**1.96**	**0.05**
d)	**Revenue by geographical market**		
	Within India	274.04	228.75
	Outside India	-	-
	Total	**274.04**	**228.75**

39. Related Party Disclosures

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

Subsidiaries:

Jubilant Agri And Consumer Products Limited.

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

a) **Key Management Personnel:** Mr. Videh Kumar Jaipuriar* (Managing Director)

* He was appointed as managing director without remuneration w.e.f. March 1, 2013 for a period of three years and he is getting remuneration from Jubilant Agri and Consumer Products Limited, a wholly owned subsidiary of the Company, as its Whole-time Director.

b) **Enterprise over which directors and major shareholders of the Company have substantial influence:** Jubilant Life Sciences Limited

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

NOTES TO THE FINANCIAL STATEMENTS

3) Details of related party transactions during the year:

(₹ in million)

	Particulars	Subsidiaries	Key Management person	Enterprise over which Directors and Major Shareholders of the Company have substantial influence	Others
i)	Investments in 10% Non- cumulative redeemable preference share capital (b)	-			
		(974.80)			
ii)	Payment of rent to (c)			0.18	
				(0.18)	
iii)	Contribution towards provident fund (d)				0.24
					(0.09)
iv)	Contribution towards superannuation fund (e)				0.09
					(0.08)
v)	Purchase of utilities (f)			1.14	
				(-)	
Balance as at 31st March, 2014					
vi)	Current account debit/credit (-) balance (g)	-115.09		0.97	
		(-81.89)		(-17.09)	
vii)	Outstanding investments in equity share capital (h)	0.50			
		(0.50)			
viii)	Outstanding investments in 10% Optionally convertible non- cumulative redeemable preference share capital (i)	1648.82			
		(1648.82)			
ix)	Outstanding investments in 10% Non-cumulative redeemable preference share capital (j)	974.80			
		(974.80)			
x)	Financial guarantee given on behalf of subsidiary and outstanding at the end of the year	4900.00			
		(4250.00)			

a) Previous year figures are given in parenthesis.

NOTES TO THE FINANCIAL STATEMENTS

Details of related party transactions Individually:

(₹ in million)

For the year ended/As at 31st March,		2014	2013
b)	**Investment in 10% Non-cumulative redeemable preference share capital:**		
	Subsidiaries:-		
	Jubilant Agri and Consumer Products Limited	-	974.80
c)	**Payment of rent to:**		
	Enterprise over which directors and major shareholders of the Company have substantial influence:-		
	Jubilant Life Sciences Limited	0.18	0.18
d)	**Contribution towards provident fund:**		
	Others:-		
	VAM Employees Provident Fund Trust	0.24	0.09
e)	**Contribution towards superannuation fund:**		
	Others:-		
	Pace Marketing Specialities Limited Officer's Superannuation Trust	0.09	0.08
f)	**Purchase of utilities:**		
	Enterprise over which directors and major shareholders of the Company have substantial influence:-		
	Jubilant Life Sciences Limited	1.14	-
g)	**Current account debit/(credit) balances:**		
	Subsidiaries:-		
	Jubilant Agri and Consumer Products Limited	(115.09)	(81.89)
	Enterprise over which directors and major shareholders of the Company have substantial influence:-		
	Jubilant Life Sciences Limited	0.97	(17.09)
h)	**Outstanding investment in equity share capital:**		
	Subsidiaries:-		
	Jubilant Agri and Consumer Products Limited	0.50	0.50
i)	**Outstanding investment in 10% Optionally convertible non-cumulative redeemable preference share capital:**		
	Subsidiaries:-		
	Jubilant Agri and Consumer Products Limited	1,648.82	1,648.82
j)	**Outstanding investment in 10% Non-cumulative redeemable preference share capital:**		
	Subsidiaries:-		
	Jubilant Agri and Consumer Products Limited	974.80	974.80

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

40. Value of imports calculated on CIF basis

Value of imports calculated on CIF basis for the year ended 31st March, 2014 is ₹ Nil (Previous Year: ₹ Nil, excluding transaction for Jubilant Agri and Consumer Products Limited (JACPL) during the period where business was run by the Company on behalf of JACPL as Trust as per Business Transfer Agreement).

41. Expenditure in foreign currency

Expenditure in foreign currency for the year ended 31st March, 2014 is ₹ Nil (Previous Year: ₹ Nil, excluding transaction for Jubilant Agri and Consumer Products Limited (JACPL) during the period where business was run by the Company on behalf of JACPL as Trust as per Business Transfer Agreement).

NOTES TO THE FINANCIAL STATEMENTS

42. Earnings in foreign exchange

Earnings in foreign exchange for the year ended 31st March, 2014 is ₹ Nil (Previous Year: ₹ Nil, excluding transaction for Jubilant Agri and Consumer Products Limited (JACPL) during the period where business was run by the Company on behalf of JACPL as Trust as per Business Transfer Agreement).

43. Amounts remitted in foreign currency during the year on account of dividend

Amounts remitted in foreign currency on account of dividend during the year ended 31st March, 2014 is ₹ Nil (Previous Year: ₹ Nil).

44. Earnings per share (EPS)

(₹ in million)

	For the year ended 31st, March,		2014	2013
I	**Profit computation for basic & diluted earnings per share of ₹ 10/- each**			
	Net loss as per Statement of Profit & Loss available for equity shareholders	₹ in million	(9.42)	(4.68)
II	**Weighted average number of equity shares for earnings per share computation**			
	(A) For basic earnings per share	Nos.	11849404	11849404
	(B) For diluted earnings per share:			
	Nos. of share for basic EPS as per II (A)	Nos.	11849404	11849404
	Add: Weighted average outstanding options related to employee stock options	Nos.	130	-
	Nos. of share for diluted earnings per share	Nos.	11849534	11849404
III	**Earnings per share (weighted average)**			
	Basic	₹	(0.79)	(0.39)
	Diluted	₹	(0.79)	(0.39)

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

Signatures to Notes "1" to "45" forming part of the Balance Sheet and Statement of Profit and Loss.

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 : 28th May, 2014

For and on behalf of the Board

Hari S. Bhartia
Chairman

Deepak Gupta
Company Secretary

Sandeep Kumar Shaw
Chief Financial Officer

Videh Kumar Jaipuriar
Managing Director

INDEPENDENT AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF JUBILANT INDUSTRIES LIMITED

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of **JUBILANT INDUSTRIES LIMITED** ("the Company") and its subsidiary, (herein after referred to as the "Group") which comprises the Consolidated Balance sheet as at 31st March, 2014, the Consolidated Statement of Profit and Loss and the consolidated 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 Consolidated Financial Statements

2. Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated 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 consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design 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 the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated 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, and based on the consideration of the our reports on the financial statements of the subsidiary, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:-

   a. in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2014;

   b. in the case of Consolidated Statement of Profit and Loss, of the Profit of the Group for the year ended on that date; and

   c. in the case of Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

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

B. R. GOYAL
Partner
Membership No.12172

Place : Noida
Date : 28th May, 2014

CONSOLIDATED BALANCE SHEET

(₹ in million)

As at 31st March,	Note No.	2014		2013	
I EQUITY AND LIABILITIES					
Shareholders' funds					
Share capital	2	118.49		118.49	
Reserves & surplus	3	1,595.96		1,346.87	
			1,714.45		1,465.36
Non- current liabilities					
Long term borrowings	4	1,741.54		1,963.20	
Deferred tax liabilities (net)	5	1.73		44.00	
Other long term liabilities	6	88.46		1,367.40	
Long term provisions	7	103.02		90.03	
			1,934.75		3,464.63
Current liabilities					
Short term borrowings	8	357.84		257.31	
Trade payables	9	1,968.65		1,859.23	
Other current liabilities	10	695.24		552.06	
Short term provisions	11	46.99		39.14	
			3,068.72		2,707.74
Total			6,717.92		7,637.73
II ASSETS					
Non-current Assets					
Fixed assets					
Tangible assets	12	1,854.58		2,038.58	
Intangible assets	13	884.34		1,010.94	
Capital work-in-progress	12	236.93		405.31	
Long term loans & advances	14	333.56		376.54	
			3,309.41		3,831.37
Current assets					
Current investments	15	0.08		0.46	
Inventories	16	1,308.14		1,427.94	
Trade receivables	17	1,355.05		1,606.20	
Cash & bank balances	18	224.69		365.55	
Short term loans and advances	19	518.22		401.22	
Other current assets	20	2.33		4.99	
			3,408.51		3,806.36
Total			6,717.92		7,637.73
Statement of significant accounting policies & notes to the Consolidated Financial Statements	1 - 44				

