

**INDEPENDENT AUDITORS' REPORT**

**TO THE MEMBERS OF JUBILANT AGRI AND CONSUMER PRODUCTS LIMITED**

**Report on the Financial Statements**

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

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

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

**Auditors' Responsibility**

3. Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments; the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design the audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

6. In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2016;
  - (ii) in the case of the Statement of Profit and Loss, of the Loss of the Company for the year ended on that date; and
  - (iii) in the case of Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

7. As required by the Companies (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.
8. As required by Section 143 (3) of the Act, we report that:
- a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. in our opinion proper books of accounts as required by the law have been kept by the Company, so far as appears from our examination of those books;
  - c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - d. In our opinion, the aforesaid financial Statements dealt with by this report comply with the Accounting Standards referred to in section 133 of the Companies Act, 2013;
  - e. on the basis of written representations received from the directors as on 31<sup>st</sup> March 2016, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March 2016 from being appointed as director in terms of section 164(2) 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. The Company has disclosed the impact of pending litigation on its financial position in its financial statement (Refer Note 33 to the financial statement).
- ii. The Company did not have any foreseeable losses on long term contracts and had no derivative contracts outstanding as at 31<sup>st</sup> March 2016; and
- iii. The Company did not have any dues requiring transfer to Investor Education and Protection Fund.

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

Sd/-

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

Place : Noida  
Date : 23<sup>rd</sup> May, 2016

**ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT**

(Referred to in paragraph 7 of our report of even date to the members of **Jubilant Agri and Consumer Products Limited** on the financial statements for the year ended 31<sup>st</sup> 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 except in case of the followings:

Land & Building

(₹ in million)

No of Cases*	Leasehold/Freehold	Gross Block	Net Block	Remarks
04	03 Freehold & 01 Leasehold	264.78	219.08	Under process of transfer

\*Out of the above in 02 cases Gross block of ₹ 204.78 and Net block of ₹.169.89 million are in the name of its Holding Company and the balance are in the name of erstwhile merged entity.

- 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, during the year the Company has not granted any loans, secured or unsecured to companies firm, Limited liability partnerships firms or other parties covered in the register maintained under section 189 of the companies Act, 2013 except to its holding company. In our opinion, the rate of interest and other terms and conditions on which the same is granted, prima facie, is not prejudiced to the interest of the company. The borrower is regular in payment of interest and principal amount. There was no overdue amount in respect of such loan or interest as at 31<sup>st</sup> March 2016.
- iv) According to the information and explanation given to us, the company has no Investment, Loans and guarantees which required compliance of provisions of section 185 and 186 of the Companies Act, 2013, and hence paragraph of 3 (iv) of the Order is not applicable to the Company.
- 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, the details of dues in respect of income tax and service tax which have not been deposited on account of disputes and the forum where the dispute is pending are as under:

Name of the Statute		Nature of the Dues	Amount ( ₹ in million)	Period to which the amount relates	Forum where dispute is pending
1	Central Sales Tax Act, 1956 & Sales Tax Acts of Various States	Sales Tax/VAT	17.23	Apr-02 to Dec-07	High Court, Allahabad
		Sales Tax/VAT	0.96	1996-97 to 2000-01	Tribunal, Cuttack
2	Central Excise Act, 1944	Excise Duty	10.73	May-07 to Oct-09	Commissioner, Ghaziabad
		Excise Duty	4.23	Nov-09 to March-11	Commissioner, Ghaziabad
		Excise Duty	0.70	May-07 to Nov-10	Additional Commissioner, Ghaziabad
		Excise Duty	0.04	Dec-04 to Mar-06	Commissioner, Ghaziabad
		Excise Duty	4.90	Apr-11 to Jan-12	Commissioner, Ghaziabad
		Excise Duty	1.97	Mar-12 to Oct-12	Commissioner, Ghaziabad
		Excise Duty	7.69	Apr-08 to Jan-13	CESTAT, Allahabad
		Excise Duty	0.86	Jan-14 to Oct-14	Additional Commissioner, Ghaziabad

		Excise Duty	0.20	Nov-14 to July-15	Assistant Commissioner, Ghaziabad
		Excise Duty	0.09	August-11	Government of India (Revision)
		Excise Duty	0.19	Apr-13 to Dec-13	Assistant Commissioner, Ghaziabad
		Excise Duty	0.05	Jan-14 to Oct-14	Additional Commissioner, Ghaziabad
		Excise Duty	0.07	Nov-14 to July-15	Additional Commissioner, Ghaziabad
		Excise Duty	0.73	Nov-10 to Jan-11	Commissioner (Appeals), Vodadara
		Excise Duty	7.41	Nov-10	Commissioner, Meerut II
3	Service Tax Act, 1994	Service Tax	2.87	Apr-10 to July-15	Additional Commissioner, Ghaziabad
		Service Tax	0.08	Sep-11 to Mar-13	Assistant Commissioner, Hapur
		Service Tax	0.17	Mar-11 to June-15	Assistant Commissioner, Hapur
		Service Tax	0.15	2007-09	CESTAT, Allahabad
		Service Tax	0.91	Apr-12 to March-15	Commissioner (Appeals), Noida
4	Custom Act, 1962	Custom Duty + Interest	4.97	25.11.2010	A.C. Customs, JNCH, Nhava Sheva
		Custom Duty + Interest	3.05	10.12.2010	A.C. Customs, JNCH, Nhava Sheva

viii) Based on our audit procedures and according to the information given by the management, the company has not defaulted repayment in respect of any loans or borrowings from any financial institution, bank, government or dues to debentures holders during the year.

- 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), however it has taken term loan during the year which were applied to the purpose for which the same were taken.
- 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 managerial remuneration has been paid / provided (by the Company) are in Compliance with Section 197 read with schedule V to the Companies Act, 2013 and necessary approval of the Central Government was obtained as the payments were in excess of the amounts permitted by the Section 197 of schedule V to the Companies Act, 2013.
- 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) During the year, the Company has not entered 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

**Sd/-**

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

Place : Noida  
Date : 23<sup>rd</sup> May, 2016

**ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE  
FINANCIAL STATEMENTS OF JUBILANT AGRI AND CONSUMER PRODUCTS 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 AGRI AND CONSUMER PRODUCTS 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

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

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit



preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

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

### **Opinion**

In our opinion, 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

Sd/-

Place : Noida  
Date : 23<sup>rd</sup> May, 2016

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

Jubilant Agri and Consumer Products Limited

Balance Sheet as at 31 March 2016

(₹ in million)

	Note	As at 31 March 2016		As at 31 March 2015	
<b>I EQUITY AND LIABILITIES</b>					
<b>Shareholders' funds</b>					
Share capital	3	26.74		26.74	
Reserve & surplus	4	422.07	448.81	556.26	583.00
<b>Non-current liabilities</b>					
Long term borrowings	5	1,705.86		1,625.37	
Other long term liabilities	6	36.39		205.18	
Long term provisions	7	95.96	1,838.21	101.19	1,931.74
<b>Current liabilities</b>					
Short term borrowings	8	999.35		1,376.72	
Trade payables	9	506.51		990.69	
Other current liabilities	10	350.72		842.02	
Short term provisions	11	190.44	2,047.02	419.12	3,628.55
<b>Total</b>			<b>4,334.04</b>		<b>6,143.29</b>
<b>II ASSETS</b>					
<b>Non-current assets</b>					
<b>Fixed assets</b>					
Tangible assets	12	1,225.89		2,076.83	
Intangible assets	13	2.84		758.41	
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	47.72	2,253.72	307.85	3,189.41
<b>Current assets</b>					
Current investments	16	0.08		0.08	
Inventories	17	515.60		1,007.11	
Trade receivables	18	1,043.76		1,180.46	
Cash & bank balances	19	30.77		220.57	
Short term loans and advances	20	489.06		542.74	
Other current assets	21	1.05	2,080.32	2.92	2,953.88
<b>Total</b>			<b>4,334.04</b>		<b>6,143.29</b>
Significant accounting policies	2				
Notes to the Financial Statements	1 - 49				

In terms of our report of even date attached.

