



**JUBILANT  
INDUSTRIES**



2014 - 2015

*annual*  
R E P O R T

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# Corporate Information

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## Registered Office

Bhartiagram, Gajraula - 244 223  
District - Amroha  
Uttar Pradesh, India  
Tel.: +91-5924-252351-60  
Email: investorsjil@jubl.com  
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## Corporate Identity Number (CIN)

L24100UP2007PLC032909

## Corporate Office

1A, Sector 16A,  
Noida - 201 301  
Uttar Pradesh, India

## Statutory Auditors

K.N. Gutgutia & Co.  
11K, Gopala Tower,  
25, Rajendra Place,  
New Delhi - 110 008, India

## Internal Auditors

Ernst & Young LLP  
Golf View Tower B,  
Sector 42, Sector Road,  
Gurgaon - 122 022,  
Haryana, India

## Company Secretary

Dinesh Kumar Gupta

## Registrar and Share Transfer Agent

Alankit Assignments Limited  
Alankit Heights,  
1E/13, Jhandewalan Extension,  
New Delhi - 110 055, India  
Tel.: +91-11-23541234, 42541234  
Email: rta@alankit.com

## Bankers

Axis Bank Limited  
Corporation Bank  
IDBI Bank Limited  
Yes Bank Limited  
RBL Bank Limited

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# Company Introduction



Jubilant Industries Ltd. (JIL) is a part of Jubilant Bhartia Group, which operates in various sectors like Pharmaceuticals and Life Sciences, Food, Oil and Gas, Agribusiness & Performance Polymers and Retail and Consulting Services in Aerospace and Oilfield industries. The group employs over 30,000 people globally.

JIL is a well-diversified Company, which along with its subsidiaries operates into sectors like Performance Polymers; Consumer Products; Fertilizers; Agrochemicals. We are one of the leading manufacturers of Single Super Phosphate (SSP), Solid Poly Vinyl Acetate and VP Latex. We are one of the largest manufacturers of Wood Adhesives in the country.

The Company has product portfolio covering large range of products for both Business-to-business (B2B) and Business-to-consumer (B2C) Markets.

## Business Segments

We operate into two business segments:

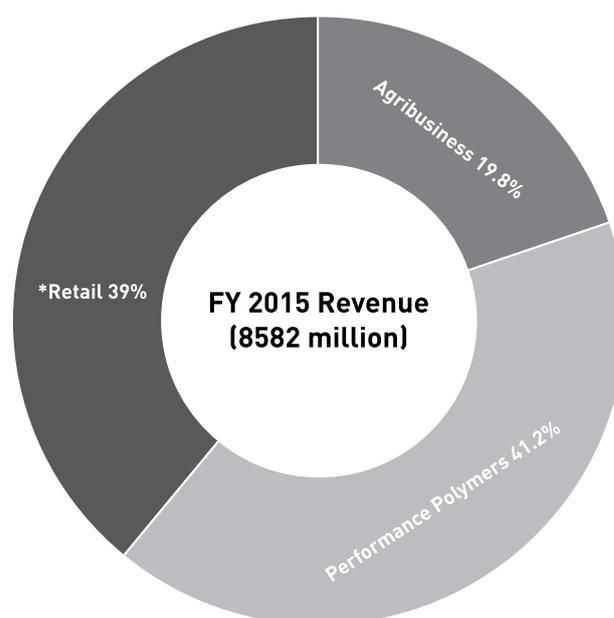
**Agribusiness:** The Company is among the top five domestic players in Single Super Phosphate. With a strong brand 'Ramban', we are the leading SSP supplier in Uttar Pradesh.

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

## Manufacturing Facilities

JIL operates an IMFL bottling plant at Nira, Maharashtra

Jubilant Agri & Consumer Products Limited, a wholly owned subsidiary of JIL, has four manufacturing facilities across the country. Two in the state of Uttar Pradesh (Gajraula and Sahibabad), one in Rajasthan (Kapsan, Chitorgarh) and one in Gujarat (Savli, Baroda).



\* divested effective from August 12, 2015

# Board of Directors



Mr. Hari S. Bhartia  
Chairman



Mr. Priyavrat Bhartia  
Director



Mr. Shamit Bhartia  
Director



Mr. Ghanshyam Dass  
Director



Mr. R. Bupathy  
Director



Mr. S. K. Roongta  
Director



Ms. Shivpriya Nanda  
Director



Mr. Videh Kumar Jaipurian  
Managing Director

# Chairman's Message



*Dear Shareholders,*

FY 2015 was a volatile year for commodity prices. Crude Oil price dropped to its multi-year low levels and this impacted all other related commodities. Some of our key raw materials like Vinyl Acetate Monomer (VAM), Butadiene and Sulphur also witnessed wide swings.

VAM prices were very high during the start of the year due to supply constraints as few major manufacturers had reduced capacities on account of force majeure and by last quarter of FY 2015, VAM prices stabilized to its normal levels. This severely impacted margins of our Performance Polymer business in FY 2015. Similarly, Sulphur prices increased substantially during the second half of the year, thereby impacting profits of our Agri-business.

In a tough market environment, the Company focused on improving profitability through better manufacturing and operational efficiencies. The driving force was quality assurance and addressing customer needs more efficiently. The Company has made significant investments in making its quality control systems more robust. Emphasis on operational efficiencies has resulted in significant savings across all our businesses.

## **Business Performance**

FY 2015 has been a moderate year for Indian Fertilizer industry, with Phosphatic fertilizers volume increased over last year (led by DAP and NPK), however it remained significantly lower than FY 2012. Shortage in availability of Urea and uncertainty surrounding its new pricing policy led to demand-supply mismatch and it became the first preference of all distributors and dealers. This caused channel going thin on all fertilizers except Urea.

Our Agribusiness has performed much better than previous year. Efficient procurement of raw



materials and better cost management has helped the business to perform better than its peers.

Performance Polymers witnessed pressure on volume on account of declining sales of chewing Gum in North America and high prices of VAM. Our Food Polymers as well as Consumer Products businesses were also impacted by high input prices of VAM.

After couple of years of struggle, Indian commercial vehicle industry finished the year with a positive note. In line with the improvement in commercial vehicle sales, our domestic volumes of VP latex has started moving up.

European Automobile industry continue to face tough times and this has impacted our exports volume of Latex. Exchange rate volatility also impacted our

margins in Performance Polymers. Both our VP Latex and Food Polymer business were negatively impacted due to Euro depreciation.

### Leadership Position

Indian chemical industry is a large contributor to Indian economy. It is just 3% of the global chemical industry and has a huge potential to grow. Being market leaders in our product categories, any growth in industry will directly help us in achieving higher volumes.

The strategic vision of the management has helped the Company to maintain leadership position in all its lines of businesses. We continue to be among world's top three players in our Food Polymer and VP Latex businesses. We are leading SSP player in U.P and among top SSP manufacturers in India. We continue to be one of the largest Wood Adhesive manufacturer in the country.

### Financial Summary

The Consolidated Revenue of the Company has dropped by around 8% to reach ₹ 8,582 million. Its earnings before interest, taxes, depreciation and amortisation, EBITDA stands at ₹ (257) million in FY 2015. The drop in revenue is mainly on account of lower realization in Performance Polymer business and reduced volume in Agribusiness.

Agri business generated revenue of ₹ 1,698 million, with a fall of 12% YoY. Performance Polymer segment witnessed a drop of 6% in revenues to ₹ 3,537 million. Retail segment recorded consolidated revenue of ₹ 3,347 million during FY 2015.

After accounting for depreciation and amortisation of ₹ 307 million, the Company's PBIT stands at ₹ (564) million. After accounting for financial charges of 382 million, and exceptional items of 234 million, PBT stands at ₹ (1180) million and Profit after Tax at ₹ (1178) million.

### Divestment of Retail business

Post FY 2015, in May 2015, to focus on its core businesses of manufacturing chemicals and fertilizers, JACPL decided to exit its retail hypermarket business chain 'Total'.

The transfer of the retail hypermarket business was completed with effect from opening of business hours on August 12, 2015 on a going concern basis, by means of a slump sale.

### Capital Reduction

To rationalize the balance sheet and to depict the true and fair position of its assets and liabilities, the Board of Directors of JACPL has approved the setting off of accumulated losses amounting to ₹ 20411 millions incurred by the JACPL till March 31, 2015 against the amount standing in its Securities Premium Account as on that date. This does not have any financial impact on the results / financial position of the Company.

The Hon'ble Allahabad High Court has confirmed the petition for reduction in the Securities Premium Account vide its order dated October 01, 2015. Accordingly, Financial Statements have been re-drawn after giving effect to the said reduction as on March 31, 2015. These Financial Statements are placed before member for their adoption.

### Outlook

Indian economy is expected to grow in excess of 7% per annum during FY 2016 as against world GDP growth of around 3%. Reduction in interest rates by RBI is likely to fuel growth in Indian infrastructure sector.

An improved economy will help Construction industry, which, in turn, will help our adhesive and wood finish business to grow better. Commercial Vehicle Industry has already started showing growth. Tire industry is expected to do well in FY 2016 and this is likely to help our VP Latex business.

As we enter into the next year, we expect that the Company will grow at a good pace. I take this opportunity to thank all our employees, customers, vendors, bankers and shareholders for their continued support. We are hopeful that they will remain with us as we venture into the future which holds unbounded promise.

Best Wishes

*Hari S. Bhartia*

Hari S Bhartia  
Chairman

Date: 28<sup>th</sup> October 2015

# Awards & Accolades



Jubilant Agri & Consumer Products Ltd., Gajraula has been declared Winner of 15th Annual Greentech Environment Award 2014 - GOLD AWARD in Chemical Sector for outstanding achievement in Environment Management by Greentech Foundation.



Jubilant Agri and Consumer Products Ltd Gajraula, has been declared Winner of SILVER Award in Chemical Sector for outstanding achievements in Safety Management for 2014 for the consecutive third year by Greentech Foundation



Jubilant Agri & Consumer Products Ltd, Gajraula has been declared Winner of 4th ANNUAL GREENTECH CSR AWARD 2014 - SILVER AWARD in Consumer Products sector for outstanding achievement in CSR Initiatives by Greentech Foundation.



Jubilant Agri & Consumer Products Ltd, Gajraula has been declared Winner of ASIA PACIFIC HRM CONGRESS AWARDS 2014 for "Best in Corporate Social Responsibility Practices"



# Management Discussion and Analysis

During FY 2015, the commodity prices have remained very volatile. Some of our key raw material prices were substantially high during the start of the year and towards the end of the year, the prices came down to their normal levels. Prices of Vinyl Acetate Monomer (VAM), Butadiene and Sulphur remained very volatile throughout the year. On the other hand, prices of Rock Phosphate remained lower over last year, which resulted in improved margins in our Agribusiness.