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 : 28th May, 2014

For and on behalf of the Board

Hari S. Bhartia
Chairman

Deepak Gupta
Company Secretary

Sandeep Kumar Shaw
Chief Financial Officer

Videh Kumar Jaipuriar
Managing Director

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(₹ in million)

For the year ended 31st March,	Note No.	2014		2013	
REVENUE					
Revenue from operations (gross)	21	9,869.57		10,567.46	
Less: Excise duty		569.23		459.50	
Revenue from operations (net)			9,300.34		10,107.96
Other income	22		3.00		3.86
Total revenue			**9,303.34**		**10,111.82**
EXPENSES					
Cost of materials consumed	23		3,037.14		3,716.73
Purchase of traded goods	24		2,955.23		3,010.06
Change in inventories of work-in-progress, finished goods & traded goods	25		41.04		(83.44)
Other manufacturing expenses	26		731.69		726.12
Employee benefits expense	27		986.97		822.89
Finance costs	28		305.58		276.52
Depreciation & amortization expense	12 & 13		316.40		314.54
Other expenses	29		1,571.66		1,678.38
Total expenses			**9,945.71**		**10,461.80**
Profit/(Loss) before exceptional items and tax			(642.37)		(349.98)
Exceptional items	30		(850.90)		-
Profit/(Loss) before tax			**208.53**		**(349.98)**
Tax expenses:					
- Current tax (Refer note 37)		1.71		0.58	
- Deferred tax credit		(42.27)		(0.29)	
			(40.56)		0.29
Profit/(Loss) for the year			**249.09**		**(350.27)**
Basic earnings per share of ₹ 10 each (in ₹)	43		21.02		(29.56)
Diluted earnings per share of ₹ 10 each (in ₹)	43		21.02		(29.56)
Statement of significant accounting policies & notes to the Consolidated Financial Statements	1-44				

In terms of our report of even date attached.

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

For and on behalf of the Board

B.R. Goyal
Partner
Membership No. 12172

Hari S. Bhartia
Chairman

Place : Noida
Date : 28th May, 2014

Deepak Gupta
Company Secretary

Sandeep Kumar Shaw
Chief Financial Officer

Videh Kumar Jaipuriar
Managing Director

CONSOLIDATED CASH FLOW STATEMENT

(₹ in million)

For the year ended 31st March,	2014	2013
A. Cash flow arising from operating activities:		
Net profit/(loss) before tax	**208.53**	**(349.98)**
Adjustments for:		
Depreciation & amortisation expense	316.40	314.54
Loss/(Profit) on sale of fixed assets (net)	2.41	-
Lease rent equalisation reserve reversal under exceptional items (Refer note 30)	(1291.50)	-
Fixed assets written-off under exceptional items (Refer note 30)	440.60	-
Finance costs	305.58	276.52
Lease rent equalisation charges	10.02	150.53
Provision for employee benefits	25.83	(5.55)
Bad debts/Irrecoverable advances written-in (net of write-off)	(6.60)	(2.47)
Provision for doubtful receivables	7.55	-
Unrealised (gain)/loss on foreign exchange -net	(15.87)	(3.16)
Gain on sale of current investments	(0.03)	(0.31)
	(205.61)	730.10
Operating profit before working capital changes	**2.92**	**380.12**
Adjustments for:		
(Increase)/Decrease in trade receivables, loans & advances and other assets	291.58	(147.36)
(Increase)/Decrease in inventories	119.80	(136.11)
Increase/(Decrease) in trade payables, provisions and other liabilities	(0.40)	960.17
Cash generated from operations	**413.90**	**1056.82**
Direct taxes (paid)/refunds (net)	(8.08)	(101.92)
Net Cash inflow/(outflow) in course of operating activities	**405.82**	**954.90**
B. Cash flow arising from investing activities:		
Acquisition/ Purchase of fixed assets	(351.22)	(521.05)
Movement in other bank balances	3.96	(37.55)
Sale proceeds of fixed assets	0.55	2.94
(Purchase)/Sale of investments (net)	0.41	-
Interest income	13.66	15.12
Net Cash inflow/(outflow) in course of investing activities	**(332.64)**	**(540.54)**
C. Cash flow arising from financing activities:		
Proceeds from / (Repayment) of long term borrowings (net)	9.04	199.38
Proceeds from / (Repayment) of short term borrowings (net)	100.53	(231.48)
Finance costs paid	(319.65)	(291.64)
Net Cash inflow/(outflow) in course of financing activities	**(210.08)**	**(323.74)**
Net Increase/(Decrease) in cash & cash equivalents (A+B+C)	**(136.90)**	**90.62**
Add : Cash & cash equivalent at the beginning of the year (including balance in dividend account)	202.80	112.18
Cash & cash equivalents at the close of the year (including balance in dividend account)	**65.90**	**202.80**

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

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

iii) Cash generated from operations include ₹ Nil (Previous Year: ₹ 1.55 million) as net cash inflow attributable to discontinuing operations.

iv) Closing cash and cash equivalents includes ₹ 0.24 million (Previous Year: ₹ 0.24 million), which has restricted use.

In terms of our report of even date attached.

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

For and on behalf of the Board

B.R. Goyal
Partner
Membership No. 12172

Hari S. Bhartia
Chairman

Place : Noida
Date : 28th May, 2014

Deepak Gupta
Company Secretary

Sandeep Kumar Shaw
Chief Financial Officer

Videh Kumar Jaipuriar
Managing Director

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Statement of Significant Accounting Policies

A. Basis of Preparation & Presentation of Consolidated Financial Statements

The accounts of the Group 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 prescribed in the Companies (Accounting Standards) Rules, 2006 issued by the Central Government, which is as per a clarification issued by the Ministry of Corporate Affairs continue to apply under section 133 of the Companies Act, 2013 (which has superseded section 211(3C) of the Companies Act, 1956 w.e.f. 12 September, 2013), the other relevant provisions of the Companies Act, 1956 (including the new notified sections under Companies Act, 2013, 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 Consolidated Financial Statements are presented in Indian rupees rounded off to the nearest million.

Use of estimates

The preparation of consolidated 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 consolidated 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 consolidated 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 consolidated financial statements.

Current-non-current classification

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

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 Group'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 Group'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 Group 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 counter party, result on its settlement by the issue of equity instruments do not affect its classification.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 Group has ascertained its operating cycle as 12 months for the purpose of current-non-current classification of assets and liabilities.

B. Principles of Consolidation

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

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

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

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

Name of the Subsidiary	Jubilant Agri and Consumer Products Limited
Country of incorporation	India
Name of Parent	Jubilant Industries Limited
Nature of Business	Engaged in the business of manufacturing & sale of agri and consumer products and running & maintaining hypermarket cum malls collectively called retail.
Percentage of ownership	100%

C. Tangible and Intangible Fixed Assets

Fixed Assets are stated at original cost net of tax/duty credits availed, if any, less accumulated depreciation/ amortization and impairment loss. The cost of fixed assets includes effects of exchange differences on long term foreign currency borrowings, freight and other incidental expenses related to the acquisition, installation and commissioning of the respective assets. Borrowing costs directly attributable to fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalized. In case of fixed assets acquired at the time of amalgamation of certain entities with Group, the same are recognized at book value in case of amalgamation in the nature of merger and at book/fair value in case of amalgamation in the nature of purchase in line with Accounting Standard 14 (AS 14) – "Accounting of Amalgamations".

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

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

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

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

D. Depreciation and Amortization

Depreciation is provided on Straight Line Method at rates mentioned and in the manner specified vide Schedule XIV to the Companies Act, 1956 (as amended) and read with the statement as mentioned hereunder, on the original cost/ acquisition cost or other amount substituted for cost. Certain plants are

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

classified as continuous process plants based on technical assessment, (relied upon by the auditors being a technical matter) and depreciation on such assets has been provided accordingly.