For K. N. Gutgutia & Co.  
Chartered Accountants  
Firm Registration Number : 304153E  
Sd/-  
B. R. Goyal  
Partner  
Membership No. 12172

For and on behalf of Board

Sd/-

Priyavrat Bhartia  
Director

Sd/-

Sd/-

Sd/-

Place : Noida

Sheetal Kapoor

Sandeep Kumar Shaw

Videh Kumar Jaipuria

Date : 23 May 2016

Company Secretary

Chief Financial Officer

Whole Time Director

**Jubilant Agri and Consumer Products Limited**

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

(₹ in million)

	Note	For the year ended 31	
		March 2016	March 2015
<b>REVENUE</b>			
Revenue from operations (gross)	22	5,955.56	8,682.31
Less: Excise duty		353.68	333.89
Revenue from operations (net)		5,601.88	8,348.42
Other Income	23	16.55	22.24
<b>Total revenue</b>		<b>5,618.43</b>	<b>8,370.66</b>
<b>EXPENSES</b>			
Cost of materials consumed	24	2,319.65	2,972.44
Purchase of traded goods	25	777.54	2,549.68
Change in inventories of work-in-progress, finished goods & traded goods	26	141.94	77.69
Other manufacturing expenses	27	457.46	519.40
Employee benefits expense	28	817.25	987.48
Finance costs	29	377.79	380.96
Depreciation & amortisation expense	12 & 13	174.44	306.06
Other expenses	30	848.84	1,464.87
<b>Total expenses</b>		<b>5,914.91</b>	<b>9,258.58</b>
<b>Profit/(Loss) before exceptional items &amp; tax</b>		<b>(296.48)</b>	<b>(887.92)</b>
Exceptional items	31	749.36	233.49
<b>Profit/(Loss) before tax</b>		<b>(1045.84)</b>	<b>(1121.41)</b>
<i>of which discontinuing operations</i>	32	<i>(994.10)</i>	<i>(1169.15)</i>
Tax Expenses:			
- Deferred tax credit		(911.65)	-
<i>of which discontinuing operations</i>	32	<i>-</i>	<i>-</i>
<b>Profit/(Loss) for the year</b>		<b>(134.19)</b>	<b>(1121.41)</b>
<i>of which discontinuing operations</i>	32	<i>(994.10)</i>	<i>(1169.15)</i>
Basic earnings per share of ₹ 10 each (In ₹)	47	(2683.76)	(22428.25)
Diluted earnings per share of ₹ 10 each (In ₹)	47	(2683.76)	(22428.25)
<b>Significant accounting policies</b>	2		
<b>Notes to the Financial Statements</b>	1 - 49		
In terms of our report of even date attached.			
For K. N. Gutgutia & Co. Chartered Accountants Firm Registration Number : 304153E Sd/- B. R. Goyal Partner Membership No. 12172		For and on behalf of Board   Sd/- Priyavrat Bhartia Director	
Place : Noida Date : 23 May 2016	Sd/- Sheetal Kapoor Company Secretary	Sd/- Sandeep Kumar Shaw Chief Financial Officer	Sd/- Vidh Kumar Jaipuria Whole Time 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
<b>A. Cash flow arising from operating activities:</b>		
Net profit/(loss) before tax	(1,045.84)	(1,121.41)
Adjustments for:		
Depreciation & amortisation expense	174.44	306.06
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	-
Finance costs	391.78	396.92
Interest Income	(13.99)	(15.96)
Lease rent equalisation charges	-	104.29
Provision for employee benefits	8.50	(3.27)
Bad debts/irrecoverable advances written-in (net of write-off)	(3.82)	(2.38)
Write off of inventory	-	25.66
Unrealised (gain)/loss on foreign exchange (net)	(1.96)	1.67
	1,301.67	1,046.76
<b>Operating profit before working capital changes</b>	<b>255.83</b>	<b>(74.65)</b>
Adjustments for:		
(Increase)/Decrease in trade receivables, loans & advances and other assets	211.46	65.94
(Increase)/Decrease in inventories	231.11	220.74
Increase/(Decrease) in trade payables, provisions and other liabilities	(218.32)	(355.41)
<b>Cash generated from operations</b>	<b>480.08</b>	<b>(143.38)</b>
Direct taxes (paid)/refund (net)	2.12	(13.11)
<b>Net cash inflow/(outflow) in course of operating activities</b>	<b>482.20</b>	<b>(156.49)</b>
<b>B. Cash flow arising from investing activities:</b>		
Acquisition/Purchase of fixed assets	(96.29)	(224.57)
Sale proceeds of fixed assets	4.09	4.63
Slump sale consideration (Refer note 32)	590.46	-
Inter-corporate loan given to holding company (Refer note 41)	-	(10.00)
Payment received of interest converted in to inter-corporate loan given	0.95	-
Interest income received	14.49	15.96
Movement in other bank balances	173.37	(19.41)
<b>Net cash inflow/(outflow) in course of investing activities</b>	<b>687.07</b>	<b>(233.39)</b>
<b>C. Cash flow arising from financing activities:</b>		
Repayment of long term borrowings	(1,979.67)	(272.98)
Proceeds from long term borrowings	1,502.82	241.85
Proceeds from / (Repayment) of short term borrowings (net)	(426.98)	314.90
Inter-corporate borrowings from related parties (Refer note 44)	90.00	465.00
Repayment of interest converted in to inter-corporate loan taken	(14.82)	-
Finance costs paid	(356.55)	(379.52)
<b>Net cash inflow/(outflow) in course of financing activities</b>	<b>(1,185.20)</b>	<b>369.25</b>
<b>Net increase/(decrease) in cash &amp; cash equivalents (A+B+C)</b>	<b>(15.93)</b>	<b>(20.63)</b>
Add: Cash & cash equivalents at the beginning of the year	42.37	63.00
Add: Funds transfer on account of BTA (Refer note 32)	(0.50)	-
<b>Cash &amp; cash equivalents at the close of the year</b>	<b>25.94</b>	<b>42.37</b>

- 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) Net cash flows attributable to the discontinued operations, refer note 32.

In terms of our report of even date attached.

For K. N. Gutgutia & Co.  
Chartered Accountants  
Firm Registration Number : 304153E  
Sd/-  
B. R. Goyal  
Partner  
Membership No. 12172

for and on behalf of the board

Sd/-  
Priyavrat Bhartia  
Director

Place: Noida  
Date : 23 May 2016

Sd/-  
Sheetal Kapoor  
Company Secretary

Sd/-  
Sandeep Kumar Shaw  
Chief Financial Officer

Sd/-  
Videh Kumar Jaipurian  
Whole Time Director

# Jubilant Agri And Consumer Products Limited

## Notes to the financial statements for the year ended 31 March 2016

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### 1. Corporate information

Jubilant Agri and Consumer Products Limited (the Company) is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is wholly owned subsidiary of Jubilant Industries Limited and presently engaged in the business of manufacturing and sale of agri and consumer products. The Company caters to both domestic and international markets.

### 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.

## Jubilant Agri And Consumer Products Limited

### Notes to the financial statements for the year ended 31 March 2016

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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.

## Jubilant Agri And Consumer Products Limited

### Notes to the financial statements for the year ended 31 March 2016

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

#### C. Depreciation and Amortization

Pursuant to the Companies Act, 2013 ("the Act"), the Company 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 29<sup>th</sup> 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 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 which has been discontinued during the year:

- 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.

#### D. Leases

##### i) Where the Company is Lessee

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

## Jubilant Agri And Consumer Products Limited

### Notes to the financial statements for the year ended 31 March 2016

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 Company is lessor

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

#### 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.



## Jubilant Agri And Consumer Products Limited

### Notes to the financial statements for the year ended 31 March 2016

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

#### 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 net profit or loss for the period.

##### Current Tax

Current tax expenses 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 tax laws.