Although, the overall Phosphate Industry registered improved volumes over previous year but still the volumes are substantially lower if compared with FY 2011 and FY 2012 levels. Slowdown in the construction industry continued in FY 2015. This also resulted in volume pressure in Consumer Products business. Chewing gum sales dropped in America during FY 2015, the biggest market for our Foods Polymer business.

- Agribusiness profitability improved vis-a-vis last year, led by reduced raw material costs.
- Performance Polymers top-line declined due to substantial drop in butadiene prices and drop in volumes in our Food Polymer and consumer products businesses. Substantial increase in VAM prices put pressure on margins.

## Financials

**Revenue:** The consolidated Revenue from Operations for FY 2015 stands at ₹ 8,582 million as against ₹ 9,300 million during FY 2014, reflecting a drop of around 8%. The drop in revenue is mainly on account of reduced prices of Butadiene and reduced volumes in SPVA and Agribusinesses.

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

**EBITDA:** In FY 2015, the Company's EBITDA stood at ₹ (257) million, compared to ₹ (21) million in FY 2014. While Agribusiness generated a profit of ₹ 73 million in businesses EBITDA as compared to (51) million last year. Performance Polymers EBITDA stands at ₹ 258 million. Retail business posted loss at EBITDA level.

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

Consolidated Profit & Loss	FY 2015 (in millions)	FY 2014 (in millions)
Revenue from Operations	8,582	9,300
Other Income	22	3
<b>Total Revenue</b>	<b>8,604</b>	<b>9,303</b>
<b>Total Expenditure</b>	<b>8,861</b>	<b>9,324</b>
Cost of Materials Consumed	3,072	3,037
Purchase of Stock-in-trade	2,587	2,955
Change in Inventories of Finished Goods, Work-in-progress & Stock-in trade	-18	41
Employee Expense	1,005	987
Other Expenses	2,215	2,304
<b>EBITDA</b>	<b>-257</b>	<b>-21</b>
Depreciation & Amortisation Expenses	307	316
Finance Cost	382	306
Exceptional Items	234	-851
Tax Expenses	-2	-41
<b>Net Profit After Tax</b>	<b>-1,178</b>	<b>249</b>

**PAT:** After accounting for depreciation and amortisation of ₹ 307 million, the company's PBIT stands at ₹ (564) million. After accounting for financial charges of 382 million, and exceptional items of 234 million, PBT stands at ₹ (1180) million. Profit after Tax of Company stands at ₹ (1178) million.

## Business Segments

Business segment wise consolidated net sales

Composition of Sales	FY 2015 (in millions)	FY 2014 (in millions)
Agri Products	1,698	1,929
Performance Polymer	3,537	3,767
Retail Business	3,347	3,605
<b>Total</b>	<b>8,582</b>	<b>9,300</b>

## Agribusiness

**Business Profile** – Agribusiness offers a range of products in Crop Nutrition, Crop Growth Regulator and Crop Protection categories under the umbrella



“ The Company is putting continuous efforts to expand its product basket with the addition of new products in fertilizers as well as agrochemicals. Jubilant is focused on increasing in-house production of organic fertilizers, Shaktizyme and Nutravita. ”

brand “Ramban”, which is a widely accepted brand in the market. The Company is engaged in the manufacturing of SSP, Organic Manure Granules, Sulphuric Acid and trading of agrochemical products

**Industry Overview** – India ranks second worldwide in farm output. India is the world’s largest producer of many fresh fruits and vegetables, milk, major spices, select fibrous crops such as jute, several staples such as millets and castor oil seed. India is the second largest producer of wheat and rice, the world’s major food staples

Agriculture, with its allied sectors, is unquestionably the largest livelihood provider in India, more so in the vast rural areas. It also contributes significantly to the country’s Gross Domestic Product

Fertilizer is a key input for Agriculture sector. The Indian Fertilizer Industry has come a long way since its early days post-independence. India is one of the largest producer and consumer of Fertilizers in the world. Being the backbone of agricultural productivity, the role of fertilizers will always remain crucial.

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

In India, SSP contributes around 15 percent to the total Phosphate fertiliser usage, while in countries like Egypt, China, Brazil etc; the average contribution of SSP to the total Phosphate fertilisers is much higher. This gives us the scope to further increase the share of SSP in the overall market

FY 2015 was a moderate year for overall fertilizer industry. Although there was an increase in demand of all fertilizers like DAP, NPK, SSP and Urea, however volumes remained significantly lower than FY 2012 and FY 2011 levels

- Sales volume of DAP increased around 10 percent over last year, however it remained 25 percent lower than FY 2012.
- Similarly NPK volume increased over last year but remained lower than FY 2012 levels.
- Although SSP has witnessed an increase in sales volumes, however, volume growth remained flat in our operating areas.

**Business Performance** – As compared to previous year, FY 2015 was better for Jubilant’s fertilizer business, as lower raw material prices resulted in improved bottom line. The business focussed on further strengthening its distribution network in its key areas of operation. The Company’s brand “Ramban” has strong brand equity in its operational areas

First half of FY 2015 was better than second half in terms of volume sale. The business was successfully able to reduce market receivables but subsidy receivables have increased during FY 2015

**Business Strategy** – The Company is putting continuous efforts to expand its product basket with the addition of new products in fertilizers as well as agrochemicals. Jubilant is focused on increasing in-house production of organic fertilizers, Shaktizyme and Nutravita. The use of organic fertilizers also helps in improving soil health. The focus will also remain on agrochemical product VAM-C, a Plant Growth Regulator, which gives promising results in crops like Soybean. In SSP, focus will be on cost optimisation.

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‘JIVANJOR’ has a good market presence and is known for its product quality among the influencers and consumers.

”



## Performance Polymers

### Consumer Products

**Business Profile** – The Consumer Products division under the brand ‘JIVANJOR’ has a good market presence and is known for its product quality among the influencers and consumers. Our Product portfolio contains Wood Working Adhesives, Wood Finishes and Binders

- ‘JIVANJOR’ Wood Working Adhesives are very popular in the woodworking industry. The Company’s water based adhesives comprise of ‘Water Shield’, ‘Lamino’, ‘All Rounder’, ‘Vamicol’, ‘Polystic’, ‘Hero’, and ‘Vambond Excel’. These are ready to use adhesives which set rapidly at room temperature & offer superior bond strength that enhances the durability of furniture and fixtures. ‘JIVANJOR’ also offers contact adhesive ‘Champion Super’ which is a synthetic rubber based adhesive for exceptional fast drying and for vertical lamination
- ‘JIVANJOR Charmwood’ offers complete wood finishing system, stains and ancillaries for decoration & protection of wooden furniture. The wood finish system includes Melamine finish (including Non Yellowing finish), Nitrocellulose finish & PU Alkyd finish. These systems offer exceptional fast drying properties, tough coatings and superior resistance. ‘JIVANJOR Charmwood’ also offers a wide range of stains that can be mixed to generate unique colours to meet different consumer needs. The range also includes ancillaries like sealers & thinners, required for the purpose of successful application.

The Consumer Products business is focused on providing customers with a complete range of Wood Working Adhesives and Wood Finishes. With a nationwide network, the brand ‘JIVANJOR’ is a

major player in these segments. We have a pan India presence with a strong distribution network of dealers and distributors.

**Industry Overview** – The major users of adhesives are in the packaging, automotive, construction (housing, commercial buildings and organized retail) and furniture (plywood, veneers and laminates) industries.

A big chunk of adhesives produced are consumed by plywood, veneers and laminates sector. Indian Plywood Industry is facing difficulties in importing wood from Myanmar since last few months and the Indian companies are finding alternate areas to source wood.

Indian plywood market is estimated at ₹ 16,000 crore (\$2.5 billion), while the laminates and decorative veneers markets are at ₹ 3,400 crore and ₹ 800 crore respectively. The market is growing at 7-8 percent and is expected to continue such growth. However, in India, only 30 per cent of the ply industry is organised and the rest is unorganised.

Wood Working Adhesive industry has been growing at an estimated 9 percent per annum in volume terms and at 14 percent per annum in terms of value for last three years. Wood Working Adhesives market is dominated mainly by Pidilite and some regional unorganized players. Increased activity in real estate, new construction & renovation is likely to fuel further growth in this industry.

Wood Finish market is estimated at around 1,500 crore in value terms and 6.2 crore litres in volume. The wood care market is dominated by Asian Paints in retail channel and some regional unorganized players in OEM channel. The end users are upgrading from basic Varnish and Nitrocellulose finishes to more value added finishes like Melamine and PU (Polyurethane) for superior aesthetics and



“ The business plans to expand its product offering and target new customers across the globe. The Company has long term plans to identify non-food applications of Polyvinyl Acetate. ”

performance. The premium segments are driving rapid market growths.

**Business Performance** – The overall economic slow-down has impacted the volume growth in some product categories. The price of key raw material (Vinyl Acetate Monomer) was unusually high during the start of the year, and this had put pressure on the margins. Although the business took price increase to offset the increased input costs, yet the impact of input price increase was not fully passed on to customers.

**Business Strategy** – Our business strategy has three key pivots – Product Quality, Innovation and Distribution. The business is further likely to build its image across these key pivots. The key aim of business for FY 2016 will be to grow faster than the category in order to garner incremental market shares.

As a brand, Jivanjor’s focus will be on improving brand visibility and expanding distribution footprint pan India. The business will also focus on expanding reach in OEMs and in Project channel.

### Food Polymers

**Business Profile** – Jubilant is one of the three global suppliers of Polyvinyl Acetate (PVA). PVA is the major raw material for making gum base for chewing gum and bubble gum. Our brand names under this category are ‘Vamipol 5’, ‘Vamipol 14’, ‘Vamipol 15’, ‘Vamipol 17’, ‘Vamipol 30’, ‘Vamipol 60’ and ‘Vamipol 100’. Food Polymer products are manufactured in our plant at Gajraula, UP. The customer profile of the Company in this business includes the market leaders in chewing gum industry worldwide.

**Industry Overview** – The gum industry is consolidated with top two companies’ together accounting for around 60 percent market share. The global market shares for the top five chewing gum

companies are estimated to be around 83 percent. The remaining 17 percent of the global market is serviced by an estimated 200 to 250 smaller gum companies.

The North American chewing gum market has been stagnating since last few years, but it’s not a phenomenon that extends to the rest of the world.

