ANNUAL REPORT

2015-2016

AGRICULTURE • CONSUMER PRODUCTS • FOOD POLYMERS • VP LATEX

JUBILANT INDUSTRIES LIMITED

Corporate Information

REGISTERED OFFICE
Bhartiagram, Gajraula
Distt. Amroha - 244 223
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 42, Sector Road,
Gurgaon - 122 022,
Haryana, India

COMPANY SECRETARY
Dinesh Kumar Gupta

REGISTRAR AND SHARE TRANSFER AGENT
Alankit Assignments Limited
Alankit Heights,
1E/13, 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

Contents

Company Introduction

Jubilant Industries Ltd. (JIL) is a well-diversified Public Listed Company, which along with its subsidiary Jubilant Agri and Consumer Products Limited (JACPL), operates into sectors like Performance Polymers; Consumer Products; Fertilizers; and Agrochemicals. We are one of the leading manufacturers of Single Super Phosphate (SSP), Poly Vinyl Acetate (PVAc), Vinyl Pyridine (VP) Latex and Wood Adhesives in the country. The equity shares of the Company are listed on the National Stock Exchange of India Limited and BSE Limited

The Company has a broad product portfolio, covering large range of products for both B2B and B2C customers.

BUSINESS SEGMENTS

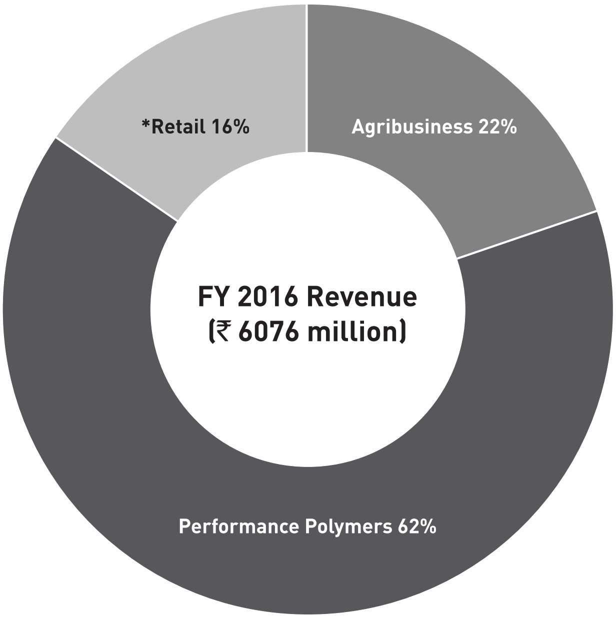
The Company operates in two business segments:

Agribusiness: The Company is among the top domestic players in Single Super Phosphate. With a strong brand 'Ramban', we are the leading SSP supplier in Uttar Pradesh.

Performance Polymers: The business under performance polymer segment includes Consumer Products like Wood Adhesives and Wood Finishes; and Specialty polymers like VP Latex, and Food Polymers and an IMFL bottling plant at Nira.

MANUFACTURING FACILITIES

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



*The Company has divested its Retail business to Aditya Birla Group.

Board of Directors

Mr. Hari S. Bhartia
Chairman

Mr. Priyavrat Bhartia
Director

Mr. Shamit Bhartia
Director

Mr. Ghanshyam Dass
Director

Mr. R. Bupathy
Director

Mr. S. K. Roongta
Director

Ms. Shivpriya Nanda
Director

Mr. Videh Kumar Jaipuriar
Managing Director

Chairman's Message

Your Company is in a great position to take advantage of all the positive economic environmental factors. Last year, we have gone through a big restructuring exercise and focussed our energy on the core businesses.

Dear Shareholders,

It gives me immense pleasure to write to you at the end of an exciting year – a year full of opportunities and growth for chemical industry.

The macroeconomic environment during FY 2016 was stable with a positive sign of revival of growth. Lower crude prices and depressed commodity prices have helped the government to keep deficit under control. However, monsoon deficit for the second year in a row has not helped in controlling inflation. Government has also not been able to get GST bill passed which will have big impact on most of the domestic businesses.

Another positive sign for your Company is government's commitment to give a boost to agriculture sector through higher budgetary allocation for agriculture and irrigation. Also, government's investment in infrastructure sector and 'Skill India' initiative will help the industry as a whole.

Your Company is in a great position to take advantage of all these positive environmental factors. Last year, we have gone through a big restructuring exercise and focussed our energy on the core businesses. We took some hard decisions which are paying off now.

Agribusiness

Agri-business has been going through a negative business cycle for the last three years due to irregular and deficient monsoon. In such a market, we decided to focus on our core market of Uttar Pradesh to improve our profitability and optimize ROCE in this business.

With some tough measures taken by the management, your Company's performance at PBT level in second half of the year improved remarkably.

Fuelling Growth

Our strategy to focus on Performance Polymer business has yielded desired result. In the second half of the year, for Performance Polymer, revenue growth is subdued due to a pricing structure which is a pass through for key raw materials in B2B businesses (they are lower this year due to lower crude prices). However, there is a growth in EBITDA during the same period. It is led by volume growth in various businesses in the segment.

Financial Highlights

The Consolidated Revenue of the Company dropped by 29%, to reach ` 6,076 million in FY 2016, as compared to ` 8,582 million in FY 2015. Earnings before interest, taxes, depreciation and amortisation (EBITDA) stands at ` 304 million in FY 2016. The drop in revenue is mainly on account of spin-off of Retail business and reduced volume in Agribusiness.

Agribusiness generated revenue of ` 1,327 million, with a drop of 22% YoY. Performance Polymer segment witnessed an increase of 6% in revenues to ` 3,763 million. Retail segment recorded consolidated revenue of ` 986 million during FY 2016.

After accounting for depreciation and amortisation of ` 176 million, the Company's PBIT stands at ` 128 million. After accounting for financial charges of ` 382 million, and exceptional items of ` 753 million, PBT stands at ` (1007) million and Profit after Tax at ` (95) million.

FY 2017 Outlook

We are confidant of a better performance from all our businesses in FY 2017.

Fertiliser industry is expected to do better due to better monsoon. Revival in construction industry is expected to generate better results for our consumer products business and we expect commercial production of Ester Gum to start in second quarter.

Commercial vehicle industry has already started showing positive growth. Global chewing gum industry is also expected to grow at better pace as compared to last few years.

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

Best Wishes

Hari S Bhartia
Chairman
Date: 23rd May 2016

Awards & Accolades

Greentech Safety Award 2015 - GOLD AWARD

JACPL Gajraula plant has received the Gold Award of Greentech Safety Award 2015 in Chemical Sector for outstanding achievement in Safety Management system for the year 2015. Gajraula plant has been awarded for the consecutive fifth year.

Greentech Environmental Award 2015 - GOLD AWARD

JACPL Gajraula plant has received the Gold Award of Greentech Environmental Award 2015 in Chemical Sector for outstanding achievement in Environmental Management system for the year 2015. Gajraula plant has been awarded for the consecutive second year.

JACPL Consumer Products Division (CPD) Jivanjor Achiever's Club has won the Award for the "Best Use of Technology in a Loyalty program" in the AIMIA - 9th Loyalty Awards at Mumbai.

JACPL Gajraula plant has been declared a Winner of India's Prestigious Asia Pacific HRM Congress Awards 2015 for "Best in Corporate Social Responsibility Practices"

Management Discussion and Analysis

Indian economy continues to maintain its status of one of the fastest growing economies. International Monetary Fund (IMF) has welcomed India's recent measures aimed at increasing public infrastructure spending, rationalizing subsidies, and creating more flexible labor and product markets.

Indian economy continues to maintain its status of one of the fastest growing economies. International Monetary Fund (IMF) has welcomed India's recent measures aimed at increasing public infrastructure spending, rationalizing subsidies, and creating more flexible labor and product markets.

India is an important player in the global trade of chemicals, fertilizers, plastics and allied products. The chemical industry has seen an increasing shift towards Asia, where Indian chemical industry stands out to be the third largest producer and 12th in the world in terms of volume.

Jubilant Industries persistent focus on expanding business in newer horizon's resulted in addition of new customers and new geographies. We remained on course to deliver the financial targets we had set for FY 2016.

Industry Scenario

We cater to diverse sectors ranging from fertilizer; food; tyre; and wood etc. Our performance is not only an indicator of the strategies we have adopted but it also depends upon the behavior of different sectors to whom we cater.

Indian P&K fertilizer industry has witnessed strong growth in volume sales in FY 2016, particularly during last couple of months of FY 2016. This is on account of lower prices of DAP; expectations of good monsoon and expectations of subsidy reduction by govt. Imports of DAP increased substantially and domestic production also improved during the year. All hopes are on good monsoon this season. If the monsoon remains good, as predicted by various agencies, then the fertilizer inventory in the channel is likely to be consumed early, which will provide way for fresh stock.

Indian Adhesive industry's volume growth remained lackluster during the first half of FY 2016, however we have been successfully able to grow at a pace better than the industry growth. Reduction in VAM prices have provided relief to adhesive manufacturers and their margins improved over previous year.

Indian Tyre Industry is struggling from cheap imports from China. As per Automotive Tyre Manufacturers Association (ATMA), imports of truck and bus radials into India increased substantially during FY 2016. A large part of these tyre imports coming into India are from China. Our Latex business did well in domestic markets, however there was pressure on exports business, mainly due to price difference of Butadiene in Asia and Europe.

We have added some new customers in our Food Polymer business both in food as well as industrial applications.

We cater to diverse sectors ranging from fertilizer; food; tyre; and wood etc. Our performance is not only an indicator of the strategies we have adopted but it also depends upon the behavior of different sectors to whom we cater.

Financials

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

Consolidated Profit & Loss	FY 2016 (` in millions)	FY 2015 (` in millions)
Revenue from Operations	6,076	8,582
Other Income	17	22
Total Revenue	**6,093**	**8,604**
Total Expenditure	**5,789**	**8,860**
Cost of Materials Consumed	2,425	3,072
Purchase of Stock-in-trade	775	2,587
Change in Inventories of Finished Goods, Work-in-progress & Stock-in trade	195	(18)
Employee Expense	838	1,005
Other Expenses	1,556	2,214
EBITDA	**304**	**(256)**
Depreciation & Amortisation Expenses	176	307
Finance Cost	382	383
Exceptional Items	753	234
Tax Expenses	(912)	(2)
Net Profit After Tax	**(95)**	**(1,178)**

Revenue: The Consolidated Revenue from Operations during FY 2016 stands at ` 6,076 million against ` 8,582 million in FY 2015, reflecting a drop of around 29%. The drop in revenue is mainly on account of sale of Retail business; reduced prices of Butadiene and VAM; and reduced volumes in Agribusinesses.

Total Expenditure: Total Expenditure stands at ` 5,789 million in FY 2016 as against ` 8,860 million in FY 2015. Major expense heads for the Company include Raw Material costs, Manufacturing costs, Employee benefits expenses and Selling General & Administrative expenses.

EBITDA: In FY 2016, the Company's EBITDA stood at ` 304 million, compared to ` (256) million in FY 2015. **PAT:** After accounting for depreciation and amortisation of ` 176 million, the Company's PBIT stands at ` 128 million. After accounting for financial charges of ` 382 million, and exceptional items of ` 753 million, PBT stands at ` (1,007) million. Profit after Tax of Company stands at ` (95) million.

Business Segments

Business segment wise consolidated net sales

Composition of Sales (` in millions)	FY 2016	FY 2015
Agribusiness	1,327	1,698
Performance Polymer	3,763	3,537
Retail	986	3,347
Total	**6,076**	**8,582**

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 the manufacturing of SSP, Organic Manure Granules, Sulphuric Acid and trading of agrochemical products.

Industry Overview – Fertilizer is a key component in the growth of India's agriculture sector, which accounts for about a seventh of the country's GDP.

The fertilizer industry is one of the vital industries for the country as it manufactures a critical supplement for the agriculture sector for meeting the food grain requirements of the growing population of the country. The industry not only helps India to become self-reliant in food grain production but also contributes significantly to enhance employment in the country.

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

- The Urea fertilizer accounts for over 50 percent of the total fertilizer consumption. This is regulated by the government as the price and the subsidy are fixed by the government.
- While, the Non-Urea segment consists of Di Ammonium Phosphate (DAP), Single Super Phosphate (SSP), NPK and Muriate of Potash (MOP) fertilizers. This functions under a fixed subsidy and variable pricing freedom being granted by the government since April 2011.

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

In India, SSP contributes around 15-20% to the total Phosphate fertiliser usage, while in countries like Egypt, New Zealand, Brazil, Australia etc; the average contribution of SSP to the total Phosphate fertilisers is much higher.

FY 2016 was an average year for overall fertilizer industry. Although there was an increase in demand of Phosphatic fertilizers, however volumes remained lower than an all-time high levels achieved during FY 2011.

- High channel inventory and delay in subsidy disbursement had a negative impact on working capital cycle of fertilizer companies.

Business Performance – FY 2016 was a good year in-terms of improvement in business efficiencies. We focussed on our strategy to sell near our plant, so as to minimize the freight cost and other sales and distribution expenses. We are the market leaders in U.P, with a strong brand name *'Ramban'*, and we have been able to successfully implement our strategy to focus on U.P and nearby areas.

Business Strategy – In SSP, focus will be on increasing market share in nearby markets, thereby optimizing cost for better realization. Jubilant is focused on increasing in-house production of organic fertilizers, *Shaktizyme* and *Nutravita*. The focus will also remain on

Our Adhesive brand *'Jivanjor'* and Wood Finishes brand *'Charmwood'* has strong market presence and is known for their product quality among the influencers and consumers.

agrochemical product VAM-C, a plant growth regulator, which gives promising results in crops like Soybean.

Performance Polymers

Consumer Products

Business Profile – The Consumer Products business is focused on providing customers with a complete range of Wood Working Adhesives and Wood Finishes. Our Adhesive brand *'Jivanjor'* and Wood Finishes brand *'Charmwood'* has strong market presence and is known for its product quality among the influencers and consumers.

- *'Jivanjor'* Adhesives are very popular in the wood-working industry. The Company's water based adhesives are ready to use adhesives which set rapidly at room temperature & offer superior bond strength that enhances the durability of furniture and fixtures. The Company also offers contact adhesives, which are Synthetic Rubber based adhesives for exceptional fast drying and for vertical lamination.
- Our Wood Finishes brand *'Charmwood'* offers complete wood finishing system, stains and ancillaries for decoration & protection of wooden furniture. The wood finishing system includes Melamine finish (including Non Yellowing finish), Nitrocellulose finish & PU Alkyd finish. These systems offer exceptional fast drying properties, tough coatings and superior resistance. We also offer a wide range of stains that can be mixed to generate unique colours to meet different consumer needs. The range also includes ancillaries like sealers & thinners, required for the purpose of successful application.

With a nationwide network, both our brands *'Jivanjor'* and *'Charmwood'* are major players in their respective segments. We have a pan India presence with a strong distribution network of dealers and distributors. In FY 2016, the Company has been successfully able to launch some new products, which will further help in increasing our distribution and complete our product portfolio.

Industry Overview – Adhesives are widely used across numerous end user industries such as packaging, construction, furniture, automotive, assembly operations, etc. Increase in disposable income levels, rising GDP and booming retail markets are expected to generate growth in construction and packaging industry and this is likely to drive demand for adhesives in India in coming years.

An increasing number of global as well as domestic adhesive companies are establishing new adhesive manufacturing plants to address the growing demand for adhesives from various end user industries.

A big chunk of adhesives are consumed by plywood, veneers and laminates sector. The overall slowdown in construction industry has impacted the volume growth in Adhesives and Wood Finishes. FY 2016 has been a slow year for Wood Adhesive industry with estimated volume growth during the first half of FY 2016 was slowest in last three years.

Wood Finish market is dominated by paint companies in retail channel and some regional unorganized players in OEM channel. The end users are upgrading from basic Varnish and Nitrocellulose finishes to more value added finishes like Melamine and PU (Polyurethane) for superior aesthetics and performance.

Business Performance – FY 2016 has been good year for Jubilant's consumer products division, as we have been successfully able to grow our adhesives business at pace better than the industry growth. The business launched some new products and also increased the distribution reach. This is likely to increase our sales volume in the coming year.

Business Strategy – Our business focus revolves around two pillars:

- Change in our GTM (Go-to-Market) Strategy
- Launching new products to complete our portfolio

In Adhesives, the key aim of the business is to grow faster than the category in order to garner incremental market shares.

In Wood Finishes, we want to streamline our product portfolio and include some

premium products. The business is also focusing on expanding reach in OEMs and Project channel.

Food Polymers

Business Profile – Jubilant is one of the three global suppliers of Polyvinyl Acetate (PVAc) to chewing gum industry. PVAc is the major raw material for making gum base for chewing gum and bubble gum. Our brand names under this category are 'Vamipol 5', 'Vamipol 14', 'Vamipol 15', 'Vamipol 17', 'Vamipol 30', 'Vamipol 60' and 'Vamipol 100'. The customer profile of the Company in this business includes the market leaders in chewing gum industry worldwide.

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 serviced by an estimated 200 to 250 smaller gum companies.

The Global Gum Industry declined marginally in 2015 over the previous year, despite a modest turnaround in the North America and European markets. The main cause of the decline being the significant slowdown in China.

According to some recent market research reports, the gum market is expected to exhibit a turnaround and grow at 5 - 6% between 2015 and 2019, with the growth driven by Asia Pacific, Latin America and Middle East Regions.

Sugar free gums, which attracts health conscious consumers, and which also provide additional benefits of dental care, and also functional gums like 'energy gums' are expected to aid the gum category growth.

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

Business Performance – The business performance has been good during FY 2016 and our focus has remained on alternate applications of PVAc. We have been successfully able to start business with some new customers in confectionary as well as industrial segment. The business was negatively impacted by Euro deprecation in FY 2016.

Business Strategy – The business strategy revolves around two key pivots – New customers, and New Product applications. During FY 2016, the business has worked around these pivots and has been able to include some new customers in food as well as industrial applications of PVAc. The business plans to expand its product offerings to the gum industry, and target new customers across the globe with the expanded product portfolio.

Latex Business

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

With improvement in commercial vehicle sales and domestic tyre production, we expect a growth in our domestic sales volume. Focus will also remain on new futuristic product developments viz: Latex for Construction Segment.

tyre manufactures and dippers. The products under this category are ‘Encord VP Latex’ and ‘Encord SBR Latex’. Another product ‘Encord NBR Latex’ is used in automotive gasket jointing.

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

Tyre industry, which is our direct customer, is facing large competition from cheap imports from China. Tyre manufacturers are riding the auto boom to increase production but they continue to lose market share to imports they cannot compete with.

Continued weakness in OEM demand in certain key segments, weak agricultural activity and slow infrastructural development for most of the year affected tyre demand during FY 2016. ICRA expects the domestic tyre demand to grow by 4-6% over the next three years (FY2016-18).

Business Performance – With an improvement of commercial vehicle industry sales, our domestic business of VP Latex performed well in FY 2016, however export business faced some pressure due to the following:

- Due to high price differential of butadiene in Europe and Asia, and aggressive price cutting by our competitor, the business lost volume from some export accounts.
- There was also pressure on margins due to Euro depreciation and the business took a conscious decision to not to supply at lower margins.

Business Strategy – As in FY 2016, business development activities across Asia and America are likely to remain a key priority during FY 2017. With improvement in commercial vehicle sales and domestic tyre production, we expect a growth in our domestic sales volume. Focus will also remain on new futuristic product developments viz: Latex for Construction Segment.

Research & Development Initiatives

Research & Development plays an important role in innovation and developing new technologies and new infrastructure that can be leveraged for seamless scale up of new products. Six Sigma with R&D inputs, also play a critical role to foster the implementation of new technologies and enhance the efficiency of our manufacturing plants. The lead time to launch is comparable to the best in the industry.

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

Newer grades of Adhesives, and Wood Finishes are under development and ready for commercialization.

R&D provides a huge influx of knowledge, which ensures enhanced services to customers. Jubilant has successfully developed new technology platforms in latex business, relevant to unmet customer needs.

Manufacturing

Jubilant’s quest for sustainable growth has been supported by all its manufacturing locations by leveraging operational efficiency, waste reduction, resource conservation, and process innovation without dilution of focus on product quality, overall safety and operational flexibility and its ability to fulfill its customer needs.

Sustainable growth has also been supported by proactive approach to regulatory compliances. During the year, on line monitoring instruments were installed on all the stacks and waste water lines of Gajraula Plant. Work on compliance to USFSMA for manufacturing facility of Food Polymer business continued during the year.

Yet another step towards sustainable growth has been taken during the year by replacing use of nonrenewable fuel – Coal with Renewable fuel – Rice Husk in all the hot air generators of the Company.

To further enhance its People, Process and System capabilities, various transformation methodologies like TPM and Lean Six Sigma have been deployed across the manufacturing function.

During the year under review, Company’s efforts in its drive for sustainable growth were recognized in various forums. Our Gajraula plant received Annual Greentech

award in Gold category in Chemical sector for outstanding achievement in Safety Management System for 2015, Gold Award in Chemical sector for outstanding achievement in Environment Management System. Efforts of Gajraula plant were also recognized in Asia Pacific HRM Congress for "Best in Corporate Social Responsibility Practices".

Supply Chain Management

The Company entered into strategic supply contract for key raw materials of its food polymers business. This resulted in ensuring supply security during the time of market volatility as well as overall cost benefits for the business. Other strategic supply contracts for raw materials of Agri business as well as VP Latex business continued to help the Company in continuous product availability. This mutually helped our suppliers in better planning as well as our Company in cost reduction.

The restructuring exercise for finished goods, logistics and distribution structure of the Company's consumer products business, which was started last year, continued this year as well. The Company increased its reach by expanding its consumer products' distribution network to many newer markets within India.

Supply chain worked with the businesses in launching new products through out-sourcing route. Some new products were launched during the year which got good response from the customers. The Company plans to continue this activity in the next year as well.

Human Resources – the 'Catalyst' for Growth

We leverage human capital for competitiveness by nurturing knowledge, entrepreneurship and creativity. We reward the will to succeed and the desire to compete with the best in the world.

The motto of HR strategy is to Attract, Retain, Develop and Nurture talent by innovating people & business solutions to tailor the perfect fit every time. We take pride at being appropriately prepared for its employees to locate, identify and then engage them in the right positions at the right time. The Company has a team of about 650 magnificent staff distributed across its corporate office in Noida, manufacturing units and sales and distribution offices, across India.

As a vibrant Company, JIL has integrated its HR practices to remain flexible and in tune with the business to maintain the success of all its people. We believe that our people are our biggest assets and hence we invest in productive training programs for them. We invest significantly in training and development to ensure skill set improvement of our employees on a continuous basis. At JIL, working up the ladder is an element of career planning with accelerated growth and career progression. We encourage people to explore opportunities in harmony with their natural talent and nurture them to grow through deputations, cross-functional movements, Internal Job Postings and planned role rotations.

We embed a sense of inclusion and equality in our people. This means fostering a conducive work environment that enhances

We foster a conducive work environment that enhances professional and personal growth. Our strong team culture of mutual trust, oneness, learning, care and concern is a key inspiration to meet tomorrow's challenges.

professional and personal growth. Our strong team culture of mutual trust, oneness, learning, care and concern is a key inspiration to meet tomorrow's challenges.

Internal Financial Control Framework

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

The above requirement has the following elements:

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

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

Orderly and efficient conduct of business

The Company has a well laid down organizational structure which defines the authority-responsibility relationship. The Company has a formal financial planning and budgeting system in place encompassing the short term as well as long term planning. In order to ensure that the decisions are made and action taken at an appropriate level, the Board of Directors of the Company have formulated the Delegation of Authority which has been designed to ensure that there is judicious balance of authority and responsibility. The adherence to Delegation of Authority is part of the internal audit plan. The Company also has the risk management framework in place which has been discussed under the heading "Our Vision on Risk Management".

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

Safeguarding of its assets

The Company has taken an industrial risk policy for all of its plant as well as corporate office to safeguard its assets. The Company also carries out a physical verification of its assets.

Adherence to Company's policies

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

Self-assessment certifications of controls are being done by the Control Owners through a verifiable and transparent sign-off process and such certifications are reinforced by Activity and Location Owners, as they give in-principle approval to the self-assessment by the Control Owners. Result of Controls Manager certification

is prepared and presented to the audit committee every quarter by the CFO for exception review.

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

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

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

Prevention and detection of frauds and errors

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

Accuracy and completeness of the accounting records

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

Our Vision on Risk Management

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

Risk Management Strategy

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

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

Risk Management Structure

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

Risk Mitigation Methodology

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

Clause 49 requirements mandated by the Securities and Exchange Board of India (SEBI).

Management's Assessment of Risk

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

Competition

The Company operates in a competitive business environment in each of its business segments. Agribusiness gets affected due to uncertain monsoon, shift in cropping, market competition & output prices of Agri commodities, which impact the demand and supply. The risk manifests in the form of a number of low quality products, new entrants resorting to penetration pricing to capture market share as well as competing with established players with a diversified product portfolio and established distribution channels, which allows them benefit of economies in supply chain. In addition, price movements in the international market for alternatives to SSP such as DAP & NPK complexes, poses risk in the form of consumer preference for these alternative products thereby impacting demand for SSP.

In Agribusiness, the Company has added many dealers in primary market & entered into niche markets to build up strong distribution network and also to sustain our present market share by focusing on institutional sales & increased market share in primary market.

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

In Food Polymer and Latex business, the Company faces competition from international territories including China in terms of cost advantage enjoyed by our competitors. Further for these export oriented businesses, we face competition from European competitors. Due to depreciation in the value of the Euro, European suppliers are aggressively dropping prices to garner business. The Company has strong customer and account management programs to secure long term commitments from our customers. Also, it has plans in place to identify new geographies, re-align its product and market mix. The Food Polymers business has extended the Polyvinyl Acetate grades (till now being supplied only as a Food Additive) for Industrial applications to hedge against current risk of supplies to a single industry (chewing gum).

Cost Competitiveness

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

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

Foreign Currency Fluctuations

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

the right price of the product in the market.

To mitigate foreign currency related risks, the Company has a strategy in place to take measured risks through hedges and forward covers. The risk management team formulates policies and guidelines which are periodically reviewed to align with external environment and business exigency.

Capacity Planning and Optimization

As a part of its growth strategy, the Company makes investments to expand capacity and service capabilities and focuses on debottlenecking the existing plants. This is critical to achieve our business objectives of driving growth and maintaining market leadership. Non availability of sufficient capacity due to delayed commissioning, cost overruns and inability to deliver as per standards can significantly impact achievement of revenue targets, margins and expected return on investment (ROI). It can also result in customer dissatisfaction and adverse impact on reputation. Uncontrollable breakdowns and idle capacities contribute to inefficiencies in manufacturing process. Similarly, unutilized capacity for short periods due to power breakdown, unavailability of labor, transport strike etc. may impact the ability to meet customer demand and garner market share.