#### H. Foreign Currency Transactions and Translations

## Jubilant Agri And Consumer Products Limited

### Notes to the financial statements for the year ended 31 March 2016

- 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) **Foreign Exchange Forward 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**

## Jubilant Agri And Consumer Products Limited

### Notes to the financial statements for the year ended 31 March 2016

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. The gratuity liability for certain employees of one of the units of the Company is funded with Life Insurance Corporation of India.

- **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 administered by the Trust during the year is charged to Statement of Profit and Loss.

- **Provident Fund**

- i) 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.
- ii) 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 twelve 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.

## Jubilant Agri And Consumer Products Limited

### Notes to the financial statements for the year ended 31 March 2016

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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.

#### **M. Segment Reporting**

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

#### **N. Earnings Per Share**

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

#### **O. Impairment of Fixed Assets**

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

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

**Jubilant Agri and Consumer Products Limited**

**Notes to the financial statements for the year ended 31 March 2016**

(₹ in million)

	As at 31 March 2016	As at 31 March 2015
<b>3. SHARE CAPITAL</b>		
<b>Authorised</b>		
a) 1,00,000 Equity shares of ₹ 10 each (Previous Year: 1,00,000 Equity shares of ₹ 10 each)	1.00	1.00
b) 19,00,000 10% Optionally convertible non-cumulative redeemable preference shares of ₹ 10 each (Previous Year: 19,00,000 10% Optionally convertible non-cumulative redeemable preference shares of ₹ 10 each)	19.00	19.00
c) 10,00,000 10% Non-cumulative redeemable preference shares of ₹ 10 each (Previous Year: 10,00,000 10% Non-cumulative redeemable preference shares of ₹ 10 each)	10.00	10.00
	<b>30.00</b>	<b>30.00</b>
<b>Issued, subscribed &amp; paid-up</b>		
a) 50,000 Equity shares of ₹ 10 each (Previous Year: 50,000 Equity shares of ₹ 10 each)	0.50	0.50
b) 16,48,817 10% Optionally convertible non-cumulative redeemable preference shares of ₹ 10 each (Refer note 3.1) (Previous Year: 16,48,817 10% Optionally convertible non-cumulative redeemable preference shares of ₹ 10 each)	16.49	16.49
c) 9,74,800 10% Non-cumulative redeemable preference shares of ₹ 10 each (Refer note 3.1) (Previous Year: 9,74,800 10% Non-cumulative redeemable preference shares of ₹ 10 each)	9.75	9.75
	<b>26.74</b>	<b>26.74</b>

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

- 9,74,800 10% Non-cumulative redeemable preference shares of ₹ 10 each allotted (at a premium of ₹ 990 per share) pursuant to the Business Transfer Agreement with Jubilant Industries Limited for consideration other than cash during the FY 2012-13.
- 16,48,817 10% Optionally convertible non-cumulative redeemable preference shares of ₹ 10 each allotted (at a premium of ₹ 990 per share) pursuant to the Scheme of Arrangement with Jubilant Industries Limited for consideration other than cash during the FY 2011-12.

**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 Industries Limited* and its nominees (Equity shares)	50,000	100.00	50,000	100.00
Jubilant Industries Limited* (10% Optionally convertible non-cumulative redeemable preference shares)	16,48,817	100.00	16,48,817	100.00
Jubilant Industries Limited* (10% Non-cumulative redeemable preference shares)	9,74,800	100.00	9,74,800	100.00

\*Holding company

**3.3** 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
<b>i) Equity Shares:</b>				
Number of shares at the beginning of the year	50,000	0.50	50,000	0.50
Numbers of shares at the end of the year	<b>50,000</b>	<b>0.50</b>	<b>50,000</b>	<b>0.50</b>
<b>ii) 10% Optionally convertible non-cumulative redeemable preference shares:</b>				
Number of shares at the beginning of the year	16,48,817	16.49	16,48,817	16.49
Numbers of shares at the end of the year	<b>16,48,817</b>	<b>16.49</b>	<b>16,48,817</b>	<b>16.49</b>
<b>iii) 10% Non-cumulative redeemable preference shares:</b>				
Number of shares at the beginning of the year	9,74,800	9.75	9,74,800	9.75
Numbers of shares at the end of the year	<b>9,74,800</b>	<b>9.75</b>	<b>9,74,800</b>	<b>9.75</b>

**Jubilant Agri and Consumer Products Limited**

**Notes to the financial statements for the year ended 31 March 2016**

3.4 The Company has three kind of share capital: Equity share capital, 10% Optionally convertible non-cumulative redeemable preference share capital and 10% Non-cumulative redeemable preference share capital. Each equity shareholder is eligible for one vote per share.

3.5 In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amount. The distribution will be in proportion to the number of equity shares held by the shareholders. In the event of redemption of preference shares, the same will be redeemed at a premium of ₹ 990 per share. Each optionally convertible preference share is convertible into equity share of ₹ 10 each at the option of the shareholders before the same are redeemed.

(₹ in million)

	As at 31 March 2016		As at 31 March 2015
<b>4. RESERVES AND SURPLUS</b>			
<b>Securities premium account</b>			
At the commencement of the year	556.26		2,597.38
Less: Adjustments on account of Scheme for Reduction of Securities Premium Account (Refer note 4.1)	-		2,041.12
<b>At the end of the year</b>	<b>556.26</b>		<b>556.26</b>
<b>Surplus/(Deficit)</b>			
At the commencement of the year	-		(910.23)
Add: Net profit/(loss) after tax as per Statement of Profit & Loss for the year	(134.19)		(1,121.41)
Less: Adjustments on account of Scheme for Reduction of Securities Premium Account (Refer note 4.1)	-		2,041.12
Less: Adjustments on account of depreciation (Refer note 4.2)	-		9.48
<b>At the end of the year</b>	<b>(134.19)</b>		<b>-</b>
	<b>422.07</b>		<b>556.26</b>

4.1 Pursuant to the confirmation of the Scheme of Capital Reduction 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 the Hon'ble Allahabad High Court with effect from 31st March, 2015 vide its order dated October 01, 2015. Accordingly, the Company has set off its accumulated losses amounting to ₹ 2041.12 million as on 31 March 2015 against the amount standing in its securities premium account as on 31 March 2015.

4.2 Based on transitional provision provided in note 7(b) of Schedule II of the Companies Act, 2013, where useful life of fixed assets has become nil in terms of the said schedule, carrying amount of such assets as at 1 April 2014 has been debited to the opening balance of surplus/(deficit). (Refer note 40)

**Jubilant Agri and Consumer Products Limited**

**Notes to the financial statements for the year ended 31 March 2016**

(₹ in million)

	As at 31 March 2016	As at 31 March 2015
<b>5. LONG TERM BORROWINGS</b>		
<b>Term loan from banks</b>		
- Indian rupee loans (secured)	1,462.50	1,422.26
<b>Long term maturities of finance lease obligation</b>		
- Finance lease obligations (secured)	3.36	3.11
<b>Term loan from others</b>		
Loans from related party (unsecured)	240.00	200.00
	<b>1,705.86</b>	<b>1,625.37</b>
<b>The above amounts includes</b>		
Secured borrowings	1,465.86	1,425.37
Unsecured borrowings	240.00	200.00
	<b>1,705.86</b>	<b>1,625.37</b>

Refer note 10 for current maturities of long term borrowings.

- 5.1** 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 the Company as well as of Jubilant Industries Limited (the holding company) and unconditional and irrevocable corporate guarantee of its Holding company.
- 5.2** 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 the Company and Jubilant Industries Limited (holding company), unconditional and irrevocable corporate guarantee of its Holding 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.
- 5.3** Term loan II availed from Yes Bank Limited amounting to ₹ Nil (Previous Year: ₹ 240.00 million) including current maturities ₹ Nil (Previous Year: ₹ Nil) is secured by first pari passu charge on all fixed assets (both present & future) of the Company and 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.
- 5.4** 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 the Company and Jubilant Industries Limited, unconditional and irrevocable corporate guarantee of its Holding company and also of Jubilant Enpro (P) Limited. This has been fully paid during the current year before the due dates.
- 5.5** Term loan availed from Axis Bank Limited is repayable in twenty eight structured quarterly instalments, commencing from January 2017.
- 5.6** 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.
- 5.7** 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.