- In the United States, Gum sales fell by about 2 percent during Jan-Dec 2014. Wrigley, the largest player in chewing gum, is re-organizing its operations due to reduced demand of chewing gum in America.
- Industry growth has also been stagnant in Europe – another large market for gums.
- In China, the gum market grew 10 percent between 2013 and 2014, and is expected to expand by 6 percent a year for the next five years.
- Brazil, Russia and Mexico are also showing growth. Globally, the gum industry growth in 2014 was 0.5 percent

The industry is in need of innovation and this has shifted focus towards growing popularity of functional chewing gums. Increase in health and calorie consciousness on part of the consumer has led to the growth of sugar free gums. The industry is focusing on new, strong flavors in gums, as well as ‘nutraceutical gums’ etc. Innovations in packaging, is also expected to be the growth drivers in the future.

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

**Business Performance** – During FY 2015, the Company added some new customers in its portfolio,

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With improvement in commercial vehicle sales during FY 2016, we are expecting growth in our domestic sales volume. Focus will also remain on new futuristic product developments. ”



both in India as well as overseas. High VAM prices during the start of year had put pressure on the business and this resulted in reduced margins as well as volumes from many customers. Depreciation of Euro also resulted in lower margins from European customers.

The business development activities resulted in addition of six new customers during the year. Also, the focus on non-food applications resulted in commencement of business with some new customers.

**Business Strategy** – The business plans to expand its product offering and target new customers across the globe. The Company has long term plans to identify non-food applications of Polyvinyl Acetate.

#### Latex Business

**Business Profile** – Jubilant ranks No. 1 in India and is No. 2 globally, for manufacturing VP Latex (Vinyl Pyridine Latex) used in dipping of automobile tire cord and conveyor belt fabric. The Company also produces SBR and NBR Latex. The Company is bulk supplier of these lattices to global automobile tire manufacturers and dippers. The products under this category are 'Encord VP Latex' and 'Encord SBR Latex'. Another product 'Encord NBR Latex' is used in automotive gasket jointing. All of these products are manufactured in our plant at Samlaya near Vadodara, Gujarat. The Company has a Research and Development laboratory equipped with testing facilities for different Latex products at Samlaya, which is recognized by the Department of Science and Technology, Government of India.

**Industry Overview** – VP Latex is used to impregnate man made fabrics and enable the adhesion of fabrics to the rubber of automobile tires and conveyor belts. Indian automobile sector is one of the largest automobile markets in the world.

Our Products are mainly consumed in commercial vehicle segment and unfortunately this particular segment has been facing tough times since last couple of years. But now, this industry clearly seems to be coming out of the down cycle after two years of demand contraction.

Although the commercial vehicle industry contracted by 2.8 percent during FY 2015 but it returned to growth during the last quarter of the year, driven by strong demand in the M&HCV (Truck) segment.

As per ICRA, the M&HCV (Truck) segment is likely to register a growth of 12-14 percent in FY 2016, driven by continuing trend towards replacement of ageing fleet and expectations of pick-up in demand from infrastructure and industrial sectors in view of reforms being initiated by the Government.

Also, ICRA continues to maintain a favorable outlook for the Indian tire industry over the next 12 months. Growth of 9-10 percent is expected in domestic tire volumes during FY'16, with pickup in auto demand and an improving economy.

**Business Performance** – The business has witnessed reduced volumes and margins during FY 2015 on account of various factors.

- There was pressure on margins due to Euro depreciation and the business took a conscious decision to not to supply at lower margins.
- Due to very aggressive price cutting by competitor, the business lost volume in some accounts operating on tender.

In line with the revival of commercial vehicle industry, our domestic volume has improved in Q4 2015

**Business Strategy** – With the depreciation of Euro in recent years, margins from European customers have reduced considerably. Business development



activities across Asia and America are likely to remain a key priority during FY 2016. We are targeting volume gain through consolidation with existing customers and approvals from new customers. With improvement in commercial vehicle sales during FY 2016, we are expecting growth in our domestic sales volume. Focus will also remain on new futuristic product developments.

#### Research & Development Initiatives

Research & Development plays an important role in innovation, development and leveraging new technologies. Jubilant has a robust value chain for innovation, lab development and seamless scale up to commercial level with lean processes. Six Sigma initiatives at our plants and related R&D inputs foster the implementation of new technologies and enhance the efficiency of our manufacturing plants. The lead time to launch a new product is comparable to the best in the industry. With the state of the art technologies, Jubilant ensures enhanced services to its customers.

Jubilant has successfully developed new grades of SPVA for chewing gum and new industrial applications.

Technology for the new grades of Adhesives, Wood Finishes and Wood Stains are developed and are under commercialization.

Jubilant successfully enhanced the production capacity of VP Latex in the present facility and developed new technology platforms in latex relevant to unmet customer needs.

#### Manufacturing

Jubilant strives for sustainable growth by leveraging operational efficiency, waste reduction, and resource conservation, while simultaneously focusing on product quality, overall safety and operational flexibility to fulfil customer needs.

In line with organisational priorities, various improvement methodologies like Lean Six Sigma and TPM have been deployed across the manufacturing function. During the year under review, Company's efforts in various thrust areas were recognized in different forums. Gajraula plant was awarded the **15th Annual Greentech award 2015 in GOLD category for outstanding achievement in Environment Management; Silver Award in Chemical Sector for outstanding achievement in Safety Management System for the year 2014 by Greentech Foundation for third year in a row; 4th Annual Greentech CSR award in silver and Asia Pacific HRM Congress Award 2014 for "Best in Corporate Social Responsible Practices"**.

Our proactive approach to regulatory compliance reinstates the commitment to sustainable business. During the year, work has been initiated for compliance to USFSMA for manufacturing facility of our Food Polymer Business.

#### Supply Chain Management

During the beginning of the year, the Company faced spike in the key raw material price for our Food polymers and Consumer Products businesses. By adopting strategic sourcing methodology, the Company was able to successfully mitigate these raw material price inflation challenges. Towards later part of the year, the cost of various petro-chemical based raw materials and packaging materials went down in line with global crude oil prices which helped to improve the bottom-line.

The Company embarked upon a major exercise of restructuring its finished goods, logistics and distribution structure for its consumer products business. This exercise will get completed in FY 2016. The Company expects to achieve reduction in logistics costs, pipeline inventories and lead times while increasing availability and hence sales volumes as a result of this re-structuring exercise.



The Company effectively used reverse auction negotiation techniques for input cost reduction in its Agri business. Going forward, the Company plans to implement innovative green supply chain technology for bulk raw material handling, which will not only reduce cost but protect the environment as well.

#### **Human Resources – the ‘Catalyst’ for Growth**

Human resource at Jubilant Industries Limited has the right composition for being able to create the most favorable environment for not just having a spike in performance, but to have consistent delivery. The motto of HR strategy is to Attract, Retain, Develop and Nurture talent by innovating people & business solutions to tailor the perfect fit every time. We take pride at being appropriately prepared for its employees to locate, identify and then engage them in the right positions at the right time. The Company has a team of about 2,000 staff distributed across its corporate office in Greater Noida, Branch Offices across states, hypermarkets in Bangalore, manufacturing units and sales and distribution offices / stores, across India.

As a vibrant Company, Jubilant Industries Limited ensures strategic HR and management development that is oriented not just by the business targets but with social and economic changes at macro level. We have integrated our HR practices to remain flexible and in tune with the business to maintain the success of all of our people. Our Leadership is the best in the industry and to keep it flourishing in the same fashion we have periodic interventions viz. different programs & developmental tools. At the same time, programs like Young Leaders Acceleration Programs (YLEAP) are some such initiatives that are aimed at infusing qualitative talent and recognizing fast trackers in business environment.

We believe that our people are our biggest assets and hence we invest in productive training programs

for them. We ensure that our people across the Company experience in-depth trainings in a wide range of commercial, technical and business roles. Our effective HR training and development programs have a focus especially on developing skills and competencies. Jubilant Industries Limited offers its nationwide employees a comprehensive range of behavioral and functional training interventions like:

- Breakthrough Workshops
- Talent & Succession Planning
- Cross Functional Teams

We hire on basis of competencies that we see in an aspirant and also assess their potential to drive the business tomorrow. For the Company as a whole, we ensure flexible, sustainable HR and succession planning with an increasingly business orientation.

#### **Internal Control Systems and Risk Management**

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

#### **Internal Financial Control Framework**

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

“The Company has two tier policies and procedures viz Entity Level Controls and Process Level Controls.”

the accuracy and completeness of the accounting records and the timely preparation of reliable financial information.

The above requirement has the following elements:

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

At the Jubilant Industries Limited, the internal financial control systems are in place and incorporate all the five elements as mentioned below:

#### **Orderly and efficient conduct of business**

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

Compliance with respect to various statutes, rules and regulations applicable to Jubilant is managed by Secretariat department. Status of compliance is governed through an intranet based application 'Statutory Compliance Reporting System' (SCRS).

Respective control owners certify the compliances on a quarterly basis in SCRS and a compliance report is prepared through SCRS. The objective of the SCRS certification is to ensure that the compliances are effectively managed and controlled and that they support the company's business objectives and corporate policy requirements.

#### **Safeguarding of its assets**

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

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

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

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

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

“We have a strong risk management framework in place that enables active monitoring of business activities for identification, assessment and mitigation of potential internal or external risks...”

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

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

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

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

Accuracy and completeness of the accounting records and Timely preparation of reliable financial information.

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

#### **Jubilant's Vision on Risk Management**

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

#### **Risk Management Strategy**

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

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

#### **Risk Management Structure**

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

#### **Risk Mitigation Methodology**

We have a comprehensive internal audit plan and a robust Enterprise Risk Management (ERM) exercise which helps to identify risks at an early stage and

“ We have a comprehensive internal audit plan and a robust Enterprise Risk Management (ERM) exercise which helps to identify risks at an early stage and take appropriate steps to mitigate the same.”

take appropriate steps to mitigate the same. We have completed four years of our certification process wherein, all concerned Control Owners certify the correctness of controls related to key operating, financial and compliance, every quarter. This has made our internal controls and processes stronger and also serves as the basis for compliance with revised Clause 49 of Listing Agreement executed with the Stock Exchanges viz BSE Limited and National Stock Exchange of India Limited as mandated by the Securities and Exchange Board of India.

#### Management's Assessment of Risk

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

#### Competition

The Company operates in a competitive business environment in each of its business segments. Agri business mainly gets affected due to uncertain monsoon, shift in cropping, agri output prices which impact the demand requirement / availability. The risk manifests in the form of a number of new entrants resorting to penetration pricing to capture market share as well as competing with established players with a diversified product portfolio and established distribution channels, which allows them benefit of economies in supply chain. In addition, price movements in the international markets for alternates like DAP to core product SSP poses a risk in the form of end consumer shifting preference to these products thereby impacting demand for SSP.