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

Portfolio and mix: Product and Customer Concentration

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

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 utilize co-products as per strategy may result in inventory build-up, distress sale and forced losses.

The Company regularly reviews its portfolio based on product, customer and geography and draws out strategies to achieve the desired mix. With robust customer and account management programs in place, it safeguards itself against any 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. In Food Polymers business, a new product line has been set up and production is expected to commence soon.

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

Human Resources-Acquire and Retain Professional Talent

It is paramount for us to have an elaborate Human Resource Plan to support the capability required in the seeding years to support our expansion initiatives. The focus continues on attracting the right talent, engaging & retaining the talent and also provides developmental inputs, critical to maintain desired operational standards. Additional focus is needed to develop a credible succession plan for key positions, ensuring no adverse impact on the business objectives, in case of unexpected departures in key positions.

The Company has initiated various talent engagement & development programs. The framework to identify & differentiate "High Performance High Potential" employees has been created with special focus on "Action-Learning" projects, training and developing existing talent and building a strong Employer branding, which would help in attracting & retaining the best available talent in the Industry. The successors to the business heads are being engaged to lead cross functional teams and are structurally involved in strategy and operational discussion to build up the holistic knowledge of the business. The Campus connect program has been institutionalized to infuse fresh and quality talent at the entry levels with an assured fast track career path. The search partner engagement program enables the Company to reinforce its employer branding that has translated in to successful lateral hiring at key positions.

To execute its growth and diversification plans, the Company continues to hire new, highly skilled scientific and technical personnel and has also introduced rewards and recognition policies for effective employee engagement. Focused capability building through need based training programs are provided to identified employees at all levels.

Distribution Channel and Brand Recall

In Agribusiness, the Company has done various BTL activities for better brand recall, Intensive Farmer Meetings, Product Demos, Kisan Melas, Jeep Campaigning along with supply of POP material on product usage & its technical details.

In Wood Adhesives and Wood Finishes business , the Company competes with both national players with established brands as well as regional players with lower costs and personalised connect with dealers and distributors. As distributors and dealers play a significant role in driving consumer behavior, managing their loyalty, continuity and commitment is of paramount importance to succeed. Managing field inventory is, therefore, critical as aged inventory with distributors and dealers exerts additional working capital pressure on the trade channel resulting in low satisfaction levels and higher attrition at dealer level. This creates the risk of default and resultant pressure on realisations.

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

In Consumer Products 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 to the success of the Company. Failure in innovation and inability to build a robust product pipeline, which can be commercialized in a timely manner, may adversely impact the Company's competitive position. Risk of developing products which do not meet the required quality parameters may also significantly impact the Company's reputation and result in loss of future business. It is equally critical for the business to innovate new applications to maintain its leadership position.

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

Compliance and Regulatory

We need to comply with a broad range of statutory compliances like obtaining approvals, licenses, registrations and permits for smooth working of our business, and failure to obtain or renew them in a timely manner

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

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

Environment Health and Safety (EHS)

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

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

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

Business Interruption due to Force Majeure

The Company's core manufacturing facility for a majority of its business is concentrated at Gajraula, India. Any disruption or stoppage of work at this facility, for any reasons, may adversely affect our business. Besides, the presence of a majority of the workforce in the residential colony adjoining our plant premises ensures sustenance of plant operations under challenging circumstances. In Food Polymers business, adequate finished goods inventory is being maintained at stock points within the factory, as also close to the main markets/ customers, to maintain supplies to key customers in the event of any stoppage of manufacturing operations. This inventory cover, however, would be for a limited period. The risk of impact on business in case of a prolonged stoppage / interruption of operations remain.

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

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

Directors' Report

Your Directors have pleasure in presenting the Tenth Annual Report together with audited financial statements & accounts for the financial year ended March 31, 2016.

1. FINANCIAL RESULTS

(` in million)

Particulars	Consolidated		Standalone	
	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2016	Year ended March 31, 2015
Total Revenue from Operations	6076.20	8582.01	306.72	293.59
Total Expenses	6345.93	9550.29	314.15	307.08
Operating Profit/(Loss)	(269.73)	(968.28)	(7.43)	(13.49)
Other Income	16.67	22.41	0.12	0.17
Profit/(Loss) before Exceptional Items & Tax	(253.06)	(945.87)	(7.31)	(13.32)
Exceptional Items	753.40	233.49	4.04	-
Tax Expenses	(911.90)	(1.57)	(0.52)	(1.57)
Net Profit/(Loss)	(94.56)	(1177.79)	(10.83)	(11.75)
Balance brought forward	(642.65)	544.73	1,444.49	1,456.35
Adjustment on account of Depreciation	-	(9.59)	-	(0.11)
Balance to be carried forward	(737.21)	(642.65)	1,433.66	1,444.49

2. STATE OF COMPANY'S AFFAIR & 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.

With a capacity of 100,000 cases/month and 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 & labelling 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.

Consolidated Financials

In FY2016 the consolidated revenue from operations was ` 6,076.20 million. EBITDA for the year stood at ` 304.02 million. Net loss was ` 94.56 million and EPS on consolidated basis stood at ` (7.97).

Standalone Financials

In FY2016 total revenue from operations was ` 306.72 million. EBITDA for the year stood at ` (4.50) million, Net loss was ` (10.83) million.

The Consolidated Financial Statements, prepared in accordance with the provisions of the Companies Act, 2013 (the 'Act'), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations') and Accounting Standard-21 on Consolidated Financial Statements (AS-21), form part of the Annual Report.

3. DIVIDEND AND TRANSFER TO RESERVES

Keeping in view the losses, the Board of Directors has not recommended any dividend for the financial year 2015-16. Accordingly, there has been no transfer to general reserves.

4. CAPITAL STRUCTURE / STOCK OPTION

Authorised Share Capital

The authorized share capital of the Company as at March 31, 2016 was ` 150 million.

Paid-up Share Capital

During the year, 37,196 equity shares were allotted pursuant to exercise of Stock Options. As at March 31, 2016 the paid-up share capital stands at ` 118.86 million comprising of 1,18,86,600 equity shares of ` 10/- each fully paid up.

Employee Stock Options Scheme

At present, the Company has one Employee Stock Option (ESOP) Scheme, namely JIL Employees Stock Option Scheme 2013. The Nomination, Remuneration and Compensation Committee administers and monitors the Company's ESOP Scheme.

During FY 2015-16, no option was granted under the ESOP Scheme but 37,196 options were exercised on October 06, 2015. The details pursuant to the SEBI (Share Based Employee Benefits) Regulations, 2014 [SEBI (SBEB) Regulations], has been placed on the website of the Company and weblink of the same is *http://www.jubilantindustries.com/pdfs/disclosure-pursuant-provisions-sebi-2014.pdf.*

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

5. SUBSIDIARIES

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

- Jubilant Agri and Consumer Products Limited

  During the year under review, JACPL has been 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 and VP Latex. JACPL has transferred its retail hypermarket business effective from August 12, 2015. Further, the Hon'ble Allahabad High Court, vide its order dated October 01, 2015, has confirmed Company's petition for reduction in the Securities Premium Account by way of setting off of accumulated losses amounting to ` 2,041.11 million.

  During FY 2016, JACPL has revenue from operations of ` 5601.88 million. The net loss after tax for the FY 2016 is ` 134.19 million.

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

- Jubilant Industries Inc. USA

  Jubilant Industries Inc. USA is a wholly owned subsidiary of the Company. During FY 2016, it has been engaged in overseas trading of Solid Poly Vinyl Acetate. It had revenue from operations of ` 618.59 million. Net Profit after tax for the FY 2016 was ` 23.34 million.

The salient features of performance and financial position of Company's subsidiaries is given in Form AOC-1 attached to the financial statements.

6. DIRECTORS AND KEY MANAGERIAL PERSONNEL

Appointment, Re-appointment and Resignations

Mr. Hari S. Bhartia will retire at the ensuing Annual General Meeting (AGM) and being eligible, has offered himself for re-appointment. The Board recommends his re-appointment.

During the year, the Board in its meeting held on February 10, 2016, had re-appointed Mr. Videh Kumar Jaipuriar as Managing Director of the Company for a further period of three years with effect from March 01, 2016, without any remuneration, subject to approval of the shareholders at the forthcoming 10th AGM.

Brief resume of Mr. Hari S. Bhartia and Mr. Videh Kumar Jaipuriar with other details as stipulated under Secretarial Standard – 2 and Regulation 36 of the Listing Regulations, are provided in the Notice convening the 10th AGM.

Key Managerial Personnel

Mr. Deepak Gupta, Company Secretary, has resigned w.e.f. June 04, 2015. The Board in its meeting held on July 09, 2015 has appointed Mr. Dinesh Kumar Gupta as the Company Secretary and Compliance Officer of the Company and also designated him as Key Managerial Personnel of the Company.

Declaration by Independent Directors

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

Meetings of the Board

A tentative calendar of Meeting is prepared and circulated in advance to the Directors. The intervening gap between the meetings was within the period prescribed under the Act, Secretarial Standard - 1 and Listing Regulations.

During the year ended March 31, 2016, the Board met 6 times. The details of Board/Committee meetings and the attendance of Directors are provided in the Corporate Governance Report, attached to this Report.

Appointment and Remuneration Policy

The Company has implemented an Appointment and Remuneration Policy pursuant to the provisions of Section 178 of the Act read with Clause 49 of the erstwhile Listing Agreement (corresponding to Regulation 19 of the Listing Regulations). The Policy has been disclosed in the Corporate Governance Report attached to this Report.

Board Evaluation

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

7. DISCLOSURE ON AUDIT COMMITTEE

The Audit Committee as on March 31, 2016 comprises of Mr. R. Bupathy as Chairman, Mr. S. K. Roongta and Mr. Ghanshyam Dass as members.

Further, all the recommendations made by Audit Committee were accepted by the Board of Directors.

8. AUDITORS & AUDIT REPORTS

Statutory Auditors

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

The said appointment is subject to ratification by the members at every AGM. Accordingly, the appointment of M/s. K. N. Gutgutia & Co., Chartered Accountants, as the Company's Statutory Auditors, from the conclusion of 10th AGM till the conclusion of 11th AGM, is placed for ratification by the members. The Company has received certificate from the Auditors to the effect that ratification of their appointment, if made, shall be in accordance with the provisions of Section 141 of the Act.

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

Secretarial Auditor

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

The Board has re-appointed M/s Sanjay Grover & Associates, Company Secretaries, as Secretarial Auditors of the Company for FY 2016-17.

9. RISK MANAGEMENT

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

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

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

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

10. HUMAN RESOURCES

The Company leverages human capital for competitiveness by nurturing knowledge, entrepreneurship and creativity. The Company rewards the will to succeed and the desire to compete with the best in the world and have grown a vibrant Company over the years because of our ability to manage change proactively and to reinvent ourselves continuously without compromising the ideals and values that have sustained us over the years.

The motto of HR strategy is to Attract, Retain, Develop and Nurture talent by innovating people & Business solutions to tailor the perfect fit every time. The Company takes pride at being appropriately prepared for its employees to locate, identify and then engage them in the right positions at the right time. The Company has a team of about 650 magnificent staff distributed across its corporate office in Noida, manufacturing units and sales and distribution offices, across India.

As a vibrant Company Jubilant Industries has integrated its HR practices to remain flexible and in tune with the business to maintain the success of all its people.

Our Leadership is the best in the industry and to keep it flourishing in the same fashion we have periodic interventions viz. different programs & developmental tools. At the same time, programs like Young Leaders Acceleration Programs (YLEAP) are some such initiatives that are aimed at infusing qualitative talent and recognizing fast trackers in business environment.

The Company believes that our people are our biggest assets and hence we invest in productive training programs for them. We invest significantly in training and development to ensure skill set improvement of our employees on a continuous basis. At Jubilant, working up the ladder is an element of career planning with accelerated growth and career progression. The Company encourages people to explore opportunities in harmony with their natural talent and nurture them to grow through deputations, cross-functional movements, Internal Job Postings and planned role rotations.

The Company offers its nationwide employees a comprehensive range of behavioural and functional training interventions like:

- ✓ Orbit Shift
- ✓ Breakthrough Workshops
- ✓ Talent & Succession Planning
- ✓ Cross Functional Teams

The Company embed a sense of inclusion and equality in our people. This means fostering a conducive work environment that enhances professional and personal growth. Our strong team culture of mutual trust, oneness, learning, care and concern is a key inspiration to meet tomorrow's challenges.

The Company has adopted a Policy on Prevention of Sexual Harassment at workplace under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. No case was reported during the year under review under the policy.

11. AWARDS AND ACCOLADES

During the year 2015-16, one of the units of JACPL won the prestigious "GOLD Award of GREENTECH SAFETY AWARD 2015" in Chemical Sector for outstanding achievement in Safety Management System for the year 2015 consecutively for the fifth year. The unit also won the "GOLD Award of GREENTECH ENVIRONMENTAL AWARD 2015" in Chemical sector for outstanding achievement in Environmental Management System for the year 2015 consecutively for the second year and "ASIA PACIFIC HRM CONGRESS AWARDS 2015" for "Best in Corporate Social Responsibility Practices". JACPL's Consumer Products Division (CPD) Jivanjor Achiever's Club was also awarded with the "Best Use of Technology in a Loyalty program" in the AIMIA - 9th Loyalty Awards at Mumbai.

12. SUSTAINABILITY REPORT

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

The Company published its Corporate Sustainability Report 2015-16 conforming to Global Reporting Initiative (GRI) G4 reporting guidelines fulfilling the 'In Accordance' - Comprehensive reporting criteria. As a green initiative, the report is available on the website of the Company (www.jubilantindustries.com) and GRI database. As an extension of the green initiative to minimise the impact on environment, the Annual Report is emailed to shareholders whose email id is registered with the Company/Depositories to reduce use of paper.

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

13. CORPORATE SOCIAL RESPONSIBILITY

The Company through Jubilant Bhartia Foundation (JBF), the social wing of Jubilant Bhartia Group, has been working with various stakeholders to bring about progressive social change by knowledge generation & sharing, experiential learning and entrepreneurial ecosystem. The Company has identified four core focus areas towards community development and runs various activities under these:

- Universalize elementary education through Project Muskaan,
- Improving health indices through innovative services of SwasthyaPrahari,
- Improving Employability of Local Youths through Vocational Training Programmes such as Project Samriddhi.
- Building Farming capability and Cattle care through Project KrishiPaathshala.

While there was no prescribed limit for CSR expenditure but Jubilant Bhartia Foundation continued its activities surrounding to Company's manufacturing locations.

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

Annual Report on CSR activities of the Company for the financial year 2015-16 has been attached as **Annexure 2** and forms part of this Report.

14. INVESTOR SERVICES

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

- An Investor Section on the website of the Company www.jubilantindustries.com 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.

15. GREEN INITIATIVES

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

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

16. CORPORATE GOVERNANCE

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

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

The Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for Directors and Senior Management for the year ended March 31, 2016. A certificate from the Managing Director confirming the same is attached to the Corporate Governance Report.

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

17. MANAGEMENT DISCUSSION & ANALYSIS

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

18. OTHER STATUTORY DISCLOSURES

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

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

iii. Loans, Guarantees and Investments: The details of Loans, Guarantees and Investments covered under Section 186 of the Act form part of the notes to the financial statements.

iv. Particulars of Contracts or Arrangements with the Related Parties: The Company had formulated a policy on Related Party Transactions ('RPTs'), dealing with the review and approval of RPTs. During the FY 2015-16, the Board approved the revised criteria for granting omnibus approval for RPTs by the Audit Committee within the overall framework of the policy on RPTs. Prior omnibus approval is obtained for RPTs which are of repetitive nature. All RPTs are placed before the Audit Committee for review and approval.

All RPTs entered into during FY 2015-16 were in the ordinary course of business and on arm's length basis. No material RPTs were entered into during FY 2015-16 by the Company as defined in the Policy on RPTs. Accordingly, the disclosure of RPTs as required under Section 134(3)(h) of the Act in Form AOC 2 is not applicable. Your Directors draw attention of the members to Note no. 39 to the Standalone Financial Statements which sets out the Related Party disclosures.

v. Material Changes in Financial Position: No material change or commitment has occurred after the close of the Financial Year 2015-16 till the date of this Report, which affects the financial position of the Company.

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

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

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

ix. Particular of Employees: Particulars as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are given in **Annexure 5** and forms part of this Report. During the year, there were no employees whose particulars are required to be reported under Section 197 of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

19. DIRECTORS' RESPONSIBILITY STATEMENT

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

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as on March 31, 2016 and of the profits of the company for the year ended March 31, 2016;
- the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- the directors had prepared the annual accounts on a going concern basis;
- the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively;

  Based on the framework of internal financial controls including the Control Manager for financial reporting and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors and the reviews performed by the management and the relevant Board committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the Financial Year 2015-16; and
- the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

20. ACKNOWLEDGMENTS

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

For and on behalf of the Board

Place : NOIDA
Date : May 23, 2016

Hari S. Bhartia
Chairman

Annexure 1

Secretarial Audit Report

For the Financial Year ended March 31, 2016

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

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

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

We report that-

a) Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

b) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed, provide a reasonable basis for our opinion.

c) We have not verified the correctness and appropriateness of the financial statements of the Company.

d) Wherever required, we have obtained the Management representation about the compliances of laws, rules and regulations and happening of events etc.

e) The compliance of the provisions of the corporate and other applicable laws, rules, regulation and standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.

f) The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2016 ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2016 according to the provisions of:-

(i) The Companies Act, 2013 (the Act) and the rules made thereunder/Companies Act, 1956 (wherever applicable);

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment;

(v) The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

   (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015/ the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

   (c) *The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

   (d) The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014;

   (e) *The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

   (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;

(g) *The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

(h) *The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and

(i) The Securities and Exchange Board of India (Listing obligations and Disclosures requirements) Regulations, 2015 applicable w.e.f. December 1, 2015;

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

We have also examined compliance with the applicable clauses of the following-

(i) Secretarial Standard on Meetings of the Board of Directors and Secretarial Standard on General Meetings issued by The Institute of Company Secretaries of India applicable w.e.f. July 01, 2015.

(ii) Listing Agreements (applicable upto November 30, 2015) entered into by the Company with BSE Limited and the National Stock Exchange of India Limited.

During the Audit Period, the Company has complied with the provisions of the Act, Rules, Regulations and Guidelines, to the extent applicable, as mentioned above except that the Company generally complied with the applicable clauses of Secretarial Standard on Meetings of the Board of Directors issued by The Institute of Company Secretaries of India.

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

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

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. No changes in the Board of Directors took place during the period under review.

Adequate notices were given to all directors of the Board Meetings. Agenda and detailed notes on agenda are sent in advance of the meetings and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting for meaningful participation at the meeting.

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

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

We further report that during the audit period, the Company had the following specific events:

(i) Issue and allotment of 37,196 (Thirty Seven Thousand One Hundred and Ninety Six) equity shares of ` 10/- (Rupees Ten only) each, fully paid up, upon exercise of Employees Stock Options under the JIL Employees Stock Option Scheme 2013; and

(ii) Divestment of Retail undertaking (engaged in the business of operating retail hypermarket stores in Bengaluru) of Jubilant Agri and Consumer Products Limited (“JACPL”), a wholly owned subsidiary of the Company, to Aditya Birla Retail Limited on slump sale basis.

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

Sanjay Grover
Managing Partner
CP No.: 3850

New Delhi
May 23, 2016

Annexure 2

Annual Report on Corporate Social Responsibility (CSR) Activities

Financial Year 2015-16

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

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

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

   ➢ Adoption of CSR Policy which has been placed on the Company's website www.jubilantindustries.com

   ➢ Approval by the Committee to implement CSR activities through "Jubilant Bhartia Foundation", a not-for-profit organisation registered under Section 25 of the Companies Act, 1956 (corresponding to Section 8 of the Act)

   ➢ While implementing CSR projects, the Company shall give priority to the area around its manufacturing locations in India

   ➢ The Committee approved the following CSR activities which are in line with Schedule VII to the Act:

   - **Project Arogya and Swasthya Prahari:** Improving health indices through innovative services and promoting health seeking behavior;
   - **Project Muskaan:** Universalising elementary education and improving quality parameters for primary education through community involvement; and
   - **Project Samridhi:** Enhancing alternate livelihood opportunity and income of Farmers.

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

   The composition of the CSR Committee of the Board is as under.

S. No.	Name	Designation
1	Mr. Hari S. Bhartia, Chairman	Non-executive Director
2	Mr. Priyavrat Bhartia	Non-executive Director
3	Mr. Ghanshyam Dass	Independent Director
4	Mr. Videh Kumar Jaipuriar	Managing Director

3. **Average net profit of the company for last three financial years:** Losses of ` 8.53 million

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

   Due to loss, No CSR expenditure has been done during financial year 2015-16.

   However, during FY 2014-15, the Company had made a provision of ` 1.00 million as projects in 41 schools were in completion stage. This amount has been spent in FY 2015-16.

5. **Details of CSR spend during the Financial Year 2015-16**

   (a) Total amount to be spent as per budget for the financial year 2015-16 : Nil

   (b) Amount unspent, vis-à-vis prescribed CSR expenditure as per Section 135(5) of the Act : Nil

(c) **Manner in which the amount spent during the year is detailed below:**

(`/million)

(1)	(2)	(3)	(4)		(5)	(6)		(7)	(8)
Sr. No.	CSR Project or Activity Identified	Sector in which the Project is covered	Projects or Programmes		Amount outlay (budget) Project or Programme wise	Amount spent on the Projects or Programmes:		Cumulative expenditure upto the reporting period	Amount spent: Direct or through implement-ing agency
			Local area or other	State and district where Projects or Programmes was undertaken		Direct expenditure on Projects or Programmes	Overheads		
1	Health (Arogya and Swasthya Prahari)	Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation and making available safe drinking water	Local	Gajraula (U.P.)	-Nil-	0.06#	-Nil-	0.06	Jubilant Bhartia Foundation
2	Education (Muskaan)	Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly and the differently abled and livelihood enhancement projects	Local	Gajraula (U.P.), Sahibabad (UP), Nira (Maharashtra)	-Nil-	0.94#	-Nil-	0.94	Jubilant Bhartia Foundation
	Total				-Nil-	1.00	-Nil-	1.00	

 # Pertaining to FY 2014-15.

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

Not applicable.

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

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

For Jubilant Industries Limited

Videh Kumar Jaipuriar
Managing Director

Hari S. Bhartia
Chairman
CSR Committee

Annexure 3

Extract of Annual Return

(Form No. MGT-9)

As on the Financial Year ended on March 31, 2016

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

I. REGISTRATION AND OTHER DETAILS:

(i)	CIN	L24100UP2007PLC032909
(ii)	Registration Details	February 23, 2007
(iii)	Name of the Company	Jubilant Industries Limited
(iv)	Category/Sub-Category of the Company	Public Company/ Limited by Shares
(v)	Address of the Registered Office and Contact details	Bhartiagram, Gajraula, District Amroha - 244 223, Uttar Pradesh, India Tel: +91-5924-252353-60
(vi)	Whether listed company	Yes
(vii)	Name, Address and Contact details of Registrar and Transfer Agent, If any	Alankit Assignments Limited 1E/13, Alankit Heights, Jhandewalan Extension New Delhi-110055 Tel: +91-11-23541234, 42541234

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

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

(i) Category-wise Shareholding

Category of Shareholder	No. of shares held at the beginning of the year (April 01, 2015)				No. of shares held at the end of the year (March 31, 2016)				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoter									
(1) Indian									
a) Individuals/ HUF	28498	-	28498	0.24	28498	-	28498	0.24	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	7786792	-	7786792	65.71	7786792	-	7786792	65.51	-0.20
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any Others	-	-	-	-	-	-	-	-	-
Sub Total(A)(1)	**7815290**	**-**	**7815290**	**65.96**	**7815290**	**-**	**7815290**	**65.75**	**(0.21)**
(2) Foreign									
a) NRIs – Individuals	72825	-	72825	0.61	72825	-	72825	0.61	-
b) Other – Individuals	-	-	-	-					
c) Bodies Corp.	278522	-	278522	2.35	278522	-	278522	2.35	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any Others	-	-	-	-	-	-	-	-	-
Sub Total(A)(2)	**351347**	**-**	**351347**	**2.96**	**351347**	**-**	**351347**	**2.95**	**(0.01)**
Total Shareholding of Promoter (A) = (A)(1)+(A)(2)	**8166637**	**-**	**8166637**	**68.92**	**8166637**	**-**	**8166637**	**68.70**	**(0.22)**
B. Public shareholding									
(1) Institutions									
a) Mutual Funds	105	540	645	0.01	80	540	620	0.01	-
b) Banks/FI	2634	1063	3697	0.03	8878	1063	9941	0.08	0.05
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt(s)									
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	881271	160	881431	7.44	-	160	160	0.00	(7.44)
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others	-	-	-	-	-	-	-	-	-
Sub-Total (B)(1)	**884010**	**1763**	**885773**	**7.48**	**8958**	**1763**	**10721**	**0.09**	**(7.39)**
(2) Non-Institutions									
a) Bodies Corp									
i) Indian	255818	1092	256910	2.17	606841	1092	607933	5.11	2.94
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individual									
i) Individuals shareholders holding nominal share capital up to ` 1 lakh	1150571	141860	1292431	10.91	1564994	135772	1700766	14.31	3.40

Category of Shareholder	No. of shares held at the beginning of the year (April 01, 2015)				No. of shares held at the end of the year (March 31, 2016)				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
ii) Individual shareholders holding nominal share capital in excess of ` 1 lakh	901846	-	901846	7.61	923844	-	923844	7.77	0.16
c) Others									
i) The Custodian Special Court	-	2850	2850	0.02	-	2850	2850	0.02	-
ii) Trust	192089	-	192089	1.62	171805	-	171805	1.45	(0.17)
iii) Non-resident Indians	141172	9696	150868	1.27	292977	9067	302044	2.54	1.27
Sub-Total (B)(2)	**2641496**	**155498**	**2796994**	**23.60**	**3560461**	**148781**	**3709242**	**31.21**	**7.61**
Total Public Shareholding (B) = (B)(1)+(B)(2)	**3525506**	**157261**	**3682767**	**31.08**	**3569419**	**150544**	**3719963**	**31.30**	**0.22**
C. TOTAL (A)+(B)	**11692143**	**157261**	**11849404**	**100.00**	**11736056**	**150544**	**11886600**	**100.00**	**-**
Shares held by Custodians for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A)+(B)+(C)	**11692143**	**157261**	**11849404**	**100.00**	**11736056**	**150544**	**11886600**	**100.00**	**-**