**Jubilant Agri and Consumer Products Limited**

**Notes to the financial statements for the year ended 31 March 2016**

(₹ in million)

	As at 31 March 2016		As at 31 March 2015
<b>6. OTHER LONG TERM LIABILITIES</b>			
Security deposits	-		51.06
Trade deposits & advances	36.39		39.81
Lease rent equalisation charges (Refer note 37)	-		114.31
	<b>36.39</b>		<b>205.18</b>
<b>7. LONG TERM PROVISIONS</b>			
Employee benefits	95.96		101.19
	<b>95.96</b>		<b>101.19</b>
<b>8. SHORT TERM BORROWINGS</b>			
<b>Loans repayable on demand</b>			
-From banks:			
Secured	534.35		1,111.72
Unsecured	150.00		-
<b>Loans from Others:</b>			
-From related party (unsecured)	315.00		265.00
	<b>999.35</b>		<b>1,376.72</b>
<b>The above amounts includes</b>			
Secured borrowings	534.35		1,111.72
Unsecured borrowings	465.00		265.00
	<b>999.35</b>		<b>1,376.72</b>
<b>8.1</b> 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 Company wherever the same may be or be held and unconditional and irrevocable corporate guarantee of its Holding company in favour of its bankers. Short term borrowings from banks are availed in Indian rupees and in foreign currency.			
<b>8.2</b> 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
<b>9. TRADE PAYABLES</b>			
Due to micro, small & medium enterprises under MSMED Act, 2006 (Refer note 34)	11.41		3.75
Trade payables - others	495.10		986.94
	<b>506.51</b>		<b>990.69</b>
<b>10. OTHER CURRENT LIABILITIES</b>			
Current maturities of long term debts (Refer note 5)	37.50		555.36
Current maturities of finance lease obligations (Refer note 5)	2.15		1.63
Trade deposits & advances	15.53		43.92
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 44)	14.43		13.30
Employee benefits payable	60.71		22.48
Others (including statutory dues)	147.62		156.14
	<b>350.72</b>		<b>842.02</b>
<b>11. SHORT TERM PROVISIONS</b>			
Employee benefits	34.19		32.67
Excise duty	4.82		4.08
Provision for closure of certain units of retail segment	-		233.49
Provision for probable claims in respect of closed business	151.43		148.88
	<b>190.44</b>		<b>419.12</b>



Jubilant Agri and Consumer Products Limited

Notes to the financial statements for the year ended 31 March 2016

12. TANGIBLE ASSETS

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	23.78	-	2.95	-	26.73	-	-	-	-	-	26.73	23.78
(b) Leasehold	15.35	-	-	-	15.35	2.27	-	2.21	-	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	213.47	-	7.05	-	220.52	34.09	-	11.17	-	45.26	175.26	179.38
(b) Others	40.87	-	-	-	40.87	3.81	-	2.78	-	4.59	36.28	37.06
Plant & machineries	1,698.99	220.18	48.84	74.09	1,453.56	529.83	62.14	65.55	32.56	501.68	951.88	1,169.16
Furniture & fixtures	315.27	204.88	0.04	99.58	10.85	128.04	81.69	5.51	45.09	6.77	4.08	187.23
Office equipments	133.29	76.42	5.49	24.37	37.99	91.85	55.74	7.30	19.22	24.19	13.80	41.44
Vehicles												
(a) Leased	8.14	-	2.82	1.49	9.47	3.85	-	2.07	1.43	4.49	4.98	4.29
(b) Others	0.04	-	-	-	0.04	0.03	-	-	-	0.03	0.01	0.01
<b>TOTAL</b>	<b>3,143.46</b>	<b>754.38</b>	<b>67.19</b>	<b>640.89</b>	<b>1,815.38</b>	<b>1,066.63</b>	<b>304.49</b>	<b>167.61</b>	<b>280.26</b>	<b>589.49</b>	<b>1,225.89</b>	<b>2,076.83</b>
Previous Year*	2,727.04	-	442.16	25.74	3,143.46	893.75	-	179.33	6.45	1,066.63	2,076.83	1,833.29
Capital Work-in-progress											65.62	33.92

\* During the previous year amounting to ₹ 9.48 million of depreciation was debited to opening balance of surplus/(deficit) and balance amount of ₹ 169.85 million was charged to Statement of profit and loss (Refer note 40).

12.1 Certain assets acquired through Business Transfer Agreement (BTA) are under process of registration in the name of the Company and charges etc to be incurred shall be adjusted as and when incurred.



**Jubilant Agri and Consumer Products Limited**

Notes to the financial statements for the year ended 31 March 2016

	(₹ in million)	
	As at 31 March 2016	As at 31 March 2015
<b>14. DEFERRED TAX ASSETS (net)</b>		
<b>Deferred tax assets on account of:</b>		
Provisions for compensated absences and gratuity etc	43.74	-
Unabsorbed depreciation and brought forward losses	1,020.73	-
	<b>1,064.47</b>	-
<b>Deferred tax liabilities on account of:</b>		
Accelerated depreciation/amortization	152.82	-
	<b>152.82</b>	-
<b>Deferred tax assets (net)</b>	<b>911.65</b>	-
<b>15. LONG TERM LOANS &amp; ADVANCES</b> (Unsecured, considered good)		
Capital advances	1.22	0.41
Security deposits	16.46	281.31
Unamortised borrowing cost	28.56	15.26
Others	1.48	10.87
	<b>47.72</b>	<b>307.85</b>

Jubilant Agri and Consumer Products Limited

Notes to the financial statements for the year ended 31 March 2016

(₹ in million)

			As at 31 March 2016	As at 31 March 2015
<b>16. CURRENT INVESTMENTS</b>				
<b>(At cost)</b>				
Number	Face value per unit	<b>All unquoted unless otherwise specified</b>		
		<b>Non trade investments</b>		
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)			
			<b>0.08</b>	<b>0.08</b>
<b>Aggregate amount of quoted investments</b>				
- 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.

**Jubilant Agri and Consumer Products Limited**

Notes to the financial statements for the year ended 31 March 2016

(₹ in million)

	As at 31 March 2016	As at 31 March 2015
<b>17. INVENTORIES</b>		
Raw materials (including in transit ₹ 121.19 million (Previous Year: ₹ 136.65 million))	241.54	332.64
Work-in-progress	10.83	66.66
Finished goods	190.86	222.93
Traded goods	11.20	325.64
Stores and spares (including in transit ₹ 0.16 million (Previous Year: ₹ 0.07 million))	43.10	39.42
Others - Fuels & packing materials	18.07	19.82
	<b>515.60</b>	<b>1,007.11</b>
For method of valuation refer note 2 E.		
<b>18. TRADE RECEIVABLES</b> (Unsecured)		
<b>Outstanding for period exceeding six months from the date they are due for payment</b>		
Considered good	150.05	48.93
Doubtful	3.08	15.88
	<b>153.13</b>	<b>64.81</b>
<b>Other receivables</b>		
Considered good	893.71	1,131.53
Doubtful	-	1.70
	<b>893.71</b>	<b>1,133.23</b>
Total Trade receivables	1,046.84	1,198.04
Less: Provision for doubtful receivables	3.08	17.58
	<b>1,043.76</b>	<b>1,180.46</b>

18.1 Trade receivable includes subsidy receivable ₹ 275.87 million (Previous Year: ₹ 239.29 million). (Refer note 2 L)

(₹ in million)

	As at 31 March 2016	As at 31 March 2015
<b>19. CASH &amp; BANK BALANCES</b>		
<b>Cash and cash equivalents</b>		
Balance With Banks		
- On current accounts	25.30	39.08
Cash in hand	0.04	2.13
Cheques/Drafts on hand	0.42	
Others		
- Gift/Meal vouchers in hand	0.18	0.22
- Funds in transit	-	0.94
	<b>25.94</b>	<b>42.37</b>
<b>Other bank balances</b>		
Margin money with bank*	4.83	34.17
On deposit accounts**	-	144.03
	<b>4.83</b>	<b>178.20</b>
	<b>30.77</b>	<b>220.57</b>