For its Agri business, the Company has added a number of dealers in primary market to build up strong distribution network and also to sustain our present market share.

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

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

#### Cost Competitiveness

The Company believes that its growth and market position is due to the cost competitiveness of its products in addition to the quality that it stands for. Constant and rising input prices amidst inflationary market conditions poses a risk to the Company's ability to remain price competitive and build reserves to drive future growth. Volatility in raw material prices like Sulphur, Sulphuric Acid, Rock



Phosphate, VAM, Catalysts, Butadiene etc and also surge in logistics cost may have a significant impact on operating margins.

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

In the Food Polymers business, a new source of supply of VAM which is the key feed stock was added in the financial year. Additional sources are being identified and evaluated.

Deployment of 'Business Excellence' initiatives has resulted in significant cost savings in the last financial year. Additional savings in Raw Material, Utility and Conversion costs have been identified for FY16.

#### **Foreign Currency Fluctuations**

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

To mitigate foreign currency related risks, the Company has a strategy in place to take measured risks through hedges and forward covers. The risk management team formulates policies and

guidelines which are periodically reviewed to align with external environment and business exigency.

#### **Capacity Planning and Optimization**

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

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

#### **Portfolio and mix: Product and Customer Concentration**

A balanced portfolio in terms of customers, markets and products is critical for the Company to be able to execute business strategies and monitor and assess

“The Company has initiated several programs with special focus on training and developing existing talent and building a strong brand image which would help in attracting best industry talents.”

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

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

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

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

Focus on recruiting, retaining and developing right talent is critical to maintain desired operational standards. Also, insufficient focus on developing credible successors may impose risk of adversely

impacting business objective in case of unexpected departures in key positions. Inability to attract and retain right talent particularly in critical areas may impact efficiency of operations coupled with knowledge drain and loss of key business excellence.

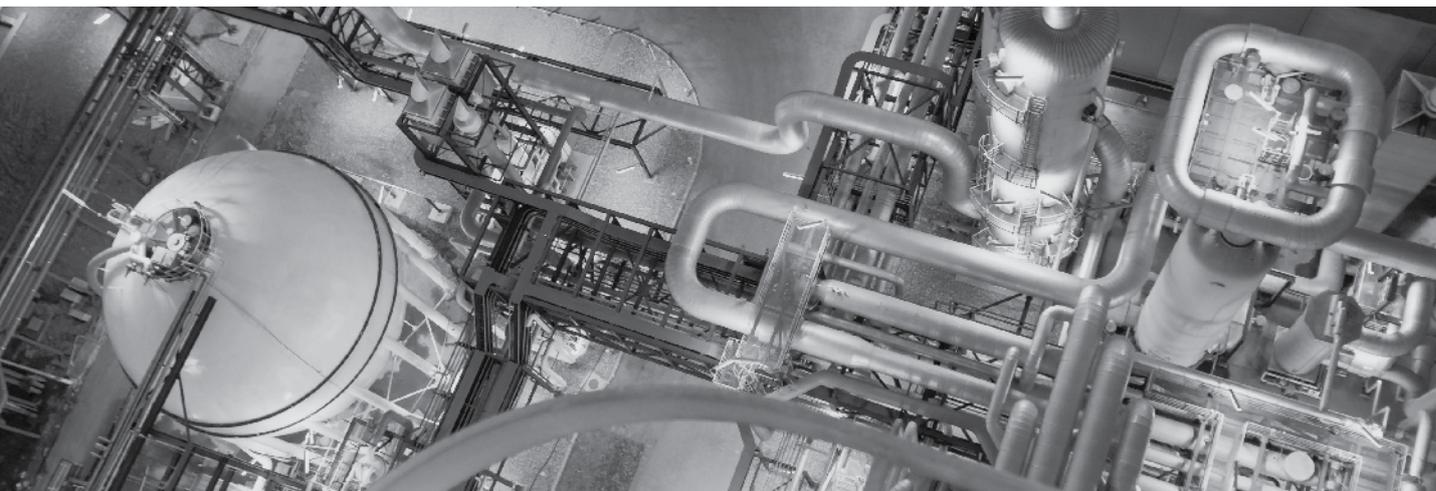
The Company has initiated several programs with special focus on training and developing existing talent and building a strong brand image which would help in attracting best industry talents.

The successors to the business heads are being engaged to lead cross functional teams and are structurally involved in strategy and operational discussion to build up the holistic knowledge of the business. The Campus connect program has been institutionalized to infuse fresh and quality talent at the entry levels with an assured fast track career path. The search partner engagement program enables the Company to reinforce its employer branding that has translated in to successful lateral hiring at key positions.

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

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

For its wood adhesive and wood finish business, the Company competes with both national players with established brands as well as regional players with lower costs and personalised connect with dealers and distributors. As distributors and dealers play a significant role in driving consumer behavior, managing their loyalty, continuity and commitment is of paramount importance to succeed. Managing



field inventory is, therefore, critical as aged inventory with distributor and dealers exerts additional working capital pressure on the trade resulting in low satisfaction levels and higher attrition at dealer level in addition to the risk of default and resultant pressure on realisations.

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

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

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

Innovation in terms of new products, new applications and new cost saving techniques of manufacturing and building a robust product pipeline is critical for success of the Company. Failure in innovation and building a robust product pipeline which can be timely commercialized may adversely impact the Company's competitive position. Risk of developing products which do not meet the required quality parameters may also significantly impact the Company's reputation and loss of future business. It is equally critical for the business to innovate new application of key material (like VAM, Rock Phosphate, Butadiene, 2VP Monomer etc.) to maintain its leadership position.

The Company has robust plans in place with earmarked budgets and investments in R&D aligned to the business plans. Business keeps a constant

check on new technological advancements and work with R&D to sponsor these specific projects. This is complemented by a dedicated R&D team which keeps itself abreast of the regulations, upcoming technology changes and leading practices.

#### **Compliance and Regulatory**

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

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

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

In the current business climate of reputational threats and rising political backlash, corporate need to tread carefully to maintain public trust. Social

“The Company has incurred substantial expenditure and allocated other resources to proactively adopt and implement manufacturing processes to increase its adherence to environmental quality standards and enhance its industrial safety levels.”

acceptance and Corporate Social Responsibility (CSR) have become increasingly important over the last decade. Non-compliance with stringent emission standards for the manufacturing facilities and other environmental regulations may adversely affect the business. Manufacturing of Company products involve hazardous chemicals, process and by-products and are subjected to stringent regulations. Proximity of plant locations to residential colonies amidst rapidly changing urbanisation dynamics poses additional risk to its business.

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

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

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

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

Similarly, for Latex business, the manufacturing facility is at Samlaya, Vadodara, India. Any disruption or stoppage of work at this facility, for any reasons, may adversely affect our business and results of operations not just for this but other business segments of Group companies which depend on supplies from Samlaya plant.

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

# Directors' Report



Your Directors have pleasure in presenting the ninth Annual Report together with audited financial statements & accounts for the financial year ended March 31, 2015.

## 1. FINANCIAL RESULTS

Particulars	[₹ in Million]			
	Consolidated		Standalone	
	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2015	Year ended March 31, 2014
Total Revenue from Operations	8582.01	9300.34	293.59	274.04
Total Expenses	8860.77	9323.67	304.42	280.54
Operating Profit/(Loss)	(278.76)	(23.33)	(10.83)	(6.50)
Other Income	22.41	2.94	0.17	0.11
Profit/(Loss) before Exceptional Items & Tax	(945.87)	(642.37)	(13.32)	(7.94)
Exceptional Items	233.49	(850.90)	-	-
Tax Expenses	(1.57)	(40.56)	(1.57)	1.48
Net Profit/(Loss)	(1177.79)	249.09	(11.75)	(9.42)
Balance brought forward	544.73	295.64	1,456.35	1465.77
Adjustment on account of Depreciation	9.59	-	0.11	-
Balance to be carried forward	(642.65)	544.73	1,444.49	1,456.35

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

The Company is engaged in manufacturing of Indian Made Foreign Liquor (IMFL) products for the various established brands in India, engaged in liquor business.

With a capacity of 100,000 cases/month and configuration of 5 automatic/semi-automatic lines, it can handle all sizes of the bottles. All lines are well equipped with required vats for storage of ENA, Blending and equipped automatic machines rinsing, filling, sealing & labelling which provides flexibility for bottling various sizes of IMFL. We have fully equipped state of art laboratory, chilling unit for the scotch blending and well established Water treatment plant with RO facility to support our bottling plant.

### Consolidated Financials

In FY2015 the consolidated revenue from operations was ₹ 8582.10 million. EBITDA for the year stood at ₹ (256.35) million. Net loss was ₹ 1177.79 million and EPS on consolidated basis stood at ₹ (99.40).

### Standalone Financials

In FY2015 total revenue from operations was ₹ 293.59 million. EBITDA for the year stood at ₹ (10.66 million), Net loss was ₹ 11.75 million.

The Consolidated Financial Statement, in accordance with the Companies Act, 2013 ("the Act"), Clause 32 of the Listing Agreement with the Stock Exchanges ("the Listing Agreement") and Accounting Standard – 21 on Consolidated Financial Statement form part of this Report

## 3. DIVIDEND AND TRANSFER TO RESERVES

Keeping in view the losses for the year under review, the Board of Directors has not recommended any dividend for the financial year 2014-15. Accordingly, there has been no transfer to general reserves.

## 4. CAPITAL STRUCTURE / STOCK OPTION

### Authorised Share Capital

The authorized share capital of the Company as at March 31, 2015 was ₹ 150 million.

### Paid-up Share Capital

The paid-up share capital as at March 31, 2015 stands at ₹ 118.49 million comprising of 11,849,404 equity shares of ₹ 10/- each fully paid up.

### Employee Stock Options Scheme

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

During the year under review, no options were granted under the ESOP Scheme. A disclosure with respect to ESOP Scheme of the Company as on March 31, 2015 is annexed as Annexure 1 to this report.

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

## 5. SUBSIDIARIES

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

- **Jubilant Agri and Consumer Products Limited**

During the year under review, JACPL was engaged in the business of Agri Products comprising of wide range of crop nutrition, crop growth and crop protection, Performance Polymers comprising of consumer products, Food Polymers, VP Latex and Retail comprising of hypermarket stores.

During FY 2015, JACPL has revenue from operations ₹ 8348.42 million. The net loss after tax for the year 2015 is ₹ 1121.41 million.

In terms of Clause 49 of the listing agreement, JACPL is a material non-listed wholly owned indian subsidiary of the Company.