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

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

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

c. Motor Vehicles: Five Years.

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

Leasehold land is amortized over the lease period.

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

Goodwill recognized pursuant to acquisition of business is amortized over ten years on straight-line basis.

Leasehold improvements: The initial leasehold improvements are amortized over the tenure of the respective leasehold property or useful life, whichever is lower and any subsequent leasehold improvements are amortized over a period of 10 years or useful life, whichever is lower, on straight-line basis.

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

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

E. Leases

i) Where the Group is Lessee

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

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognized as operating leases. Lease payments under operating leases are recognized in the Consolidated Statement of Profit and Loss on a Straight-line basis by creating Lease Equalization Reserve. In case of change in terms/conditions of lease or surrender of part or full space, the lease equalization is readjusted retrospectively treating the lease as continuing one.

ii) Where the Group is lessor

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

F. Valuation of Inventories

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

Raw materials	Weighted Average Method
Work-in-progress and finished goods (manufactured)	Variable Cost at weighted average including an appropriate share of variable and fixed production overheads. Fixed production overheads are included based on normal capacity of production facilities.
Finished goods (traded)	Cost of Purchases
Stores & spares and Others	Weighted Average Method
Packing materials	Weighted Average Method
Goods-in-transit	Cost of Purchase

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

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

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 products are not written down below cost except in cases where material prices have declined and its estimated that the cost of finished goods will exceed their net realizable value.

Due allowance is estimated and made for defective and/or obsolete items wherever necessary based up on management estimation for retail inventory.

G. Investments

Investments that are readily realizable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. However, that part of long-term investments which is expected to be realized within 12 months after the reporting date is also presented under "Current Assets" as "Current portion of long term investments" in consonance with current/non-current classification scheme of revised Schedule VI.

Current Investments are carried at cost or fair value, whichever is lower. Long-term investments are carried at cost. However, provision for diminution is made to recognize a decline, other than temporary, in the value of the investment, such reduction being determined and made for each investment individually.

H. Income Tax

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

Current Tax

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

Deferred Tax

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

that is reasonably/virtually certain (as the case may be) to be realized. Deferred tax assets and deferred tax liabilities are offsets when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

I. Foreign Currency Transactions and Translations

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

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

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

d) **Forward Exchange Contracts:** Monetary Assets and Liabilities are restated at the rate prevailing at the period end or at the spot rate at the inception of forward contract where forward cover for specific asset/liability has been taken and in respect of such forward contracts the difference between the contract rate and the spot rate at the inception of the forward contract is recognized as income or expense in Consolidated Statement of Profit and Loss over the life of the contract. All other outstanding forward contracts on the closing date are mark to market and resultant loss is recognized as expense in the Consolidated Statement of Profit and Loss. Mark to market gains, if any, are ignored. Any profit or loss arising on cancellation or renewal of such a forward contract is recognized as income or as expense for the period.

J. Provisions, Contingent Liabilities and Contingent Assets

The Group recognizes a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. Contingent liabilities are disclosed in respect of possible obligations that may arise from past events but their existence is confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Contingent Assets are neither recognized nor disclosed in the consolidated 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.

K. Employee Benefits

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

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

- **Gratuity and Leave Encashment**

  Gratuity and leave encashment which are defined benefits are recognized in the

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

- **Superannuation**

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

- **Provident Fund**

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

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

(iii) Other Long Term Employee Benefits:

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

L. Borrowings Cost

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

M. Revenue Recognition

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

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

Revenue related to contract manufacturing arrangements is recognized when performance obligations are substantially fulfilled.

Dividend income is recognized when the right to

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

N. Segment Reporting

The accounting policies adopted for segment reporting are in line with accounting policies of the Group. Revenue, Expenses, Assets and Liabilities have been identified to segments on the basis of their relationship to operating activities of the segments (taking in account the nature of products and services and risks & rewards associated with them) and Internal Management Information Systems and the same is reviewed from time to time to realign the same to conform to the Business Units of the Group. Revenue, Expenses, Assets and Liabilities, which are common to the enterprise as a whole and are not allocable to segments on a reasonable basis, have been treated as "Common Revenue/Expenses/Assets/ Liabilities", as the case may be.

O. Earnings Per Share

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

P. Impairment of Fixed Assets

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

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

Q. Employee Stock Option Scheme

Equity settled stock options granted are accounted for as per the accounting treatment prescribed by Employee Stock Option Scheme and Employee Stock Purchase Guidelines, 1999, issued by Securities and Exchange Board of India and the Guidance Note on "Accounting for Employee Share-based Payment" issued by the Institute of Chartered Accountants of India. The intrinsic value of the option being excess of market value of the underlying share immediately prior to date of grant over its exercise price is recognized as deferred employee compensation with a credit to employee stock option outstanding account. The deferred employee compensation is charged to Consolidated Statement of Profit and Loss on straight line basis over the vesting period of the option. The options that lapse are reversed by a credit to employee compensation expense, equal to the amortized portion of value of lapsed portion and credit to deferred employee compensation expense equal to the unamortized portion.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in million)

As at 31st March,	2014	2013
2. SHARE CAPITAL		
Authorised		
1,50,00,000 Equity shares of ₹ 10 each (Previous Year 1,50,00,000 Equity shares of ₹ 10 each)	150.00	150.00
	150.00	**150.00**
Issued, subscribed & paid Up		
1,18,49,404 Equity shares of ₹ 10 each (Refer note 2.1) (Previous Year 1,18,49,404 Equity shares of ₹ 10 each)	118.49	118.49
	118.49	**118.49**

2.1 Issued, subscribed & paid Up share capital includes shares allotted for consideration other than cash during the last five years:

a) 38,35,348 equity shares of ₹ 10 each allotted pursuant to the Scheme of Arrangement with Jubilant Agri and Consumer Products Limited and Enpro Oil Private Limited during the FY 2011-12.

b) 79,64,056 equity shares of ₹ 10 each allotted pursuant to the Scheme of Amalgamation & Demerger with Jubilant Life Sciences Limited during the FY 2010-11.

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

Name of the shareholder	As at 31st March, 2014		As at 31st March, 2013	
	No. of shares	% held	No. of shares	% held
Jubilant Stock Holding Private Limited	13,29,757	11.22	9,84,840	8.31
Jubilant Capital Private Limited	11,66,600	9.85	11,66,600	9.85
Jubilant Enpro Private Limited	37,17,307	30.53	35,96,837	30.35
Jubilant Securities Private Limited	10,51,075	8.87	10,51,075	8.87
Samena Special Situations Mauritius	6,90,555	5.83	6,90,555	5.83

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

Particulars	As at 31st March, 2014		As at 31st March, 2013	
	No. of shares	₹ in million	No. of shares	₹ in million
Number of shares at the beginning of the year	1,18,49,404	118.49	1,18,49,404	118.49
Number of shares at the end of the year	**1,18,49,404**	**118.49**	**1,18,49,404**	**118.49**

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

2.5 For Employee Stock Option Scheme refer note 33.

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

(₹ in million)

As at 31st March,	2014	2013
3. RESERVES & SURPLUS		
Securities Premium Account		
As per last Balance Sheet	823.45	823.45
General Reserve		
As per last Balance Sheet	227.78	227.78
Surplus		
As per last Balance Sheet	295.64	645.91
Add: Net profit/(loss) after tax as per Consolidated Statement of Profit & Loss for the year	249.09	(350.27)
	544.73	295.64
	1,595.96	**1,346.87**

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in million)

As at 31st March,	2014	2013
4. LONG TERM BORROWINGS		
Term loans from banks		
- Indian rupee loans (secured)	1,737.62	1,960.00
Long term maturities of finance lease obligation		
- Finance lease obligations (secured)	3.92	3.20
	1,741.54	**1,963.20**

4.1 Term loan availed from Yes Bank Ltd amounting to ₹ 1200 million (Previous Year: ₹ 1,200 million) is secured by first pari passu charge on all fixed assets (both present & future) of Jubilant Agri and Consumer Products Limited and the parent Company, unconditional and irrevocable corporate guarantee of the parent Company and also of Jubilant Enpro (P) Limited which is under the process of release. The said bank has lien on fixed deposits worth ₹ 120 million (Previous Year: ₹ 120 million).