\* 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 5)

(₹ in million)

	As at 31 March 2016	As at 31 March 2015
<b>20. SHORT TERM LOANS &amp; ADVANCES</b>		
Security Deposits	147.16	107.00
Deposits/Balances with government authorities	71.80	111.49
Advance payment of income tax	33.69	35.81
Inter-corporate loan to holding company including interest (Refer note 41)	11.38	10.95
Employee loans & advances	1.78	5.30
Advances recoverable in cash or in kind or for value to be received:		
- From related parties (Refer note 44)	130.90	122.42
- Others - Export incentives and others recoverable	92.35	149.77
	<b>489.06</b>	<b>542.74</b>
<b>21. OTHER CURRENT ASSETS</b>		
Other current assets	1.05	2.92
	<b>1.05</b>	<b>2.92</b>

**Jubilant Agri and Consumer Products Limited**

**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 2016
<b>22. REVENUE FROM OPERATIONS</b>			
Sale of products	5,858.92		8,450.00
Sale of services	47.75		108.25
Other operating income	48.89		124.06
<b>Revenue from operations (gross)</b>	<b>5,955.56</b>		<b>8,682.31</b>
Less: Excise duty	353.68		333.89
<b>Revenue from operations (net)</b>	<b>5,601.88</b>		<b>8,348.42</b>
<b>22.1 PARTICULARS OF SALE OF PRODUCTS</b>			
Performance polymers	3,584.30		3,568.44
Single super phosphate	1,004.74		1,317.65
Sulphuric acid	212.65		213.34
Agro chemicals	32.53		100.05
Miscellaneous goods retail operation	917.70		3,152.82
Steam	107.00		97.70
	<b>5,858.92</b>		<b>8,450.00</b>
<b>22.2 PARTICULARS OF SALE OF SERVICES</b>			
Sub leasing services	43.86		101.69
Other services	3.89		6.56
	<b>47.75</b>		<b>108.25</b>
<b>22.3 PARTICULARS OF OTHER OPERATING INCOME</b>			
Display charges and kiosk rentals	24.64		89.92
Export incentive	15.97		20.35
Scrap sales	8.28		13.79
	<b>48.89</b>		<b>124.06</b>
<b>23. OTHER INCOME</b>			
Surplus on sale of liquor license	-		14.50
Insurance claim received	7.83		3.75
Other non-operating income	8.72		3.99
	<b>16.55</b>		<b>22.24</b>
<b>24. COST OF MATERIALS CONSUMED</b>			
Raw & process materials consumed	2,319.65		2,972.44
	<b>2,319.65</b>		<b>2,972.44</b>
<b>24.1 PARTICULARS OF RAW &amp; PROCESS MATERIALS CONSUMED</b>			
Rock phosphate	428.94		656.76
Vinyl acetate monomer	714.37		945.28
Butadiene	159.67		207.45
VP monomer	285.49		298.00
Sulphur	238.62		247.78
PVA	85.36		77.23
Others	407.20		539.94
	<b>2,319.65</b>		<b>2,972.44</b>
<b>24.2 PARTICULARS OF IMPORTED AND INDIGENOUS RAW &amp; PROCESS MATERIALS CONSUMED</b>			
	%	₹ in million	%
Imported	56.05	1,300.17	67.11
Indigenous	43.95	1,019.48	32.89
	<b>100.00</b>	<b>2,319.65</b>	<b>100.00</b>
			<b>2,972.44</b>

**Jubilant Agri and Consumer Products Limited**

**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
<b>25. PURCHASE OF TRADED GOODS</b>		
Purchase of traded goods*	777.54	2,549.68
	<b>777.54</b>	<b>2,549.68</b>
<b>25.1 PARTICULARS OF PURCHASE OF TRADED GOODS</b>		
Vinyl acetate monomer	45.08	20.49
Agro chemicals	8.11	46.74
Masking tape	16.35	-
Miscellaneous goods-retail operation	690.98	2,461.23
Others	17.02	21.22
	<b>777.54</b>	<b>2,549.68</b>
<b>26. CHANGES IN INVENTORIES OF WORK-IN-PROGRESS, FINISHED GOODS AND TRADED GOODS</b>		
Stock at commencement - Work-in-progress	66.66	39.86
Stock at commencement - Finished goods	222.93	197.07
Stock at commencement - Traded goods	325.64	459.21
	<b>615.23</b>	<b>696.14</b>
Stock at close - Work-in-progress	10.83	66.66
Stock at close - Finished goods	190.86	222.93
Stock at close - Traded goods	11.20	325.64
	<b>212.89</b>	<b>615.23</b>
Decrease /(Increase) in stocks	402.34	80.91
Less: Loss of inventory due to fire	-	3.22
Less: Transfer of inventory under BTA (Refer note 32)	260.40	-
<b>Net decrease /(increase) in stocks</b>	<b>141.94</b>	<b>77.69</b>
<b>26.1 PARTICULARS OF INVENTORIES</b>		
<b>Details of work-in-progress:</b>		
Performance polymers	10.68	21.59
Single super phosphate	-	44.60
Sulphuric acid	0.15	0.38
Agro chemicals	-	0.09
	<b>10.83</b>	<b>66.66</b>
<b>Details of finished goods:</b>		
Performance polymers	186.96	183.22
Single super phosphate	-	38.38
Sulphuric acid	3.58	0.30
Agro chemicals	0.32	1.03
	<b>190.86</b>	<b>222.93</b>
<b>Details of traded goods:</b>		
Masking tape	5.64	-
Miscellaneous goods-retail operation	-	310.37
Others	5.56	15.27
	<b>11.20</b>	<b>325.64</b>
* including write off of inventory ₹ Nil (Previous Year: ₹ 25.66 million)		

**Jubilant Agri and Consumer Products Limited**

**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
<b>27. OTHER MANUFACTURING EXPENSES</b>			
Power and fuel	134.69		154.27
Stores, spares & packing materials consumed	276.32		310.31
Repairs to plant & machinery	43.32		52.54
Repairs to factory building	2.39		3.40
Excise duty (Refer note 35)	0.74		(1.12)
	<b>457.46</b>		<b>519.40</b>
<b>27.1 PARTICULARS OF IMPORTED AND INDIGENOUS STORES, SPARES &amp; PACKING MATERIAL CONSUMED</b>			
	%	₹ in million	%
Imported	0.81	2.25	0.24
Indigenous	99.19	274.07	99.76
	<b>100.00</b>	<b>276.32</b>	<b>100.00</b>
<b>28. EMPLOYEE BENEFITS EXPENSE</b>			
Salaries, wages, bonus, gratuity & allowances	747.94		893.53
Contribution to provident, superannuation and other funds	35.53		53.19
Staff welfare expenses	33.78		40.76
	<b>817.25</b>		<b>987.48</b>
<b>29. FINANCE COSTS</b>			
Interest expense	337.95		339.59
Other borrowings cost	53.83		57.33
	<b>391.78</b>		<b>396.92</b>
Less: Interest income (on fixed and other deposits/loan)	13.99		15.96
	<b>377.79</b>		<b>380.96</b>