- **Jubilant Industries Inc. USA**

Jubilant Industries Inc. USA was incorporated as wholly owned subsidiary, on April 24, 2014. During FY 2015, it was engaged in overseas trading of Solid Poly Vinyl Acetate. It had revenue from operations ₹ 419.02 million. Net loss for the year 2015 was ₹ 2.07 million.

The statement containing the salient features of Company's subsidiaries under Section 129 of the Act, is attached to the financial statement.

## 6. MATERIAL CHANGES AND COMMITMENTS, AFFECTING THE FINANCIAL POSITION OF THE COMPANY

### Divestment of Retail Hypermarket Business

Post FY 2015, in May 2015, to focus on its core businesses of manufacturing chemicals and fertilizers, JACPL has decided to exit its retail hypermarket business chain 'Total'.

The transfer of the retail hypermarket business was completed with effect from opening of business hours on August 12, 2015 on a going concern basis, by means of a slump sale.

### Reduction of Capital

To rationalize the balance sheet and to depict the true and fair position of its assets and liabilities, the Board of Directors of JACPL has approved the setting off of accumulated losses amounting to ₹ 20411 millions incurred by the JACPL till March 31, 2015 against the amount standing in its Securities Premium Account as on that date. There is no impact on the financial results of the Company.

The Hon'ble Allahabad High Court has confirmed the petition for reduction in the Securities Premium Account vide its order dated October 01, 2015. Accordingly, Financial Statements have been re-drawn after giving effect to the said reduction as on March 31, 2015. These Financial Statements are placed before member for their adoption.

## 7. DIRECTORS AND KEY MANAGERIAL PERSONNEL

### Appointment, Re-appointment and Resignations

Dr. Ashok Misra had resigned, due to personal reasons, from the Company's Board w.e.f. September 17, 2014. The Directors place on record their deep appreciation for the valuable contributions made by Dr. Ashok Misra during his tenure on the Board.

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

Brief resume of Mr. Priyavrat Bhartia with other details as stipulated under Secretarial Standard – 2 and Clause 49 of the Listing Agreement, are provided in the Notice for convening the AGM.

#### **Key Managerial Personnel**

During the year under review, Mr. Videh Kumar Jaipuriar, Managing Director, Mr. Sandeep Kumar Shaw, Chief Financial Officer and Mr. Deepak Gupta, Company Secretary were designated as Key Managerial Personnel w.e.f. April 01, 2014 of the Company pursuant to Section 203 of the Act.

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

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

All Independent Directors have given declaration that they meet the criteria of independence as provided under Section 149 of the Act and Clause 49 of the Listing Agreement. The Independent Directors have also confirmed that they have complied with the Company's code of conduct.

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

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

During the year ended March 31, 2015, the Board met 4 times. The details of Board/Committee meetings and the attendance of Directors are provided in the Corporate Governance Report, attached to this Report.

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

The Company has framed an Appointment and Remuneration Policy pursuant to the provisions of Section 178 of the Act and Clause 49 of Listing Agreement. The Policy has been disclosed in the Corporate Governance Report attached to this Report.

#### **Board Evaluation**

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

#### **8. DISCLOSURE ON AUDIT COMMITTEE**

The Audit Committee as on March 31, 2015 comprises of Mr. R. Bupathy as Chairman, Mr. S. K. Roongta and Mr. Ghanshyam Dass as members.

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

#### **9. AUDITORS & AUDIT REPORTS**

##### **Statutory Auditors**

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

The said appointment is subject to ratification by the members at every AGM. Accordingly, the appointment of M/s. K. N. Gutgutia & Co., Chartered Accountants, as the Company's Statutory Auditors, from the conclusion of 9th AGM till the conclusion of 10th AGM, is placed for ratification by the members. The Company has received certificate from the Auditors to the effect that ratification of their appointment, if made, shall be in accordance with the provisions of Section 141 of the Act.

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

##### **Secretarial Auditor**

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s Sanjay Grover & Associates, Company Secretaries, to undertake the Secretarial Audit of the Company. The Secretarial Auditors have submitted their report, confirming compliance by the Company of all the provisions of applicable corporate laws.

The Report does not contain any qualification, reservation or adverse remark or disclaimer. The Secretarial Audit Report is annexed herewith as Annexure 2 to this report.

The Board has reappointed M/s Sanjay Grover & Associates, Company Secretaries, as Secretarial Auditors of the Company for FY 2015-16.

## 10. RISK MANAGEMENT

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

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

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

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

## 11. HUMAN RESOURCES

Human resource at Jubilant Industries Limited has the right composition for being able to create the most favourable environment for not just having a spike in performance, but to have consistent delivery. The motto of HR strategy is to Attract, Retain, Develop and Nurture talent by innovating people & business solutions to

tailor the perfect fit every time. We take pride at being appropriately prepared for its employees to locate, identify and then engage them in the right positions at the right time. The Company has a team of about 2000 magnificent staff distributed across its corporate office in Noida, hypermarkets in Bangalore, manufacturing units and sales and distribution offices / stores, across India.

As a vibrant Company Jubilant Industries Limited ensures strategic HR and management development that is oriented not just by the business targets but with social and economic changes at macro level. We have integrated our HR practices to remain flexible and in tune with the business to maintain the success of all of our people. Our Leadership is the best in the industry and to keep it flourishing in the same fashion we have periodic interventions viz. different programs & developmental tools. At the same time, programs like Young Leaders Acceleration Programs (YLEAP) are some such initiatives that are aimed at infusing qualitative talent and recognizing fast trackers in business environment.

The Company believes that our people are our biggest assets and hence we invest in productive training programs for them. We ensure that our people across the Company experience in-depth trainings in a wide range of commercial, technical and business roles. Our effective HR training and development programs have a focus especially on developing skills and competencies. Jubilant Industries Limited offers its nationwide employees a comprehensive range of behavioural and functional training interventions like:

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

The Company hires on basis competencies that we see in an aspirant and also assess their potential to drive the business tomorrow. We bind our performers to us as they are presented with challenging, diverse career opportunities within the Company. For the Company as a whole, we ensure flexible, sustainable HR and succession planning with an increasingly business orientation. The maxim of our values

- "Inspiring, Nurturing, Growing and Excelling", brings together all its employees and other stakeholders to the range of Human Resource interface to the internal and the external world.

The Company has adopted a Policy on Prevention of Sexual Harassment at workplace and the Company has not received any complaint during the year under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

## 12. AWARDS AND ACCOLADES

During the year 2014-15, one of the units of Jubilant Agri and Consumer Products Limited, a wholly owned subsidiary of the Company, won the prestigious "15th Annual Greentech Environment Gold Award" in Chemical Sector for outstanding achievement in Environment Management. The unit also won the "4th Annual Greentech CSR Silver Award in Consumer Products Sector for outstanding achievement in CSR Initiatives and "Asia Pacific HRM Congress Award 2014" for best Corporate Social Responsibility Practices. The unit was also awarded with the "Silver Award" in Chemical Sector for outstanding achievement in Safety Management for the 3rd Consecutive year by Greentech foundation.

## 13. SUSTAINABILITY REPORT

The Company firmly believes in integrating its business with the social fabric of the society that it operates in and is a firm supporter of the triple bottom line concept.

The Company published its Corporate Sustainability Report 2014-15 conforming to Global Reporting Initiative (GRI) G3.1 reporting guidelines fulfilling 'A' level of reporting. As a green initiative, this report is published on CD to conserve paper and is sent to all the shareholders along with the Annual Report of the Company. This report shall also be available on the website of the Company at [www.jubilantindustries.com](http://www.jubilantindustries.com) and GRI database. As an extension of the green initiative to minimise the impact on environment, the Annual Report is emailed to shareholders whose email id is registered with the Company/Depositories to reduce use of paper.

Sustainability initiatives have been undertaken for reduction of Environmental parameters, energy consumption and greenhouse gas emission. Waste water generated in fertilizer

plants is completely recycled and reused. In other plants it is treated and disposed as per Consent conditions. Rain water harvesting system implemented at plants have been effectively recharging the groundwater aquifers. Reuse of hazardous wastes i.e. silica sludge and sulphur sludge and use of renewable fuel i.e. rice husk instead of coal, have reduced consumption of natural resources. Significant reduction in Air Emission (SO<sub>2</sub>) with increased acid yield has been achieved through process improvement in Sulphuric Acid Plant.

## 14. CORPORATE SOCIAL RESPONSIBILITY

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

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

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

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

Annual Report on CSR activities of the Company for the financial year 2014-15 has been attached as Annexure 3 and forms part of this report

As per the provisions of the Act, the amount for CSR activities for the financial year 2014-15 was ₹ 1.99 million. Accordingly, ₹ 2.00 million was budgeted for spending on CSR activities. During the year, the Company through Jubilant Bhartia Foundation, a social wing of Jubilant Bhartia

Group had spent ₹ 1.00 million on various CSR activities. Work on projects in 41 schools is in completion stage for which ₹ 1.00 million has been provisioned in the books of accounts that will be spent during FY 2015-16.

## 15. INVESTOR SERVICES

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

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

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

## 16. GREEN INITIATIVES

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

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

## 17. CORPORATE GOVERNANCE

A detailed report on Corporate Governance, pursuant to the requirements of Clause 49 of the Listing Agreement, forms part of this Report.

A certificate from the Statutory Auditors of the Company confirming compliance of conditions of Corporate Governance as stipulated in clause 49 of the Listing Agreement is annexed to the Corporate Governance Report.

## 18. MANAGEMENT DISCUSSION & ANALYSIS

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

## 19. OTHER STATUTORY DISCLOSURES

i. Extract of Annual Return: Pursuant to provisions of Section 92 of the Act and Rule

12 of the Companies (Management and Administration) Rules, 2014, the extract of the Annual Return in Form No. MGT – 9 is attached as Annexure 4 to this report.