4.2 Term loan availed from The Rantnakar Bank Limited amounting ₹ 807.50 million (Previous Year: ₹ 800 million) is secured by first pari passu charge on all fixed assets (both present & future) of Jubilant Agri and Consumer Products Limited and the parent Company, unconditional and irrevocable corporate guarantee of the parent Company.

4.3 Term loan availed from Yes Bank Ltd amounting to ₹ 1200 million is repayable in fourteen equal quarterly instalments commencing from March, 2015 to June, 2018.

4.4 Term loan availed from The Rantnakar Bank Limited amounting ₹ 850 million is repayable in seventeen structured quarterly instalments commencing from December, 2013 to December, 2017.

4.5 Finance lease obligations ₹ 6.35 million (Previous Year: ₹ 4.81 million) including current maturities of ₹ 2.43 million (Previous Year: ₹ 1.61 million) under other current liabilities are secured by hypothecation of specific assets taken under such lease arrangements and the same are repayable as per the terms of agreement with the lessor.

(₹ in million)

As at 31st March,	2014	2013
5. DEFERRED TAX LIABILITIES (NET)		
Deferred tax liabilities on account of:		
Accelerated depreciation/amortization	2.05	56.94
	2.05	56.94
Deferred tax assets on account of:		
Provisions for leave encashment and gratuity	0.32	8.48
Others	-	4.46
	0.32	12.94
Deferred tax liabilities (net)	**1.73**	**44.00**

(₹ in million)

As at 31st March,	2014	2013
6. OTHER LONG TERM LIABILITIES		
Trade deposits & advances	44.47	43.32
Lease rent equalisation charges (Refer note 34)	10.02	1,290.97
Security deposits	33.97	33.11
	88.46	**1,367.40**

(₹ in million)

As at 31st March,	2014	2013
7. LONG TERM PROVISIONS		
Employee benefits	103.02	90.03
	103.02	**90.03**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in million)

As at 31st March,	2014	2013
8. SHORT TERM BORROWINGS		
Loan repayable on demand		
- From banks:		
Cash credit/Working capital demand loans (secured)	357.84	257.31
	357.84	**257.31**

8.1 Working capital facilities sanctioned by banks namely, Axis Bank Limited, Corporation Bank Limited, Yes Bank Limited and IDBI Bank Limited are secured individually by a first charge by way of hypothecation, of the entire book debts, receivables and inventories both present and future, of Jubilant Agri and Consumer Products Limited wherever the same may be or be held and unconditional and irrevocable corporate guarantee of Company in favour of its bankers.

(₹ in million)

As at 31st March,	2014	2013
9. TRADE PAYABLES		
Due to micro, small & medium enterprises under MSMED Act, 2006	5.54	7.00
Others	1,524.13	1,108.90
Acceptances	438.98	743.33
	1,968.65	**1,859.23**

(₹ in million)

As at 31st March,	2014	2013
10. OTHER CURRENT LIABILITIES		
Current maturities of long term debts (Refer note 4)	269.88	40.00
Current maturities of finance lease obligations (Refer note 4)	2.43	1.61
Interest accrued but not due	0.79	1.45
Interest accrued and due	12.48	12.23
Employee benefits payable	55.62	61.03
Trade deposits & advances	45.21	46.28
Creditors for capital supplies and services	21.66	66.95
Unpaid dividend	0.24	0.24
Due to related parties (Refer note 42)	14.22	81.07
Others (including statutory dues)	272.71	241.20
	695.24	**552.06**

(₹ in million)

As at 31st March,	2014	2013
11. SHORT TERM PROVISIONS		
Employee benefits	35.18	22.34
Income tax	0.64	1.08
Excise duty	11.17	9.53
Others	-	6.19
	46.99	**39.14**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

12. TANGIBLE ASSETS

(₹ in million)

Description	GROSS BLOCK - COST / BOOK VALUE				DEPRECIATION / AMORTISATION / IMPAIRMENT				NET BLOCK	
	Total as at 31st March, 2013	Additions/ adjustments during the year	Deductions/ adjustments during the year	Total as at 31st March, 2014	Total as at 31st March, 2013	Provided for the year	Deductions/ adjustments during the year	Total as at 31st March, 2014	Total as at 31st March, 2014	Total as at 31st March, 2013
Land										
(a) Freehold	24.77	0.58	-	25.35	-	-	-	-	25.35	24.77
(b) Leasehold	15.35	-	-	15.35	1.85	0.21	-	2.06	13.29	13.50
Leasehold improvements	1,216.27	34.46	646.26	604.47	384.12	86.18	246.80	223.50	380.97	832.15
Buildings										
(a) Factory	144.71	56.57	-	201.28	18.96	5.12	-	24.08	177.20	125.75
(b) Others	43.11	-	-	43.11	1.36	0.85	-	2.21	40.90	41.75
Plant & machineries	1,186.47	325.90	61.11	1,451.26	422.78	61.38	17.87	466.29	984.97	763.69
Furniture & fixtures	281.05	4.78	2.02	283.81	99.89	13.74	1.44	112.19	171.62	181.16
Office equipments	117.32	16.01	8.29	125.04	66.74	13.45	8.22	71.97	53.07	50.58
Vehicles										
(a) Leased	6.68	4.24	0.30	10.62	1.49	2.06	0.10	3.45	7.17	5.19
(b) Others	0.04	-	-	0.04	-	-	-	-	0.04	0.04
TOTAL	**3,035.77**	**442.54**	**717.98**	**2,760.33**	**997.19**	**182.99**	**274.43**	**905.75**	**1,854.58**	**2,038.58**
Previous Year	2,857.73	181.93	3.89	3,035.77	811.88	186.26	0.95	997.19	2,038.58	2,045.85
Capital work-in-progress									236.93	405.31

12.1. Land at Chittorgarh of the Jubilant Agri and Consumer Products Limited is mortgaged for loan taken by a group company in the earlier years and is under process of release.

13. INTANGIBLE ASSETS

(₹ in million)

Description	GROSS BLOCK - COST / BOOK VALUE				DEPRECIATION / AMORTISATION / IMPAIRMENT				NET BLOCK	
	Total as at 31st March, 2013	Additions/ adjustments during the year	Deductions/ adjustments during the year	Total as at 31st March, 2014	Total as at 31st March, 2013	Provided for the year	Deductions/ adjustments during the year	Total as at 31st March, 2014	Total as at 31st March, 2014	Total as at 31st March, 2013
Goodwill	1,237.74	-	-	1,237.74	247.62	123.78	-	371.40	866.34	990.12
Trade Marks	0.09	-	-	0.09	0.09	-	-	0.09	-	-
Software	37.85	6.81	-	44.66	17.03	9.63	-	26.66	18.00	20.82
TOTAL	**1,275.68**	**6.81**	**-**	**1,282.49**	**264.74**	**133.41**	**-**	**398.15**	**884.34**	**1,010.94**
Previous Year	1,253.55	22.13	-	1,275.68	136.46	128.28	-	264.74	1,010.94	1,117.09

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in million)

As at 31st March,	2014	2013
14. LONG TERM LOANS & ADVANCES		
(Unsecured, considered good)		
Capital advances	25.67	0.72
Security deposits	286.96	352.10
Others	20.93	23.72
	333.56	**376.54**

(₹ in million)

As at 31st March,			2014	2013
15. CURRENT INVESTMENTS				
(At cost)				
Number	Face value per unit	**All unquoted unless otherwise specified**		
		Non trade investments		
448	₹ 10	Voith Paper Fabrics India Limited - Equity shares-fully paid-up (quoted)	0.08	0.08
(448)	(₹ 10)			
530	₹ 10	Minerva Holding Limited - Equity shares-Fully paid-up (Refer note 15.2)	-	-
(530)	(₹ 10)			
132	₹ 100	Kashipur Holdings Limited - Equity shares-Fully paid-up (Refer note 15.2)	-	-
(132)	(₹ 100)			
		Investments in mutual fund		
0.043	₹ 1000	LIC Nomura MF liquid fund - growth plan	-	0.38
(177.527)	(₹ 1000)			
			0.08	**0.46**
		Aggregate NAV of current investments	-	0.38
		Aggregate amount of quoted investments:		
		- Cost	0.08	0.08
		- Market value	0.11	0.11

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

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

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

177.484 units (Previous Year: 1,01,98,994.28 units) of LIC nomura mutual fund-liquid fund-growth plan at cost of ₹ 0.41 million (Previous Year: ₹ 200 million).