(ii) Shareholding of Promoters

S. No.	Shareholder's Name	Shareholding at the beginning of the year (April 01, 2015)			Share holding at the end of the year (March 31, 2016)			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encum-bered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encum-bered to total shares	
1	Mr. Shyam Sunder Bhartia	72825	0.61	0.00	72825	0.61	0.00	0.00
2	Mr. Hari Shankar Bhartia	20873	0.18	0.00	20873	0.18	0.00	0.00
3	Mr. Priyavrat Bhartia	253	0.00	0.00	253	0.00	0.00	0.00
4	Mr. Shamit Bhartia	6561	0.06	0.00	6561	0.06	0.00	0.00
5	Ms. Kavita Bhartia	613	0.01	0.00	613	0.01	0.00	0.00
6	Ms. Aashti Bhartia	99	0.00	0.00	99	0.00	0.00	0.00
7	Mr. Arjun Shankar Bhartia	99	0.00	0.00	99	0.00	0.00	0.00
8	Jubilant Stock Holding Private Limited	1329757	11.22	0.00	1329757	11.19	0.00	(0.03)
9	Vam Holdings Limited	284070	2.40	0.00	284070	2.39	0.00	(0.01)
10	Jubilant Capital Private Limited	1166600	9.85	0.00	1166600	9.81	0.00	(0.04)
11	Jubilant Securities Private Limited	1051075	8.87	0.00	1051075	8.84	0.00	(0.03)
12	Jaytee Private Limited	380	0.00	0.00	380	0.00	0.00	0.00
13	Nikita Resources Private Limited	175227	1.48	0.00	175227	1.47	0.00	(0.01)
14	Rance Investment Holdings Limited	120000	1.01	0.00	120000	1.01	0.00	0.00
15	Cumin Investments Limited	120000	1.01	0.00	120000	1.01	0.00	0.00
16	Torino Overseas Limited	38522	0.33	0.00	38522	0.33	0.00	0.00
17	Jubilant Infrastructure Limited	50000	0.42	0.00	50000	0.42	0.00	0.00
18	Jubilant Enpro Private Limited	3729683	31.48	0.00	3729683	31.38	0.00	(0.10)
	TOTAL	**8166637**	**68.92**	**0.00**	**8166637**	**68.70**	**0.00**	**(0.22)**

(iii) Change in Promoters' Shareholding

Name	Shareholding at the beginning of the year		Date	Increase/ decrease during the year	Reasons	Cumulative Shareholding during the year/ Shareholding at the end of the year	
	No. of Shares	% of total shares of the company				No. of shares	% of total shares of the company
Jubilant Enpro Private Limited [1]	37,29,683	31.48	April 01, 2015	-			
			June 15, 2015	(37,29,683)	Scheme of Arrangement	0.00	0.00
JCPL Consultants & Management Services Private Limited *(Name changed to Jubilant Enpro Services Private Limited)* [1]			June 15, 2015	37,29,683	Scheme of Arrangement	37,29,683	31.48
			January 11, 2016	(37,29,683)	Scheme of Arrangement	0.00	0.00
JSPL Consultants & Management Services Private Limited *(Name changed to Jubilant Enpro Private Limited)* [2]			January 11, 2016	37,29,683	Scheme of Arrangement	37,29,683	31.38

1 *Pursuant to the order of Hon'ble High Court of Allahabad approving the Scheme of Arrangement between Jubilant Enpro Private Limited and JCPL Consultants & Management Services Private Limited, Jubilant Enpro Private Limited transferred it's entire holding in the Company i.e., 37,29,683 Equity shares of the Company to JCPL Consultants & Management Services Private Limited. Further, the name of JCPL Consultants & Management Private Limited has been changed to Jubilant Enpro Services Private Limited w.e.f. June 22, 2015.*

2 *Pursuant to the order of Hon'ble High Court of Allahabad approving the Composite Scheme of Arrangement, Jubilant Enpro Services Private Limited transferred it's entire holding in the Company i.e., 37,29,683 Equity shares of the Company to JSPL Consultants & Management Services Private Limited. Further, the name of JSPL Consultants & Management Private Limited has been changed to Jubilant Enpro Private Limited w.e.f. February 04, 2016.*

There was no change in the shareholding of other promoters during the year.

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

S. No.	Name of the Shareholder	Shareholding		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
1	**Pace Stock Broking Services Private Limited**				
	At the beginning of the year	42	0.00	42	0.00
	Bought during the year	328662	2.76	328704	2.77
	Sold during the year	156148	1.31	172556	1.45
	At the end of the year	172556	1.45	172556	1.45
2	**Jubilant Employees Welfare Trust**				
	At the beginning of the year	192086	1.62	192086	1.62
	Bought during the year	-	-	192086	1.62
	Sold during the year	20284	0.17	171802	1.44
	At the end of the year	171802	1.44	171802	1.44

S. No.	Name of the Shareholder	Shareholding		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
3	**Chetan Jayantilal Shah**				
	At the beginning of the year	115000	0.97	115000	0.97
	Bought during the year	-	-	115000	0.97
	Sold during the year	-	-	115000	0.97
	At the end of the year	115000	0.97	115000	0.97
4	**Bhadra Jayantilal Shah**				
	At the beginning of the year	110000	0.93	110000	0.93
	Bought during the year	-	-	110000	0.93
	Sold during the year	-	-	110000	0.93
	At the end of the year	110000	0.93	110000	0.93
5	**Sonal Chetan Shah**				
	At the beginning of the year	110000	0.92	110000	0.92
	Bought during the year	-	-	110000	0.92
	Sold during the year	-	-	110000	0.92
	At the end of the year	110000	0.92	110000	0.92
6	**Porinju V Veliyath**				
	At the beginning of the year	-	-	-	-
	Bought during the year	145000	1.22	145000	1.22
	Sold during the year	60000	0.50	85000	0.72
	At the end of the year	85000	0.72	85000	0.72
7	**Jayantilal Premji Shah**				
	At the beginning of the year	60711	0.51	60711	0.51
	Bought during the year	24289	0.20	85000	0.71
	Sold during the year	-	-	85000	0.71
	At the end of the year	85000	0.71	85000	0.71
8	**Naveen Bothra**				
	At the beginning of the year	-	-	-	-
	Bought during the year	84024	0.70	84024	0.70
	Sold during the year	-	-	84024	0.70
	At the end of the year	84024	0.70	84024	0.70
9	**Jayantilal Premji Shah**				
	At the beginning of the year	63000	0.53	63000	0.53
	Bought during the year	-	-	63000	0.53
	Sold during the year	-	-	63000	0.53
	At the end of the year	63000	0.53	63000	0.53
10	**Elsamma Joseph**				
	At the beginning of the year	-	-	-	-
	Bought during the year	50000	0.42	50000	0.42
	Sold during the year	-	-	50000	0.42
	At the end of the year	50000	0.42	50000	0.42

The details of shareholding are maintained by respective Depositories and it is not feasible to provide daily change in the shareholding of top ten shareholders. Therefore, consolidated changes during the financial year 2015-16 has been provided.

(v) Shareholding of Directors and Key Managerial Personnel:

S. No.	Name & Designation	Shareholding at the beginning of the year (April 1, 2015)		Date wise Increase/ Decrease in Share Holding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/sweat equity, etc.)		Cumulative Shareholding during the year (2015-16)		At the end of the year (March 31, 2016)	
		No. of shares	% of total shares of the company			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Mr. Hari S Bhartia, Chairman	20,873	0.18			20,873	0.18	20,873	0.18
2	Mr. Priyavrat Bhartia, Director	253	0.00			253	0.00	253	0.00
3	Mr. Shamit Bhartia, Director	6,561	0.06			6,561	0.06	6,561	0.06
5	Mr. Ghanshyam Dass, Director	-	-	No Change		-	-	-	-
6	Mr. Ramanathan Bupathy, Director	-	-			-	-	-	-
7	Mr. S. K. Roongta, Director	-	-			-	-	-	-
8	Ms. Shivpriya Nanda, Director	-	-			-	-	-	-
9	Mr. Videh Kumar Jaipuriar, Managing Director	-	-	October 06, 2015 (Allotment of Shares pursuant to exercise of Stock options)	20,000	20,000	0.17	20,000	0.17
10	Mr. Sandeep Kumar Shaw, Chief Financial Officer	-	-	October 06, 2015 (Allotment of Shares pursuant to exercise of Stock options)	1,968	1,968	0.01		
				October 19, 2015 (Sale)	1,967	1	0.00	1	0.00
11	Mr. Deepak Gupta, Company Secretary (upto June 04, 2015)	-	-	-		NA	NA	NA	NA
12	Mr. Dinesh Kumar Gupta, Company Secretary (w.e.f. July 09, 2015)	287	0.00	No Change		287	0.00	287	0.00

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment (` in million)

Particulars	Secured	Unsecured	Deposits	Total
Indebtedness at the beginning of the financial year				
i) Principal Amount	0.11	10.00	-	**10.11**
ii) Interest due but not paid	-	0.95	-	**0.95**
iii) Interest accrued but not due	-	-	-	**-**
Total (i + ii + iii)	0.11	10.95	-	**11.06**
Change in Indebtedness during the financial year				
i) Addition	-	0.43	-	**0.43**
ii) Reduction	0.11	-	-	**0.11**
Net Change	0.11	0.43	-	**0.32**
Indebtedness at the end of the financial year				
ii) Principal Amount	-	10.00	-	**10.00**
ii) Interest due but not paid	-	1.38	-	**1.38**
iii) Interest accrued but not due	-	-	-	**-**
Total (i + ii + iii)	**-**	**11.38**	**-**	**11.38**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

B. Remuneration to other directors:

(i) Independent Directors:

(Amount in `)

S. No.	Particulars of Remuneration	Name of Director				Total
		Mr. Ghanshyam Dass	Mr. R Bupathy	Mr. S. K. Roongta	Ms. Shivpriya Nanda	
1.	Fee for attending Board/ Committee meetings	1,45,000	1,75,000	1,92,500	1,05,000	6,17,500
2.	Commission	-	-	-	-	-
3.	Others, please specify	-	-	-	-	-
	Total	**1,45,000**	**1,75,000**	**1,92,500**	**1,05,000**	**6,17,500**

(ii) Other Non-Executive Director: NIL

Note: No managerial remuneration has been paid to Non-Executive Directors during the Financial Year 2015-16. Hence, computation of ceiling of managerial remuneration is not given.

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

(Amount in `)

S. No.	Particulars of Remuneration	Key Managerial Personnel			
		Mr. Sandeep Kumar Shaw Chief Financial Officer	Mr. Deepak Gupta Company Secretary (upto June 04, 2015)	Mr. Dinesh Kumar Gupta Company Secretary (w.e.f. July 09, 2015)	Total
1.	Gross salary a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961	2,29,298	9,77,053	19,24,423	31,30,774
	b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	-	6,650	28,092	34,742
	c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-		-
2.	Stock Option	-	-		-
3.	Sweat Equity	-	-		-
4.	Commission	-	-		-
5.	Others (Provident Fund)	-	25,060	1,09,725	1,34,785
	Total	**2,29,298**	**10,08,763**	**2,062,240**	**33,00,301**

VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

Annexure 4

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

A. **CONSERVATION OF ENERGY:**

(i) **Steps taken or impact on conservation of energy**

1) Improving power factor to 0.99 under rated load condition
2) Reducing line changeover,
3) OPE improvement,
4) Awareness developed through training
5) Shutting down unnecessary computer, printer, office light,
6) Installation of VFD on filling lines
7) Motor sizing rationalization

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

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

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

Nil.

B. **TECHNOLOGY ABSORPTION**

i) **Efforts made towards technology absorption**

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

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

None.

iii) **Imported Technology**

Not Applicable.

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

None.

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

Annexure 5

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

(i) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2015-16, the percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary in the financial year 2015-16 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Sl. No.	Name and Designation of Director/KMP	Remuneration during the financial year 2015-16 (in `)	% increase in Remuneration	Ratio of remuneration of each Director to median remuneration of employees	Comparison of the Remuneration of the KMP against the performance of the Company
1.	Mr. Hari S. Bhartia Chairman (Non-Executive)	-	-	-	-
2.	Mr. Priyavrat Bhartia Non-Executive Director	-	-	-	-
3.	Mr. Shamit Bhartia Non-Executive Director	-	-	-	-
4.	Mr. Ghanshyam Dass Independent Director	1,45,000	0.00	0.13	-
5.	Mr. R. Bupathy Independent Director	1,75,000	29.63*	0.16	-
6.	Mr. S.K. Roongta Independent Director	1,92,500	192.15*	0.17	-
7.	Ms. Shivpriya Nanda Independent Director	1,05,000	16.67*	0.09	-
8.	Mr. Videh Kr. Jaipuriar# Managing Director	-	-	-	-
9.	Mr. Sandeep Kr. Shaw# Chief Financial Officer	2,29,298	18.51	Not Applicable	
10.	Mr. Deepak Gupta Company Secretary (Upto June 04, 2015)	10,08,763	Not Applicable	Not Applicable	Total Revenue of the Company increased by 4.47% from ` 293.59 million in 2014-15 to ` 306.72 million in 2015-16.
11.	Mr. Dinesh Kumar Gupta Company Secretary (w.e.f. July 09, 2016)	20,62,240	Not Applicable	Not Applicable	

* *Independent Directors have been paid remuneration by way of sitting fees. Increase in remuneration of Independent Directors has been because of increase in number of meetings attended by them. There has been no increase in sitting fees paid per meeting.*

\# *Received remuneration from Company's wholly owned subsidiary.*

Median of Total Cost to Company (CTC) on payable basis has been taken for all on-roll employees as on March 31, 2016. Median Salary of all on-roll employees is ` 11,23,910/-.

(ii) The percentage increase in the median remuneration of employees in the Financial Year 2015-16 was 14.85%;

(iii) 04 permanent employees were on the rolls of Company as on March 31, 2016.

(iv) The explanation on the relationship between average increase in remuneration and Company performance: Average increase in the remuneration was 8.5% in the Financial Year 2015-16 which was in line with industry trend. Total Revenue increased by 4.47% from ` 293.59 million in 2014-15 to ` 306.72 million in 2015-16.

(v) Comparison of Remuneration of the Key Managerial Personnel against the performance of the Company: Details are given in the table above.

(vi) a) Variations in the market capitalisation of the Company :

	As on March 31, 2015	As on March 31, 2016
Market Capitalisation (in ` /million)	976	1,841

b) Price Earnings ratio as at the close of closing date of the Current financial year i.e. March 31, 2016 and previous financial year i.e. March 31, 2015: Not applicable, as there was Net Loss in both the financial years;

c) Percent increase over/ decrease in the market quotations of the shares of the company as compared to the rate at which the company came out with the last public offer: Not applicable, as the Company had not made any public offer of its shares. Shares were issued to the shareholders of Jubilant Life Sciences Limited pursuant to Scheme of Amalgamation and Demerger.

(vii) Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentage increase in managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Average increase in remuneration of the employees other than managerial remuneration was 8.5% in the Financial Year 2015-16. No remuneration has been paid to managerial personnel during the Financial Year 2015-16.

(viii) The key parameters for the variable component of remuneration availed by the Directors: Remuneration paid to Directors does not include any variable component.

(ix) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receiver remuneration in excess of the highest paid director during the year:

Remuneration of the highest paid Directors	` 192,500
Highest paid employee who is not a Director	` 20,62,240
Ratio	0.09

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

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

Report on Corporate Governance

A) Company's Philosophy:

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

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

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

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

Highlights of Company's Corporate Governance regime are:

- Broad based and well represented Board with fair mix of Executive, Non-Executive and Independent Directors bringing in expertise in diverse areas with half of the Board being Independent.
- Constitution of several Board Committees for focused attention and proactive flow of information and informed decisions.
- Active employee participation in place; one top executive on the Board of Directors.
- Emphasis on ethical business conduct by the Board, management and employees to ensure integrity, transparency, independence and accountability in dealing with stakeholders.
- Established Code of Conduct for Directors and Senior Management, Instituted Whistle Blower policy and Code of Conduct for Prevention of Insider Trading and Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information.
- Focus on hiring, retaining and nurturing best talent and to promote a culture of excellence across the organisation. Exhaustive 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 1200 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.

During the year under review, Securities and Exchange Board of India (SEBI) has notified the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) which regulate Corporate Governance practices for listed companies. Jubilant is in full compliance with the Listing Regulations.

B) Board of Directors:

(i) Composition

The Board comprises of eight Directors out of which four are Non-Executive Independent

Directors including a Woman Director, three are Promoter Non-Executive Directors and one Managing Director.

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

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

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

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

(ii) Key functions of the Board

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

a. Reviewing and guiding corporate strategy, major plans of action, risk policy, annual budgets and business plans, setting performance objectives, monitoring implementation & corporate performance and overseeing major capital expenditures, acquisitions and divestments;

b. Monitoring effectiveness of the Company's governance practices and making changes as needed;

c. Selecting, compensating, monitoring and when necessary, replacing key executives and overseeing succession planning;

d. Aligning key executive and Board remuneration with the long term interests of the Company and its shareholders;

e. Ensuring a transparent Board nomination process with the diversity of thought, experience, knowledge, perspective and gender in the Board;

f. Monitoring and managing potential conflicts of interest of management, board members and shareholders, including misuse of corporate assets and abuse in related party transactions;

g. Ensuring integrity of the company's accounting and financial reporting systems, including the independent audit and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational controls and compliance with the law and relevant standards;

h. Overseeing the process of disclosure and communications;

i. Monitoring and reviewing Board Evaluation framework.

(iii) 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 six times i.e. on April 30, 2015; May 12, 2015; July 09, 2015; August 12, 2015; October 28, 2015 and February 10, 2016.

The Company has held a minimum of one Board Meeting in each quarter and maximum gap between two consecutive meetings did not exceed 120 days which is in compliance with the provisions of the Companies Act, 2013 (the 'Act'), Secretarial Standand-1 and Listing Regulations.

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

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

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

Composition of the Board of Directors as on March 31, 2016 and attendance at the Board meetings held during the Financial Year ended March 31, 2016 and at the last Annual General Meeting ('AGM') are given in table below:

Name and Designation	Category	Attendance at Meetings	
		Board Meetings Attended	Last AGM Attended
Mr. Hari S. Bhartia Chairman	Non-Executive and Promoter	6/6	Yes
Mr. Priyavrat Bhartia# Director	Non-Executive and Promoter	5/6	No
Mr. Shamit Bhartia# Director	Non-Executive and Promoter	6/6	No
Mr. Ghanshyam Dass Director	Non-Executive and Independent	5/6	No
Mr. R. Bupathy Director	Non-Executive and Independent	6/6	Yes
Mr. S. K. Roongta Director	Non-Executive and Independent	6/6	No
Ms. Shivpriya Nanda Director	Non-Executive and Independent	5/6	No
Mr. Videh Kumar Jaipuriar Managing Director	Executive	5/6	Yes

\# *Mr. Priyavrat Bhartia and Mr. Shamit Bhartia, being brothers, are related to each other.*

(iv) Other Directorships

The number of directorships and memberships/chairmanships of Board Committees held by the Directors in other bodies corporate as on March 31, 2016 are as given in table below:

Name of Director	No. of Directorships in Other Bodies Corporate#				No. of Chairmanship / Membership of Committees*	
	Public Listed	Public Unlisted	Private	Foreign	Chairmanships	Memberships
Mr. Hari S. Bhartia	3	2	11	1	-	-
Mr. Priyavrat Bhartia	2	6	7	-	-	4
Mr. Shamit Bhartia	2	6	8	-	-	1
Mr. Ghanshyam Dass	1	4	4	-	1	3
Mr. R. Bupathy	1	1	2	-	2	1
Mr. S. K. Roongta	2	4	-	-	1	5
Ms. Shivpriya Nanda	-	2	-	-	-	1
Mr. Videh Kumar Jaipuriar	-	1	-	1	-	2

\# *Excluding Jubilant Industries Limited, Section 8 companies and Limited Liability Partnerships.*

* *Pursuant to Regulation 26 of Listing Regulations, membership of Audit Committees and Stakeholders Relationship Committees of Indian Public Limited Companies, whether listed or not have been considered. Committees of Jubilant Industries Limited are also included.*

(v) Information given to the Board

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

- Annual operating plans, budgets and any updates;
- Capital budgets and any updates;
- Annual and Quarterly results of the Company and its operating divisions or business segments;
- Minutes of the meetings of various Committees of the Board;
- Information on recruitment and remuneration of senior officers just below the Board level, including appointment or removal of the Chief Financial Officer and the Company Secretary;
- Show cause, demand, prosecution notices and penalty notices, which are materially important;
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems;

- Material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company;
- Issue which involves possible public or product liability claims of substantial nature;
- Details of any joint venture or collaboration agreement;
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property;
- Significant labour problems and their proposed solutions including any significant development in Human Resources / Industrial Relations front;
- Sale of 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 the Management to limit the risks of adverse exchange rate movement, if material;
- Minutes of Board Meetings of unlisted subsidiary companies;
- Statement of significant transactions or arrangements made by unlisted subsidiary companies;
- Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer, etc;
- Quarterly statement showing status of investors complaints; and
- Quarterly Compliance Report on Corporate Governance.

(vi) Board Process

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

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

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

(vii) Independent Directors' Meeting

Independent Directors met on May 23, 2016, without the attendance of Non-Independent Directors and members of the management of the Company. The Independent Directors, *inter alia,* evaluated performance of the Non-Independent Directors, Chairman of the Company and the Board of Directors as a whole, for the Financial Year ended March 31, 2016. They also assessed the quality, content and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

(viii) Familiarisation Programme for Independent Directors

The Company familiarises its Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, Legal updates, etc. In this regard, the Company follows a structured familiarisation programme for the Independent Directors. The details related thereto are displayed on the Company's website (www.jubilantindustries.com). The weblink for the same is : http://www.jubilantindustries.com/pdfs/familiarisation-programme-for-ids.pdf.

C) Committees of the Board

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

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

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

Audit Committee Mr. R. Bupathy (Chairman) Mr. Ghanshyam Dass Mr. S. K. Roongta **Stakeholders Relationship Committee** Mr. S. K. Roongta (Chairman) Mr. Priyavrat Bhartia Mr. Videh Kumar Jaipuriar **Finance Committee** Mr. Hari S. Bhartia (Chairman) Mr. Priyavrat Bhartia Mr. Videh Kumar Jaipuriar **Restructuring 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 **Sustainability and Corporate Social Responsibility Committee** Mr. Hari S. Bhartia (Chairman) Mr. Priyavrat Bhartia Mr. Ghanshyam Dass Mr. Videh Kumar Jaipuriar **Business Strategy Committee** Mr. Ghanshyam Dass Ms. Shivpriya Nanda Mr. Videh Kumar Jaipuriar Mr. S.K. Roongta Mr. Raman Mangalorkar *(Whole-time Director of JACPL, resigned w.e.f. August 12, 2015)*

Corporate Governance Committee and Listing Committee were dissolved on February 10, 2016, as they had served their mandate.

Details of Meetings of the Board Committees held during the year and attendance of Directors:

Name of the Committee	Meetings held	Hari S. Bhartia	Priyavrat Bhartia	Shamit Bhartia	Ghanshyam Dass	R. Bupathy	S. K. Roongta	Shivpriya Nanda	Videh Kumar Jaipuriar
Audit	4	N.A.	N.A.	N.A.	3	4	4	N.A	N.A.
Stakeholders Relationship	4	N.A.	4	N.A.	N.A.	N.A.	4	N.A.	4
Sustainability & CSR	2	2	2	N.A.	1	N.A.	N.A.	N.A.	2
Nomination Remuneration and Compensation	2	N.A.	2	2	1	2	2	N.A.	N.A.
Finance	1	0	1	N.A.	N.A.	N.A.	N.A.	N.A.	1
Business Strategy	1	N.A	N.A	N.A.	1	N.A	1	0	1

N.A. – Not a member of the Committee

No meeting of Restructuring Committee was held during the year.

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

AUDIT COMMITTEE

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

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

(i) Terms of reference:

The Audit Committee functions according to its terms of reference that define its composition, authority, responsibility and reporting functions in accordance with the provisions of the Act and Regulation 18 of Listing Regulations which, *inter-alia*, 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 auditors of the Company including their replacement or removal;
3. Approval of payment to statutory auditors for any other permitted services rendered by the statutory auditors;
4. Reviewing and examining, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:

a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report.

b. Changes, if any, in accounting policies and practices and reasons for the same.

c. Major accounting entries involving estimates based on the exercise of judgment by management.

d. Significant adjustments made in the financial statements arising out of audit findings.

e. Compliance with listing and other legal requirements relating to financial statements.

f. Disclosure of any related party transactions.

g. Draft Auditors' report including qualifications, if any;

5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;

6. Reviewing and monitoring, with the management, the statement of uses/ application of funds raised through an issue/ public offers (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take steps in this matter;

7. Reviewing and monitoring with the management, independence and performance of statutory and internal auditors, adequacy of the internal control systems, and effectiveness of the audit processes;

8. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit;

9. Discussion with internal auditors on any significant findings and follow up thereon;

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

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

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

13. To review the functioning of the Whistle Blower Policy (Vigil Mechanism);

14. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate;

15. Approval or any subsequent modification of transactions of the Company with related parties;

16. Scrutiny of inter-corporate loans and investments;

17. Valuation of undertakings or assets of the Company, wherever it is necessary;

18. Evaluation of internal financial controls and risk management system;

19. Review of Management discussion and analysis of financial condition and results of operations;

20. Review of Management letters / letters of internal control weaknesses issued by the statutory auditors;

21. Review of Internal audit reports relating to internal control weaknesses;

22. Review of Financial statement, in particular, investments made by the subsidiary company(s);

23. Review of appointment, removal and terms of reference of Chief Internal Auditor;

24. Recommend appointment and remuneration of Cost Auditors;

25. Any other role as prescribed by the Companies Act, 2013 and the Listing Regulations.

(ii) Invitees:

Mr. Videh Kumar Jaipuriar, Managing Director and Mr. Sandeep Kumar Shaw, Chief Financial Officer (CFO) are permanent invitees to all Audit Committee meetings.

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

(iii) Meetings and Quorum

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 i.e. on April 30, 2015, August 12, 2015, October 28, 2015, and February 10, 2016.