- ii. Deposits: The Company did not invite/accept any deposits covered under Chapter V of the Act. Accordingly no disclosure or reporting is required in respect of details relating to deposits covered under this Chapter.
- iii. Loans, Guarantees and Investments: The details of Loans, Guarantees and Investments covered under Section 186 of the Act form part of the notes to the financial statements.
- iv. Particulars of Contracts or Arrangements with the Related Parties: All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. All Related Party Transactions are placed before the Audit Committee and the Board for approval. Prior omnibus approval of the Audit Committee is obtained on annual basis for the transactions which are of a foreseen and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted are placed before the Audit Committee for its review on a quarterly basis. The Company has formulated a policy for transacting with Related Parties, which is uploaded on the website of the Company (<http://www.jubilantindustries.com/pdfs/policy-for-related-party-transactions.pdf>). Transactions with the related parties are disclosed in Note to the financial statements in the Annual Report.
- v. Significant or Material orders: There is no significant or material orders passed by the Regulators or Courts or tribunal impacting the going concern status of the Company and its future operations.
- vi. Vigil Mechanism/Whistle Blower Policy: The Company has a vigil mechanism pursuant to which a Whistle Blower Policy is in place. The Policy ensures that strict confidentiality

is maintained whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern. This Policy covering all employees, Directors and other persons having association with the Company is hosted on the Company's website (<http://www.jubilantindustries.com/pdfs/whistle-blower-policy.pdf>). The details of Vigil Mechanism (Whistle Blower Policy) adopted by the Company have been disclosed in the Corporate Governance Report attached to this report and form an integral part of this report.

vii. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo: The Company being engaged in the business of contract manufacturing of Indian made Foreign Liquor (IMFL), most of the information as required under Section 134 the Act, read with Rule 8 Companies (Accounts) Rules, 2014 as amended is not applicable. However, the information as applicable has been given in Annexure 5 and forms part of this Report.

viii. Particular of Employees: Particulars as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are given in Annexure 6 and forms part of this Report. During the year, there were no employees whose particulars are required to be reported under Section 197 of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

## 20. DIRECTORS' RESPONSIBILITY STATEMENT

In compliance of Section 134(5) of the Act, your Directors, based on the representation received from the management, confirm that:

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as on March 31, 2015 and of the

profits of the company for the year ended March 31, 2015;

- the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
  - the directors had prepared the annual accounts on a going concern basis;
  - the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- Based on the framework of internal financial controls including the Control Manager for financial reporting and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors and the reviews performed by the management and the relevant Board committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls are adequate and effective during the Financial Year 2014-15; and
- the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## 21. ACKNOWLEDGMENTS

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

For and on behalf of the Board

Place : Noida  
Date : October 28, 2015

**Hari S. Bhartia**  
Chairman

## Annexure 1

**Disclosure pursuant to the provisions of the Securities and Exchange Board of India  
(Share Based Employee Benefits) Regulations, 2014**

a. Relevant disclosures in terms of the "Guidance Note on Accounting for Employee Share-based Payments" issued by ICAI has been made in the Notes to Accounts attached to the Annual Report.

b. Diluted EPS on issue of shares pursuant to the Scheme

The details of stock options as on March 31, 2015 under the JIL Employees Stock Option Scheme 2013 ("ESOP 2013") are given below:

Diluted earnings per share pursuant to the issue of share on exercise of options calculated in accordance with AS -20, "Earnings Per Share"	Diluted earnings per share of the company calculated after considering the effect of potential equity shares arising on account of exercise of options is ₹ (1.07)
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**A. Summary of Status of ESOP granted**

The description of the existing scheme is summarized as under:

S. No.	Particulars	ESOP 2013
1	Date of shareholders' approval	March 01, 2013
2	Total number of options approved	5,90,000
3	Vesting Requirement	The options would vest not earlier than 1 year and not later than 3 years, in phased manner, from the date of grant of option, subject to achievement of performance criteria by grantee.
4	Pricing Formula	The options are granted to eligible employees at the latest available closing price of the shares of the Company, prior to the grant date, at the NSE or BSE (whichever stock exchange is having the highest trading volume of the shares).
5	Maximum Term of options granted	8 years
6	Sources of shares	Primary
7	Variation in terms of options	No variation

The movement of options during the year are as follows:

S. No.	Particulars	ESOP 2013
1	No. of Options Outstanding at the beginning of the year	1,33,938
2	No. of Options Granted during the year	-
3	No. of Options Forfeited/Lapsed during the year	16,507
4	No. of Options Vested during the year	-
5	No. of Options Exercised during the year	-
6	No. of Shares arising as a result of exercise of options	-
7	Money realised by exercise of options during the year (₹)	NIL
8	Loan repaid by the trust during the year from the exercise price received	Not applicable
9	No. of Options outstanding at the end of the year	1,17,431
10	No. of Options exercisable at the end of the year	-

**B. Employee-wise details of options granted during the financial year 2014-15 under ESOP 2013 to:**

S. No.	Particulars	No. of options granted
i.	Senior managerial personnel	The Company has not granted any option during FY 2014-15
ii.	Employees who were granted, during any one year, options amounting to 5% or more of the options granted during the year	
iii.	Identified employees who were granted option, during one year, equal to or exceeding 1% of the issued capital of the Company at the time of grant	

C. Weighted Average Fair Value/Exercise Price of Options granted during the year

Particulars	Weighted Average Fair Value	Weighted Average Exercise Price
a. Exercise price equals market price	The Company has not granted any option during FY 2014-15	
b. Exercise price is greater than market price		
c. Exercise price is less than market price		

- D. **Method used to account for ESOP** The compensation cost of stock options granted to employees is calculated based on intrinsic value method, i.e. the excess of the market price of shares immediately prior to date of grant over the exercise price to be paid by the option holders. The compensation cost is amortised to the Statement of Profit and Loss over the vesting period of the stock option.

The stock-based compensation cost calculated as per the intrinsic value method for the period April 01, 2014 to March 31, 2015 is Nil. If the stock-based compensation cost was calculated as per the fair value method prescribed by SEBI, the total cost to be recognized in the financial statements for the period April 01, 2014 to March 31, 2015 would be ₹ 0.97 million. The effect of adopting the fair value method on the net income and earnings per share is presented below:

**Adjusted Net Income and Earning Per Share**

Particulars	₹ in million
Net Income as reported	(11.75)
Add: Intrinsic Value Compensation Cost	Nil
Less: Fair Value Compensation Cost	0.97
<b>Adjusted Pro Forma Net Income</b>	<b>(12.72)</b>
<b>Earning Per Share: Basic</b>	
As Reported (₹)	(0.99)
Adjusted (₹)	(1.07)
<b>Earning Per Share: Diluted</b>	
As Reported (₹)	(0.99)
Adjusted (₹)	(1.07)

E. Method and significant assumptions used to estimate the fair value of options granted during the year:

The Company has not granted any option during FY 2014-15.

### Secretarial Audit Report

For the Financial Year ended March 31, 2015

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

To,  
The Members,  
Jubilant Industries Limited  
(CIN: L24100UP2007PLC032909)  
Bhartigram Gajraula, Distt. Amroha  
Uttar Pradesh- 244223

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

#### We report that-

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2015 ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the financial year ended on 31<sup>st</sup> March, 2015 according to the provisions of:

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

- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

We have also examined compliance with the applicable clauses of the Listing Agreements entered into by the Company with BSE Limited and the National Stock Exchange of India Limited.

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

- (vi) The Company is engaged in manufacturing of Indian Made Foreign Liquor (IMFL) products for the various established brands in India at Nira (Maharashtra). Food Safety and Standards Act, 2006 is only law specifically applicable to the company.

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

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

Advance seven days notice is given to all directors to schedule the Board Meetings. Agenda and detailed notes on agenda are generally sent in advance of the meetings and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting for meaningful participation at the meeting.

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

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

**We further report that** during the audit period, the shareholders of the Company had passed the special resolution(s): -

- a) pursuant to section 180(1)(a) of the Act for creation of mortgage and/or charge on the Company's property upto ₹ 10,000 million; and
- b) pursuant to section 180(1)(c) of the Act for fixing the borrowing limits of the Company upto ₹ 5,000 million.

**We further report that** during the audit period, there were no instances of:

- (i) Public/Rights/Preferential issue of shares/debentures/sweat equity.
- (ii) Redemption/buy-back of securities
- (iii) Merger/Amalgamation/Reconstruction.
- (iv) Foreign technical collaborations.

for Sanjay Grover & Associates  
Company Secretary

April 30, 2015  
New Delhi

**Sanjay Grover**  
FCS No.: 4223  
C P No.: 3850

**Annual Report on Corporate Social Responsibility (CSR) Activities**  
**Financial Year 2014-15**

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

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

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

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

**2. Composition of the Sustainability & CSR Committee**

Composition of the Committee is as under:

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

**3. Average net profit of the Company for last three Financial Years: ₹ 99.30 million**

**4. Prescribed CSR Expenditure (2% of the amount as in item 3 above): ₹ 1.99 million**

**5. Details of CSR spend during the Financial Year 2014-15**

- (a) Total amount to be spent as per budget for the Financial Year 2014-15 : ₹ 2.00 million
- (b) Amount unspent vis-à-vis prescribed CSR expenditure as per Section 135(5) of the Act : ₹ 1.00 million

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

(₹ /million)									
(1)	(2)	(3)	(4)		(5)	(6)		(7)	(8)
			Local area or other	State and District where Projects or Programmes were undertaken		Amount spent on the Projects or Programmes	Overheads		
Sr. No.	CSR Project or Activity identified	Sector in which the Project is covered		Projects or Programmes	Amount outlay (budget) Project or Programme wise	Direct expenditure on Projects or Programmes		Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency*
1	Health (Arogya and Swasthya Prahari)	Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation and making available safe drinking water	Local	Gajraula (U.P.)	0.38	0.32	-Nil-	0.32	Jubilant Bhartia Foundation
2	Education (Muskaan)	Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly and the differently abled and livelihood enhancement projects	Local	Gajraula (U.P.), Sahibabad (U.P.), Nira (Maharashtra)	1.48	0.54	-Nil-	0.54	Jubilant Bhartia Foundation
3	KrishiPathshala, Farmers Resource Centre, Cattle Care Camps (Samridhi)	Rural development Project	Local	Gajraula (U.P.)	0.14	0.14	-Nil-	0.14	Jubilant Bhartia Foundation
<b>Total</b>					<b>2.00</b>	<b>1.00</b>		<b>1.00</b>	

\* Jubilant Bhartia Foundation is the implementing agency

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

Work on projects in 41 schools is in completion stage for which ₹ 1.00 million has been provisioned in the books of accounts that will be spent during FY 2015-16.