(₹ in million)

As at 31st March,	2014	2013
16. INVENTORIES		
Raw materials [including in transit ₹ 218.47 million (Previous Year: ₹ 294.09 million)]	498.43	589.38
Work-in-progress	44.19	179.04
Finished goods	214.47	203.52
Traded goods	458.59	375.73
Stores & spares and others	43.87	45.81
Others - fuels & packing materials	48.59	34.46
	1,308.14	**1,427.94**
For method of valuation refer note 1 F.		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in million)

As at 31st March,	2014	2013
17. TRADE RECEIVABLES		
(Unsecured)		
Outstanding for period exceeding six months from the date they are due for payment:		
Considered good	108.05	13.75
Doubtful	7.55	0.63
	115.60	14.38
Less: Provision for doubtful receivables	7.55	0.63
	108.05	13.75
Other receivables:		
Considered good	1,247.00	1,592.45
	1,355.05	**1,606.20**

17.1 Trade receivables includes subsidy receivable ₹ 163 million (Previous Year: ₹ 443 million) (Refer note 1M).

(₹ in million)

As at 31st March,	2014	2013
18. CASH & BANK BALANCES		
Cash and cash equivalents		
Balances with banks		
- On current accounts	51.39	185.83
- On dividend account	0.24	0.24
Cash in hand	13.05	7.08
Others		
- Gift/Meal vouchers in hand	0.36	0.71
- Funds in transit	0.86	8.94
	65.90	202.80
Other bank balances		
Margin money with bank*	38.37	42.71
On deposit accounts**	120.42	120.04
	158.79	162.75
	224.69	**365.55**

* For bank guarantees in favour of government authorities.

** The fixed deposit for ₹ 120 million (Previous Year: ₹ 120 million) has been kept under lien of bank against the term loan availed in the year 2011-12 for ₹ 1200 million from a bank (Refer note 4.1).

(₹ in million)

As at 31st March,	2014	2013
19. SHORT TERM LOANS AND ADVANCES		
Deposits	107.00	1.50
Deposits/Balances with government authorities	155.04	137.41
Advance payment of income tax	104.68	98.74
Employee loans & advances	4.20	8.63
Advances recoverable in cash or in kind or for value to be received:		
- From related parties (Refer note 42)	0.97	-
- Others - Export incentives and others recoverable	146.33	154.94
	518.22	**401.22**

(₹ in million)

As at 31st March,	2014	2013
20. OTHER CURRENT ASSETS		
Others	2.33	4.99
	2.33	**4.99**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in million)

For the year ended 31st March,	2014	2013
21. REVENUE FROM OPERATIONS		
Sale of products	9,682.95	10,363.47
Sale of services	81.46	112.33
Other operating income	105.16	91.66
Revenue from operations (gross)	9,869.57	10,567.46
Less: Excise duty	569.23	459.50
Revenue from operations (net)	**9,300.34**	**10,107.96**

(₹ in million)

For the year ended 31st March,	2014	2013
22. OTHER INCOME		
Gain on sale of current investments	0.03	0.31
Other non-operating income	2.97	3.55
	3.00	**3.86**

(₹ in million)

For the year ended 31st March,	2014	2013
23. COST OF MATERIALS CONSUMED		
Raw & process materials consumed	3037.14	3716.73
	3,037.14	**3716.73**

(₹ in million)

For the year ended 31st March,	2014	2013
24. PURCHASE OF TRADED GOODS		
Purchase of traded goods	2955.23	3010.06
	2,955.23	**3010.06**

(₹ in million)

For the year ended 31st March,		2014	2013
25. CHANGES IN INVENTORIES OF WORK-IN-PROGRESS, FINISHED GOODS & TRADED GOODS			
Stock at commencement	- Work-in-progress	179.04	115.96
Stock at commencement	- Finished goods	203.52	204.94
Stock at commencement	- Traded goods	375.73	353.95
		758.29	674.85
Stock at close	- Work-in-progress	44.19	179.04
Stock at close	- Finished goods	214.47	203.52
Stock at close	- Traded goods	458.59	375.73
		717.25	758.29
Net Decrease/(Increase) in stocks		**41.04**	**(83.44)**

(₹ in million)

For the year ended 31st March,	2014	2013
26. OTHER MANUFACTURING EXPENSES		
Power and fuel	195.67	202.26
Stores, spares & packing materials consumed	466.08	447.59
Processing charges	-	0.07
Repairs to plant & machinery	63.97	70.08
Repairs to factory buildings	4.58	5.03
Excise duty (Refer note 32)	1.39	1.09
	731.69	**726.12**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in million)

For the year ended 31st March,	2014	2013
27. EMPLOYEE BENEFITS EXPENSE		
Salaries, wages, bonus, gratuity & allowances	892.00	739.78
Contribution to provident & superannuation funds	53.71	46.51
Staff welfare expenses	41.26	36.60
	986.97	**822.89**

(₹ in million)

For the year ended 31st March,	2014	2013
28. FINANCE COSTS		
Interest expense	268.44	263.34
Other borrowings cost	50.80	28.30
	319.24	291.64
Less: Interest income (on fixed and other deposits)	13.66	15.12
	305.58	**276.52**

(₹ in million)

For the year ended 31st March,		2014	2013
29. OTHER EXPENSES			
Rent (including lease rent equalisation charges) (Refer note 34)		496.63	639.74
Rates & taxes		19.14	25.63
Insurance		18.57	17.33
Advertisement, publicity & sales promotion		99.13	112.76
Travelling & other incidental expenses		89.42	90.43
Repair & maintenance - Others		202.46	177.57
Vehicle running & maintenance		2.93	3.71
Printing & stationery		10.89	10.94
Communication expenses		15.64	17.15
Staff recruitment & training		14.25	4.41
Auditors Remuneration	- As auditors	1.12	1.10
	- For limited review	0.34	0.31
	- For taxation matters	0.26	0.23
	- For certifications etc	0.95	1.15
	- Out of pocket expenses	0.47	0.56
Legal, professional and consultancy charges		80.09	78.01
Donations		8.00	8.39
Directors' sitting fees		0.71	0.52
Bank charges		53.58	56.97
Foreign exchange fluctuation loss (net of gain)		19.73	0.58
Freight & forwarding (including ocean freight)		312.81	325.36
Discounts, claims to customers and other selling expenses		83.37	70.20
Bad debts / Irrecoverable advances & receivables written off (net)		1.01	(2.43)
Commission on sales		34.63	33.39
Loss on sale/disposal of fixed assets		2.41	-
Miscellaneous expenses		3.12	4.37
		1,571.66	**1,678.38**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in million)

For the year ended 31st March,	2014	2013
30. EXCEPTIONAL ITEMS		
Lease rent equalisation reserve reversal (Refer note 34)	(1,291.50)	-
Fixed Assets written off (Refer note 34)	440.60	-
	(850.90)	-

31. Contingent liabilities & commitments (to the extent not provided for)

I) Claims against Group not acknowledged as debt:

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

i)

(₹ in million)

As at 31st March,	2014	2013
Central excise	46.31	25.84
Customs	7.12	6.45
Sales tax	13.36	14.57
Service Tax	4.92	-
Others	60.52	60.40

ii) In respect of Single Super Phosphate (SSP) the Trade Tax Assessing Officer, Gajraula, has assessed the Gypsum Content of SSP and held that the same is liable to trade tax, though, there is no tax on fertilizer for the period 1st April, 2002 to 31st December, 2007 and raised a demand of ₹ 34.45 million (Previous Year: ₹ 34.45 million). The same is being contested before Hon'ble Allahabad High Court by Jubilant Life Sciences Limited but any possible liability will flow to the Group in terms of the Scheme.

b) Outstanding guarantees furnished by banks on behalf of the Group/by the Group including in respect of letters of credit is ₹ 652.09 million (Previous Year: ₹ 498.80 million).

c) **Others:**

Liability in respect of bills discounted with banks is ₹ Nil (Previous Year: ₹ 110.83 million).