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

NOMINATION, REMUNERATION AND COMPENSATION COMMITTEE

The Nomination, Remuneration and Compensation Committee, constituted under Section 178 of the Act and Regulation 19 of Listing Regulations, functions according to its terms of reference that define its composition, authority, responsibility and reporting functions which, *inter alia*, include the following:

(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 the SEBI (Share Based Employee Benefits) Regulations, 2014;
10. Any other role as may be prescribed by law, from time to time.

(ii) Meetings and Quorum

The Committee meets as often as required. During the year the Committee met twice i.e. on April 30, 2015 and February 10, 2016. The quorum for the meeting is either two members or one third of the members of the Committee, whichever is greater.

STAKEHOLDERS RELATIONSHIP COMMITTEE

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

(i) Terms of Reference:

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

(ii) Meetings and Quorum

The Committee meets as often as required. During the year under review, the Committee met four times i.e. on April 30, 2015, August 12, 2015, October 28, 2015, and February 10, 2016.

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 10 complaints, which were resolved. No complaint was pending as on March 31, 2016.

(iv) Transfers, Transmissions etc. approved

During the year under review, the Company received 92 cases (involving 4,479 equity shares) of share transfer/transmission out of which 50 cases (involving 2,102 equity shares) were transferred/ transmitted and 42 cases (involving 2,377 equity shares) were rejected for technical reasons.

The Company had 17,794 shareholders as on March 31, 2016.

SUSTAINABILITY AND CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

The role of the Committee and other details are:

(i) Terms of Reference:

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 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

During the year under review, the Committee met twice i.e., on April 30, 2015 and October 28, 2015.

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. To borrow upto ` 5,000 million from Banks/ Financial Institutions/ NBFCs/ Mutual Funds/ Insurance Companies etc.;
2. To charge/ mortgage the company's property for securing its own borrowing and/or for the borrowings of subsidiary, associate and/or joint venture companies (present and future) from time to time not exceeding ` 10,000 million;
3. To give guarantee(s) and/ or provide security(ies) by way of hypothecation/ lien/ pledge on the assets of the Company in favour of Banks, Financial Institutions, NBFC, Mutual Funds, Insurance Companies or any other category of lender in connection with the term/working capital loan/facilities availed/to be availed by Jubilant Agri and Consumer Products Limited (JACPL) up to an aggregate amount of ` 7500 million outstanding at any point of time;
4. To make investments, for profitable deployment of funds, from time to time, whether short term or long term, in Mutual Funds, Bank Deposits or Government securities, provided that the aggregate of such investments outstanding at any point in time shall not exceed ` 2000 million;
5. To furnish Corporate Guarantee up to an amount not exceeding ` 10 crores in aggregate outstanding at any point of time on behalf of JACPL to Customs Department;
6. To make investments and /grant loans to Jubilant Industries Inc., USA., a wholly owned subsidiary, upto an aggregate amount of USD 5.82 million outstanding at any point of time;
7. To borrow upto an amount not exceeding ` 2 crores outstanding at any point of time, in one or more tranches on such terms and conditions as may be agreed with JACPL.

(ii) Meetings and Quorum

The Committee meets as and when necessary. During the year under review, the Committee met once i.e. December 29, 2015.

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

BUSINESS STRATEGY COMMITTEE

The role of the Committee and other details are:

(i) Terms of Reference

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

(ii) Meetings and Quorum

The Committee meets as and when necessary. During the year under review, the committee met once i.e. May 11, 2015.

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

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.

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) Annual Performance Evaluation

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

Performance of the Board was evaluated by each Director on the parameters such as its role and responsibilities, business risks, contribution to the development of strategy and effective risk management, understanding of operational programmes, availability of quality information in a timely manner, regular evaluation of progress towards strategic goals and operational performance, adoption of good governance practices and adequacy and length of meetings, etc. Independent Directors also carried out evaluation of the Board performance.

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

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

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

E) Remuneration of Directors

(i) Remuneration to Executive Directors

Mr. Videh Kumar Jaipuriar was re-appointed as Managing Director without any remuneration w.e.f. March 01, 2016 for a period of three years. During the year, no remuneration was paid to him. He is getting remuneration from Jubilant Agri and Consumer Products Limited (JACPL, wholly owned subsidiary), as its Whole-time Director.

Appointment of Managing Director is contractual and is terminable on 3 months' notice.

Mr. Videh Kumar Jaipuriar holds 20,000 equity shares in the Company pursuant to the exercise of ESOPs granted to him under JIL Employee Stock Option Scheme 2013.

(ii) Remuneration to Non-Executive Directors

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

The details of sitting fees paid/payable for Board/Committee Meetings to other Non-Executive Directors for year ended March 31, 2016 are as follows:

Name	Sitting Fees (`)
Mr. Ghanshyam Dass	1,45,000
Mr. R. Bupathy	1,75,000
Mr. S. K. Roongta	1,92,500
Ms. Shivpriya Nanda	1,05,000
Total	**6,17,500**

As on March 31, 2016, 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. No stock options have been granted to any Non-Executive Directors.

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 through commission as approved by the Board and members. The criteria has been defined in the Appointment and Remuneration Policy of the Company. The criteria is also displayed on Company's website.

F) General Body Meetings

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

Financial Year	Date	Time	Location
2014-15 (9th AGM)	December 21, 2015	12:00 noon	Registered office: Bhartiagram, Gajraula, District Amroha – 244223, Uttar Pradesh
2013-14 (8th AGM)	September 02, 2014	2:30 pm	
2012-13 (7th AGM)	August 27, 2013	1:30 pm	

(ii) Special Resolutions passed during last three AGMs:

No special resolution was passed during the last three years.

(iii) Special Resolutions passed through Postal Ballot during 2014-15

The details of Special Resolution passed on June 22, 2015 through postal ballot/e-voting and the pattern of voting are as below:

Particulars of Resolution	Votes in Favour of Resolution (No. & % age)	Votes against Resolution (No. & % age)
Approval for the slump sale by Jubilant Agri and Consumer Products Limited (JACPL), a wholly owned subsidiary of the Company, of its undertaking engaged in the business of operating retail hypermarket stores in Bengaluru, India to Aditya Birla Retail Limited	80,95,392 (99.99%)	313 (0.01%)

The Board had appointed Mr. Sanjay Grover, a Practising Company Secretary (FCS No. 4223, C.P. No. 3850) of M/s Sanjay Grover & Associates, Company Secretaries as the Scrutinizer to conduct the postal ballot/e-voting process.

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

Special Resolution(s) as may be necessary under the Act/Listing Regulations would be passed through Postal Ballot.

(v) Procedure for Postal Ballot

- The notices containing the proposed resolutions and explanatory statements thereto are sent to the registered postal/e-mail addresses of all shareholders of the Company alongwith a Postal Ballot Form and a postage pre-paid envelope containing the address of the Scrutinizer appointed by the Board for carrying out postal ballot process.
- The Postal Ballot Forms/e-voting received within 30 days of despatch are considered by the Scrutinizer.
- The Scrutinizer submits his report to the Chairman/ MD of the Company, who on the basis of the report announces the results. The date of declaration of the results of the postal ballot was taken as the date of passing of the resolution.
- The Company has entered into an agreement with National Securities Depository Limited (NSDL) for providing e-voting facility to its shareholders. Under this facility, shareholders are provided an electronic platform to participate and vote on the proposal(s) of the Company.

G) Codes and Policies

The Company has established the following salient codes and policies:

i. Code of Conduct

The Company has formulated and implemented a Code of Conduct for all Board members and Senior Management. Requisite annual affirmations of compliance with the Code have been received from the Directors and Senior Management of the Company. A declaration signed to this effect by Mr. Videh Kumar Jaipuriar, Managing Director is enclosed as **Annexure A**. The Code of Conduct is posted on the Company's website. The link of the same is *http://www.jubilantindustries.com/pdfs/code-of-conduct.pdf.*

ii. Code of Conduct for Prevention of Insider Trading

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

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

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

iv. Policy for Determining Materiality of Events and Information

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

v. Policy for Preservation of Documents

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

vi. Archival Policy

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

vii. Appointment and Remuneration Policy

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

viii. Policy for Determining Material Subsidiaries

This policy has been revised during the year pursuant to the provisions of the Listing Regulations and is displayed on the Company's website. The web-link for the same is: http://www.jubilantindustries.com/pdfs/policy-determining-material-subsidiaries.pdf.

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

During the year, the Company has also revised the policy along with the criteria for granting omnibus approval for Related Party Transactions. This policy is displayed on the Company's website. The web-link for the same is: http://www.jubilantindustries.com/pdfs/policy-for-related-party-transactions.pdf.

No material Related Party Transaction was entered into during FY 2015-16.

x. Whistle Blower Policy

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

The Whistle Blower Policy has been posted on the website of the Company. The link of the same is *http://www.jubilantindustries.com/pdfs/whistle-blower-policy.pdf.* The Audit Committee periodically reviews the functioning of the Policy and Ombudsman Process. During the year, no Director or full time employee was denied access to the Chairman of the Audit Committee.

xi. Corporate Social Responsibility Policy

The Company's CSR policy is displayed on Company's website. The link of the same is *http://www.jubilantindustries.com/pdfs/jil-csr-policy.pdf.*

xii. Policy on Board Diversity

xiii. Succession Plan for Board Members and Senior Management.

xiv. Performance Evaluation Policy.

H) Disclosures

(i) Jubilant Agri and Consumer Products Limited (JACPL) is a material non-listed wholly owned Indian subsidiary of the Company.

(ii) There are no materially significant transactions with the related parties viz. promoters, directors or the management, their subsidiaries or relatives, etc. that may have a potential conflict with the interests of the Company at large. Related party transactions are given at Note No. 39 of Notes to the Standalone Financial Statements.

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

(iv) Listing fees for the financial year 2016-17 have been paid to the Stock Exchanges where the shares of the Company are listed.

(v) Detailed notes on risk management are included in the Management Discussion Analysis section.

I) Means of Communication

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

(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, if any.

(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 company's website for all interested stakeholders.

(v) Annual Report and Corporate Sustainability Report are emailed to such shareholders whose email ids are registered with the Company/ Depositories.

J) General Shareholders' Information

(i) Date, Time and Venue for 10th Annual General Meeting

As per notice of 10th Annual General Meeting.

(ii) Financial Year and Financial Calendar.

The Company observes April 01 to March 31 of the following year as its Financial Year. The Financial Calendar for year 2016-17 is as follows:

Item	Tentative Dates *
First Quarter Results	August 10, 2016
Second Quarter Results	October 28, 2016
Third Quarter Results	February 08, 2017
Audited Annual Results for the year	May 17, 2017

**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 10th Annual General Meeting. Further, no dividend has been recommended for the year ended March 31, 2016.

(iv) Listing

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

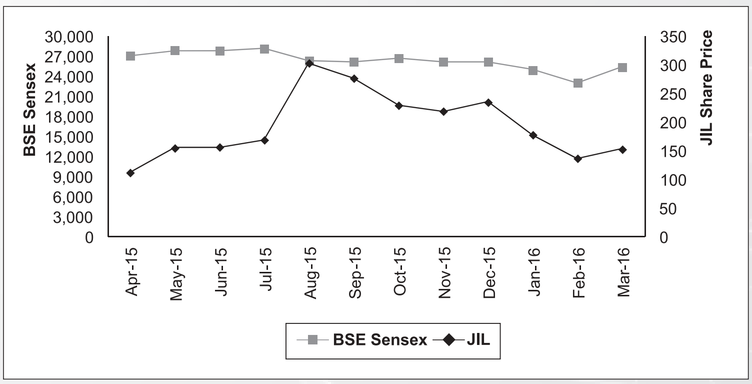
S. No.	Name of the Stock Exchange	Security Listed	Stock Code
1.	BSE Limited Phiroze Jeejeebhoy Tower, Dalal Street, Fort, Mumbai - 400 001	Equity Shares	533320
2.	National Stock Exchange of India Limited Exchange Plaza, 5th Floor, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051	Equity Shares	JUBLINDS

(v) Market Price Data

Monthly high/low of market price of the Company's equity shares (of ` 10 each) traded on the Stock Exchanges during 2015-16 is given hereinafter:

Month	BSE		NSE	
	High (`)	Low (`)	High (`)	Low (`)
Apr, 2015	116.90	81.25	116.60	80.00
May, 2015	179.10	97.00	179.50	96.65
Jun, 2015	176.00	130.50	164.00	130.55
Jul, 2015	193.50	154.00	193.00	151.00
Aug, 2015	313.60	165.00	313.00	163.60
Sept, 2015	327.90	242.90	328.15	244.70
Oct, 2015	295.10	225.00	296.95	227.20
Nov, 2015	243.00	195.00	242.00	201.00
Dec, 2015	289.00	220.00	290.50	219.00
Jan, 2016	242.00	160.20	242.00	162.50
Feb, 2016	190.00	121.00	188.15	122.95
Mar, 2016	169.70	140.10	164.90	142.00

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



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

(vii) Growth in Equity Capital

Year	Particulars	Number of Equity Shares	Cumulative Number of Equity Shares	Face Value per Equity Share (`)
2007	Issue of Equity Shares to the Subscribers to the Memorandum and Articles of Association	10,000	10,000	10
2010	Issue of Equity Shares on Preferential basis	40,000	50,000	10
2010	Issue of Equity Shares pursuant to Scheme of Amalgamation and Demerger with Jubilant Life Sciences Limited and others	79,64,056	80,14,056	10
2012	Issue of Equity Shares pursuant to Scheme of Arrangement with Enpro Oil Private Limited and Jubilant Agri and Consumer Products Limited	38,35,348	1,18,49,404	10
2015	Issue of Equity Shares pursuant to exercise of Options granted under JIL Employees Stock Option Scheme 2013.	37,196	1,18,86,600	10

(viii) Compliance Officer

Mr. Dinesh Kumar 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,
Alankit Heights 1E/13, Jhandewalan Extension, New Delhi-110055;
Tel: +91-11-23541234, 42541234; Fax: +91-11-41543474
E-mail: **rta@alankit.com, info@alankit.com**

(x) Share Transfer System

Stakeholders Relationship Committee is authorised to approve transfers 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.

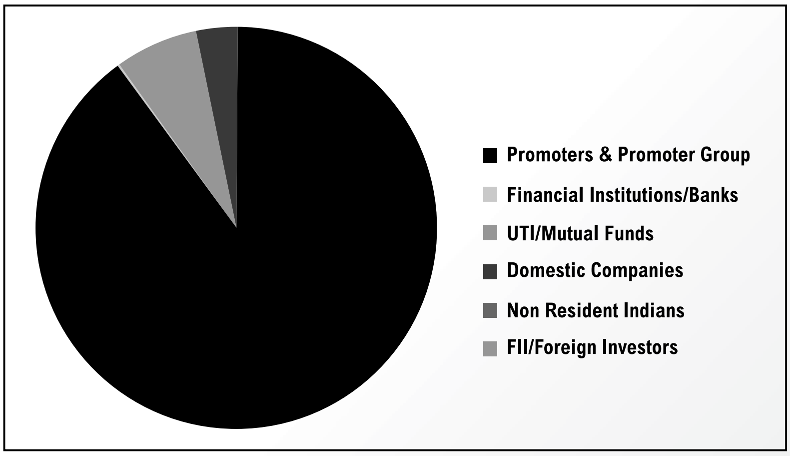
(xi) Distribution of shareholding as on March 31, 2016

(a) Value wise

Shareholding of nominal value (in `)	Shareholders		Shareholding	
	Number	%	Number	%
Upto 5,000	16,990	95.48	74,39,820	6.26
5,001 to 10,000	316	1.77	25,24,320	2.12
10,001 to 20,000	231	1.30	34,26,580	2.88
20,001 to 30,000	84	0.47	21,50,490	1.81
30,001 to 40,000	43	0.24	15,07,180	1.27
40,001 to 50,000	24	0.14	11,06,880	0.93
50,001 to 1,00,000	49	0.28	34,40,660	2.90
1,00,001 and above	57	0.32	9,72,70,070	81.83
Total	**17,794**	**100.00**	**11,88,66,000**	**100.00**

(b) Category wise

S. No.	Category	No. of shares	Shareholding as a percentage of total number of shares
A	Promoters & Promoter Group	81,66,637	68.70
B	Public Shareholding		
1	Financial Institutions / Banks	9,941	0.08
2	UTI/Mutual Funds	620	0.00
3	Domestic Companies	6,07,433	5.11
4	Non Resident Indians	3,02,044	2.54
5	FII / Foreign Investors	160	0.00
6	Indian Public	27,99,765	23.57
	Grand Total	**1,18,86,600**	**100.00**



(xii) Unclaimed Dividends

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

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

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

(xiii) Equity Shares in Unclaimed Suspense Account

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

Particulars	Number of Shareholders	Number of Equity Shares
Aggregate number of shareholders and the outstanding shares in the to Unclaimed Suspense Account lying as on April 01, 2015	1,409	36,821
Aggregate number of shareholders and the outstanding shares transferred to Unclaimed Suspense Account during 2015-16	NIL	NIL
Number of shareholders who approached the Company for transfer of shares from the Unclaimed Suspense Account during 2015-16	4	183
Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during 2015-16	4	183
Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account as on March 31, 2016	1,405	36,638

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

(xiv) Information pursuant to Regulation 36(3) of the Listing Regulations

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

(xv) Compliance Certificate of the Statutory Auditors

The Company has obtained a Certificate from the Statutory Auditors regarding compliance of conditions of Corporate Governance as stipulated in Schedule V(E) of the Listing Regulations. The Certificate is attached as **Annexure C**.

(xvi) (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). 11736056 equity shares of the Company (98.73%) were in dematerialized form as on March 31, 2016. 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, 2016 stands at 1,18,86,600 equity shares of ` 10 each amounting to ` 11,88,66,000 (Rupees Eleven crores Eighty Eight Lacs Sixty Six Thousand only).

(d) Stock Options

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

During FY 2015-16, no option was granted under the ESOP Scheme but 37,196, options were exercised on October 06, 2015. As on March 31, 2016, 61,423 Options were outstanding under ESOP Scheme.

(xvii) Location of Plant

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

(xviii) Address for Correspondence

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

(xix) Corporate Identity Number (CIN)

L24100UP2007PLC032909

K) Compliance with the Regulations Related to Corporate Governance in the Listing Regulations

(a) Mandatory Requirements

The Company has complied with the mandatory requirements relating to Corporate Governance as prescribed in the Listing Regulations.

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

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

1. **The Board**

   - Non Executive Chairman's Office

   The Chairman is Non-Executive Promoter Director.

2. **Shareholders' Rights**

   Half yearly financial performance is not being sent to Shareholders.

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

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

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

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

5. **Reporting of Internal Auditor**

   Internal Auditor reports to the Audit Committee.

CEO/CFO Certification

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

Investor Services

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

- Emailing Annual Report, Corporate Sustainability Report and Notice of Annual General Meeting to shareholders, whose e-mail IDs are available.
- User friendly Investor Section on the website of the Company www.jubilantindustries.com.
- 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 A

TO WHOMSOEVER IT MAY CONCERN

This is to confirm that all the Board members and senior management personnel have affirmed compliance with the Code of Conduct of the Company for the year ended March 31, 2016.

For **Jubilant Industries Limited**

Place: NOIDA
Date : May 23, 2016

Videh Kumar Jaipuriar
Managing Director

Annexure B

APPOINTMENT AND REMUNERATION POLICY

SCOPE

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

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

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

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

DEFINITIONS

i. “Act” means the Companies Act, 2013 read with the rules, clarifications, circulars and orders issued thereunder from time to time including any modification or re-enactment thereof.

ii. “Board” means the Board of Directors of the Company.

iii. “Independent Director” means an Independent Director of the Company appointed in pursuance of the Act and Listing Agreement with the stock exchanges.

iv. “Key Managerial Personnel” or “KMP” means person(s) appointed as such in pursuance of Section 203 of the Act.

v. “Listing Agreement” means the listing agreement between the Company and the stock exchanges on which the securities of the Company are listed and traded.

vi. “NRC” means Nomination, Remuneration and Compensation Committee of the Board, constituted in accordance with the provisions of Section 178 of the Act and the Listing Agreement.

vii. "Other Employees" means all the employees of the Company other than the Key Managerial Personnel and the Senior Management.

viii. "Rules" means the rules framed under the Act.

ix. "Senior Management" shall mean the personnel of the Company designated as Senior Management in accordance with the definition laid down under Explanation to Section 178 of the Act and Clause 49(VIII)(D)(2) of the Listing Agreement.

x. "Stock Options" means the options given or to be given by the Company as per the prevalent Employees Stock Option Scheme/Plans of the Company.

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

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

GENERAL QUALIFICATIONS AND ATTRIBUTES FOR ALL DIRECTORS

The prospective Director:

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

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

COMPLIANCES

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

DISCLOSURES

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

REVIEW / AMENDMENT

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

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

PART I – KEY MANAGERIAL PERSONNEL

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

PART A - Managing Directors / Whole-Time Directors ("EDs")

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

PART A- MANAGING DIRECTORS / WHOLE-TIME DIRECTORS ("EDs")

OBJECTIVES

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

SPECIFIC QUALIFICATIONS AND ATTRIBUTES

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

PROCESS OF APPOINTMENT AND REMOVAL

Appointment

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

Removal

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

COMPONENTS OF REMUNERATION / INCREMENTS

Remuneration shall consist of:

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

ANNUAL INCREMENT

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

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

OBJECTIVES

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

QUALIFICATIONS AND ATTRIBUTES

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

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

PROCESS OF APPOINTMENT AND REMOVAL

Appointment

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

Removal

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

ELEMENTS / COMPONENTS OF REMUNERATION

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

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

ANNUAL APPRAISAL AND INCREMENT

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

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

PART II – NON-EXECUTIVE DIRECTORS / INDEPENDENT DIRECTORS

OBJECTIVES

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

SPECIAL QUALIFICATIONS AND ATTRIBUTES FOR INDEPENDENT DIRECTORS

In addition to the qualifications and attributes specified in 'General Qualifications and Attributes' above, the prospective Independent Director should meet the requirements of Schedule IV to the Act and the Listing Agreement.

PROCESS OF APPOINTMENT AND REMOVAL

Appointment

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

Removal

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

ELEMENTS/COMPONENTS OF REMUNERATION

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

PART III – SENIOR MANAGEMENT & OTHER EMPLOYEES

OBJECTIVES

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

QUALIFICATIONS AND ATTRIBUTES

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

  NRC has the discretion to decide whether qualification, expertise, experience and attributes possessed by a person are sufficient/ satisfactory for the concerned Senior Management position.
- Other Employees: Qualification, expertise, experience and attributes will be determined by the Management as per the HR Policy of the Company.

PROCESS OF APPOINTMENT AND REMOVAL

Appointment

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

Removal

- Where an employee in the Senior Management is subjected to any disqualification(s) mentioned in the Act, Rules or under any other law, rules and regulations, Code of Conduct and / or Policies of the Company, the Board may remove such employee from the services of the Company, on recommendation of NRC.
- In case of other employees, the Management of the Company may terminate the services of such employee as per HR Policy of the Company.

ELEMENTS / COMPONENTS OF REMUNERATION

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

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

ANNUAL APPRAISAL AND INCREMENT

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

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

Annexure C

AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE

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 31st March 2016, as stipulated in clause 49 of the Listing Agreement ('Listing Agreement') of the company with the stock exchange for the period 1st April 2015 to 30th November 2015 and as per the relevant provision of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as referred to in Regulation 15(2) of the Listing Regulations for the period 1st December 2015 to 31st March, 2016.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to procedure and implementation 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, we certified that the company has complied with the conditions of Corporate Governance as stipulated in the above – mentioned Listing Agreement/Listing Regulations, as applicable.

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 & Company**
Chartered Accountants
FRN 304153E

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

Place : New Delhi
Dated : May 23, 2016

Annexure D

CERTIFICATE OF CEO/CFO

This is to certify that:

(a) We have reviewed financial statements and the cash flow statement for the year 2015-16 and that to the best of our knowledge and belief:

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

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

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

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

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

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

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

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

For **Jubilant Industries Limited**

Place : NOIDA
Date : May 23, 2016

Videh Kumar Jaipuriar
Managing Director

Sandeep Kumar Shaw
Chief Financial Officer

STANDALONE
FINANCIAL STATEMENTS

Independent Auditors' Report

TO THE MEMBERS OF JUBILANT INDUSTRIES 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, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information which we have signed under reference to this report.

Management's responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in section 134 (5) of the Companies Act 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

4. We conducted our audit in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

5. 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. 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.

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

Opinion

7. 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, 2016;

   (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

8. As required by the Companies (Auditor's Report) Order, 2016 ('Order'), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we enclose in the Annexure 'A' a statement on the matters specified in paragraphs 3 and 4 of the said Order.

9. As required by Section143 (3) of the Act, we report that:

a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

b. in our opinion proper books of accounts as required by the law have been kept by the Company, so far as appears from our examination of those books;

c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;

d. in our opinion, the aforesaid financial Statements dealt with by this report comply with the Accounting Standards referred to in section 133 of the Companies Act, 2013;

e. on the basis of written representations received from the directors as on 31st March 2016, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2016 from being appointed as Director in terms of sub section 2 of section 164 of the Companies Act, 2013 ;

f. With respect to the adequacy of the Internal Financial Controls over the financial reporting of the Company and operating effectiveness of such controls, refer to our separate Report in "Annexure B"; and

g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. There were no pending litigations which would impact the financial position of the Company.

   ii. The Company did not have any foreseeable losses on long term contracts and had no derivative contracts outstanding as at 31st March 2016; and

   iii. The Company did not have any dues requiring transfer to Investor Education and Protection Fund.

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

B.R. GOYAL
Partner
Membership No.12172

Place: Noida
Date : 23rd May, 2016

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 8 of our report of even date to the members of **Jubilant Industries Limited** on the financial statements for the year ended 31st March, 2016)

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 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) Title deeds of immovable properties of the company are held in the name of the Company.

ii) (a) The inventories except goods-in-transit have been physically verified during the year by the management at reasonable intervals.