**Jubilant Agri and Consumer Products Limited**

**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
<b>30. OTHER EXPENSES</b>		
Rent (including lease rent equalisation charges) (Refer note 37)	152.23	531.86
Rates & taxes	5.99	11.87
Insurance	17.08	18.16
Advertisement, publicity & sales promotion	100.38	89.04
Travelling & other incidental expenses	61.90	66.62
Repair & maintenance - others	83.40	193.60
Vehicle running & maintenance	3.43	2.89
Printing & stationery	5.33	9.69
Communication expenses	10.18	16.94
Staff recruitment & training	24.90	17.00
Auditors remuneration - As auditors	1.07	1.02
- For limited review	0.21	0.21
- For taxation matters	0.23	0.23
- For certifications etc	0.90	0.78
- Out of pocket expenses	0.23	0.30
Legal, professional and consultancy charges	53.53	69.83
Donations	-	1.39
Directors' sitting fees	1.54	1.13
Bank charges	17.93	51.87
Miscellaneous expenses	2.89	2.59
Foreign exchange fluctuation loss - (net of gain)	19.63	17.24
Freight & forwarding	222.00	287.42
Commission on Sales	23.98	25.21
Discounts, claims to customers and other selling expenses	42.82	50.08
Bad Debts/ irrecoverable advances & receivables written off/written in (net)	(3.82)	(2.38)
Loss on sale/disposal of fixed assets	0.88	0.28
	<b>848.84</b>	<b>1,464.87</b>
<b>31. EXCEPTIONAL ITEMS</b>		
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	3.52	-
c) Unamortised balance of borrowing cost	31.00	-
d) Provision for closure of certain units of retail segment (Refer note 31.1)	-	233.49
	<b>749.36</b>	<b>233.49</b>
<b>31.1</b> 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 is 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		

**Jubilant Agri And Consumer Products Limited**

**Notes to the financial statements for the year ended 31 March 2016**

**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, the Company 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 Rs 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, the company 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)

## Jubilant Agri And Consumer Products Limited

### Notes to the financial statements for the year ended 31 March 2016

#### 33. 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 on account of:

i)	(₹ in million)	
	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

\* Inclusive of contingent liabilities taken over in term of the Business Transfer Agreement and Scheme of Arrangement. Certain of the above demands are still in the name of Jubilant Industries Limited/ Jubilant Life Sciences Limited.

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 Company 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 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. The company 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. The company is reasonably confident that its position will be upheld by the court. Hence, no liability is acknowledged. This relates to the Retail business which has been sold out.

iv) Another suit (OS No. 5561/2014) is pending before the City Civil Court, Bangalore and has been filed against the 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 by the Company. The company has filed detailed objections to the plaint and has explained the reasons as to why it terminated the lease arrangement. The matter is pending in trial and the company is reasonably confident of its chances of success in this matter. This relates to Retail business which has been sold out.

b) Outstanding guarantees furnished by banks on behalf of the Company/by the Company including in respect of letters of credit is ₹ 484.04 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 37.

## Jubilant Agri And Consumer Products Limited

### Notes to the financial statements for the year ended 31 March 2016

#### 34. Micro and Small Business Entities

There are no micro and small enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 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.

(₹ in million)

	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	11.41	3.75
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

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

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

36. During the current year, consequent upon sale of Retail hyper market business undertaking by way of slump sale, Company 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 Company's future projected profitability.

#### 37. Disclosures of leasing arrangements

##### 1) Operating lease:

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

In case of hyper markets, the Company had operating lease for its office premises, warehouses and hyper markets for a period of 4 to 29 years. During the year, the Company 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 Rs.101.52 million stands reversed and shown as an exceptional item. (Refer note 31)

The schedule of future minimum lease rental payments in respect of the non-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 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 ₹ 0.13 million (Previous year: Nil) has been included under vehicle running and maintenance expense in note 30.

**Jubilant Agri And Consumer Products Limited**

**Notes to the financial statements for the year ended 31 March 2016**

**(i) 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	2.74 (2.15)	2.15 (1.63)	0.59 (0.52)
Later than one year but not later than five years	3.81 (3.59)	3.36 (3.11)	0.45 (0.48)
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.

**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 probable claims in respect of closed business
1	Balance as at 1 April 2015	4.08 (5.20)	17.58 (7.55)	233.49 (-)	148.88 (-)
2	Additional provision during 2015-2016	4.82 (4.08)	- (10.03)	- (233.49)	5.00 (148.88)
3	Provision used during 2015-16	4.08 (5.20)	14.50 (-)	233.49 (-)	2.45 (-)
4	Balance as at 31 March 2016	4.82 (4.08)	3.08 (17.58)	- (233.49)	151.43 (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.

Notes to the financial statements for the year ended 31 March 2016

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 Company 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

ii) 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 and others	USD	1.92	USD	3.94
	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

40. 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 higher by ₹ 9.58 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 ₹ 9.48 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. Loan to Holding Company, including interest thereon pursuant to information required to be disclosed under clause 32 of listing agreement.

Particulars	(₹ in million)			
	Outstanding amount (including interest accrued thereon)		Maximum balance outstanding during the year	
	As at 31 March 2016	As at 31 March 2015	2015-16	2014-15
Jubilant Industries Limited	11.38	10.95	11.38	10.95

42. 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	3.57	9.99
Employer's contribution to employee pension scheme, 1995	10.55	14.99
Employer's contribution to superannuation fund	2.57	2.96

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

c) State plans

During the year the Company has contributed following amounts to:

For the year ended 31 March,	(₹ 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

**Jubilant Agri And Consumer Products Limited**

**Notes to the financial statements for the year ended 31 March 2016**

**(B) Defined benefit plan**

**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 to 60 years and mortality table is as per IALM (2006-08) [Previous 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 (Previous 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	69.62	70.11	36.25	38.50
Current service cost	6.97	8.45	6.77	7.69
Interest cost	4.93	5.61	2.52	3.08
Actuarial (gain)/loss	7.12	0.04	4.28	(0.92)
Benefits paid	(12.84)	(14.59)	(10.68)	(12.10)
Adjustment on account of Business Transfer Agreement	(8.25)	-	(3.96)	-
Present value of obligation at the end of the year	67.55	69.62	35.18	36.25

**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	67.55	69.62	35.18	36.25
Fair value of plan assets at end of the year	-	-	-	-
Assets/(Liabilities) recognized in the Balance Sheet	(67.55)	(69.62)	(35.18)	(36.25)

**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	6.97	8.45	6.77	7.69
Interest cost	4.93	5.61	2.52	3.08
Actuarial (gain)/loss	7.12	0.04	4.28	(0.92)
Net cost recognized during the year	19.02	14.10	13.57	9.85

\*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

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**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 end of the year	7.39	6.83
Funded status excess of actual over estimated	0.04	-
Assets/(Liabilities) recognized in the 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)		(₹ in million)	
	Gratuity		Leave encashment	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Defined benefit obligation	76.27	76.36	35.18	36.25
Plan assets	7.39	6.83	-	-
Surplus/(Deficit)	(68.88)	(69.53)	(35.18)	(36.25)
Experience adjustment of plan liabilities-(loss)/gain	(3.17)	(0.41)	(4.28)	(0.92)
Experience Adjustment of plan 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<sup>st</sup> March 2016. Accordingly, liability of ₹ Nil (Previous Year: ₹ Nil) has been allocated to the Company and ₹ Nil (Previous Year: ₹ Nil million) has been charged to Statement of Profit and Loss during the year. The Company has contributed ₹ 16.22 million (Previous Year: ₹ 16.43 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	4.40	3.26

**43. Segment Reporting**

I) Based on the guiding principles given in Accounting Standard 17 (AS 17) on "Segment Reporting", the Company's primary business segments are organized around customers on industry and products lines as under:

- a. **Performance Polymers:** Adhesives and Wood Finish, 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 hypermarkets cum malls (Refer note 32).

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

- a. With in India, and
- b. Outside India.