II) Commitments

a) Capital Commitments

Estimated amount of contracts remaining to be executed on capital account (net of advances) ₹ 55.55 million (Previous Year: ₹ 73.40 million) [Advances ₹ 25.67 million (Previous Year: ₹ 0.72 million)].

b) Other Commitments:

i) Export obligation under Advance License Scheme on duty free import of raw materials, remaining outstanding ₹ 86.02 million (Previous Year: ₹ Nil)

ii) For lease commitment refer note 34.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

33. Employee Stock Option Scheme

In terms of approval of members accorded and in accordance with SEBI (ESOP & ESPS) Guidelines, 1999, the 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.

The movement in the stock option under the "Scheme 2013" during the year is set out below:

Particulars	2013-14		2012-13	
	Number of Options	Weighted Average Exercise Price (₹)	Number of Options	Weighted Average Exercise Price (₹)
Options outstanding at the beginning of the year	-	-	-	-
Granted during the year	141,712	101.83	-	-
Expired/Lapsed during the year	7,774	108.10	-	-
Options forfeited during the year	-	-	-	-
Options exercised during the year	-	-	-	-
Options outstanding at the end of the year	133,938	101.46	-	-

The Company has opted for intrinsic value method of accounting for Employee Stock Options. As market price of the options is equal to the exercise price on the date of grant, intrinsic value is ₹ Nil. Hence, there is no cost charged to Consolidated Statement of Profit and Loss on account of options granted to employees under the Employee Stock Option Scheme of the Company.

34. Disclosures of leasing arrangements

I) Operating lease:

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

In case of hyper markets, the Group has operating lease for its office premises, warehouses and hyper markets for a period of 4 to 29 years. Lease agreements for hyper markets are locked-in for a period of 1 to 5 years and subsequently the lease can be maintained only at the option of the lessee. There is escalation clause in the lease agreements. The Group has entered into sub-lease arrangements for certain portion of its premises.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Operating lease payments are recognized as an expense in the Consolidated Statement of Profit and Loss on a straight-line basis over the lease term. Excess of lease rent expenses paid over the equalized lease rent payable to the lessor as per the terms of contract amounting to ₹ (1281.50) million for the year (Previous Year: ₹ 150.53 million) and till 31st March, 2014, ₹ 10.02 million (Previous Year: ₹ 1291.50 million) is credited to lease rent equalization charges and is classified under other long term liabilities.

The schedule of minimum lease rental in respect of the cancellable operating leases is set out as under:

(₹ in million)

As at 31st March,	2014	2013
Not later than one year	331.68	442.02
Later than one year but not later than five years	1813.04	1944.30
Later than five years	5468.20	8389.63

b) During the year, the Group has entered into new lease agreements/arrangements for Hyper Market Stores for its retail segment. Consequence to this Lease Rent Equalisation Reserve (LRER) amounting to ₹ 1291.50 million has been reversed and shown under exceptional items and associated Leased hold improvements and other fixed assets amounting to ₹ 440.60 million have been written off and shown under exceptional items.

II) Assets acquired under finance lease:

The Group has taken vehicles under finance lease. Future minimum lease payments and their present values under finance leases as at 31st March, 2014 are as follows:

(₹ in million)

Particulars	Minimum lease payments	Present value of minimum lease payments	Future interest
Not later than one year	3.11	2.43	0.68
	(2.14)	(1.61)	(0.53)
Later than one year but not later than five years	4.62	3.92	0.70
	(3.84)	(3.20)	(0.64)
Later than five years	-	-	-
	(-)	(-)	(-)

a) Previous year figures are given in parenthesis.

b) There is no element of contingent rent or sub lease payments. 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.

35. In line with the applicable accounting standards, during the year, interest amounting to ₹ 27.89 million (Previous Year: ₹ 6.50 million) and preoperative expenses including trial run expenses (net) for projects and/or substantial expansions amount to ₹ 2.77 million (Previous Year: ₹ 7.49 million) have been capitalised/pending capitalisation up to the date of commercial production/stabilisation of the project. Preoperative expenses include salary of ₹ 1.43 million (Previous Year: ₹ 1.31 million) and ancillary Cost in connection with the arrangement of borrowings of ₹ 1.34 million (Previous Year: ₹ 6.18 million). The said expenditure (net of trial run receipts), so capitalised are accumulated as capital work-in-progress and have been allocated to respective fixed assets to the extent fixed assets were put to use and balance is appearing in capital work-in-progress.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

36. During the year, Department of Fertilizers, Ministry of Chemicals and Fertilizers of Government of India, has issued an Office Memorandum dated 26th June, 2013 prescribing reference MRP for calculating net MRP under Nutrient-Based Subsidy (NBS) Policy applicable for 2013-14, thereby reducing the effective subsidy amount. The Group has represented against the said Office Memorandum through Fertilizer Association of India (FAI). Further, FAI has filed a Writ Petition in the Hon'ble Delhi High Court on this matter alongwith an application for interim stay of the impugned Office Memorandum. Pending disposal of the said Writ Petition, estimated financial impact of the said Office Memorandum amounting to ₹ 22.06 million on sales and profit of the Group, has not been taken in these financial statements.

37. Current tax includes ₹ 1.07 million (Previous Year: ₹ Nil) related to previous years.

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

Movement in provisions

(₹ in million)

Particulars of disclosure		Excise duty	Provisions for doubtful receivable
1	Balance as at 1st April, 2013	9.53	0.63
		(16.57)	(-)
2	Additional provision during 2013-14	11.17	6.92
		(9.53)	(0.63)
3	Provision used during 2013-14	9.53	-
		(16.57)	(-)
4	Balance as at 31st March, 2014	11.17	7.55
		(9.53)	(0.63)

a. Previous year figures are given in parenthesis.

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

39. Derivatives

a) The Group uses foreign currency forward contracts to hedge its risks associated with foreign currency exposures relating to the underlying transactions and firm commitments. The Group does not enter into any derivative instruments for trading and speculative purposes.

The followings are the outstanding forward exchange contracts entered into by the Group:

As at 31st March,	Buy/Sell	Amount (foreign currency in million)			
		2014		2013	
USD/INR	Bought	-	-	USD	12.59
EURO/INR	Bought	-	-	EURO	0.81

b) Foreign currency exposures not hedged by derivative instrument:

As at 31st March,	Amount (foreign currency in million)			
	2014		2013	
Amount receivable on account of sale of goods & services	USD	4.09	USD	0.09
	EURO	0.71	EURO	-
Amount payable on account of purchase of goods & services	USD	12.35	USD	5.98
	EURO	0.11	EURO	0.21

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

40. Employee benefits in respect of parent company including its subsidiary have been calculated as under:

(A) Defined contribution plans

a) Provident fund*

b) Superannuation fund

During the year the Group has contributed following amounts to:

(₹ in million)

For the year ended 31st March,	2014	2013
Employer’s contribution to provident fund	10.70	8.02
Employer’s contribution to employee pension scheme, 1995	12.68	11.71
Employer’s contribution to superannuation fund	3.29	2.74

* For certain employees where provident fund is deposited with Government Authorities e.g. Regional Provident Fund Commissioner.

c) State plans

During the year the Group has contributed following amounts to:

(₹ in million)

For the year ended 31st March,	2014	2013
Employer’s contribution to employee state insurance	5.67	6.09

(B) Defined benefit plans

a) Compensated absences and gratuity

In accordance with Accounting Standard 15, an actuarial valuation has been carried out in respect of gratuity and compensated absences. The discount rate assumed is 8% which is determined by reference to market yield at the Balance Sheet date on Government bonds. The retirement age has been considered at 58 to 60 years and mortality table is as per IALM (1994-96).