(b) In our opinion, no material discrepancies were noticed on physical verification of stocks.

iii) According to the information and explanations given to us, the Company has, during the year, not granted any loans, secured or unsecured to companies, firms, limited liability partnerships firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly paragraph 3(iii) of the Order is not applicable to the Company.

iv) In our opinion and according to the information and explanation given to us, the Company has complied the provisions of section 185 and 186 of the Companies Act, 2013, with respect to investments and guarantees.

v) The Company has not accepted any deposits and hence paragraph 3(v) of the Order is not applicable to the Company.

vi) 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 148 of the Companies Act, 2013 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.

vii) (a) According to the records examined by us, the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees state insurance, income tax, sales tax, service tax, duty of custom, duty of excise, value added tax, 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 on the last date of the financial year 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, income tax and service tax which have not been deposited on account of disputes.

viii) Based on our audit procedures and according to the information given by the management, the Company has no loans or borrowings from any financial institution, bank, government and hence paragraph 3(viii) of the Order is not applicable to the Company.

ix) In our opinion and according to the information and explanations given to us, the Company has not done any initial public offer or further public offer (including debt instrument) and has not taken any term loans during the year and hence paragraph 3(ix) of the Order is not applicable to the Company.

x) 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 by the Company or any fraud on the company by its officer or employees has been noticed or reported during the course of our audit.

xi) The company has not paid/provided any managerial remuneration during the year and hence paragraph 3(xi) is not applicable to the Company.

xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company and hence paragraph 3 (xii) of the Order is not applicable to the Company.

xiii) As explained to us and as per the records of the Company, in our opinion the transactions with the related parties are in Compliance with Section 177 and Section 188 of the Companies Act, 2013 and the details have been disclosed in the financial statements as required by the applicable accounting standard.

xiv) According to the records of the Company, it has not made any preferential allotment of shares or private placement of shares or fully/partly convertible debentures during the year under report. Accordingly paragraph 3 (xiii) of the Order is not applicable to the Company.

xv) According to the records of the Company, the Company has not entered during the year into any non-cash transaction with Director or person connected with him. Hence paragraph 3 (xv) of the Order is not applicable to the Company.

xvi) The Company is not required to be registered under section 45-1A of the Reserve Bank of India Act, 1934 and hence paragraph 3 (xvi) of the Order is not applicable to the Company.

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

B.R. GOYAL
Partner
Membership No.12172

Place: Noida
Date : 23rd May, 2016

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF JUBILANT INDUSTRIES LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **JUBILANT INDUSTRIES LIMITED** ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

B.R. GOYAL
Partner
Membership No.12172

Place: Noida
Date : 23rd May, 2016

BALANCE SHEET
AS AT 31 MARCH 2016

(` in million)

		Note	As at 31 March 2016		As at 31 March 2015	
I	**EQUITY AND LIABILITIES**					
	Shareholders' funds					
	Share capital	3	118.87		118.49	
	Reserve & surplus	4	2,488.49		2,495.72	
				2,607.36		2,614.21
	Non-current liabilities					
	Deferred tax liabilities (net)	5	-		0.52	
	Long term provisions	6	1.23		1.72	
				1.23		2.24
	Current liabilities					
	Short term borrowings	7	10.00		10.00	
	Trade payables	8	11.61		32.00	
	Other current liabilities	9	159.14		150.80	
	Short term provisions	10	9.90		0.82	
				190.65		193.62
	Total			**2,799.24**		**2,810.07**
II	**ASSETS**					
	Non-current assets					
	Fixed assets					
	Tangible assets	11	18.87		19.83	
	Intangible assets	12	0.24		0.44	
	Non current investments	13	2,634.87		2,634.87	
	Long term loans & advances	14	1.31		1.31	
				2,655.29		2,656.45
	Current assets					
	Inventories	15	32.90		32.58	
	Trade receivables	16	4.79		15.25	
	Cash & bank balances	17	3.22		1.49	
	Short term loans and advances	18	103.04		104.30	
				143.95		153.62
	Total			**2,799.24**		**2,810.07**
	Significant accounting policies	2				
	Notes to the financial statements	1 - 45				

In terms of our report of even date attached.

For and on behalf of the Board

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

B. R. Goyal
Partner
Membership No. 12172

Hari S. Bhartia
Chairman

Place : Noida
Date : 23 May 2016

Dinesh Kumar Gupta
Company Secretary

Sandeep Kumar Shaw
Chief Financial Officer

Videh Kumar Jaipuriar
Managing Director

STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED 31 MARCH 2016

(` in million)

	Note	For the year ended 31 March 2016		For the year ended 31 March 2015	
REVENUE					
Revenue from operations (gross)	19	401.46		500.57	
Less: Excise duty		94.74		206.98	
Revenue from operations (net)			306.72		293.59
Other Income	20		0.12		0.17
Total revenue			**306.84**		**293.76**
EXPENSES					
Cost of materials consumed	21		104.93		99.66
Purchase of traded goods	22		0.52		0.89
Change in inventories of work-in-progress & finished goods	23		(5.14)		7.67
Other manufacturing expenses	24		167.00		134.05
Employee benefits expense	25		13.46		14.56
Finance costs	26		1.56		1.12
Depreciation & amortisation expense	11 & 12		1.25		1.54
Other expenses	27		30.57		47.59
Total expenses			**314.15**		**307.08**
Profit/(Loss) before exceptional items & tax			(7.31)		(13.32)
Exceptional items	28		4.04		-
Profit/(Loss) before tax			(11.35)		(13.32)
Tax Expenses:					
- Current Tax (Refer note 34)		-		(0.36)	
- Deferred tax credit		(0.52)		(1.21)	
			(0.52)		(1.57)
Profit/(Loss) for the year			**(10.83)**		**(11.75)**
Basic earnings per share of ` 10 each (In `)	44		(0.91)		(0.99)
Diluted earnings per share of ` 10 each (In `)	44		(0.91)		(0.99)
Significant accounting policies	2				
Notes to the financial statements	1 - 45				

In terms of our report of even date attached.

For and on behalf of the Board

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

B. R. Goyal
Partner
Membership No. 12172

Hari S. Bhartia
Chairman

Place : Noida
Date : 23 May 2016

Dinesh Kumar Gupta
Company Secretary

Sandeep Kumar Shaw
Chief Financial Officer

Videh Kumar Jaipuriar
Managing Director

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2016

(` in million)

	For the year ended 31 March 2016	For the year ended 31 March 2015
A. Cash flow arising from operating activities:		
Net profit/(loss) before tax	**(11.35)**	**(13.32)**
Adjustments for:		
Depreciation & amortisation expense	1.25	1.54
Finance costs	1.58	1.12
Interest income	(0.02)	–
Provision for old inventory and receivables (Refer note 28)	(3.54)	–
Provision for employee benefits	(0.38)	0.89
Bad debts/irrecoverable advances written-in (net of write-off)	–	(0.17)
	(1.11)	3.38
Operating profit before working capital changes	**(12.46)**	**(9.94)**
Adjustments for:		
(Increase)/Decrease in trade receivables, loans & advances and other assets	11.85	103.93
(Increase)/Decrease in inventories	(0.32)	22.05
Increase/(Decrease) in trade payables, provisions and other liabilities	0.14	(115.95)
Cash generated from operations	(0.79)	0.09
Direct taxes (paid)/refund (net)	(0.13)	(0.33)
Net cash inflow/(outflow) in course of operating activities	**(0.92)**	**(0.24)**
B. Cash flow arising from investing activities:		
Acquisition/Purchase of fixed assets	(0.15)	–
Sale proceeds of fixed assets	0.06	–
Subscription towards capital in subsidiary company in USA	–	(10.75)
Interest Income received	0.02	–
Movement in other bank balances	(0.05)	–
Net cash inflow/(outflow) in course of investing activities	**(0.12)**	**(10.75)**
C. Cash flow arising from financing activities:		
Proceeds from / (Repayment) of long term borrowings (net)	(0.11)	(0.25)
Inter-corporate borrowing from subsidiary company	–	10.00
Proceeds from issue of share capital through ESOP	3.98	–
Repayment of interest converted in to inter-corporate loan	(0.95)	–
Finance costs paid	(0.20)	(0.17)
Net cash inflow/(outflow) in course of financing activities	**2.72**	**9.58**
Net increase/(decrease) in cash & cash equivalents (A+B+C)	1.68	(1.41)
Add: Cash & cash equivalents at the beginning of the year (including balance in dividend account)	1.49	2.90
Cash & cash equivalents at the close of the year (including balance in dividend account)	**3.17**	**1.49**

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) 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 and on behalf of the Board

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

B. R. Goyal
Partner
Membership No. 12172

Hari S. Bhartia
Chairman

Place : Noida
Date : 23 May 2016

Dinesh Kumar Gupta
Company Secretary

Sandeep Kumar Shaw
Chief Financial Officer

Videh Kumar Jaipuriar
Managing Director

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

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 specified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, the other relevant provisions of the Companies Act, 2013 (including provisions of Companies Act, 1956 which continue to remain in force, to the extent applicable), pronouncements of the Institute of Chartered Accountants of India and the guidelines issued by the Securities and Exchange Board of India ("SEBI"), to the extent applicable. The Financial Statements are presented as per Schedule III to the Companies Act, 2013 and in Indian rupees rounded off to the nearest million.

Use of estimates

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

Current-non-current classification

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

Assets

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

a. it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;

b. It is held primarily for the purpose of being traded;

c. it is expected to be realized within 12 months after the reporting date; or

d. it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

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

All other assets are classified as non-current.

Liabilities

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

a. it is expected to be settled in the Company's normal operating cycle;

b. it is held primarily for the purpose of being traded;

c. it is due to be settled within 12 months after the reporting date; or

d. the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result on its settlement by the issue of equity instruments do not affect its classification.

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

All other liabilities are classified as non-current.

Operating cycle

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

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

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

Pursuant to the Companies Act, 2013 ("the Act"), the Company has provided depreciation on fixed assets as per useful life specified in Part "C" of Schedule II of the Act, read with Notification dated 29th August, 2014 of the Ministry of Corporate Affairs, on the original cost/ acquisition cost of fixed assets or other amount substituted for cost except for the following classes of fixed assets which are depreciated as under:

a. Employee perquisite related Assets: Five Years, being the period of the Perquisite Scheme.

b. Motor Vehicles: Five Years.

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

Useful life so arrived at are currently reflective of the estimated useful life of the fixed assets and are not higher than the useful lives as prescribed vide Schedule II to the Companies Act, 2013.

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

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 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.

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 it's 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 Schedule III.

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 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, if any 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, if any 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, if any 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 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 on deposits, loans and interest bearing securities is recognized on time proportionate basis.

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, has been treated as "Common Revenue/Expenses/ Assets/Liabilities", as the case may be. However, there is no business segment for the year under report.

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(ICAI). 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.

SEBI on 28th October 2014, issued Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ('new guidelines') repealing Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. According to the new guidelines any company implementing any of the share based schemes shall follow the requirements of the 'Guidance Note on Accounting for employee share-based Payments' (Guidance Note) or Accounting Standards as may be prescribed by the ICAI from time to time, including the disclosure requirements prescribed therein.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

(` in million)

		As at 31 March 2016	As at 31 March 2015
3.	**SHARE CAPITAL**		
	Authorised		
	15,000,000 Equity shares of ` 10 each	150.00	150.00
	(Previous Year 15,000,000 Equity shares of ` 10 each)		
		150.00	**150.00**
	Issued, subscribed & paid-up		
	11,886,600 Equity shares of ` 10 each (Refer note 3.1)	118.87	118.49
	(Previous Year 11,849,404 Equity shares of ` 10 each)		
		118.87	**118.49**

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

a) 3,835,348 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) 7,964,056 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 31 March 2016		As at 31 March 2015	
	No. of shares	% held	No. of shares	% held
Jubilant Stock Holding Private Limited	1,329,757	11.19	1,329,757	11.22
Jubilant Capital Private Limited	1,166,600	9.81	1,166,600	9.85
Jubilant Enpro Private Limited	3,729,683	31.38	3,729,683	31.48
Jubilant Securities Private Limited	1,051,075	8.84	1,051,075	8.87
Samena Special Situations Mauritius	–	–	690,555	5.83

3.3 The reconciliation of the number of shares outstanding as at 31 March 2016 and 31 March 2015 is set out below:

	As at 31 March 2016		As at 31 March 2015	
	No. of shares	` in million	No. of shares	` in million
Number of shares at the beginning of the year	11,849,404	118.49	11,849,404	118.49
Add: Issued during the year (Refer note 3.7)	37,196	0.38	–	–
Numbers of shares at the end of the year	11,886,600	118.87	11,849,404	118.49

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

3.5 For Employee Stock Option Scheme refer note 32.

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.

3.7 During the current year, under the JIL Employees Stock Option Scheme, 2013; 37,196 equity shares were allotted and issued, out of which 855 equity shares and 36,341 equity shares were allotted and issued @ ` 50.50 per equity share and @ ` 108.10 per equity share (including securities premium), respectively to the eligible persons upon exercise of vested options.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

(` in million)

		As at 31 March 2016	As at 31 March 2015
4.	**RESERVES AND SURPLUS**		
	Securities premium account		
	At the commencement of the year	823.45	823.45
	Add: Additions during the year (Refer note 3.7)	3.60	–
	At the end of the year	**827.05**	**823.45**
	General reserve		
	At the commencement and at the end of the year	**227.78**	**227.78**
	Surplus		
	At the commencement of the year	1,444.49	1,456.35
	Add: Net (loss) after tax as per Statement of Profit & Loss for the year	(10.83)	(11.75)
	Less: Adjustments on account of depreciation (Refer note 4.2)	–	0.11
	At the end of the year	**1,433.66**	**1,444.49**
		2,488.49	**2,495.72**

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

4.2 Based on transitional provision provided in note 7(b) of Schedule II of Companies Act, 2013, where useful life of fixed assets had become nil in terms of the said schedule, carrying amount of such assets as at 1st April, 2014 had been debited to the opening balance of the surplus. (Refer note 36)

(` in million)

		As at 31 March 2016	As at 31 March 2015
5.	**DEFERRED TAX LIABILITIES (NET)**		
	Deferred tax liabilities on account of:		
	Accelerated depreciation/amortization	–	1.81
		–	**1.81**
	Deferred tax assets on account of:		
	Provisions for leave encashment and gratuity	–	1.29
		–	**1.29**
	Deferred tax liabilities (net)	**–**	***0.52**

* Adjusted during the year 2015-16, hence, closing balance as at 31 March 2016 is Nil.

(` in million)

		As at 31 March 2016	As at 31 March 2015
6.	**LONG TERM PROVISIONS**		
	Employee benefits	1.23	1.72
		1.23	**1.72**

(` in million)

		As at 31 March 2016	As at 31 March 2015
7.	**SHORT TERM BORROWINGS**		
	(Unsecured)		
	Loan from related party (Subsidiary) (Refer note 39)	10.00	10.00
		10.00	**10.00**

7.1 Short term borrowing from related party is repayable as per terms of agreement with in one year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

(` in million)

	As at 31 March 2016	As at 31 March 2015
8. TRADE PAYABLES		
Due to micro, small & medium enterprises under MSMED Act, 2006 (Refer note 30)	–	–
Others	11.61	32.00
	11.61	**32.00**

(` in million)

	As at 31 March 2016	As at 31 March 2015
9. OTHER CURRENT LIABILITIES		
Current maturities of finance lease obligations (Refer note 9.1)	–	0.11
Trade deposits & advances	0.14	0.12
Interest accrued and due	1.38	0.95
Due to related parties (Refer note 39)	130.90	122.42
Employee benefits payable	0.63	0.31
Unpaid dividend	0.24	0.24
Others (including statutory dues)	25.85	26.65
	159.14	**150.80**

9.1 Current maturities of finance lease obligations ` Nil (Previous Year: ` 0.11 million) were 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 31 March 2016	As at 31 March 2015
10. SHORT TERM PROVISIONS		
Employee benefits	0.35	0.24
Excise duty	6.01	0.58
Provision for old inventory and receivables	3.54	-
	9.90	**0.82**

11. TANGIBLE ASSETS

(` in million)

Description	GROSS BLOCK-COST / BOOK VALUE				DEPRECIATION / AMORTISATION / IMPAIRMENT				NET BLOCK	
	Total As at 31 March 2015	Additions/ adjustments during the year	Deductions/ adjustments during the year	Total As at 31 March 2016	Total As at 31 March 2015	Provided for the year	Deductions/ adjustments during the year	Total As at 31 March 2016	Total As at 31 March 2016	Total As at 31 March 2015
Land (Freehold)	6.81	–	–	6.81	–	–	–	–	6.81	6.81
Buildings factory	9.12	–	–	9.12	3.35	0.28	–	3.63	5.49	5.77
Plant & machineries	16.20	–	–	16.20	9.15	0.69	–	9.84	6.36	7.05
Furniture & fixtures	0.22	–	–	0.22	0.20	–	–	0.20	0.02	0.02
Office equipments	0.44	0.15	–	0.59	0.36	0.04	–	0.40	0.19	0.08
Vehicles (Leased)	0.50	–	0.50	–	0.40	0.04	0.44	–	–	0.10
TOTAL	**33.29**	**0.15**	**0.50**	**32.94**	**13.46**	**1.05**	**0.44**	**14.07**	**18.87**	**19.83**
Previous Year	33.29	–	–	33.29	12.00	*1.46	–	13.46	19.83	21.29

* During the previous year amounting to ` 0.11 million of depreciation was debited to opening balance of surplus/(deficit), and balance amount of ` 1.35 million was charged to statement of profit and loss (Refer note 36).

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.

12. INTANGIBLE ASSETS

(` in million)

Description	GROSS BLOCK-COST / BOOK VALUE				DEPRECIATION / AMORTISATION / IMPAIRMENT				NET BLOCK	
	Total As at 31 March 2015	Additions/ adjustments during the year	Deductions/ adjustments during the year	Total As at 31 March 2016	Total As at 31 March 2015	Provided for the year	Deductions/ adjustments during the year	Total As at 31 March 2016	Total As at 31 March 2016	Total As at 31 March 2015
Software	0.78	–	–	0.78	0.34	0.20	–	0.54	0.24	0.44
TOTAL	**0.78**	**–**	**–**	**0.78**	**0.34**	**0.20**	**–**	**0.54**	**0.24**	**0.44**
Previous Year	0.78	–	–	0.78	0.15	0.19	–	0.34	0.44	0.63

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

(` in million)

			As at 31st March, 2016	As at 31st March, 2015
13. NON–CURRENT INVESTMENTS (At cost)				
Number	Face value per unit			
		Trade investments (long term) (unquoted)		
		In subsidiary companies:-		
	(i)	**Jubilant Agri and Consumer Products Limited:**		
50,000	` 10	Fully paid-up equity shares	0.50	0.50
(50,000)	(` 10)			
1,648,817	` 10	10% Optionally convertible non-cumulative redeemable preference shares	1,648.82	1,648.82
(1,648,817)	(` 10)			
974,800	` 10	10% Non-cumulative redeemable preference shares	974.80	974.80
(9,74,800)	(` 10)			
			2624.12	2624.12
	(ii)	**Jubilant Industries Inc. USA**		
200	No Par Value	In equity instruments fully paid-up	10.75	10.75
(200)				
		Total (i)+(ii)	**2,634.87**	**2,634.87**
		Aggregate Amount of unquoted investments	2,634.87	2,634.87

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

(` in million)

	As at 31 March 2016	As at 31 March 2015
14. LONG TERM LOANS & ADVANCES		
(Unsecured, considered good)		
Security deposits	1.31	1.31
	1.31	**1.31**

(` in million)

	As at 31 March 2016	As at 31 March 2015
15. INVENTORIES		
Raw materials	4.66	3.27
Work-in-progress	3.94	3.89
Finished goods	14.64	9.55
Stores and spares	0.79	1.16
Others - Fuels & packing materials	8.87	14.71
	32.90	**32.58**

For method of valuation refer note 2 E.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

(` in million)

	As at 31 March 2016	As at 31 March 2015
16. TRADE RECEIVABLES		
(Unsecured, considered good)		
Outstanding for period exceeding six months from the date they are due for payment	–	–
Other receivables	4.79	15.25
	4.79	**15.25**

(` in million)

	As at 31 March 2016	As at 31 March 2015
17. CASH & BANK BALANCES		
Cash and cash equivalents		
Balance With Banks		
- On current accounts	2.92	1.24
- On dividend account	0.24	0.24
Cash in hand	0.01	0.01
	3.17	**1.49**
Other bank balances		
Margin money*	0.05	–
	0.05	**–**
	3.22	**1.49**

* For bank guarantees in favour of government authorities.

(` in million)

	As at 31 March 2016	As at 31 March 2015
18. SHORT TERM LOANS & ADVANCES		
Deposits/Balances with government authorities	10.42	9.99
Advance payment of income tax	82.16	82.03
Employee loans & advances	0.03	0.01
Advances recoverable in cash or in kind or for value to be received:		
- From related parties (Refer note 39)	0.57	0.83
- Others	9.86	11.44
	103.04	**104.30**

(` in million)

	For the year ended 31 March 2016	For the year ended 31 March 2015
19. REVENUE FROM OPERATIONS		
Sale of products*	399.95	498.98
Other operating income**	1.51	1.59
Revenue from operations (gross)	401.46	500.57
Less: Excise duty	94.74	206.98
Revenue from operations (net)	**306.72**	**293.59**

* 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 FOR THE YEAR ENDED 31 MARCH 2016

(` in million)

	For the year ended 31 March 2016	For the year ended 31 March 2015
20. OTHER INCOME		
Other non-operating income	0.12	0.17
	0.12	**0.17**

(` in million)

	For the year ended 31 March 2016	For the year ended 31 March 2015
21. COST OF MATERIALS CONSUMED		
Raw & process materials consumed	104.93	99.66
	104.93	**99.66**

(` in million)

	For the year ended 31 March 2016	For the year ended 31 March 2015
21.1 PARTICULARS OF RAW & PROCESS MATERIALS CONSUMED		
Extra netural alcohol	99.67	95.36
Others	5.26	4.30
	104.93	**99.66**

	For the year ended 31 March 2016		For the year ended 31 March 2015	
	%	` in million	%	` in million
21.2 PARTICULARS OF IMPORTED AND INDIGENOUS RAW & PROCESS MATERIALS CONSUMED				
Imported	–	–	–	–
Indigenous	100.00	104.93	100.00	99.66
	100.00	**104.93**	**100.00**	**99.66**

(` in million)

	For the year ended 31 March 2016	For the year ended 31 March 2015
22. PURCHASE OF TRADED GOODS		
Purchase of traded goods	0.52	0.89
	0.52	**0.89**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

(` in million)

		For the year ended 31 March 2016	For the year ended 31 March 2015
23.	**CHANGES IN INVENTORIES OF WORK-IN-PROGRESS & FINISHED GOODS**		
	Stock at commencement - Work-in-progress*	3.89	4.33
	Stock at commencement - Finished goods*	9.55	16.78
		13.44	**21.11**
	Stock at close - Work-in-progress*	3.94	3.89
	Stock at close - Finished goods*	14.64	9.55
		18.58	**13.44**
	Decrease /(increase) in stocks	**(5.14)**	**7.67**

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

(` in million)

		For the year ended 31 March 2016	For the year ended 31 March 2015
24.	**OTHER MANUFACTURING EXPENSES**		
	Power and fuel	1.38	1.84
	Stores, spares & packing materials consumed	159.86	137.73
	Repairs to plant & machinery	0.28	0.64
	Repairs to factory building	0.05	0.17
	Excise duty (Refer note 31)	5.43	(6.33)
		167.00	**134.05**

		For the year ended 31 March 2016		For the year ended 31 March 2015	
		%	` in million	%	` in million
24.1	**PARTICULARS OF IMPORTED AND INDIGENOUS STORES, SPARES & PACKING MATERIAL CONSUMED**				
	Imported	–	–	–	–
	Indigenous	100.00	159.86	100.00	137.73
		100.00	**159.86**	**100.00**	**137.73**

(` in million)

		For the year ended 31 March 2016	For the year ended 31 March 2015
25.	**EMPLOYEE BENEFITS EXPENSE**		
	Salaries, wages, bonus, gratuity & allowances	12.14	13.30
	Contribution to provident, superannuation and other funds	0.33	0.33
	Staff welfare expenses	0.99	0.93
		13.46	**14.56**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

(` in million)

	For the year ended 31 March 2016	For the year ended 31 March 2015
26. FINANCE COSTS		
Interest expense	1.58	1.12
Less: Interest income (on fixed and other deposits)	0.02	–
	1.56	**1.12**

(` in million)

	For the year ended 31 March 2016	For the year ended 31 March 2015
27. OTHER EXPENSES		
Rent	0.10	0.15
Rates & taxes	7.66	6.89
Insurance	0.11	0.14
Advertisement, publicity & sales promotion	1.33	1.00
Travelling & other incidental expenses	0.13	0.21
Repair & maintenance - others	0.68	0.71
Vehicle running & maintenance	0.19	0.16
Printing & stationery	0.66	1.02
Communication expenses	0.53	0.80
Staff recruitment & training	–	0.02
Auditors remuneration – As auditors	0.16	0.11
– For limited review	0.14	0.14
– For taxation matters	0.03	0.03
– For certifications etc	0.26	0.15
Legal, professional and consultancy charges	1.84	1.08
CSR expenses (Refer note 27.2)	–	2.00
Directors' sitting fees	0.71	0.57
Bank charges	0.01	0.07
Miscellaneous expenses	0.01	–
Freight & forwarding	1.04	2.06
Discounts, claims to customers and other selling expenses (Refer note 27.1)	14.98	30.45
Bad Debts / irrecoverable Advances & receivables written in	–	(0.17)
	30.57	**47.59**

27.1 Discounts, claims to customers and other selling expenses includes ` 12.39 million (Previous Year: ` 28.39 million) on account of surplus over the cost and margin for which the Company is entitled to, being passed on to the bottler in terms of the agreement with them.

27.2 Expenditure related to corporate social responsibility as per Section 135 of the Companies Act, 2013, read with Schedule VII, thereof: ` Nil (Previous Year: ` 1.99 million). There is no requirement of CSR specific for the year as there is no profits calculated under section 198 of the Companies Act, 2013.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

(` in million)

		For the year ended 31 March 2016	For the year ended 31 March 2015
28.	**EXCEPTIONAL ITEMS**		
	Expenses incurred for scheme of capital reduction	0.50	–
	Provision for old inventory and receivables	3.54	–
		4.04	**–**

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

I) Claims against Company not acknowledged as debt:

a) Claims/Demands in respect of which proceeding or appeals are pending and are not acknowledged as debts, as at 31 March 2016 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.

b) Outstanding guarantees furnished by banks on behalf of the Company is ` 0.50 million (Previous Year: ` Nil).