**Jubilant Agri And Consumer Products Limited**

**Notes to the 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
<b>1) Revenue from operations</b>	3,609.08	3,603.03	1,359.97	1,732.55	986.51	3,346.73	5,955.56	8,682.31
Less: Excise duty on sales	320.44	299.71	33.24	34.18	-	-	353.68	333.89
<b>Net revenue from operations</b>	<b>3,288.64</b>	<b>3,303.32</b>	<b>1,326.73</b>	<b>1,698.37</b>	<b>986.51</b>	<b>3,346.73</b>	<b>5,601.88</b>	<b>8,348.42</b>
<b>2) Segments result</b>	378.25	270.37	22.45	37.85	(213.33)	(706.19)	187.37	(397.97)
Less :								
Exceptional Items							749.36	233.49
Interest (net)							377.79	380.96
Other Un-allocable expenditure (net of Un-allocable income)							106.06	108.99
<b>Total profit/(loss) before tax</b>	<b>378.25</b>	<b>270.37</b>	<b>22.45</b>	<b>37.85</b>	<b>(213.33)</b>	<b>(706.19)</b>	<b>(1,045.84)</b>	<b>(1,121.41)</b>
<b>3) Capital employed</b> (segment assets-segment liabilities)								
Segment assets	1,675.12	1,723.05	1,302.16	1,550.19	-	2,587.73	2,977.28	5,860.97
Add: Common assets							1,356.76	282.32
<b>Total assets</b>	<b>1,675.12</b>	<b>1,723.05</b>	<b>1,302.16</b>	<b>1,550.19</b>	<b>-</b>	<b>2,587.73</b>	<b>4,334.04</b>	<b>6,143.29</b>
Segment liabilities	599.72	497.15	256.33	414.40	-	1,008.55	856.05	1,920.10
Add: Common liabilities							1,195.97	81.11
<b>Total liabilities</b>	<b>599.72</b>	<b>497.15</b>	<b>256.33</b>	<b>414.40</b>	<b>-</b>	<b>1,008.55</b>	<b>2,052.02</b>	<b>2,001.21</b>
Segments capital employed	1,075.40	1,225.90	1,045.83	1,135.79	-	1,579.18	2,121.23	3,940.87
Add: Common capital employed							160.79	201.21
<b>Total capital employed</b>	<b>1,075.40</b>	<b>1,225.90</b>	<b>1,045.83</b>	<b>1,135.79</b>	<b>-</b>	<b>1,579.18</b>	<b>2,282.02</b>	<b>4,142.08</b>
<b>4) Segment capital expenditure</b>	87.12	50.14	5.02	20.46	-	171.11	92.14	241.71
Add: Common capital expenditure							6.75	4.98
<b>Total capital expenditure</b>	<b>87.12</b>	<b>50.14</b>	<b>5.02</b>	<b>20.46</b>	<b>-</b>	<b>171.11</b>	<b>98.89</b>	<b>246.69</b>
<b>5) Depreciation &amp; amortization</b>	31.90	31.68	43.05	34.97	90.85	229.91	165.80	296.56
Add: Common depreciation & amortization							8.64	9.50
<b>Total depreciation &amp; amortization (Charged to Statement of profit and loss)</b>	<b>31.90</b>	<b>31.68</b>	<b>43.05</b>	<b>34.97</b>	<b>90.85</b>	<b>229.91</b>	<b>174.44</b>	<b>306.06</b>

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**Notes to the financial statements for the year ended 31 March 2016**

**I V) Secondary segments (geographical segments):**

(₹ in million)

For the year ended/As at 31 March,		2016	2015
a)	<b>Revenue from operations by geographical location of customers (net of excise duty)</b>		
	Within India	4682.48	7258.38
	Outside India	919.40	1090.04
	<b>Total</b>	<b>5601.88</b>	<b>8348.42</b>
b)	<b>Carrying amount of segment assets</b>		
	Within India	4151.31	5848.20
	Outside India	182.73	295.09
	<b>Total</b>	<b>4334.04</b>	<b>6143.29</b>
c)	<b>Capital expenditure</b>		
	Within India	98.89	246.69
	Outside India	-	-
	<b>Total</b>	<b>98.89</b>	<b>246.69</b>
d)	<b>Revenue from operations by geographical market</b>		
	India	4682.48	7258.38
	Americas & Europe	721.00	856.83
	China	69.06	75.29
	Asia & Others	129.34	157.92
	<b>Total</b>	<b>5601.88</b>	<b>8348.42</b>

- 1) The Company has disclosed business segments as the primary segments.
- 2) Segments have been identified and reported taking into account the nature of products and services, the differing risk and returns, the organization structure and the internal financial reporting systems.
- 3) The segment revenues, results, assets and liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.

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Notes to the financial statements for the year ended 31 March 2016

44. Related Party Disclosures

1) Related parties where control exists:

Holding Company: Jubilant Industries Limited

Fellow Subsidiary Company: Jubilant Industries Inc. USA

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

a) Key management personnel: Mr. Videh Jaipurkar (Whole Time Director), Mr. Raman Mangalorkar (Whole Time Director) (upto 12 August 2015), Mr. Sandeep Kumar Shaw (Chief Financial Officer) Mr. Deepak Garg (Company Secretary) (upto 13 October 2015) , Ms. Sheetal Kapoor (Company Secretary) (w.e.f. 28 October 2015).

b) Enterprise over which directors and major shareholders of the Company have significant influence: Jubilant Life Sciences Limited, Jubilant Life Sciences (USA) Inc. USA, Jubilant Generics Limited, Jubilant Enpro (P) Limited, Jubilant Motor Works (P) 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	Holding company	Fellow subsidiary company	Key management person	Enterprise over which directors and major shareholders of the Company have significant influence	Others
i) Purchase of goods, utilities & services (1)				167.86 (167.84)	
ii) Sale of goods, utilities & services (2)		488.70 (516.11)		136.96 (220.22)	
iii) Payment of rent to (3)				31.22 (31.79)	
iv) Contribution towards provident fund (4)					41.69 (39.76)
v) Contribution towards superannuation fund (5)					2.57 (2.96)
vii) Reimbursement of expenses (6)				3.05 (-)	
viii) Inter-corporate loans taken (7)				90.00 (465.00)	
ix) Interest converted in to inter-corporate loans taken (8)				14.82 (-)	
x) Inter-corporate loans given (9)	(10.00)				
xi) Interest converted in to inter-corporate loans given (10)	0.95 (-)				
xii) Interest expense on inter-corporate loan taken (11)				78.60 (16.47)	
xiii) Interest income on inter-corporate loan given (12)	1.53 (1.06)				
xiv) Repayment of Interest converted in to inter corporate loan taken (13)				14.82 (-)	
xv) Payment received of interest converted in to inter corporate loan given (14)	0.95 (-)				
xvi) Remuneration and related expenses (15)			33.55 (46.75)		

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**Notes to the financial statements for the year ended 31 March 2016**

**Balance as at 31 March 2016**

Particulars	Holding company	Fellow subsidiary company	Key management person	Enterprise over which directors and major shareholders of the Company have substantial influence	Others
xvii) Current account debit/credit (-) balance (16)	130.90 (122.42)			-14.43 (-13.30)	
xviii) Outstanding payables (17)				33.67 (8.98)	
xix) Outstanding receivables (18)		70.73 (183.92)		20.60 (10.00)	
xx) Equity share capital held by (19)	0.50 (0.50)				
xxi) 10% Optionally convertible non-cumulative redeemable preference share capital held by (20)	1648.82 (1648.82)				
xxii) 10% Non-cumulative redeemable preference share capital held by (21)	974.80 (974.80)				
xxiii) Outstanding of inter-corporate loans taken (22)				555.00 (465.00)	
xxiv) Outstanding of inter-corporate loans given (23)	10.00 (10.00)				
xxv) Interest payable on inter-corporate loan taken (24)				34.12 (14.82)	
xxvi) Interest receivable on inter-corporate loan given (25)	1.38 (0.95)				
xxvii) Financial guarantee received from and outstanding at the end of the year (26)	2514.52 (3377.99)			- (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) <b>Purchase of goods, utilities &amp; services:</b> Enterprise over which directors and major shareholders of the Company have significant influence:- Jubilant Life Sciences Limited Jubilant Generics Limited	163.76 4.10	165.72 2.12
2) <b>Sale of goods, utilities &amp; services:</b> Enterprise over which directors and major shareholders of the Company have significant influence:- Jubilant Life Sciences Limited Jubilant Life Sciences (USA) Inc. USA Fellow subsidiary Co:- Jubilant Industries Inc. USA	136.96 - 488.70	129.89 90.33 516.11
3) <b>Payment of rent to:</b> Enterprise over which directors and major shareholders of the Company have significant influence:- Jubilant Life Sciences Limited	31.22	31.79
4) <b>Contribution towards provident fund:</b> Others:- VAM Employees Provident Fund Trust	41.69	39.76
5) <b>Contribution towards superannuation fund:</b> Others:- Pace Marketing Specialities Limited Officer's Superannuation Scheme	2.57	2.96