The estimates of future salary increases, considered in actuarial valuation 5% take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

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

(₹ in million)

	Gratuity*		Leave encashment	
	2014	2013	2014	2013
Present value of obligation at the beginning of the year	61.15	58.66	33.27	36.86
Current service cost	9.11	7.62	10.50	7.89
Interest cost	4.89	4.68	2.67	2.95
Actuarial (gain)/loss	4.08	(6.33)	1.05	(8.72)
Benefits paid	(8.64)	(3.48)	(8.60)	(5.71)
Present value of obligation at the end of the year	70.59	61.15	38.89	33.27

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

(₹ in million)

	Gratuity*		Leave encashment	
	2014	2013	2014	2013
Present value of obligation at the end of the year	70.59	61.15	38.89	33.27
Fair value of plan assets at end of the year	-	-	-	-
Assets/(Liabilities) recognized in the Consolidated Balance Sheet	(70.59)	(61.15)	(38.89)	(33.27)

Cost recognized for the year (included under salaries, wages, bonus, gratuity & allowances):

(₹ in million)

	Gratuity*		Leave encashment	
	2014	2013	2014	2013
Current service cost	9.11	7.62	10.50	7.89
Interest cost	4.89	4.68	2.67	2.95
Actuarial (gain)/loss	4.08	(6.33)	1.05	(8.72)
Net cost recognized during the year	18.08	5.97	14.22	2.12

*Excluding for certain employees of Sahibabad unit.

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

(₹ in million)

	Gratuity	
	2014	2013
Present value of obligation at the beginning of the year	5.01	4.71
Current service cost	0.40	0.37
Interest cost	0.40	0.38
Actuarial (gain)/loss	0.32	(0.45)
Benefits paid	(0.18)	-
Present value of obligation at the end of the year	5.95	5.01

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

(₹ in million)

	Gratuity	
	2014	2013
Present value of obligation at the end of the year	5.95	5.01
Fair value of plan assets at end of the year	6.43	5.68
Funded status excess of actual over estimated	0.02	-
Assets/(Liabilities) recognized in the Consolidated Balance Sheet	0.48	0.67

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Cost recognized for the year (included under salaries, wages, bonus, gratuity & allowances): (funded with Life Insurance Corporation of India)**

(₹ in million)

	Gratuity	
	2014	2013
Current service cost	0.40	0.37
Interest cost	0.40	0.38
Actuarial (gain)/Loss	0.30	(0.45)
Expected return on plan assets	(0.52)	(0.48)
Net cost recognized during the year	0.58	(0.18)

** In respect of certain employees of Sahibabad unit.

Experience adjustment:

(₹ in million)

	Gratuity		Leave encashment	
	2014	2013	2014	2013
Defined benefit obligation	76.54	66.16	38.89	33.27
Plan assets	6.43	5.68	-	-
Surplus/(Deficit)	(70.11)	(60.48)	(38.89)	(33.27)
Experience adjustment of plan liabilities-(loss)/gain	(4.44)	6.82	(1.08)	8.74
Experience adjustment of plant assets-(loss)/gain	0.03	(0.01)	-	-

b) Provident fund

The Guidance on implementation of AS 15, Employee Benefits (Revised 2005) issued by Accounting Standard Board (ASB) states that benefits involving provident funds, which require interest shortfall to be compensated, are to be considered as defined benefit plans. The actuary has worked out a liability of ₹ Nil (Previous Year: ₹ 9.67 million) likely to arise towards interest guarantee. The Trust is managing common corpus of some of the group companies. The total liability of ₹ Nil (Previous Year: ₹ 9.67 million) as worked out by the actuary has been allocated to each entity based on the corpus value of each entity as on 31st March 2014. Accordingly, liability of ₹ Nil (Previous Year: ₹ 1.26 million has been allocated to the Group and ₹ (0.37) million (Previous Year: ₹ 0.37 million) has been charged to Consolidated Statement of Profit and Loss during the year. The Group has contributed ₹ 18.71 million (Previous Year: ₹ 15.74 million) to provident fund for the year.

(C) Other long term benefits

(₹ in million)

	2014	2013
Present value of obligation at the end of the year	3.64	3.15

41. Segment Reporting

I) Based on the guiding principles given in Accounting Standard 17 (AS 17) on “Segment Reporting”, the Group’s primary business segments were organized around customers on industry and products lines as under:

a. **Performance Polymer:** Adhesives & Wood Finishes, Food Polymer (Solid PVA) and VP Latex and SBR Latex;

b. **Agri Products:** Single Super Phosphate, Sulphuric Acid and Agro Chemicals for Crop Products ;

c. **Retail:** This segment is engaged in running and maintaining hypermarket cum malls.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

II) In respect of secondary segment information, the Group has identified its geographical segments as:

a. With in India, and

b. Outside India.

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

(₹ in million)

For the year ended/ As at 31st March,		Performance Polymers		Agri Products		Retail		Total	
		2014	2013	2014	2013	2014	2013	2014	2013
1)	**Revenue**	4,307.17	4,129.57	1,957.23	2,783.42	3,605.17	3,654.47	9,869.57	10,567.46
	Less: Excise duty on sales	540.69	434.37	28.54	25.13	-	-	569.23	459.50
	Net revenue	**3,766.48**	**3,695.20**	**1,928.69**	**2,758.29**	**3,605.17**	**3,654.47**	**9,300.34**	**10,107.96**
2)	**Segments result**	486.28	532.16	(73.38)	263.15	(602.93)	(740.29)	(190.03)	55.02
	Less:								
	Exceptional items (Related to Retail Business)	-	-	-	-	(850.90)	-	(850.90)	-
	Interest (net)							305.51	276.52
	Other Un-allocable expenditure (net of un-allocable income)*							146.83	128.48
	Total profit/(loss) before tax	**486.28**	**532.16**	**(73.38)**	**263.15**	**247.97**	**(740.29)**	**208.53**	**(349.98)**
3)	**Capital employed**								
	(segment assets-segment liabilities)								
	Segment assets	1,987.55	1,786.60	1,658.94	2,256.86	2,834.24	3,303.40	6,480.73	7,346.86
	Add: Common assets							237.19	290.87
	Total assets	**1,987.55**	**1,786.60**	**1,658.94**	**2,256.86**	**2,834.24**	**3,303.40**	**6,717.92**	**7,637.73**
	Segment liabilities	1,224.35	799.68	551.62	1,124.48	762.94	1,834.70	2,538.91	3,758.86
	Add: Common liabilities							91.14	151.39
	Total liabilities	**1,224.35**	**799.68**	**551.62**	**1,124.48**	**762.94**	**1,834.70**	**2,630.05**	**3,910.25**
	Segments capital employed	763.20	986.92	1,107.32	1,132.38	2,071.30	1,468.70	3,941.82	3,588.00
	Add: Common capital employed							146.05	139.48
	Total capital employed	**763.20**	**986.92**	**1,107.32**	**1,132.38**	**2,071.30**	**1,468.70**	**4,087.87**	**3,727.48**
4)	**Segment Capital expenditure**	38.27	38.62	132.57	349.59	85.86	128.33	256.70	516.54
	Add: Common capital expenditure							24.27	39.16
	Total Capital expenditure	**38.27**	**38.62**	**132.57**	**349.59**	**85.86**	**128.33**	**280.97**	**555.70**
5)	**Depreciation & amortization**	33.86	29.95	22.25	13.80	252.18	265.09	308.29	308.84
	Add: Common depreciation							8.11	5.70
	Total depreciation & amortization	**33.86**	**29.95**	**22.25**	**13.80**	**252.18**	**265.09**	**316.40**	**314.54**

* Including a sum of ₹ 1.55 million realised during the previous year out of certain assets pertaining to Closed APD business.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

IV) Secondary segments (geographical segments):

(₹ in million)

For the year ended/As at 31st March,		2014	2013
a)	**Revenue by geographical location of customers (net of excise duty)**		
	Within India	8,003.15	8,820.01
	Outside India	1,297.19	1,287.95
	Total	**9,300.34**	**10,107.96**
b)	**Carrying amount of segment assets**		
	Within India	6,717.92	7,637.73
	Outside India	-	-
	Total	**6,717.92**	**7,637.73**
c)	**Capital expenditure**		
	Within India	280.97	555.70
	Outside India	-	-
	Total	**280.97**	**555.70**
d)	**Sales revenue by geographical market**		
	India	8,003.15	8,820.01
	Americas & Europe	961.26	856.62
	China	154.39	146.97
	Asia & Others	181.54	284.36
	Total	**9,300.34**	**10,107.96**

1) The Group has disclosed business segments as the primary segments.