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

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

**For Jubilant Industries Limited**

**Videh Kumar Jaipurjar**  
Managing Director

**Hari S. Bhartia**  
Chairman  
CSR Committee

## Extract of Annual Return

(Form No. MGT-9)

As on the Financial Year ended on 2014-15

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

## I. REGISTRATION AND OTHER DETAILS:

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

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

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

S. No.	Name and address of the Company	CIN/GLN	Holding / Subsidiary/ Associate	% of shares held	Applicable Section of the Companies Act, 2013
1	Jubilant Agri and Consumer Products Limited, Bhartiagram, Gajraula, District Amroha -244223, Uttar Pradesh, India	U52100UP2008PLC035862	Subsidiary	100%	Sec 2(87)
2	Jubilant Industries INC., 790, Township Line RD STE 120 Yardley PA 19067-4265	N.A.	Subsidiary	100%	Sec 2(87)

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

## (i) Category-wise Shareholding

	Category of Shareholder	No. of shares held at the beginning of the year (April 01, 2014)				No. of shares held at the end of the year (March 31, 2015)				% Change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>A.</b>	<b>Promoter</b>									
(1)	<b>Indian</b>									
	a) Individuals/ HUF	101323	-	101323	0.86	28498	-	28498	0.24	(0.62)
	b) Central Govt.	-	-	-	-	-	-	-	-	-
	c) State Govt(s)	-	-	-	-	-	-	-	-	-
	d) Bodies Corp.	7674416	-	7674416	64.77	7786792	-	7786792	65.71	0.94
	e) Banks/FI	-	-	-	-	-	-	-	-	-
	f) Any Others	-	-	-	-	-	-	-	-	-
	<b>Sub Total(A)(1)</b>	<b>7775739</b>	<b>-</b>	<b>7775739</b>	<b>65.62</b>	<b>7815290</b>	<b>-</b>	<b>7815290</b>	<b>65.96</b>	<b>0.34</b>
(2)	<b>Foreign</b>									
	a) NRIs – Individuals*	-	-	-	-	72825	-	72825	0.61	0.61
	b) Other – Individuals	-	-	-	-	-	-	-	-	-
	c) Bodies Corp.	278522	-	278522	2.35	278522	-	278522	2.35	-
	d) Banks/FI	-	-	-	-	-	-	-	-	-
	e) Any Others	-	-	-	-	-	-	-	-	-
	<b>Sub Total(A)(2)</b>	<b>278522</b>	<b>-</b>	<b>278522</b>	<b>2.35</b>	<b>351347</b>	<b>-</b>	<b>351347</b>	<b>2.96</b>	<b>0.61</b>
	<b>Total Shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>8054261</b>	<b>-</b>	<b>8054261</b>	<b>67.97</b>	<b>8166637</b>	<b>-</b>	<b>8166637</b>	<b>68.92</b>	<b>0.95</b>
<b>B.</b>	<b>Public shareholding</b>									
(1)	<b>Institutions</b>									
	a) Mutual Funds	131114	540	131654	1.11	105	540	645	0.01	(1.10)
	b) Banks/FI	2634	1063	3697	0.03	2634	1063	3697	0.03	0.00
	c) Central Govt.	-	-	-	-	-	-	-	-	-
	d) State Govt(s)	-	-	-	-	-	-	-	-	-
	e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
	f) Insurance Companies	-	-	-	-	-	-	-	-	-
	g) FIs	906936	160	907096	7.66	881271	160	881431	7.44	(0.22)
	h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
	i) Others	-	-	-	-	-	-	-	-	-
	<b>Sub-Total (B)(1)</b>	<b>1040684</b>	<b>1763</b>	<b>1042447</b>	<b>8.80</b>	<b>884010</b>	<b>1763</b>	<b>885773</b>	<b>7.48</b>	<b>(1.32)</b>
(2)	<b>Non-Institutions</b>									
	a) Bodies Corp									
	i) Indian	322299	1108	323407	2.73	255818	1092	256910	2.17	(0.56)
	ii) Overseas	-	-	-	-	-	-	-	-	-
	b) Individual									
	i) Individuals shareholders holding nominal share capital up to ₹ 1 lakh	1211886	149907	1361793	11.49	1150571	141860	1292431	10.91	(0.58)

	Category of Shareholder	No. of shares held at the beginning of the year (April 01, 2014)				No. of shares held at the end of the year (March 31, 2015)				% Change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
	ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	694808	-	694808	5.86	901846	-	901846	7.61	1.75
	c) Others									
	i) The Custodian Special Court	-	2850	2850	0.02	-	2850	2850	0.02	-
	ii) Trust	192089	-	192089	1.62	192089	-	192089	1.62	-
	iii) Non-resident Indians	167330	10419	177749	1.50	141172	9696	150868	1.27	(0.23)
	<b>Sub-Total (B)(2)</b>	<b>2588412</b>	<b>164284</b>	<b>2752696</b>	<b>23.23</b>	<b>2641496</b>	<b>155498</b>	<b>2796994</b>	<b>23.60</b>	<b>0.37</b>
	<b>Total Public Shareholding (B) = (B)(1)+(B)(2)</b>	<b>3629096</b>	<b>166047</b>	<b>3795143</b>	<b>32.03</b>	<b>3525506</b>	<b>157261</b>	<b>3682767</b>	<b>31.08</b>	<b>(0.95)</b>
<b>C.</b>	<b>TOTAL (A)+(B)</b>	<b>11683357</b>	<b>166047</b>	<b>11849404</b>	<b>100.00</b>	<b>11692143</b>	<b>157261</b>	<b>11849404</b>	<b>100.00</b>	<b>-</b>
	Shares held by Custodians for GDRs & ADRs	-	-	-	-	-	-	-	-	-
	<b>Grand Total (A)+(B)+(C)</b>	<b>11683357</b>	<b>166047</b>	<b>11849404</b>	<b>-</b>	<b>11692143</b>	<b>157261</b>	<b>11849404</b>	<b>-</b>	<b>-</b>

\*Residential Status of Mr. Shyam S. Bhartia has changed to Non-Resident Indian effective from March 26, 2015. Accordingly, the shareholding pattern as on March 31, 2015 reflects his holding of 72,825 equity shares under the category of Foreign Promoters.

## (ii) Shareholding of Promoters

S. No.	Shareholder's Name	Shareholding at the beginning of the year (April 01, 2014)			Share holding at the end of the year (March 31, 2015)			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Mr. Shyam Sunder Bhartia	72825	0.61	0.00	72825	0.61	0.00	0.00
2	Mr. Hari Shankar Bhartia	20873	0.18	0.00	20873	0.18	0.00	0.00
3	Mr. Priyavrat Bhartia	253	0.00	0.00	253	0.00	0.00	0.00
4	Mr. Shamit Bhartia	6561	0.06	0.00	6561	0.06	0.00	0.00
5	Ms. Kavita Bhartia	613	0.01	0.00	613	0.01	0.00	0.00
6	Ms. Aashti Bhartia	99	0.00	0.00	99	0.00	0.00	0.00
7	Mr. Arjun Shankar Bhartia	99	0.00	0.00	99	0.00	0.00	0.00
8	Jubilant Stock Holding Private Limited	1329757	11.22	0.00	1329757	11.22	0.00	0.00
9	Vam Holdings Limited	284070	2.40	0.00	284070	2.40	0.00	0.00
10	Jubilant Capital Private Limited	1166600	9.85	0.00	1166600	9.85	0.00	0.00
11	Jubilant Securities Private Limited	1051075	8.87	0.00	1051075	8.87	0.00	0.00
12	Jaytee Private Limited	380	0.00	0.00	380	0.00	0.00	0.00
13	Nikita Resources Private Limited	175227	1.48	0.00	175227	1.48	0.00	0.00
14	Rance Investment Holdings Limited	120000	1.01	0.00	120000	1.01	0.00	0.00
15	Cumin Investments Limited	120000	1.01	0.00	120000	1.01	0.00	0.00
16	Torino Overseas Limited	38522	0.33	0.00	38522	0.33	0.00	0.00
17	Jubilant Infrastructure Limited	50000	0.42	0.00	50000	0.42	0.00	0.00
18	Jubilant Enpro Private Limited	3617307	30.53	0.00	3729683	31.48	0.00	0.95
	<b>TOTAL</b>	<b>8054261</b>	<b>67.97</b>	<b>0.00</b>	<b>8166637</b>	<b>68.92</b>	<b>0.00</b>	<b>0.95</b>

## (iii) Change in Promoters' Shareholding

Name	Shareholding at the beginning of the year		Date	Increase/decrease during the year	Reasons	Cumulative Shareholding during the year/Shareholding at the end of the year	
	No. of Shares	% of total shares of the company				No. of shares	% of total shares of the company
Jubilant Enpro Private Limited	36,17,307	30.53%	April 01, 2014	-	Market Purchase through Stock Exchange		
			April 23, 2014	10,276		36,27,583	30.61%
			April 25, 2014	19,754		36,47,337	30.78%
			April 28, 2014	7,824		36,55,161	30.85%
			April 29, 2014	5,064		36,60,225	30.89%
			April 30, 2014	13,418		36,73,643	31.00%
			May 02, 2014	5,704		36,79,347	31.05%
			May 05, 2014	1,460		36,80,807	31.06%
			May 06, 2014	540		36,81,347	31.07%
			May 07, 2014	1,951		36,83,298	31.08%
			May 08, 2014	2,469		36,85,767	31.11%
			May 09, 2014	1,075		36,86,842	31.11%
			May 12, 2014	1,361		36,88,203	31.12%
			May 13, 2014	14,043		37,02,246	31.24%
			May 14, 2014	232		37,02,478	31.25%
			May 15, 2014	794		37,03,272	31.25%
			May 16, 2014	9,000		37,12,272	31.33%
			May 19, 2014	5,936		37,18,208	31.38%
			May 20, 2014	1,055		37,19,263	31.39%
			May 25, 2014	905		37,20,168	31.40%
			May 26, 2014	347		37,20,515	31.40%
July 03, 2014	9,168	37,29,683	31.48%				
March 31, 2015	-	37,29,683	31.48%				

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

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

S. No.	Name of the Shareholder	Shareholding		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
1	<b>Samena Special Situations Mauritius</b>				
	At the beginning of the year	6,90,555	5.82	6,90,555	5.82
	Bought during the year	-	-	6,90,555	5.82
	Sold during the year	-	-	6,90,555	5.82
	At the end of the year	6,90,555	5.82	6,90,555	5.82
2	<b>Jubilant Employees Welfare Trust</b>				
	At the beginning of the year	1,92,086	1.62	1,92,086	1.62
	Bought during the year	-	-	1,92,086	1.62
	Sold during the year	-	-	1,92,086	1.62
	At the end of the year	1,92,086		1,92,086	1.62
3	<b>Deutsche Securities Mauritius Limited</b>				
	At the beginning of the year	1,90,338	1.60	1,90,338	1.60
	Bought during the year	-	-	1,90,338	1.60
	Sold during the year	-	-	1,90,338	1.60
	At the end of the year	1,90,338	1.60	1,90,338	1.60