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 31 March 2016 are as under:

a) To Axis Bank Ltd of ` 528 million (Previous Year: ` 700 million) for working capital facility (including non fund based facility) and effective guarantee is ` 115.05 million (Previous Year: ` 271.81 million).

b) To Yes Bank Ltd of ` 302.50 million (Previous Year: ` 400 million) for working capital facility (including non fund based facility) and effective guarantee is ` 204.32 million (Previous Year: ` 283.38 million).

c) To IDBI Bank Ltd of ` 566 million (Previous Year: ` 750 million) for working capital facility (including non fund based facility) and effective guarantee is ` 291.07 million (Previous Year: ` 473.00 million).

d) To Corporation Bank of ` 753.50 million (Previous Year: ` 1000 million) for working capital facility (including non fund based facility) and effective guarantee is ` 388.60 million (Previous Year: ` 612.18 million).

e) To Yes Bank Ltd of ` Nil (Previous Year: ` 1200 million) for term loan facility and effective guarantee is ` Nil (Previous Year: ` 1114.29 million).

f) To RBL Bank Limited (formerly known as Ratnakar Bank Ltd of ` Nil (Previous Year: ` 850 million) for term loan facility and effective guarantee is ` Nil (Previous Year: ` 623.33 million).

g) To Axis Bank Limited of ` 1500 million (Previous Year: ` Nil) for term loan facility and effective guarantee is ` 1515.48 million including interest (Previous Year: ` Nil).

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 33.

30. 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 31 March 2016. The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) has been determined to the extent such parties have been identified on the basis of information available with the Company.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

(` in million)

Particulars		As at 31 March 2016	As at 31 March 2015
(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.

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

32. 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	2015-16		2014-15	
	Number of Options	Weighted Average Exercise Price (`)	Number of Options	Weighted Average Exercise Price (`)
Options outstanding at the beginning of the year	117,431	101.44	133,938	101.46
Granted during the year	–	–	–	–
Expired/Lapsed during the year	18,812	102.40	16,507	101.64
Options forfeited during the year	–	–	–	–
Options exercised during the year	37,196	106.78	–	–
Options outstanding at the end of the year	61,423	97.91	117,431	101.44

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

33. Disclosures of leasing arrangements

I) Operating lease:

a. 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.

b. The Company has operating lease arrangements in respect of vehicles which are cancellable, range between 2 years and 5 years. The aggregate lease rentals payable are charged as expenses. Rental expenses recognized under such leases amounting to ` 0.08 million (Previous year: Nil) has been included under vehicle running and maintenance expense in note 27.

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 31 March 2016 are as follows:

(` in million)

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

34. Current tax includes ` Nil [Previous Year: ` (0.36) million] related to previous years.

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

Movement in provisions

(` in million)

Particulars of disclosure		Excise duty	Provision for old inventory and receivables
1	Balance as at 1 April 2015	0.58	–
		(5.97)	(–)
2	Additional provision during 2015-2016	6.01	3.54
		(0.58)	(–)
3	Provision used during 2015-16	0.58	–
		(5.97)	(–)
4	Balance as at 31 March 2016	6.01	3.54
		(0.58)	(–)

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 FOR THE YEAR ENDED 31 MARCH 2016

36. During the previous year, pursuant to Companies Act, 2013 ("the Act), the Company had revised depreciation rates on fixed assets as per the useful life specified in part "C" of Schedule II of the Act. As a result of the change, the depreciation charges was lower by ` 0.28 million for the year ended 31 March 2015. Further based on transitional provision provided in note 7 (b) of the said Schedule, an amount of ` 0.11 million, where useful life has become nil in terms of the said schedule, had been debited to the opening balance of the surplus.

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 31 March 2016	For the year ended 31 March 2015
Employer's contribution to provident fund	0.14	0.11
Employer's contribution to employee pension scheme, 1995	0.06	0.04
Employer's contribution to superannuation fund	–	0.01

* 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 7.90% (Previous Year: 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 (2006-08) [Pervious Year: IALM (1994-96)].

The estimates of future salary increases, considered in actuarial valuation is 10% p.a. for first three year and 5% p.a. thereafter (Pervious Year: 5% p.a. flat) 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	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Present value of obligation at the beginning of the year	1.05	0.48	0.62	0.39
Current service cost	0.09	0.10	0.09	0.09
Interest cost	0.09	0.04	0.05	0.03
Actuarial (gain)/loss	(0.51)	0.43	(0.01)	0.11
Benefits paid	–	–	(0.29)	–
Present value of obligation at the end of the year	0.72	1.05	0.46	0.62

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

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

(` in million)

	Gratuity		Leave encashment	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Present value of obligation at the end of the year	0.72	1.05	0.46	0.62
Fair value of plan assets at the end of the year	–	–	–	–
Assets/(Liabilities) recognized in the Balance Sheet	(0.72)	(1.05)	(0.46)	(0.62)

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

(` in million)

	Gratuity		Leave encashment	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Current service cost	0.09	0.10	0.09	0.09
Interest cost	0.09	0.04	0.05	0.03
Actuarial (gain)/loss	(0.51)	0.43	(0.01)	0.11
Net cost recognized during the year	(0.33)	0.57	0.13	0.23

Experience adjustment:

(` in million)

	Gratuity		Leave encashment	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Defined benefit obligation	0.72	1.05	0.46	0.62
Plan assets	–	–	–	–
Surplus/(Deficit)	(0.72)	(1.05)	(0.46)	(0.62)
Experience adjustment of plan liabilities- (loss)/gain	0.59	(0.43)	0.08	(0.11)
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: ` Nil) 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: ` Nil) as worked out by the actuary has been allocated to each entity based on the corpus value of each entity as on 31st March 2016. 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: ` 0.14 million) to provident fund for the year.

(C) **Other long term benefits (Sick leave)**

(` in million)

	31 March 2016	31 March 2015
Present value of obligation at the end of the year	0.08	0.09

38. Segment Reporting

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

39. Related Party Disclosures

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

Subsidiaries:

Jubilant Agri And Consumer Products Limited, Jubilant Industries Inc., USA.

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

a) **Key management personnel:** Mr. Videh Kumar Jaipuriar* (Managing Director), Mr. Sandeep Kumar Shaw (Chief Financial Officer), Mr. Deepak Gupta (Company Secretary) (up to 04 June 2015), Mr. Dinesh Kumar Gupta (Company Secretary) (w.e.f. 16 June 2015).

* He was appointed as Managing director without remuneration w.e.f. March 1, 2013 for a period of three years . Since his term of office was expiring on February 29, 2016, he was re-appointed as Managing Director w.e.f. March 01, 2016 for a further period of three years, subject to the approval of the shareholders at the ensuing Annual General Meeting. Mr. Videh Kumar Jaipuriar is also serving and drawing remuneration as Whole-time Director from Jubilant Agri and Consumer Products Limited, a wholly owned subsidiary of the Company.

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

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

3) **Details of related party transactions during the year:**

(` in million)

Particulars	Subsidiaries	Key management personnel	Enterprise over which Directors and Major Shareholders of the Company have significant influence	Others
i) Subscription towards capital in subsidiary company (1)	-			
	(10.75)			
ii) Payment of rent to (2)			0.18	
			(0.18)	
iii) Contribution towards provident fund (3)				0.26
				(0.26)
iv) Contribution towards superannuation fund (4)				-
				(0.01)
v) Recovery of expenses (5)			1.25	
			(-)	
vi) Reimbursement of expenses (6)			0.08	
			(-)	
vii) Inter-corporate loan taken (7)	-			
	(10.00)			
viii) Amount of interest converted in to inter-corporate loan (8)	0.95			
	(-)			
ix) Repayment of interest converted in to inter-corporate loan (9)	0.95			
	(-)			
x) Interest expense on inter-corporate loan taken (10)	1.53			
	(1.06)			
xi) Donation (11)				1.00
				(1.00)
xii) Remuneration and related expenses (12)		3.48		
		(2.78)		

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

Particulars	Subsidiaries	Key management personnel	Enterprise over which Directors and Major Shareholders of the Company have significant influence	Others
Balance as at 31 March 2016				
xiii) Current account debit/credit (-) balance (13)	-130.90		0.57	
	(-122.42)		(0.83)	
xiv) Outstanding receivables (14)			1.25	
			(-)	
xv) Outstanding investments in equity share capital (15)	0.50			
	(0.50)			
xvi) Outstanding investments in 10% Optionally convertible non- cumulative redeemable preference share capital (16)	1648.82			
	(1648.82)			
xvii) Outstanding investments in 10% Non-cumulative redeemable preference share capital (17)	974.80			
	(974.80)			
xviii) Outstanding investments in Equity stock (18)	10.75			
	(10.75)			
xix) Outstanding of inter-corporate loan taken (19)	10.00			
	(10.00)			
xx) Interest payable on inter-corporate loan taken (20)	1.38			
	(0.95)			
xxi) Financial guarantee given on behalf of subsidiary and outstanding at the end of the year (21)	2514.52			
	(3377.99)			

Note: Previous year figures are given in parenthesis.

Details of related party transactions Individually:

(` in million)

For the year ended/As at 31 March,	2016	2015
1) **Subscription towards capital in subsidiary company:**		
Subsidiaries:- Jubilant Industries Inc. USA	–	10.75
2) **Payment of rent to:**		
Enterprise over which directors and major shareholders of the Company have significant influence:- Jubilant Life Sciences Limited	0.18	0.18
3) **Contribution towards provident fund:**		
Others:- VAM Employees Provident Fund Trust	0.26	0.26
4) **Contribution towards superannuation fund:**		
Others:- Pace Marketing Specialities Limited Officer's Superannuation Trust	–	0.01
5) **Recovery of expenses:**		
Enterprise over which directors and major shareholders of the Company have significant influence:- Jubilant Life Sciences Limited	1.25	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

For the year ended/As at 31 March,		2016	2015
6)	**Reimbursement of expenses:**		
	Enterprise over which directors and major shareholders of the Company have significant influence:- Jubilant Life Sciences Limited	0.08	–
7)	**Inter-corporate-loan taken:**		
	Subsidiaries:- Jubilant Agri and Consumer Products Limited	–	10.00
8)	**Amount of Interest converted in to inter-corporate loan:**		
	Subsidiaries:- Jubilant Agri and Consumer Products Limited	0.95	–
9)	**Repayment of Interest converted in to inter-corporate loan:**		
	Subsidiaries:- Jubilant Agri and Consumer Products Limited	0.95	–
10)	**Interest expense on inter-corporate-loan taken:**		
	Subsidiaries:- Jubilant Agri and Consumer Products Limited	1.53	1.06
11)	**Donation:**		
	Others:- Jubilant Bhartia Foundation	1.00	1.00
12)	**Remuneration and related expenses:**		
	Key management personnel:		
	Mr. Sandeep Kumar Shaw (Chief Financial Officer)	0.25	0.22
	Mr. Deepak Gupta (Company Secretary)	1.04	2.56
	Mr. Dinesh Kumar Gupta (Company Secretary)	2.19	–
13)	**Current account debit/(credit) balances:**		
	Subsidiaries:- Jubilant Agri and Consumer Products Limited	(130.90)	(122.42)
	Enterprise over which directors and major shareholders of the Company have substantial influence:- Jubilant Life Sciences Limited	0.57	0.83
14)	**Outstanding receivables:**		
	Enterprise over which directors and major shareholders of the Company have substantial influence:- Jubilant Life Sciences Limited	1.25	–
15)	**Outstanding investment in equity share capital:**		
	Subsidiaries:- Jubilant Agri and Consumer Products Limited	0.50	0.50
16)	**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
17)	**Outstanding investment in 10% Non-cumulative redeemable preference share capital:**		
	Subsidiaries:- Jubilant Agri and Consumer Products Limited	974.80	974.80
18)	**Outstanding investment in equity stock:**		
	Subsidiaries:- Jubilant Industries Inc. USA	10.75	10.75
19)	**Outstanding of inter-corporate loan taken:**		
	Subsidiaries:- Jubilant Agri and Consumer Products Limited	10.00	10.00
20)	**Interest payable on inter-corporate loan taken:**		
	Subsidiaries:- Jubilant Agri and Consumer Products Limited	1.38	0.95
21)	**Financial guarantee given on behalf of subsidiary and outstanding at the end of the year:**		
	Subsidiaries:- Jubilant Agri and Consumer Products Limited	2,514.52	3,377.99

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

40. Value of imports calculated on CIF basis

Value of imports calculated on CIF basis for the year ended 31 March 2016 is ` Nil (Previous Year: ` Nil).

41. Expenditure in foreign currency

Expenditure in foreign currency for the year ended 31 March 2016 is ` Nil (Previous Year: ` Nil).

42. Earnings in foreign exchange

Earnings in foreign exchange for the year ended 31 March 2016 is ` Nil (Previous Year: ` Nil).

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 31 March 2016 is ` Nil (Previous Year: ` Nil).

44. Earnings per share (EPS)

			For the year ended 31 March 2016	For the year ended 31 March 2015
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	(10.83)	(11.75)
II	**Weighted average number of equity shares for earnings per share computation**			
	(A) For basic earnings per share*	Nos	11867543	11849404
	(B) For diluted earnings per share:			
	Nos of shares for basic EPS as per II (A)	Nos	11867543	11849404
	Add: Weighted average outstanding options related to employee stock options	Nos	21857	5,258
	Nos of shares for diluted earnings per share	Nos	11889400	11854662
III	**Earnings per share (weighted average)**			
	Basic	`	(0.91)	(0.99)
	Diluted	`	(0.91)	(0.99)

* Includes 37196 equity shares of 10 each are allotted and issued pursuant to JIL Employee Stock Option Scheme 2013 upon exercise of vested options. In line with Accounting Standard 20 on "Earnings Per Share", as the shares are allotted and issued on 6 October 2015, the EPS has been considered accordingly (37196/365*178=18139).

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 and on behalf of the Board

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

B. R. Goyal
Partner
Membership No. 12172

Hari S. Bhartia
Chairman

Place : Noida
Date : 23 May 2016

Dinesh Kumar Gupta
Company Secretary

Sandeep Kumar Shaw
Chief Financial Officer

Videh Kumar Jaipuriar
Managing Director

CONSOLIDATED FINANCIAL STATEMENTS

Independent Auditors' Report

TO THE MEMBERS 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") (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as '"the Consolidated Financial Statements)".

Management's Responsibility for the Consolidated Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of the consolidated financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of these consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

4. We conducted our audit in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

5. An audit involves performing procedures to obtain audit evidence about the amounts and the 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 financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

6. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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, of the consolidated state of affairs of the Group, as at 31st March, 2016, and their consolidated loss and their consolidated cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid Consolidated Financial Statements;

b. In our opinion, proper books of accounts as required by the law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books;

c. The Consolidated Balance Sheet, Consolidated statement of Profit and Loss and Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of accounts maintained for the purpose of preparation of the Consolidated Financial Statements;

d. In our opinion, aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

e. On the basis of written representations received from the Directors of the Holding Company as on 31st March, 2016, and taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its subsidiary company incorporated in India, none of the Directors of the Group is disqualified as on 31st March, 2016 from being appointed as Director in terms of sub section 2 of section 164 of the Act.

f. With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our report in “Annexure A”, which is based on the Auditors’ Reports of the Holding Company and its subsidiary company incorporated in India.

g. With respect to other matters to be included in the Auditors’ Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i) The Consolidated Financial Statements disclose the possible impact of pending litigations on the consolidated financial position of the Group. Refer note 33 to the consolidated financial statements.

   ii) The group did not have any foreseeable losses on long term contracts and had not derivative contracts outstanding as at 31st March, 2016; and

   iii) The Group did not have any dues requiring transfer to Investor Education and Protection Fund.

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

B.R. GOYAL
Partner
Membership No.12172

Place: Noida
Date: 23rd May, 2016

ANNEXURE ‘A’ TO THE INDEPENDENT AUDITORS’ REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF JUBILANT INDUSTRIES LIMITED

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March, 2016, we have audited the internal financial controls over financial reporting of **JUBILANT INDUSTRIES LIMITED** (“the Holding Company”) and its subsidiary company which is company incorporated in India, as of that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanations given to us, the Company and its subsidiary company incorporated in India, have, in all material respects, an adequate internal financial Controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on "the internal control over financial reporting criteria established by the Company and its subsidiary company incorporated in India considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

B.R. GOYAL
Partner
Membership No.12172

Place: Noida
Date: 23rd May, 2016

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2016

(` in million)

		Note	As st 31 March 2016		As at 31 March 2015	
I	**EQUITY AND LIABILITIES**					
	Shareholders' funds					
	Share Capital	2	118.87		118.49	
	Reserve & surplus	3	317.47		408.05	
				436.34		526.54
	Non-current liabilities					
	Long term borrowings	4	1,705.86		1,625.37	
	Deferred tax liabilities (net)	5	–		0.52	
	Other long term liabilities	6	36.39		205.18	
	Long term provisions	7	97.19		102.91	
				1,839.44		1,933.98
	Current liabilities					
	Short term borrowings	8	999.35		1,376.72	
	Trade payables	9	522.04		1,024.20	
	Other current liabilities	10	378.84		871.57	
	Short term provisions	11	200.48		419.94	
				2,100.71		3,692.43
	Total			**4,376.49**		**6,152.95**
II	**ASSETS**					
	Non-current assets					
	Fixed assets					
	Tangible assets	12	1,244.89		2,096.69	
	Intangible assets	13	2.04		757.63	
	Capital work-in-progress	12	65.62		33.92	
	Intangible assets under development	13	–		12.40	
	Deferred tax assets (net)	14	911.65		–	
	Long term loans & advances	15	49.03		309.16	
				2,273.23		3,209.80
	Current assets					
	Current investments	16	0.08		0.08	
	Inventories	17	600.51		1,142.58	
	Trade receivables	18	988.89		1,058.06	
	Cash & bank balances	19	63.06		226.66	
	Short term loans and advances	20	449.67		512.85	
	Other current assets	21	1.05		2.92	
				2,103.26		2,943.15
	Total			**4,376.49**		**6,152.95**
	Statement of significant accounting policies	1				
	Notes to the consolidated financial statements	1 - 46				

In terms of our report of even date attached.

For and on behalf of the Board

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

B. R. Goyal
Partner
Membership No. 12172

Hari S. Bhartia
Chairman

Place : Noida
Date : 23 May 2016

Dinesh Kumar Gupta
Company Secretary

Sandeep Kumar Shaw
Chief Financial Officer

Videh Kumar Jaipuriar
Managing Director

CONSOLIDATED STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED 31 MARCH 2016

(` in million)

	Note	For the year ended 31 March 2016		For the year ended 31 March 2015	
REVENUE					
Revenue from operations (gross)	22	6,524.62		9,122.88	
Less: Excise duty		448.42		540.87	
Revenue from operations (net)			6,076.20		8,582.01
Other Income	23		16.67		22.41
Total revenue			**6,092.87**		**8,604.42**
EXPENSES					
Cost of materials consumed	24		2,424.58		3,072.10
Purchase of traded goods	25		775.05		2,586.46
Change in inventories of work-in-progress, finished goods & traded goods	26		195.13		(17.53)
Other manufacturing expenses	27		624.46		653.45
Employee benefits expense	28		837.54		1,005.05
Finance costs	29		381.56		383.14
Depreciation & amortisation expense	12 & 13		175.52		307.44
Other expenses	30		932.09		1,560.18
Total expenses			**6,345.93**		**9,550.29**
Profit/(Loss) before exceptional items & tax			(253.06)		(945.87)
Exceptional items	31		753.40		233.49
Profit/(Loss) before tax			(1006.46)		(1179.36)
of which discontinuing operations	32		*(994.10)*		*(1169.15)*
Tax Expenses:					
- Current Tax (Refer note 37)		0.27		(0.36)	
- Deferred tax credit		(912.17)	(911.90)	(1.21)	(1.57)
of which discontinuing operations	32		–		–
Profit/(Loss) for the year			**(94.56)**		**(1177.79)**
of which discontinuing operations	32		*(994.10)*		*(1169.15)*
Basic earnings per share of ` 10 each (In `)	44		(7.97)		(99.40)
Diluted earnings per share of ` 10 each (In `)	44		(7.97)		(99.40)
Statement of significant accounting policies	1				
Notes to the consolidated financial statements	1 - 46				

In terms of our report of even date attached.

For and on behalf of the Board

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

B. R. Goyal
Partner
Membership No. 12172

Hari S. Bhartia
Chairman

Place : Noida
Date : 23 May 2016

Dinesh Kumar Gupta
Company Secretary

Sandeep Kumar Shaw
Chief Financial Officer

Videh Kumar Jaipuriar
Managing Director

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2016

(` in million)

		For the year ended 31 March 2016	For the year ended 31 March 2015
A.	**Cash flow arising from operating activities:**		
	Net profit/(loss) before tax	**(1,006.46)**	**(1,179.36)**
	Adjustments for:		
	Depreciation & amortisation expense	175.52	307.44
	Loss/(Profit) on sale of fixed assets (net)	0.88	0.28
	Provision for closure of certain units of retail segment (Refer note 31)	–	233.49
	Loss on sale/closure of retail business (Refer note 31)	714.84	–
	Unamortised balance of borrowing cost (Refer note 31)	31.00	–
	Provision for old inventory and receivables (Refer note 31)	(3.54)	–
	Finance costs	394.04	398.04
	Interest income	(12.48)	(14.90)
	Lease rent equalisation charges	–	104.29
	Provision for employee benefits	8.12	(2.38)
	Bad debts/irrecoverable advances written-in (net of write-off)	(3.82)	(2.55)
	Write off of Inventory	–	25.66
	Unrealised (gain)/loss on foreign exchange (net)	(1.96)	1.67
		1,302.60	1,051.04
	Operating profit before working capital changes	**296.14**	**(128.32)**
	Adjustments for:		
	(Increase)/Decrease in trade receivables, loans & advances and other assets	153.70	315.65
	(Increase)/Decrease in inventories	281.67	139.90
	Increase/(Decrease) in trade payables, provisions and other liabilities	(225.55)	(474.09)
	Cash generated from operations	**505.96**	**(146.86)**
	Direct taxes (paid)/refund (net)	1.73	(13.44)
	Net cash inflow/(outflow) in course of operating activities	**507.69**	**(160.30)**
B.	**Cash flow arising from investing activities:**		
	Acquisition/Purchase of fixed assets	(96.55)	(224.61)
	Sale proceeds of fixed assets	4.15	4.63
	Slump sale consideration (Refer note 32)	590.46	–
	Interest income received	12.98	14.90
	Movement in other bank balances	173.32	(19.41)
	Net cash inflow/(outflow) in course of investing activities	**684.36**	**(224.49)**
C.	**Cash flow arising from financing activities:**		
	Repayment of long term borrowings	(1,979.78)	(273.23)
	Proceeds from long term borrowings	1,502.82	241.85
	Proceeds from issue of share capital through ESOP	3.98	–
	Proceeds from / (Repayment) of short term borrowings (net)	(426.98)	314.90
	Inter-corporate borrowings received from related parties (Refer note 43)	90.00	465.00
	Repayment of interest converted in to inter-corporate loan taken	(14.82)	–
	Finance costs paid	(357.43)	(380.64)
	Net cash inflow/(outflow) in course of financing activities	**(1,182.21)**	**367.88**
D.	**Foreign currency translation difference arising on consolidation**	**0.38**	**(0.53)**
	Net Increase/(Decrease) in cash & cash equivalents (A+B+C+D)	**10.22**	**(17.44)**
	Add: Cash & cash equivalents at the beginning of the year (including balance in dividend account)	48.46	65.90
	Less: Funds transfer on account of BTA	0.50	–
	Cash & cash equivalents at the close of the year (including balance in dividend account)	**58.18**	**48.46**

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, intangible assets under development and capital advances/payables during the year.

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

iv) Net cash flows attributable to the discontinued operations, refer note 32.

In terms of our report of even date attached.

For and on behalf of the Board

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

B. R. Goyal
Partner
Membership No. 12172

Hari S. Bhartia
Chairman

Place : Noida
Date : 23 May 2016

Dinesh Kumar Gupta
Company Secretary

Sandeep Kumar Shaw
Chief Financial Officer

Videh Kumar Jaipuriar
Managing Director

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

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 specified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, the other relevant provisions of the Companies Act, 2013 (including provisions of Companies Act, 1956 which continue to remain in force, to the extent applicable), pronouncements of the Institute of Chartered Accountants of India, and the guidelines issued by the Securities and Exchange Board of India ("SEBI"), to the extent applicable. The Consolidated Financial Statements are presented as per Schedule III to the Companies Act, 2013 and in Indian rupees rounded off to the nearest million.

Use of estimates

The preparation of 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 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 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 companies 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

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 Companies considered in the Consolidated Financial Statements are:

(1)

Name of the Subsidiary	Jubilant Agri and Consumer Products Limited
Country of incorporation	India
Nature of Business	Engaged in the business of manufacturing & sale of agri and consumer products.
Percentage of ownership	100%

(2)

Name of the Subsidiary	Jubilant Industries Inc. USA
Country of incorporation	United States of America
Nature of Business	Engaged in marketing & distribution of SPVA product
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

Pursuant to the Companies Act, 2013 ("the Act"), the Group has provided depreciation on fixed assets as per the useful life specified in Part "C" of Schedule II of the Act, read with Notification dated 29th August, 2014 of the Ministry of Corporate Affairs, on the original cost/ acquisition cost of assets or other amount substituted for cost except for the following classes of fixed assets which are depreciated as under:

a. Employee perquisite related Assets: Five Years, being the period of the Perquisite Scheme.

b. Motor Vehicles: Five Years.

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

Useful life so arrived at are currently reflective of the estimated useful life of the fixed assets and are not higher than the useful lives as prescribed vide Schedule II to the Companies Act, 2013 except for the following classes of fixed assets of its retail division:

a. Plant and machineries: Twenty Years.

b. Furniture & fixtures: Fifteen Years.

c. Office equipments: Ten Years.

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.

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.

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 it's 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 Schedule III.

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 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, if any 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, if any 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, if any 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.

e) **Non-integral operations:** The financial statements of the foreign non integral subsidiaries (collectively referred to as the 'foreign non integral operations') are translated in to Indian Rupees as follows:-

- Share capital and opening reserves and surplus are carried at historical cost.
- All assets and liabilities, both monetary and non-monetary, (excluding share capital, opening reserves and surplus) are translated using closing rates at the Balance Sheet date.
- Profit and Loss items are translated at the respective year to date average rates or the exchange rate that approximates the actual exchange rate on the date of specific transaction.
- Contingent liabilities are translated at the closing rates at the Balance sheet date.
- The resulting net exchange differences is credited or debited to the foreign currency translation reserve.

The items of cash flow statement are translated at the respective average rates or the exchange rate that approximates the actual exchange rate on date of specific transaction. The effect of changes in exchange rates on cash cash equivalents held in a foreign currency is reported separately as part of the reconciliation of the changes in cash and cash equivalents during 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".

(a) Gratuity and leave encashment

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

(b) Superannuation

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

(c) Provident fund

i) 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.

ii) 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.

(d) Foreign subsidiary make contribution to various social security plans and insurance schemes as per local requirement and generally accepted practices in its country of incorporation. Such contributions are charged to Consolidated Statement of Profit and Loss on accrual basis in the year in which liability to pay arise.