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**Notes to the financial statements for the year ended 31 March 2016**

		(₹ in million)	
For the Year Ended/As at 31 March		2016	2015
<b>6) Reimbursement of expenses:</b>			
Enterprise over which directors and major shareholders of the Company have significant influence:-			
Jubilant Life Sciences Limited		3.05	-
<b>7) Inter-corporate loans taken :</b>			
Enterprise over which directors and major shareholders of the Company have significant influence:-			
Jubilant Enpro (P) Limited		40.00	200.00
Jubilant Motor Works (P) Limited		50.00	265.00
<b>8) Interest converted in to inter-corporate loans taken :</b>			
Enterprise over which directors and major shareholders of the Company have significant influence:-			
Jubilant Enpro (P) Limited		10.08	-
Jubilant Motor Works (P) Limited		4.74	-
<b>9) Inter-corporate loans given :</b>			
Holding Co.:-			
Jubilant Industries Limited		-	10.00
<b>10) Interest converted in to inter-corporate loans given :</b>			
Holding Co.:-			
Jubilant Industries Limited		0.95	-
<b>11) Interest expense on inter-corporate loans taken :</b>			
Enterprise over which directors and major shareholders of the Company have significant influence:-			
Jubilant Enpro (P) Limited		33.15	11.20
Jubilant Motor Works (P) Limited		45.45	5.27
<b>12) Interest income on inter-corporate loans given :</b>			
Holding Co.:-			
Jubilant Industries Limited		1.53	1.06
<b>13) Repayment of interest converted in to inter corporate loan taken:</b>			
Enterprise over which directors and major shareholders of the Company have significant influence:-			
Jubilant Enpro (P) Limited		10.08	-
Jubilant Motor Works (P) Limited		4.74	-
<b>14) Payment received of interest converted in to inter corporate loan given:</b>			
Holding Co.:-			
Jubilant Industries Limited		0.95	-
<b>15) Remuneration and related expenses:</b>			
Key management personnel:-			
Videh Jaipurkar (Whole Time Director)		16.22	20.00
Raman Mangalorkar (Whole Time Director) (*Up to 12 August 2015)		*9.31	19.93
Sandeep Kumar Shaw (Chief Financial Officer)		6.64	5.69
Deepak Garg (Company Secretary)		0.95	1.13
Sheetal Kapoor (Company Secretary)		0.43	-
<b>16) Current Account debit/(credit) balances:</b>			
Holding Co.:-			
Jubilant Industries Limited - Receivable/(Payable)		130.90	122.42
Enterprise over which directors and major shareholders of the Company have significant influence:-			
Jubilant Life Sciences Limited - (Payable)		(14.43)	(13.30)
<b>17) Outstanding payables:</b>			
Enterprise over which directors and major shareholders of the Company have significant influence:-			
Jubilant Life Sciences Limited		32.14	8.46
Jubilant Life Sciences (USA) Inc. USA		0.59	0.31
Jubilant Generics Limited		0.94	0.21
<b>18) Outstanding receivables:</b>			
Enterprise over which directors and major shareholders of the Company have significant influence:-			
Jubilant Life Sciences Limited		20.60	10.00
Jubilant Life Sciences (USA) Inc. USA			-
Fellow subsidiary Co:-			
Jubilant Industries Inc. USA		70.73	183.92
<b>19) Equity share capital held by:</b>			
Holding Co.:-			
Jubilant Industries Limited		0.50	0.50

**Jubilant Agri And Consumer Products Limited**

**Notes to the financial statements for the year ended 31 March 2016**

		(₹ in million)	
For the Year Ended/As at 31 March		2016	2015
20)	<b>10% Optionally convertible non-cumulative redeemable preference share capital held by:</b> Holding Co.:- Jubilant Industries Limited	1648.82	1648.82
21)	<b>10% Non-cumulative redeemable preference share capital held by:</b> Holding Co.:- Jubilant Industries Limited	974.80	974.80
22)	<b>Outstanding of inter-corporate loans taken :</b> Enterprise over which directors and major shareholders of the Company have significant influence:- Jubilant Enpro (P) Limited Jubilant Motor Works (P) Limited	240.00 315.00	200.00 265.00
23)	<b>Outstanding of inter-corporate loans given :</b> Holding Co.:- Jubilant Industries Limited	10.00	10.00
24)	<b>Interest payable on inter-corporate loans taken :</b> Enterprise over which directors and major shareholders of the Company have significant influence:- Jubilant Enpro (P) Limited Jubilant Motor Works (P) Limited	14.84 19.28	10.08 4.74
25)	<b>Interest receivable on inter-corporate loans given :</b> Holding Co.:- Jubilant Industries Limited	1.38	0.95
26)	<b>Financial guarantee received from and outstanding at the end of the year:</b> Holding Co.:- Jubilant Industries Limited Enterprise over which directors and major shareholders of the Company have significant influence:- Jubilant Enpro (P) Limited	2,514.52 -	3,377.99 1,977.67
27)	The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under sections 92-92F of the Income-tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company is in the process of updating the documentation for the specified domestic transactions entered into with the specified persons and the international transactions entered into with the associated enterprises during the financial year and expects such records to be in existence before the due date of filing of income tax return. The management is of the opinion that its specified domestic transactions and international transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation		

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

**45. Value of Imports calculated on CIF basis:**

	(₹ in million)	
	For the year ended 31 March 2016	For the year ended 31 March 2015
Raw materials	1123.00	1800.12
Stores & Spares	3.25	0.44
Capital Goods	3.69	6.75

**46. Expenditure in Foreign Currency:**

	(₹ in million)	
	For the year ended 31 March 2016	For the year ended 31 March 2015
Travel/Entertainment expenses	1.62	1.52
Commission on export sales	3.25	2.50
Legal, Professional & Consultancy charges	0.80	1.80
Testing fees	0.16	0.10
Others (including interest)	3.36	7.48

**Jubilant Agri And Consumer Products Limited**

**Notes to the financial statements for the year ended 31 March 2016**

**47. Earnings in Foreign Exchange:**

	(₹ in million)	
	For the year ended 31 March 2016	For the year ended 31 March 2015
Export of goods (FOB value)	903.43	1069.69

**48. Earnings per share (EPS)**

		For the year ended 31 March 2016	For the year ended 31 March 2015
<b>I Profit computation for basic &amp; diluted earnings per share of ₹ 10/- each</b>			
Net profit/(loss) as per Statement of Profit & Loss available for equity shareholders	₹ in million	(134.19)	(1121.41)
<b>II Weighted average number of equity shares for earnings per share computation</b>			
(A) For basic earnings per share	Nos	50000	50000
(B) For diluted earnings per share	Nos	50000	50000
<b>III Earnings per share (weighted average)</b>			
Basic	₹	(2683.74)	(22428.25)
Diluted	₹	(2683.74)	(22428.25)

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

**Signatures to Notes "1" to "49" forming part of the Balance Sheet and Statement of Profit and Loss.**

In terms of our report of even date attached.

**For K.N. Gutgutia & Co.**  
Chartered Accountants  
Firm Registration Number: 304153E  
Sd/-  
**B.R. Goyal**  
Partner  
Membership No.12172

**For and on behalf of the Board**

Sd/-

**Priyavrat Bhartia**  
Director

Sd/-  
**Sheetal Kapoor**  
Company Secretary

Sd/-  
**Sandeep Kumar Shaw**  
Chief Financial Officer

Sd/-  
**Videh Kumar Jaipuria**  
Whole Time Director

**Place: Noida**  
Date: 23 May 2016