2) Segments have been identified and reported taking into account the nature of products and services, the differing risk and returns, the organization structure and the internal financial reporting systems.

3) The Segment revenues, results, assets and liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.

42. Related party disclosures

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

a) **Key Management Personnel:** Mr. Videh Kumar Jaipuriar (Managing Director of the Company and Whole Time Director of Jubilant Agri and Consumer Products Limited), Mr. Raman Mangalorkar (Whole Time Director of Jubilant Agri and Consumer Products Limited).

b) **Enterprise over which directors and major shareholders of the Group have substantial influence:** Jubilant Life Sciences Limited, Jubilant Life Sciences (USA) Inc. USA., Jubilant Enpro Private Limited, Enpro Oil Private Limited.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2) Details of related party transactions during the year:

(₹ in million)

Particulars	Key Management person	Enterprise over which Directors and Major Shareholders of the Group have substantial influence	Others
i) Purchase of goods, utilities & services (b)		239.35	
		(454.98)	
ii) Sale of goods, utilities & services (c)		662.13	
		(556.10)	
iii) Payment of rent to (d)		37.58	
		(41.02)	
iv) Contribution towards provident fund (e)			42.48
			(36.41)
v) Contribution towards superannuation fund (f)			3.29
			(2.74)
vi) Remuneration and related expenses	39.09		
	(13.39)		
vii) Donation (g)			3.45
			(5.33)
viii) Repayment of inter-corporate loans including interest (h)		-	
		(275.62)	
Balance as at 31st March, 2014			
ix) Current account debit/credit (-) balance (i)		-13.25	
		(-81.07)	
x) Outstanding payables (j)		37.19	
		(47.05)	
xi) Outstanding receivables (k)		181.39	
		(200.15)	

a) Previous year figures are given in parenthesis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Details of related party transactions individually:

(₹ in million)

	For the Year Ended/As at 31st March,	2014	2013
b)	**Purchase of goods, utilities & services:**		
	Enterprise over which directors and major shareholders of the Group have substantial influence:-		
	Jubilant Life Sciences Limited	239.35	454.98
c)	**Sale of goods, utilities & services:**		
	Enterprise over which directors and major shareholders of the Group have substantial influence:-		
	Jubilant Life Sciences (USA) Inc. USA	541.97	461.23
	Jubilant Life Sciences Limited	120.16	94.87
d)	**Payment of rent to:**		
	Enterprise over which directors and major shareholders of the Group have substantial influence:-		
	Jubilant Life Sciences Limited	37.58	41.02
e)	**Contribution towards provident fund:**		
	Others:-		
	VAM Employees Provident Fund Trust	42.48	36.41
f)	**Contribution towards superannuation fund:**		
	Others:-		
	Pace Marketing Specialities Limited Officer's Superannuation Scheme Trust	3.29	2.74
g)	**Donation:**		
	Others:-		
	Jubilant Bhartia Foundation	3.45	5.33
h)	**Repayment of inter-corporate loans including interest:**		
	Enterprise over which directors and major shareholders of the Group have substantial influence:-		
	Jubilant Enpro Private Limited (including interest)	-	207.56
	Enpro Oil Private Limited (interest free)	-	68.06
i)	**Current account debit/(credit) balances:**		
	Enterprise over which directors and major shareholders of the Group have substantial influence:-		
	Jubilant Life Sciences Limited - Receivable	0.97	-
	Jubilant Life Sciences Limited - (Payable)	(14.22)	(81.07)
j)	**Outstanding payables:**		
	Enterprise over which directors and major shareholders of the Group have substantial influence:-		
	Jubilant Life Sciences Limited	37.19	47.05
k)	**Outstanding receivables:**		
	Enterprise over which directors and major shareholders of the Group have substantial influence:-		
	Jubilant Life Sciences Limited	9.67	21.29
	Jubilant Life Sciences (USA) Inc. USA	171.72	178.86

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

43. Earnings per share (EPS)

(₹ in million)

For the year ended 31st March,			2014	2013
I	**Profit computation for basic & diluted earnings per share of ₹ 10/- each**			
	Net profit/(loss) as per Consolidated Statement of Profit & Loss available for equity shareholders	₹ in million	249.09	(350.27)
II	**Weighted average number of equity shares for earnings per share computation**			
	(A) For basic earnings per share	Nos.	11849404	11849404
	(B) For diluted earnings per share:			
	Nos. of share for basic EPS as per II (A)	Nos.	11849404	11849404
	Add: Weighted average outstanding options related to employee stock options	Nos.	130	-
	Nos. of share for diluted earnings per share	Nos.	11849534	11849404
III	**Earnings per share (weighted average)**			
	Basic	₹	21.02	(29.56)
	Diluted	₹	21.02	(29.56)

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

Signatures to Notes "1" to "44" forming part of the Consolidated Balance Sheet and Consolidated Statement of Profit and Loss.

In terms of our report of even date attached.

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

For and on behalf of the Board

B.R. Goyal
Partner
Membership No. 12172

Hari S. Bhartia
Chairman

Place : Noida
Date : 28th May, 2014

Deepak Gupta
Company Secretary

Sandeep Kumar Shaw
Chief Financial Officer

Videh Kumar Jaipuriar
Managing Director

DETAILS OF SUBSIDIARY COMPANY (2013-14)

(₹ in million)

		Jubilant Agri and Consumer Products Limited
a)	Capital	26.74
b)	Reserve & Surplus	1687.15
c)	Total Assets (Non-current Assets + Current Assets)	6530.30
d)	Total Liabilities (Non-current Liabilities + Current Liabilities)	4816.49
e)	Details of Investments (except in case of investment in subsidiaries)	0.08
f)	Turnover (including Other Income)	9029.13
g)	Profit/(Loss) before Taxation	216.30
h)	Provision for Taxation	(42.04)
i)	Profit/(Loss) after Taxation	258.34
j)	Dividend	-

i) As resolved by the Board of Directors vide their resolution dated 28th May, 2014, and in conformity with general circular no. 2/2011 dated 8th February, 2011 issued by Ministry of Corporate Affairs, the Balance Sheet, Statement of Profit and Loss, Directors' Report and Auditors' Report of the Jubilant Agri and Consumer Products Limited, the subsidiary company and other documents required to be attached as per Section 212(1) of the Companies Act, 1956 are not being attached to the accounts of the Company.

ii) The annual accounts of the subsidiary will also be kept open for inspection by an investor in the Company's Head Office and that of the subsidiary concerned.

NOTES

NOTES

CORPORATE INFORMATION

Registered Office
Bhartiagram, Gajraula - 244 223
District - Amroha
Uttar Pradesh, India
Tel.: +91-5924-252351-60
Email: investorsjil@jubl.com
Website: www.jubilantindustries.com

Corporate Identity Number (CIN)
L24100UP2007PLC032909

Corporate Office
1A, Sector 16A,
Noida - 201 301
Uttar Pradesh, India

Statutory Auditors
K.N. Gutgutia & Co.
11K, Gopala Tower,
25, Rajendra Place,
New Delhi - 110 008, India

Internal Auditors
Ernst & Young LLP
Golf View Tower B,
Sector Road, Sector 42,
Gurgaon - 122 022,
Haryana, India

Company Secretary
Deepak Gupta

Registrar and Share Transfer Agent
Alankit Assignments Limited
Anarkali Complex,
205-208, Jhandewalan Extension,
New Delhi - 110 055, India
Tel.: +91-11-23541234, 42541234
Email: rta@alankit.com

Bankers
Axis Bank Limited
Corporation Bank
IDBI Bank Limited
Yes Bank Limited
The Ratanakar Bank Limited

Jubilant Industries Limited

Registered Office: Bhartiagram, Gajraula, District - Amroha - 244223, Uttar Pradesh, India
Corporate Office : Plot No. 1A, Sector 16A, Noida - 201301, Uttar Pradesh, India
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