(iii) Other long term employee benefits: 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.

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

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.

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.

SEBI on 28th October 2014, issued Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (‘new guidelines’) repealing Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. According to the new guidelines, any company implementing any of the share based scheme shall follow the requirements of the ‘Guidance Note on Accounting for employee share-based Payments’ (Guidance Note) or Accounting Standards as may be prescribed by the ICAI from time to time, including the disclosure requirements prescribed therein.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

(` in million)

	As at 31 March 2016	As at 31 March 2015
2. SHARE CAPITAL		
Authorised		
15,000,000 Equity shares of ` 10 each	150.00	150.00
(Previous Year 15,000,000 Equity shares of ` 10 each)		
	150.00	**150.00**
Issued, subscribed & paid–up		
11,886,600 Equity shares of ` 10 each (Refer note 2.1)	118.87	118.49
(Previous Year 11,849,404 Equity shares of ` 10 each)		
	118.87	**118.49**

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

a) 3,835,348 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) 7,964,056 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 31 March 2016		As at 31 March 2015	
	No. of shares	% held	No. of shares	% held
Jubilant Stock Holding Private Limited	1,329,757	11.19	1,329,757	11.22
Jubilant Capital Private Limited	1,166,600	9.81	1,166,600	9.85
Jubilant Enpro Private Limited	3,729,683	31.38	3,729,683	31.48
Jubilant Securities Private Limited	1,051,075	8.84	1,051,075	8.87
Samena Special Situations Mauritius	–	–	690,555	5.83

2.3 The reconciliation of the number of shares outstanding as at 31 March 2016 and 31 March 2015 is set out below:

Particulars	As at 31 March 2016		As at 31 March 2015	
	No. of shares	` in million	No. of shares	` in million
Number of shares at the beginning of the year	11,849,404	118.49	11,849,404	118.49
Add: Issued during the year (Refer note 2.7)	37,196	0.38	–	–
Numbers of shares at the end of the year	11,886,600	118.87	11,849,404	118.49

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

2.5 For Employee Stock Option Scheme refer note 35.

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.

2.7 During the current year, under the JIL Employees Stock Option Scheme, 2013; 37,196 equity shares were allotted and issued, out of which 855 equity shares and 36,341 equity shares were allotted and issued @ ` 50.50 per equity share and @ ` 108.10 per equity share (including securities premium), respectively to the eligible persons upon exercise of vested options.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

(` in million)

	As at 31 March 2016	As at 31 March 2015
3. RESERVES AND SURPLUS		
Foreign currency translation reserve		
At the commencement of the year	(0.53)	–
Addition during the year	0.38	(0.53)
At the end of the year	**(0.15)**	**(0.53)**
Securities premium account		
At the commencement of the year	823.45	823.45
Addition during the year (Refer note 2.7)	3.60	–
At the end of the year	**827.05**	**823.45**
General reserve		
At the commencement and at the end of the year	**227.78**	**227.78**
Surplus/(Deficit)		
At the commencement of the year	(642.65)	544.73
Add: Net profit/(loss) after tax as per Consolidated Statement of Profit & Loss for the year	(94.56)	(1,177.79)
Less: Adjustments on account of depreciation (Refer note 3.2)	–	9.59
At the end of the year	**(737.21)**	**(642.65)**
	317.47	**408.05**

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

3.2 Based on transitional provision provided in note 7(b) of Schedule II of Companies Act, 2013, where useful life of fixed assets had become nil in terms of the said schedule, carrying amount of such assets as at 1st April, 2014 had been debited to the opening balance of surplus/(deficit). (Refer note 40)

3.3 Pursuant to the confirmation of the Scheme of Capital reduction of Jubilant Agri and Consumer Products Limited (JACPL), a wholly owned subsidiary of the Company, by way of reduction in Securities Premium Account and to permit it to set off its accumulated losses as at 31 March 2015 against the securities premium account by Hon'ble Allahabad High Court vide its order dated 01 October 2015. Accordingly, JACPL has sett off on 31 March 2015 its accumulated losses to date amounting to ` 2041.12 million against its securities premium account.

(` in million)

	As at 31 March 2016	As at 31 March 2015
4. LONG TERM BORROWINGS		
Term loan from banks		
- Indian rupee loan (secured)	1,462.50	1,422.26
Long term maturities of finance lease obligation		
- Finance lease obligations (secured)	3.36	3.11
Term loan from others		
- Loan from related party (unsecured)	240.00	200.00
	1,705.86	**1,625.37**
The above amounts includes		
Secured borrowings	1,465.86	1,425.37
Unsecured borrowings	240.00	200.00
	1,705.86	**1,625.37**

Refer note 10 for current maturities of long term borrowings.

4.1 Term loan availed during the year from Axis Bank Limited to ` 1500.00 million (Previous Year: Nil) including current maturities of ` 37.50 million (Previous Year: Nil) is secured by first pari passu charge on all fixed assets (both present and future) of wholly owned subsidiary namely, Jubilant Agri and Consumer Products Limited and the parent company and unconditional and irrevocable corporate guarantee of the parent company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

4.2 Term loan I availed from Yes Bank Limited amounting to ` Nil (Previous Year: ` 1114.29 million) including current maturities of ` Nil (Previous Year: ` 342.86 million) is secured by first pari passu charge on all fixed assets (both present & future) of wholly owned subsidiary namely, 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. The said bank has lien on fixed deposits worth ` Nil (Previous Year: ` 120 million). This has been fully paid during the year before the due dates.

4.3 Term loan II availed from Yes Bank Limited amounting to ` Nil (Previous Year: ` 240.00 million) including current maturities of ` Nil (Previous Year: ` Nil) is secured by first pari passu charge on all fixed assets (both present & future) of wholly owned subsidiary namely, Jubilant Agri and Consumer Products Limited, unconditional and irrevocable corporate guarantee of Jubilant Enpro (P) Limited. The said bank has lien on fixed deposits worth ` Nil (Previous Year: ` 24 million). This has been fully paid during the year before the due dates.

4.4 Term loan availed from RBL Bank Limited (formerly known as The Rantnakar Bank Limited) amounting to ` Nil (Previous year ` 623.33 million) including current maturities of ` Nil (Previous Year: ` 212.50 million) is secured by first pari passu charge on all fixed assets (both present & future) of wholly owned subsidiary namely, 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. This has been fully paid during the year before the due dates.

4.5 Term loan availed from Axis Bank Limited is repayable in twenty eight structured quarterly instalments, commencing from January 2017.

4.6 Finance lease obligations ` 5.51 million (Previous Year: ` 4.74 million) including current maturities of ` 2.15 million (Previous Year: ` 1.63 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 agreements with the lessor.

4.7 Term loans availed from related party namely Jubilant Enpro (P) Limited are repayable at the end of three years from the date of respective disbursement.

(` in million)

		As at 31 March 2016	As at 31 March 2015
5.	**DEFERRED TAX LIABILITIES (NET)**		
	Deferred tax liabilities on account of:		
	Accelerated depreciation/amortization	–	1.81
		–	**1.81**
	Deferred tax assets on account of:		
	Provisions for leave encashment and gratuity	–	1.29
		–	**1.29**
	Deferred tax liabilities (net)	**–**	***0.52**

* Adjusted during the year 2015-16, hence, closing balance as on 31 March 2016 is Nil.

(` in million)

		As at 31 March 2016	As at 31 March 2015
6.	**OTHER LONG TERM LIABILITIES**		
	Security deposits	–	51.06
	Trade deposits & advances	36.39	39.81
	Lease rent equalisation charges (Refer note 36)	–	114.31
		36.39	**205.18**

(` in million)

		As at 31 March 2016	As at 31 March 2015
7.	**LONG TERM PROVISIONS**		
	Employee benefits	97.19	102.91
		97.19	**102.91**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

(` in million)

		As at 31 March 2016	As at 31 March 2015
8.	**SHORT TERM BORROWINGS**		
	Loans repayable on demand		
	- From banks:		
	Secured	534.35	1,111.72
	Unsecured	150.00	–
	Loans from others:		
	- From related party (unsecured)	315.00	265.00
		999.35	**1,376.72**
	The above amounts includes		
	Secured borrowings	534.35	1,111.72
	Unsecured borrowings	465.00	265.00
		999.35	**1,376.72**

8.1 Working capital facilities sanctioned by Consortium of banks comprising of Axis Bank Limited, Corporation Bank, IDBI Bank Limited and Yes Bank Limited are secured by a first charge by way of hypothecation, of the entire book debts, inventories and current assets both present and future, of the wholly owned subsidiary namely, Jubilant Agri and Consumer Products Limited wherever the same may be or be held and unconditional and irrevocable corporate guarantee of the parent company in favour of its bankers. Short term borrowings from banks are availed in Indian rupees and in foreign currency.

8.2 Short term borrowings from related party are repayable as per terms of agreement with in one year.

(` in million)

		As at 31 March 2016	As at 31 March 2015
9.	**TRADE PAYABLES**		
	Due to micro, small & medium enterprises under MSMED Act, 2006	11.41	3.75
	Trade payables - others	510.63	1,020.45
		522.04	**1,024.20**

(` in million)

		As at 31 March 2016	As at 31 March 2015
10.	**OTHER CURRENT LIABILITIES**		
	Current maturities of long term debt (Refer note 4)	37.50	555.36
	Current maturities of finance lease obligations (Refer note 4)	2.15	1.74
	Trade deposits & advances	15.67	44.04
	Interest accrued and due	34.12	27.31
	Interest accrued but not due	17.80	3.36
	Creditors for capital supplies and services	20.86	18.52
	Due to related parties (Refer note 43)	13.86	12.47
	Employee benefits payable	61.34	22.79
	Unpaid dividend	0.24	0.24
	Others (including statutory dues)	175.30	185.74
		378.84	**871.57**

(` in million)

		As at 31 March 2016	As at 31 March 2015
11.	**SHORT TERM PROVISIONS**		
	Income tax	0.14	–
	Employee benefits	34.54	32.91
	Excise duty	10.83	4.66
	Provision for closure of certain units of retail segment	–	233.49
	Provision for old inventory and receivables	3.54	–
	Provision for probable claims in respect of closed business	151.43	148.88
		200.48	**419.94**

12. TANGIBLE ASSETS

(` in million)

Description	GROSS BLOCK-COST / BOOK VALUE					DEPRECIATION / AMORTISATION / IMPAIRMENT					NET BLOCK	
	Total As at 31 March 2015	Deductions on account of BTA	Additions/ adjustments during the year	Deductions/ adjustments during the year	Total As at 31 March 2016	Total As at 31 March 2015	Deductions on account of BTA	Provided for the year	Deductions/ adjustments during the year	Total As at 31 March 2016	Total As at 31 March 2016	Total As at 31 March 2015
Land												
(a) Freehold	30.59	–	2.95	–	33.54	–	–	–	–	–	33.54	30.59
(b) Leasehold	15.35	–	–	–	15.35	2.27	–	0.21	–	2.48	12.87	13.08
Leasehold improvements	694.26	252.90	–	441.36	–	272.86	104.92	14.02	181.96	–	–	421.40
Buildings												
(a) Factory	222.59	–	7.05	–	229.64	37.44	–	11.45	–	48.89	180.75	185.15
(b) Others	40.87	–	–	–	40.87	3.81	–	0.78	–	4.59	36.28	37.06
Plant & machineries	1,715.19	220.18	48.84	74.09	1,469.76	538.98	62.14	67.24	32.56	511.52	958.24	1,176.21
Furniture & fixtures	315.53	204.88	0.04	99.58	11.11	128.25	81.69	5.51	45.09	6.98	4.13	187.28
Office equipments	133.73	76.42	5.75	24.37	38.69	92.21	55.74	7.35	19.22	24.60	14.09	41.52
Vehicles												
(a) Leased	8.64	–	2.82	1.99	9.47	4.25	–	2.11	1.87	4.49	4.98	4.39
(b) Others	0.04	–	–	–	0.04	0.03	–	–	–	0.03	0.01	0.01
TOTAL	**3,176.79**	**754.38**	**67.45**	**641.39**	**1,848.47**	**1,080.10**	**304.49**	**108.67**	**280.70**	**603.58**	**1,244.89**	**2,096.69**
Previous Year	2,760.33	–	442.20	25.74	3,176.79	905.75	–	*180.80	6.45	1,080.10	2,096.69	1,854.58
Capital work in progress											65.62	33.92

* During the previous year amounting to ` 9.59 million of depreciation was debited to opening balance of surplus/(deficit) and balance amount of ` 171.21 million was charged to consolidated statement of profit and loss (Refer note 40).

13. INTANGIBLE ASSETS

(` in million)

Description	GROSS BLOCK-COST / BOOK VALUE					DEPRECIATION / AMORTISATION / IMPAIRMENT					NET BLOCK	
	Total As at 31 March 2015	Deductions on account of BTA	Additions/ adjustments during the year	Deductions/ adjustments during the year	Total As at 31 March 2016	Total As at 31 March 2015	Deductions on account of BTA	Provided for the year	Deductions/ adjustments during the year	Total As at 31 March 2016	Total As at 31 March 2016	Total As at 31 March 2015
Goodwill	1,237.74	–	–	1,237.74	–	495.10	–	61.88	556.98	–	–	742.64
Trade marks	0.09	–	–	0.09	–	0.09	–	–	0.09	–	–	–
Software	54.18	42.80	–	3.25	8.13	39.19	34.82	4.97	3.25	6.09	2.04	14.99
TOTAL	**1,292.01**	**42.80**	**–**	**1,241.08**	**8.13**	**534.38**	**34.82**	**66.85**	**560.32**	**6.09**	**2.04**	**757.63**
Previous Year	**1,282.49**	**–**	**9.52**	**–**	**1,292.01**	**398.15**	**–**	**136.23**	**–**	**534.38**	**757.63**	**884.34**
Intangible assets under development											–	12.40

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

(` in million)

		As at 31 March 2016	As at 31 March 2015
14.	**DEFERRED TAX ASSETS (net)**		
	Deferred tax assets on account of:		
	Provisions for compensated absences and gratuity etc	43.74	–
	Unabsorbed depreciation and brought forward losses	1,020.73	–
		1,064.47	**–**
	Deferred tax liabilities on account of:		
	Accelerated depreciation/amortization	152.82	–
		152.82	**–**
	Deferred tax assets (net)	**911.65**	**–**

(` in million)

		As at 31 March 2016	As at 31 March 2015
15.	**LONG TERM LOANS & ADVANCES**		
	(Unsecured, considered good)		
	Capital advances	1.22	0.41
	Security deposits	17.77	282.62
	Unamortised borrowings cost	28.56	15.26
	Others	1.48	10.87
		49.03	**309.16**

(` in million)

			As at 31 March 2016	As at 31 March 2015
16.	**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 16.2)	–	–
(530)	(` 10)			
132	` 100	Kashipur Holdings Limited - equity shares-fully paid-up (Refer note 16.2)	–	–
(132)	(` 100)			
			0.08	**0.08**
		Aggregate amount of quoted investments		
		- Cost	0.08	0.08
		- Market value	0.22	0.19

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

(` in million)

		As at 31 March 2016	As at 31 March 2015
17.	**INVENTORIES**		
	Raw materials [including in transit ` 121.19 million (Previous Year: ` 136.65 million)]	246.20	335.91
	Work-in-progress	14.77	70.55
	Finished goods	257.51	335.37
	Traded goods	11.20	325.64
	Stores and spares [including in transit ` 0.16 million (Previous Year: ` 0.07 million)]	43.89	40.58
	Others - Fuels & packing materials	26.94	34.53
		600.51	**1,142.58**

For method of valuation refer note 1 F.

(` in million)

		As at 31 March 2016	As at 31 March 2015
18.	**TRADE RECEIVABLES**		
	(Unsecured)		
	Outstanding for period exceeding six months from the date they are due for payment		
	Considered good	150.05	48.93
	Doubtful	3.08	15.88
		153.13	64.81
	Other receivables		
	Considered good	838.84	1,009.13
	Doubtful	–	1.70
		838.84	1,010.83
	Total Trade receivables	991.97	1,075.64
	Less: Provision for doubtful receivables	3.08	17.58
		988.89	**1,058.06**

18.1 Trade receivable includes subsidy receivable ` 275.87 million (Previous Year: ` 239.29 million). (Refer note 1 M)

(` in million)

		As at 31 March 2016	As at 31 March 2015
19.	**CASH & BANK BALANCES**		
	Cash and cash equivalents		
	Balance With Banks		
	- On current accounts	57.29	44.92
	- On dividend account	0.24	0.24
	Cash in hand	0.05	2.14
	Cheques/Drafts on hand	0.42	–
	Others		
	- Gift/Meal vouchers in hand	0.18	0.22
	- Funds in transit	–	0.94
		58.18	**48.46**
	Other bank balances		
	Margin money with banks*	4.88	34.17
	On deposit accounts**	–	144.03
		4.88	**178.20**
		63.06	**226.66**

* For bank guarantees in favour of government authorities.

** The fixed deposits for ` Nil (Previous Year: ` 120 million) has been kept under lien of bank against the term loan-I availed in the year 2011-12 for ` 1200 million from Yes Bank Limited. The fixed deposits for ` Nil (Previous Year: ` 24 million) has been kept under lien of bank against the term loan-II availed in the year 2014-15 for ` 240 million from Yes Bank Limited. (Refer note 4)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

(` in million)

		As at 31 March 2016	As at 31 March 2015
20.	**SHORT TERM LOANS & ADVANCES**		
	Deposits	147.16	107.00
	Deposits/Balances with government authorities	82.22	121.48
	Advance payment of income tax	115.98	117.84
	Employee loans & advances	1.81	5.31
	Advances recoverable in cash or in kind or for value to be received:		
	- Export incentives and others recoverable	102.50	161.22
		449.67	**512.85**

(` in million)

		As at 31 March 2016	As at 31 March 2015
21.	**OTHER CURRENT ASSETS**		
	Others	1.05	2.92
		1.05	**2.92**

(` in million)

		For the year ended 31 March 2016	For the year ended 31 March 2015
22.	**REVENUE FROM OPERATIONS**		
	Sale of products	6,426.47	8,888.98
	Sale of services	47.75	108.25
	Other operating income	50.40	125.65
	Revenue from operations (gross)	**6,524.62**	**9,122.88**
	Less: Excise duty	448.42	540.87
	Revenue from operations (net)	**6,076.20**	**8,582.01**

(` in million)

		For the year ended 31 March 2016	For the year ended 31 March 2015
23.	**OTHER INCOME**		
	Surplus on sale of liquor license	–	14.50
	Insurance claim received	7.83	3.75
	Other non-operating income	8.84	4.16
		16.67	**22.41**

(` in million)

		For the year ended 31 March 2016	For the year ended 31 March 2015
24.	**COST OF MATERIALS CONSUMED**		
	Raw & process materials consumed	2,424.58	3072.10
		2,424.58	**3,072.10**

(` in million)

		For the year ended 31 March 2016	For the year ended 31 March 2015
25.	**PURCHASE OF TRADED GOODS**		
	Purchase of traded goods*	775.05	2,586.46
		775.05	**2,586.46**

* including write off of inventory ` Nil (Previous Year: ` 25.66 million)

(` in million)

		For the year ended 31 March 2016	For the year ended 31 March 2015
26.	**CHANGES IN INVENTORIES OF WORK-IN-PROGRESS, FINISHED GOODS AND TRADED GOODS**		
	Stock at commencement - Work-in-progress	70.55	44.19
	Stock at commencement - Finished goods	335.37	213.85
	Stock at commencement - Traded goods	325.64	459.21
		731.56	**717.25**
	Stock at close - Work-in-progress	14.77	70.55
	Stock at close - Finished goods	257.51	335.37
	Stock at close - Traded goods	11.20	325.64
		283.48	**731.56**
	Decrease /(Increase) in stocks	448.08	(14.31)
	Less: Loss of inventory due to fire	–	3.22
	Less: Transfer of inventory under BTA (Refer note 32)	260.40	–
	Net decrease /(increase) in stocks	187.68	(17.53)
	Foreign currency translation impact on movement in finished goods	7.45	–
		195.13	**(17.53)**

(` in million)

		For the year ended 31 March 2016	For the year ended 31 March 2015
27.	**OTHER MANUFACTURING EXPENSES**		
	Power and fuel	136.07	156.11
	Stores, spares & packing materials consumed	436.18	448.04
	Repairs to plant & machinery	43.60	53.18
	Repairs to factory building	2.44	3.57
	Excise duty (Refer note 34)	6.17	(7.45)
		624.46	**653.45**

(` in million)

		For the year ended 31 March 2016	For the year ended 31 March 2015
28.	**EMPLOYEE BENEFITS EXPENSE**		
	Salaries, wages, bonus, gratuity & allowances	766.66	909.76
	Contribution to provident, superannuation and other funds	36.04	53.58
	Staff welfare expenses	34.84	41.71
		837.54	**1005.05**

(` in million)

		For the year ended 31 March 2016	For the year ended 31 March 2015
29.	**FINANCE COSTS**		
	Interest expense	340.21	340.71
	Other borrowings cost	53.83	57.33
		394.04	**398.04**
	Less: Interest income (on fixed and other deposits)	12.48	14.90
		381.56	**383.14**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

(` in million)

		For the year ended 31 March 2016	For the year ended 31 March 2015
30.	**OTHER EXPENSES**		
	Rent (Including lease equalisation charges) (Refer note 36)	152.72	532.32
	Rates & taxes	13.65	18.78
	Insurance	17.94	18.54
	Advertisement, publicity & sales promotion	101.71	90.04
	Travelling & other incidental expenses	62.55	67.31
	Repair & maintenance - others	84.22	194.38
	Vehicle running & maintenance	3.62	3.05
	Printing & stationery	6.00	10.76
	Communication expenses	10.93	17.92
	Staff recruitment & training	24.90	17.02
	Auditors remuneration - As auditors	1.23	1.13
	- For limited review	0.35	0.35
	- For taxation matters	0.26	0.26
	- For other services	1.16	0.93
	- Out of pocket expenses	0.23	0.30
	Legal, professional and consultancy charges	57.18	71.81
	Donations	–	1.39
	CSR expenses (Refer note 30.2)	–	2.00
	Directors' sitting fees	2.25	1.70
	Bank charges	18.02	51.98
	Miscellaneous expenses	2.90	2.59
	Foreign exchange fluctuation loss - (net of gain)	19.63	17.24
	Freight & forwarding	264.98	328.66
	Commission on Sales	23.98	25.21
	Discounts, claims to customers and other selling expenses (Refer note 30.1)	64.62	86.78
	Bad Debts / irrecoverable Advances & receivables (written in) (net)	(3.82)	(2.55)
	Loss on sale/disposal of fixed assets	0.88	0.28
		932.09	**1,560.18**

30.1 Discounts, claims to customers and other selling expenses includes ` 12.39 million (Previous Year: ` 28.39 million) on account of surplus over the cost and margin for which the Company is entitled to, being passed on to the bottler as per agreement with them.

30.2 Expenditure related to corporate social responsibility as per Section 135 of the Companies Act, 2013, read with Schedule VII, thereof: ` Nil (Previous Year: ` 1.99 million). There is no requirement of CSR specific for the year as there is no profits calculated under section 198 of the Companies Act, 2013.

(` in million)

			For the year ended 31 March 2016	For the year ended 31 March 2015
31.	**EXCEPTIONAL ITEMS**			
	a)	Loss on sale/closure of retail business (Refer note 32)		
		- Goodwill written off	680.75	–
		- Fixed assets written off	136.41	–
		- LRER reversal	(101.52)	–
		- Write-in of miscellaneous items (net)	(0.80)	–
			714.84	–
	b)	Expenses incurred for scheme of capital reduction	4.02	–
	c)	Unamortised balance of borrowing cost	31.00	–
	d)	Provision for old inventory and receivables	3.54	–
	e)	Provision for closure of certain units of retail segment (Refer note 31.1)	–	233.49
			753.40	**233.49**

31.1 During the previous year, management had taken provision against closure of certain units of retail segment:

a) Reversal of lease rent equalisation reserve (LRER) as the same was no longer required to be maintained of ` (12.80) million.

b) Security deposits taken/given towards mall tenants and landlords in terms of the agreement entered in to of ` 27.03 million.

c) Associated leasehold improvements and other fixed assets pertaining to those hyper markets and malls of ` 219.26 million.

32. Disclosure of discontinuing operations in terms of Accounting Standard 24:

During the current year, as per the approval of the Board of the Company at its meeting held on May 12, 2015, its wholly owned subsidiary company, Jubilant Agri and Consumer Products Limited has transferred with effect from 12 August 2015 its retail hypermarket business undertaking consisting inter alia of 4 (four) hypermarket stores in Bengaluru, India along with certain specified assets and liabilities including dedicated employees, contracts, licenses, permits, consents and approvals relating to the said undertaking to Aditya Birla Retail Limited (the Buyer) as a going concern for a lump sum consideration of ` 603.78 million by way of slump sale through a Business Transfer Agreement (BTA). Post receipt of all necessary regulatory and third party approvals, the Retail Undertaking was transferred to the said Buyer and process of transfer continued and got completed in March 2016 with settlement of all accounts and necessary approvals.

Further, its wholly owned subsidiary company, Jubilant Agri and Consumer Products Limited has also closed mall business of retail division during the current year.

In accordance with Accounting Standard 24 on "Discontinuing Operations", the Retail division has been treated as discontinuing operations for the purpose of these financial statements.

The information of discontinuing business is as below:

(` in million)

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
Total revenue	986.51	3361.24
Total expenditure*	1980.61	4530.39
Profit/(Loss) before tax	(994.10)	(1,169.15)
Profit/(Loss) after Tax	(994.10)	(1,169.15)
Total assets	–	2587.73
Total liabilities	–	1008.55
Net assets	–	1579.18

* Including exceptional items amounting ` 714.84 million (Previous Year: ` 233.49 million).

Net cash flows attributable to the above discontinued operations are as follows:

(` in million)

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
Net cash flows from operating activities	(421.68)	533.78
Net cash flows from investing activities	596.94	(142.00)
Net cash flows from financing activities	(202.98)	(380.90)

33. 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)

Particulars	As at 31 March 2016	As at 31 March 2015
Central excise	42.23	36.85
Customs	8.46	7.35
Sales tax	2.17	6.70
Service tax	3.27	4.92
Others	60.52	60.52

ii) In respect of Single Super Phosphate (SSP) the Trade Tax Assessing Officer, Gajraula, has assessed the Gypsum Content of SSP and held that the same is liable to trade tax, though, there is no tax on fertilizer for the period 1 April 2002 to 31 December 2007 and raised a demand of ` 34.45 million (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.

iii) A civil suit (OS No. 5549/2013) has been filed by Kids Kemp (the lessor) against Food Express Stores and Jubilant Agri and Consumer Products Limited (JACPL), a wholly owned subsidiary of the Company, and the same is pending before the City Civil Court Bangalore. Part of the claims were settled by means of a compromise petition between the parties and the remaining claims amounting to ` 23.10 million (Previous year: ` 132.20 million) relate to claims for past periods. JACPL has filed detailed statement of objections and is strongly contesting the claims on a number of grounds, including that a significant part of the claims is barred by the law of limitation. JACPL is reasonably confident that its position will be upheld by the court. Hence, no liability is acknowledged. This relates to the Retail business which has been sold out.

iv) Another suit (OS No. 5561/2014) is pending before the City Civil Court, Bangalore and has been filed against Jubilant Agri and Consumer Products Limited (JACPL), a wholly owned subsidiary of the Company by Shivashakti Builders (the lessor) amounting to ` 218.86 million (Previous year: ` 218.86 million). The matter relates to damages allegedly suffered by the plaintiff due to the termination of a lease arrangement between the parties. JACPL has filed detailed objections to the plaint and has explained the reasons as to why it terminated the lease arrangement. The matter is pending in trial and JACPL is reasonably confident of its chances of success in this matter. This relates to the Retail business which has been sold out.

b) Outstanding guarantees furnished by banks on behalf of the Group/by the Group including in respect of letters of credit is ` 484.54 million (Previous Year: ` 528.64 million).

II) Commitments

a) Capital commitments

Estimated amount of contracts remaining to be executed on capital account (net of advances) ` 5.75 million (Previous Year: ` 6.25 million) [Advances ` 1.22 million (Previous Year: ` 0.41 million)].

b) Other Commitments:

i) Export obligation under Advance License Scheme on duty free import of raw materials, remaining outstanding ` Nil (Previous Year: ` 27.08 million).

ii) For lease commitment refer note 36.

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

35. Employee Stock Option Scheme

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	2015-16		2014-15	
	Number of Options	Weighted Average Exercise Price (`)	Number of Options	Weighted Average Exercise Price (`)
Options outstanding at the beginning of the year	117,431	101.44	133,938	101.46
Granted during the year	–	–	–	–
Expired/Lapsed during the year	18,812	102.40	16,507	101.64
Options forfeited during the year	–	–	–	–
Options exercised during the year	37,196	106.78	–	–
Options outstanding at the end of the year	61,423	97.91	117,431	101.44

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.

36. 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, its wholly owned subsidiary, Jubilant Agri and Consumer Products Limited (JACPL) had operating lease for its office premises, warehouses and hyper markets for a period of 4 to 29 years. During the year, the JACPL has transferred hyper markets to Aditya Birla Retail Limited under Business Transfer Agreement with effect from 12 August 2015 and closed the mall business. Therefore, Lease rent equalisation reserve of `101.52 million stands reversed and shown as an exceptional item. (Refer note 31)

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

(` in million)

	As at 31 March 2016	As at 31 March 2015
Not later than one year	–	278.91
Later than one year but not later than five years	–	1310.18
Later than five years	–	4743.59

b. The Group has operating lease arrangements in respect of vehicles which are cancellable, range between 2 years and 5 years. The aggregate lease rentals payable are charged as expenses. Rental expenses recognized under such leases amounting to ` 0.21 million (Previous year: Nil) has been included under vehicle running and maintenance expense in note 30.

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 31 March 2016 are as follows:

(` in million)

Particulars	Minimum lease payments	Present value of minimum lease payments	Future interest
Not later than one year	2.74	2.15	0.59
	(2.27)	(1.74)	(0.53)
Later than one year but not later than five years	3.81	3.36	0.45
	(3.59)	(3.11)	(0.48)
Later than five years	–	–	–
	(–)	(–)	(–)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

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.

37. a. Current tax includes ` 0.13 million [Previous Year: ` (0.36 million)] related to previous years.

b. During the current year, consequent upon sale of Retail hyper market business undertaking of its wholly owned subsidiary, Jubilant Agri and Consumer Products Limited (JACPL) by way of slump sale, JACPL has recognised a deferred tax assets on account of unabsorbed depreciation/business losses (net) amounting to ` 911.65 million based upon the management's estimates of its future projected profitability.

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	Provision for closure of certain units of retail segment	Provision for old inventory and receivables	Provision for probable claims in respect of closed business
1	Balance as at 1 April 2015	4.66	17.58	233.49	–	148.88
		(11.17)	(7.55)	(–)	(–)	(–)
2	Additional provision during 2015-16	10.83	–	–	3.54	5.00
		(4.66)	(10.03)	(233.49)	(–)	(148.88)
3	Provision used during 2015-16	4.66	14.50	233.49	–	2.45
		(11.17)	(–)	(–)	(–)	(–)
4	Balance as at 31 March 2016	10.83	3.08	–	3.54	151.43
		(4.66)	(17.58)	(233.49)	(–)	(148.88)

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. Hedging and derivatives

i) The Company uses derivative instruments such as foreign exchange forward contracts to selectively hedge its exposures to movement in foreign exchange rates. These derivatives instruments are not used for speculative or trading purposes.

The following are the outstanding derivative contracts entered in to by the Group as at 31 March 2016:

	Currency	Cross Currency	Amount (in million)	Buy/Sell
Forward Contracts	EURO	INR	0.06 (-)	Sell

Note: Previous year figures are given in parenthesis

Foreign currency exposures not hedged by derivative instrument*:

	Amount (foreign currency in million)			
	As at 31 March 2016		As at 31 March 2015	
Amount receivable on account of sale of goods*	USD	0.85	USD	0.90
	EURO	0.68	EURO	0.72
Amount payable on account of purchase of goods, services etc*	USD	7.66	USD	9.22
	EURO	0.28	EURO	0.01

* Excluding assets & liabilities in respect of Jubilant Industries Inc., USA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

40. During the previous year, pursuant to Companies Act, 2013 ("the Act), the Group had revised depreciation rates on fixed assets as per the useful life specified in part "C" of Schedule II of the Act. As a result of the change, the depreciation charges was higher by ` 9.30 million for the year ended 31 March 2015. Further based on transitional provision provided in note 7 (b) of the said Schedule, an amount of ` 9.59 million, where useful life had become nil in terms of the said schedule, had been debited to the opening balance of the surplus/(deficit).

41. Employee benefits in respect of parent company including its subsidiaries 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 31 March 2016	For the year ended 31 March 2015
Employer's contribution to provident fund	3.71	10.10
Employer's contribution to employee pension scheme, 1995	10.61	15.03
Employer's contribution to superannuation fund	2.57	2.97

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

c) The Group entity located in United States of America have a 401(k) Plan, where in the regular, full time and part-time employees are eligible to participate in the defined contribution plan after completion of one month of continuous service. Participants may voluntarily contribute eligible pre-tax and post-tax compensation in 1% increments of up to 90% of their annual compensation in accordance with the annual limits as determined by the Internal Revenue Service. Eligible employees receive a 50% match of their contributions up to 6% of their eligible compensation. Employees above the age of 50 years may choose to contribute "catch-up" contributions in accordance with the Internal Revenue Service limits and are matched the same up to the maximum Group contribution 3% of eligible compensation. The Group's matching contributions vest 100% after three years of service. The Group has contributed ` 0.18 million (Previous Year: ` 0.06 million) to 401(k) plan for the year.

d) State plans

During the year the Group has contributed following amounts to:

(` in million)

	For the year ended 31 March 2016	For the year ended 31 March 2015
Employer's contribution to employee state insurance	0.61	6.15

(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 7.90% (Previous Year: 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 (2006-08) [Pervious Year: IALM (1994-96)].

The estimates of future salary increases, considered in actuarial valuation is 10% p.a. for first three years and 5% p.a. thereafter (Pervious Year: 5% p.a. flat) take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

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

(` in million)

	Gratuity*		Leave encashment	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Present value of obligation at the beginning of the year	70.67	70.59	36.87	38.89
Current service cost	7.06	8.55	6.86	7.78
Interest cost	5.02	5.65	2.57	3.11
Actuarial (gain)/loss	6.61	0.47	4.27	(0.81)
Benefits paid	(12.84)	(14.59)	(10.97)	(12.10)
Adjustment on account of Business Transfer Agreement	(8.25)	–	(3.96)	–
Present value of obligation at the end of the year	68.27	70.67	35.64	36.87

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

(` in million)

	Gratuity*		Leave encashment	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Present value of obligation at the end of the year	68.27	70.67	35.64	36.87
Fair value of plan assets at the end of the year	–	–	–	–
Assets/(Liabilities) recognized in the Consolidated Balance Sheet	(68.27)	(70.67)	(35.64)	(36.87)

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

(` in million)

	Gratuity*		Leave encashment	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Current service cost	7.06	8.55	6.86	7.78
Interest cost	5.02	5.65	2.57	3.11
Actuarial (gain)/loss	6.61	0.47	4.27	(0.81)
Net cost recognized during the year	18.69	14.67	13.70	10.08

*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	
	31 March 2016	31 March 2015
Present value of obligation at the beginning of the year	6.74	5.95
Current service cost	0.51	0.41
Interest cost	0.54	0.48
Actuarial (gain)/loss	0.94	0.36
Benefits paid	–	(0.46)
Present value of obligation at the end of the year	8.73	6.74

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

(` in million)

	Gratuity	
	31 March 2016	31 March 2015
Present value of obligation at the end of the year	8.73	6.74
Fair value of plan assets at the end of the year	7.39	6.83
Funded status excess of actual over estimated	0.04	–
Assets/(Liabilities) recognized in the Consolidated Balance Sheet	1.34	0.09

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

(` in million)

	Gratuity	
	31 March 2016	31 March 2015
Current service cost	0.51	0.41
Interest cost	0.54	0.48
Actuarial (gain)/Loss	0.90	0.36
Expected return on plan assets	(0.51)	(0.58)
Net cost recognized during the year	1.44	0.67

** In respect of certain employees of Sahibabad unit

Experience adjustment:

(` in million)

	Gratuity		Leave Encashment	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Defined benefit obligation	76.99	77.41	35.64	36.87
Plan assets	7.39	6.83	–	–
Surplus/(Deficit)	(69.60)	(70.58)	(35.64)	(36.87)
Experience adjustment of plan liabilities-(loss)/gain	(2.58)	0.02	(4.20)	1.03
Experience adjustment of plant assets-(loss)/gain	(0.04)	(0.03)	–	–

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: ` Nil) 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: ` Nil) as worked out by the actuary has been allocated to each entity based on the corpus value of each entity as on 31 March 2016. Accordingly, liability of ` Nil (Previous Year: ` Nil has been allocated to the Group and ` Nil (Previous Year: ` Nil) has been charged to Consolidated Statement of Profit and Loss during the year. The Group has contributed ` 16.34 million (Previous Year: ` 16.57 million) to provident fund for the year.

(C) **Other long term benefits (Sick leave)**

(` in million)

	2016	2015
Present value of obligation at the end of the year	4.48	3.35

42. **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 Latex

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

c. **Retail:** Engaged in running and maintaining hypermarket cum malls (Refer note 32)

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

a. With in India, and

b. Outside India.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

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

(` in million)

For the year ended/As at 31 March,		Performance Polymers		Agri Products		Retail		Total	
		2016	2015	2016	2015	2016	2015	2016	2015
1)	**Revenue from operations**	4,178.14	4,043.60	1,359.97	1,732.55	986.51	3,346.73	6,524.62	9,122.88
	Less: Excise duty on sales	415.18	506.69	33.24	34.18	–	–	448.42	540.87
	Net revenue from operations	**3,762.96**	**3,536.91**	**1,326.73**	**1,698.37**	**986.51**	**3,346.73**	**6,076.20**	**8,582.01**
2)	**Segments result**	436.03	225.04	22.45	37.85	(213.33)	(706.19)	245.15	(443.30)
	Less:								
	Exceptional Items							753.40	233.49
	Interest (net)							381.56	382.08
	Other Un-allocable expenditure (net of un-allocable income)							116.65	120.49
	Total profit/(loss) before tax	**436.03**	**225.04**	**22.45**	**37.85**	**(213.33)**	**(706.19)**	**(1,006.46)**	**(1,179.36)**
3)	**Capital employed**								
	(segment assets-segment liabilities)								
	Segment assets	1,776.60	1,783.87	1,302.16	1,550.19	–	2,587.73	3,078.76	5,921.79
	Add: Common assets							1,297.73	231.16
	Total assets	**1,776.60**	**1,783.87**	**1,302.16**	**1,550.19**	**–**	**2,587.73**	**4,376.49**	**6,152.95**
	Segment liabilities	652.92	563.40	256.33	414.40	–	1,008.55	909.25	1,986.35
	Add: Common liabilities							1,197.69	80.35
	Total liabilities	**652.92**	**563.40**	**256.33**	**414.40**	**–**	**1,008.55**	**2,106.94**	**2,066.70**
	Segments capital employed	1,123.68	1,220.47	1,045.83	1,135.79	–	1,579.18	2,169.51	3,935.44
	Add: Common capital employed							100.04	150.81
	Total capital employed	**1,123.68**	**1,220.47**	**1,045.83**	**1,135.79**	**–**	**1,579.18**	**2,269.55**	**4,086.25**
4)	**Segment Capital expenditure**	87.23	50.18	5.02	20.46	–	171.11	92.25	241.75
	Add: Common capital expenditure							6.90	4.98
	Total Capital expenditure	**87.23**	**50.18**	**5.02**	**20.46**	**–**	**171.11**	**99.15**	**246.73**
5)	**Depreciation & amortization**	32.90	32.68	43.05	34.97	90.85	229.91	166.80	297.56
	Add: Common depreciation							8.72	9.88
	Total depreciation & amortization (Charged to Consolidated statement of profit and loss)	**32.90**	**32.68**	**43.05**	**34.97**	**90.85**	**229.91**	**175.52**	**307.44**

IV) **Secondary segments (geographical segments):**

(` in million)

For the year ended/As at 31 March,		2016	2015
a)	**Revenue from operations by geographical location of customers (net of excise duty)**		
	Within India	4989.20	7551.97
	Outside India	1087.00	1030.04
	Total	**6,076.20**	**8582.01**
b)	**Carrying amount of segment assets**		
	Within India	4,171.79	5,894.13
	Outside India	204.70	258.82
	Total	**4,376.49**	**6152.95**
c)	**Capital expenditure**		
	Within India	99.04	246.69
	Outside India	0.11	0.04
	Total	**99.15**	**246.73**
d)	**Revenue from operations by geographical market**		
	India	4,989.20	7551.97
	Americas & Europe	888.60	796.83
	China	69.06	75.29
	Asia & Others	129.34	157.92
	Total	**6,076.20**	**8582.01**

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.

43. 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, Whole Time Director of Jubilant Agri and Consumer Products Limited and Director of Jubilant Industries Inc. USA), Mr. Raman Mangalorkar (Whole Time Director of Jubilant Agri and Consumer Products Limited) (up to 12 August 2015), Mr. Sandeep Kumar Shaw (Chief Financial Officer), Mr. Deepak Gupta (Company Secretary) (up to 04 June 2015), Mr. Dinesh Kumar Gupta (Company Secretary) (w.e.f. 16 June 2015) , Mr. Deepak Garg (Company Secretary) (up to 13 October 2015), Ms. Sheetal Kapoor (Company Secretary) (w.e.f. 28 October 2015).

b) **Enterprise over which directors and major shareholders of the Group have significant influence:** Jubilant Life Sciences Limited, Jubilant Life Sciences (USA) Inc., USA., Jubilant Enpro (P) Limited, Jubilant Motor Works (P) Limited, Jubilant Generics Limited, Jubilant HollisterStier LLC, USA.

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 FOR THE YEAR ENDED 31 MARCH 2016

2) Details of related party transactions during the year:

(` in million)

	Particulars	Key management personnel	Enterprise over which directors and major shareholders of the Group have significant influence	Others
i)	Purchase of goods, utilities & services (1)		169.43	
			(168.70)	
ii)	Sale of goods, utilities & services (2)		136.96	
			(220.22)	
iii)	Payment of rent to (3)		31.40	
			(31.97)	
iv)	Contribution towards provident fund (4)			41.95
				(40.02)
v)	Contribution towards superannuation fund (5)			2.57
				(2.97)
vi)	Recovery of expenses (6)		1.25	
			(–)	
vii)	Reimbursement of expenses (7)		4.07	
			(0.12)	
viii)	Donation (8)			1.00
				(1.00)
ix)	Inter-corporate loans taken (9)		90.00	
			(465.00)	
x)	Interest converted in to inter-corporate loans taken (10)		14.82	
			(–)	
xi)	Interest expense on inter-corporate loans taken (11)		78.60	
			(16.47)	
xii)	Repayment of interest converted in to inter-corporate loans taken (12)		14.82	
			(–)	
xiii)	Remuneration and related expenses (13)	37.03		
		(49.53)		
Balance as at 31 March 2016				
xiv)	Current account debit/credit (-) balance (14)		-13.86	
			(-12.47)	
xv)	Outstanding payables (15)		36.34	
			(9.10)	
xvi)	Outstanding receivables (16)		21.85	
			(10.00)	
xvii)	Outstanding of inter-corporate loans taken (17)		555.00	
			(465.00)	
xviii)	Interest payable on inter-corporate loans taken (18)		34.12	
			(14.82)	
xix)	Financial guarantee received from and outstanding at the end of the year (19)		–	
			(1977.62)	

Note: Previous year figures are given in parenthesis.

Details of related party transactions individually:

(` in million)

For the Year Ended/As at 31 March,		2016	2015
1)	**Purchase of goods, utilities & services:**		
	Enterprise over which directors and major shareholders of the Group have significant influence:-		
	Jubilant Life Sciences Limited	163.76	165.72
	Jubilant Generics Limited	4.10	2.12
	Jubilant Life Sciences (USA) Inc. USA	1.57	0.86
2)	**Sale of goods, utilities & services:**		
	Enterprise over which directors and major shareholders of the Group have significant influence:-		
	Jubilant Life Sciences (USA) Inc. USA	–	90.33
	Jubilant Life Sciences Limited	136.96	129.89
3)	**Payment of rent to:**		
	Enterprise over which directors and major shareholders of the Group have significant influence:-		
	Jubilant Life Sciences Limited	31.40	31.97
4)	**Contribution towards provident fund:**		
	Others:-		
	VAM Employees Provident Fund	41.95	40.02
5)	**Contribution towards superannuation fund:**		
	Others:-		
	Pace Marketing Specialities Limited Officer's Superannuation Scheme	2.57	2.97
6)	**Recovery of expenses:**		
	Enterprise over which directors and major shareholders of the Group have significant influence:-		
	Jubilant Life Sciences Limited	1.25	–
7)	**Reimbursement of expenses:**		
	Enterprise over which directors and major shareholders of the Group have significant influence:-		
	Jubilant Life Sciences Limited	3.13	–
	Jubilant HollisterStier LLC, USA	0.94	0.12
8)	**Donation:**		
	Others:-		
	Jubilant Bhartia Foundation	1.00	1.00
9)	**Inter-corporate loans taken:**		
	Enterprise over which directors and major shareholders of the Group have significant influence:-		
	Jubilant Enpro (P) Limited	40.00	200.00
	Jubilant Motor Works (P) Limited	50.00	265.00
10)	**Interest converted in to inter-corporate loan taken:**		
	Enterprise over which directors and major shareholders of the Group have significant influence:-		
	Jubilant Enpro (P) Limited	10.08	–
	Jubilant Motor Works (P) Limited	4.74	–
11)	**Interest expense on inter-corporate loans taken:**		
	Enterprise over which directors and major shareholders of the Group have significant influence:-		
	Jubilant Enpro (P) Limited	33.15	11.20
	Jubilant Motor Works (P) Limited	45.45	5.27

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

For the Year Ended/As at 31 March,		2016	2015
12)	**Repayment of Interest converted in to inter-corporate loans taken:**		
	Enterprise over which directors and major shareholders of the Group have significant influence:-		
	Jubilant Enpro (P) Limited	10.08	–
	Jubilant Motor Works (P) Limited	4.74	–
13)	**Remuneration and related expenses:**		
	Key management personnel:-		
	Videh Jaipuriar (Whole Time Director)	16.22	20.00
	Raman Mangalorkar (Whole Time Director)	9.31	19.93
	Sandeep Kumar Shaw (Chief Financial Officer)	6.89	5.91
	Deepak Gupta (Company Secretary)	1.04	2.56
	Dinesh Kumar Gupta (Company Secretary)	2.19	–
	Deepak Garg (Company Secretary)	0.95	1.13
	Sheetal Kapoor (Company Secretary)	0.43	–
14)	**Current account debit/(credit) balances:**		
	Enterprise over which directors and major shareholders of the Group have significant influence:-		
	Jubilant Life Sciences Ltd	(13.86)	(12.47)
15)	**Outstanding payables:**		
	Enterprise over which directors and major shareholders of the Group have significant influence:-		
	Jubilant Life Sciences Limited	32.14	8.46
	Jubilant Life Sciences (USA) Inc. USA	2.18	0.31
	Jubilant HollisterStier LLC., USA	1.08	0.12
	Jubilant Generics Limited	0.94	0.21
16)	**Outstanding receivables:**		
	Enterprise over which directors and major shareholders of the Group have significant influence:-		
	Jubilant Life Sciences Limited	21.85	10.00
17)	**Outstanding of inter-corporate loans taken:**		
	Enterprise over which directors and major shareholders of the Group have significant influence:-		
	Jubilant Enpro (P) Limited	240.00	200.00
	Jubilant Motor Works (P) Limited	315.00	265.00
18)	**Interest payable on inter-corporate loans taken:**		
	Enterprise over which directors and major shareholders of the Group have significant influence:-		
	Jubilant Enpro (P) Limited	14.84	10.08
	Jubilant Motor Works (P) Limited	19.28	4.74
19)	**Financial guarantee received from and outstanding at the end of the year:**		
	Enterprise over which directors and major shareholders of the Group have significant influence:-		
	Jubilant Enpro (P) Limited	–	1977.62

20) The Group is in the process of updating the documentation for the specified transactions entered into with the specified persons and associated enterprises during the financial year. The management is of the opinion that its specified transactions are at arm's length and will not have any impact on the consolidated financial statements, particularly on the amount of tax expenses and that of provision for taxation.

Note: Related party relationship is as identified by the Group and relied upon by the Auditors.

44. Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary.

Name of the enterprise	Net Assets i.e. Total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount (` in million)	As % of consolidated profit or (loss)	Amount (` in million)
Parent				
Jubilant Industries Limited	597.55	2,607.36	(11.45)	(10.83)
Subsidiaries				
Indian				
Jubilant Agri and Consumer Products Limited	102.86	448.81	(141.91)	(134.19)
Foreign				
Jubilant Industries Inc. USA	7.65	33.39	24.68	23.34
Total eliminations	(608.06)	(2,653.22)	28.68	27.12
Total	100.00	436.34	(100.00)	(94.56)

45. Earnings per share (EPS)

			For the year ended 31 March 2016	For the year ended 31 March 2015
I	**Profit computation for basic & diluted earnings per share of ` 10/- each**			
	Net (loss) as per Consolidated Statement of Profit & Loss available for equity shareholders	` in million	(94.56)	(1177.79)
II	**Weighted average number of equity shares for earnings per share computation**			
	(A) For basic earnings per share*	Nos	11867543	11849404
	(B) For diluted earnings per share:			
	No of shares for Basic EPS as per II (A)	Nos	11867543	11849404
	Add: Weighted average outstanding options related to			
	employee stock options	Nos	21857	5,258
	No of shares for diluted earnings per share	Nos	11889400	11854662
III	**Earnings per share (weighted average)**			
	Basic	`	(7.97)	(99.40)
	Diluted	`	(7.97)	(99.40)

*Includes 37196 equity shares of 10 each are allotted and issued pursuant to JIL Employee Stock Option Scheme 2013 upon exercise of vested options. In line with Accounting Standard 20 on "Earnings Per Share", as the shares are allotted and issued on 6 October 2015, the EPS has been considered accordingly (37196/365*178 = 18139).

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

Signatures to Notes "1" to "46" forming part of the Consolidated Balance Sheet and Consolidated Statement of Profit and Loss.

In terms of our report of even date attached.

For and on behalf of the Board

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

B. R. Goyal
Partner
Membership No. 12172

Hari S. Bhartia
Chairman

Place : Noida
Date : 23 May 2016

Dinesh Kumar Gupta
Company Secretary

Sandeep Kumar Shaw
Chief Financial Officer

Videh Kumar Jaipuriar
Managing Director

Form AOC - I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

STATEMENT CONTAINING SALIENT FEATURES OF FINANCIAL STATEMENT OF SUBSIDIARIES AS PER COMPANIES ACT, 2013

SUBSIDIARIES OF THE COMPANY

(` in million & USD in thousand)

1)	Sr. No.	**1**	**2**	
2)	Name of the subsidiaries	**Jubilant Agri and Consumer Products Limited**	**Jubilant Industries Inc. USA**	
3)	Reporting currency	INR	USD	INR*
4)	Share capital	26.74	0.11	0.01
5)	Reserve & surplus	422.07	503.82	33.38
6)	Total assets	4334.04	1660.50	110.01
7)	Total Liabilities	3885.23	1156.57	76.62
8)	Investments	0.08	–	–
9)	Turnover	5601.88	9484.65	618.59
10)	Profit/(Loss) before taxation	(1,045.84)	362.04	23.61
11)	Provision for taxation	(911.65)	4.19	0.27
12)	Profit/(Loss) after taxation	(134.19)	357.85	23.34
13)	Proposed dividend	–	–	–
14)	% of shareholding	100	100	

* For the purpose of conversion of accounts, USD in to Indian Currency, following rates have been applied:

Average rate for F.Y. 2015-16 1 USD = ` 65.22

Rate as at 31 March 2016 1 USD = ` 66.25

Note: There is no associate companies / joint ventures of the Company.

For and on behalf of the Board

Hari S. Bhartia
Chairman

Place : Noida
Date : 23 May 2016

Dinesh Kumar Gupta
Company Secretary

Sandeep Kumar Shaw
Chief Financial Officer

Videh Kumar Jaipuriar
Managing Director

NOTES

NOTES

JUBILANT INDUSTRIES

Jubilant Industries Limited

Registered Office: Bhartiagram, Gajraula
Distt. Amroha - 244 223, Uttar Pradesh, India

Corporate Office: Plot No. 1A, Sector 16A,
Noida - 201301, Uttar Pradesh, India

Website: www.jubilantindustries.com