S. No.	Name of the Shareholder	Shareholding		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>4</b>	<b>IDFC Equity Opportunity - Series 1</b>				
	At the beginning of the year	1,31,009	1.10	1,31,009	1.10
	Bought during the year	-	-	1,31,009	1.10
	Sold during the year	1,31,009	1.10	-	-
	At the end of the year	-	-	-	-
<b>5</b>	<b>Rahul Khanna</b>				
	At the beginning of the year	1,17,000	0.98	1,17,000	0.98
	Bought during the year	-	-	1,17,000	0.98
	Sold during the year	-	-	1,17,000	0.98
	At the end of the year	1,17,000	0.98	1,17,000	0.98
<b>6</b>	<b>Chetan Jayantilal Shah</b>				
	At the beginning of the year	1,10,000	0.92	1,10,000	0.92
	Bought during the year	5,000	0.04	1,15,000	0.97
	Sold during the year	-	-	1,15,000	0.97
	At the end of the year	1,15,000	0.97	1,15,000	0.97
<b>7</b>	<b>Sonal Chetan Shah</b>				
	At the beginning of the year	70,000	0.59	70,000	0.59
	Bought during the year	40,000	0.34	1,10,000	0.93
	Sold during the year	-	-	1,10,000	0.93
	At the end of the year	1,10,000	0.93	1,10,000	0.93
<b>8</b>	<b>Bhadra Jayantilal Shah</b>				
	At the beginning of the year	55,000	0.46	55,000	0.46
	Bought during the year	55,000	0.46	1,10,000	0.93
	Sold during the year	-	-	1,10,000	0.93
	At the end of the year	11,0,000	0.93	1,10,000	0.93
<b>9</b>	<b>Span India Pvt Ltd</b>				
	At the beginning of the year	48,221	0.41	48,221	0.41
	Bought during the year	-	-	48,221	0.41
	Sold during the year	19,808	0.17	28,413	0.24
	At the end of the year	28,413	0.24	28,413	0.24
<b>10</b>	<b>Jayantilal Premji Shah</b>				
	At the beginning of the year	47,000	0.39	47,000	0.39
	Bought during the year	-	-	47,000	0.39
	Sold during the year	-	-	47,000	0.39
	At the end of the year	47,000	0.39	47,000	0.39
<b>11</b>	<b>Jayantilal Premji Shah</b>				
	At the beginning of the year	30,000	0.25	30,000	0.25
	Bought during the year	30,711	0.26	60,711	0.51
	Sold during the year	-	-	60,711	0.51
	At the end of the year	60,711	0.51	60,711	0.51
<b>12</b>	<b>Jayantilal Premji Shah</b>				
	At the beginning of the year	28,000	0.24	28,000	0.24
	Bought during the year	35,000	0.30	63,000	0.53
	Sold during the year	-	-	63,000	0.53
	At the end of the year	63,000	0.53	63,000	0.53

S. No.	Name of the Shareholder	Shareholding		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>13</b>	<b>Sunanda Jewalkar</b>				
	At the beginning of the year	44,450	0.37	44,450	0.37
	Bought during the year	-	-	44,450	0.37
	Sold during the year	-	-	44,450	0.37
	At the end of the year	44,450	0.37	44,450	0.37
<b>14</b>	<b>Akkineni Ramesh</b>				
	At the beginning of the year	36,985	0.31	36,985	0.31
	Bought during the year	14,182	0.12	51,167	0.43
	Sold during the year	-	-	51,167	0.43
	At the end of the year	51,167	0.43	51,167	0.43
<b>15</b>	<b>Akkineni Shilpa</b>				
	At the beginning of the year	25,610	0.21	25,610	0.21
	Bought during the year	25,667	0.22	51,277	0.43
	Sold during the year	2,116	0.02	49,161	0.41
	At the end of the year	49,161	0.41	49,161	0.41

The details of shareholding are maintained by respective Depositories and it is not feasible to provide daily change in the shareholding of top ten shareholders. Therefore, consolidated changes during the year 2014-15 has been provided.

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

S. No.	Name & Designation	Shareholding at the beginning of the year (April 1, 2014)		Date wise Increase/ Decrease in Share Holding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/sweat equity, etc.)	Cumulative Shareholding during the year (2014-15)		At the end of the year (March 31, 2015)	
		No. of shares	% of total shares of the company		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Mr. Hari S Bhartia, Chairman	20,873	0.18	No change during the Financial year 2014-15	20,873	0.18	20,873	0.18
2.	Mr. Priyavrat Bhartia, Director	253	0.00		253	0.00	253	0.00
3.	Mr. Shamit Bhartia, Director	6,561	0.06		6,561	0.06	6,561	0.06
4.	Dr. Ashok Misra,* Director	-	-		N.A.	N.A.	N.A.	N.A.
5.	Mr. Ghanshyam Dass, Director	-	-		-	-	-	-
6.	Mr. Ramanathan Bupathy, Director	-	-		-	-	-	-
7.	Mr. S. K. Roongta, Director	-	-		-	-	-	-
8.	Ms. Shivpriya Nanda, Director	-	-		-	-	-	-
9.	Mr. Videh Kumar Jaipuria, Managing Director	-	-		-	-	-	-
10.	Mr. Sandeep Kumar Shaw, Chief Financial Officer	-	-		-	-	-	-
11.	Mr. Deepak Gupta, Company Secretary	-	-		-	-	-	-

\*Dr. Ashok Misra resigned w.e.f. September 17, 2014.

## V. INDEBTEDNESS

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

(₹ in million)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount				
ii) Interest due but not paid	0.36	-	-	0.36
iii) Interest accrued but not due	-	-	-	-
<b>Total (i + ii + iii)</b>	<b>0.36</b>	<b>-</b>	<b>-</b>	<b>0.36</b>
<b>Change in Indebtedness during the financial year</b>				
i) Addition	-	10.95	-	10.95
ii) Reduction	0.25	-	-	0.25
<b>Net Change</b>	<b>0.25</b>	<b>10.95</b>		<b>11.20</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	0.11	10.00	-	10.11
ii) Interest due but not paid	-	0.95	-	0.95
iii) Interest accrued but not due	-	-	-	-
<b>Total (i + ii + iii)</b>	<b>0.11</b>	<b>10.95</b>	<b>-</b>	<b>11.06</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. no.	Particulars of Remuneration	Name of Managing Director/ Whole-time Director/ Manager		Total Amount (In ₹)
		Mr. Videh Kumar Jaipuria Managing Director		
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-
5.	Others, please specify	-	-	-
	<b>Total (A)</b>	<b>-</b>	<b>-</b>	<b>-</b>
	Ceiling as per the Act	No remuneration has been paid to Managing Director during the Financial year 2014-15. Hence, computation of ceiling under the Act is not given.		

**B. Remuneration to other directors:**

**(i) Independent Directors:**

Amount (₹)

S. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Dr. Ashok Misra*	Mr. Ghanshyam Dass	Mr. R Bupathy	Mr. S. K. Roongta	Ms. Shivpriya Nanda	
1.	Fee for attending Board/ Committee meetings	40,000	1,45,000	1,35,000	65,000	90,000	4,75,000
2.	Commission	-	-	-	-	-	-
3.	Others, please specify	-	-	-	-	-	-
4.	Total	40,000	1,45,000	1,35,000	65,000	90,000	4,75,000

\*Dr. Ashok Misra resigned w.e.f. September 17, 2014.

**(ii) Other Non-Executive Director:**

Mr. Hari S. Bhartia, Mr. Priyavrat Bhartia and Mr. Shamit Bhartia, Non-Executive Non-Independent Director, had opted for not taking any remuneration.

**Note:** No managerial remuneration has been paid to Non-Executive Directors during the Financial Year 2014-15. Hence, computation of ceiling of managerial remuneration is not given.

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

Amount (₹)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Mr. Deepak Gupta Company Secretary	Mr. Sandeep Kumar Shaw Chief Financial Officer	Total
1.	Gross salary			
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2215390	192000	2407390
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	41101	1480	42581
	c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-
5.	Others, please specify	-	-	-
	<b>Total</b>	<b>2256491</b>	<b>193480</b>	<b>2449971</b>

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

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

## Annexure 5

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

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

- 1) Reducing line changeover,
- 2) OPE improvement,
- 3) Checking the alignment of the motors,
- 4) Shutting down unnecessary computer, printer, office light,
- 5) Awareness developed through training.

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

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

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

Nil.

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

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

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

None.

**iii) Imported Technology**

Not Applicable.

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

None.

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

## Annexure 6

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

- (i) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2014-15, the percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary in the financial year 2014-15 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Sl. No.	Name and Designation of Director/KMP	Remuneration during the financial year 2014-15 (in ₹)	% increase in Remuneration	Ratio of remuneration of each Director to median remuneration of employees	Comparison of the Remuneration of the KMP against the performance of the Company
1.	Mr. Hari S. Bhartia Chairman (Non-Executive)	-	-	-	-
2.	Mr. Priyavrat Bhartia Non-Executive Director	-	-	-	-
3.	Mr. Shamit Bhartia Non-Executive Director	-	-	-	-
4.	Dr. Ashok Misra <sup>1</sup> Independent Director	40,000	-	-	
5.	Mr. Ghanshyam Dass Independent Director	145,000	13.82%*	0.15	
6.	Mr. R. Bupathy Independent Director	135,000	12.50%*	0.14	
7.	Mr. S.K. Roongta Independent Director	65,000	(3.70%)	0.07	
8.	Ms. Shivpriya Nanda <sup>2</sup> Independent Director	90,000	-	0.09	
9.	Mr. Videh Kr. Jaipuria Managing Director	-	-	-	
10.	Mr. Sandeep Kr. Shaw Chief Financial Officer	1,93,480	Nil	Not Applicable	Total Revenue of the Company increased by 7.15% from ₹ 274.15 mn in 2013-14 to ₹ 293.76 mn in 2014-15.
11.	Mr. Deepak Gupta Company Secretary	22,56,491	13%	Not Applicable	

<sup>1</sup> Details for % increase in the remuneration not given for Dr. Ashok Misra as he was Director only for part of the financial year 2014-15 i.e. upto September 17, 2014

<sup>2</sup> Details for % increase in the remuneration not given for Ms. Shivpriya Nanda as she was Director only for part of the financial year 2013-14 i.e. w.e.f. February 5, 2014.

\* Independent Directors have been paid remuneration by way of sitting fees. Increase in remuneration of Independent Directors has been because of increase in number of meetings attended by them. There has been no increase in sitting fees paid per meeting. Median of Total Cost to Company (CTC) on payable basis has been taken for all on-roll employees as on March 31, 2015. Median Salary of all on-roll employees is ₹ 978,620/-.

- (ii) The percentage increase in the median remuneration of employees in the Financial Year 2014-15 was 14%;
- (iii) 6 permanent employees were on the rolls of Company as on March 31, 2015
- (iv) The explanation on the relationship between average increase in remuneration and Company performance: Average increase in the remuneration was 9% in the Financial Year 2014-15 which was in line with industry trend. Total Revenue increased from ₹ 274.15 mn in 2013-14 to ₹ 293.76 mn in 2014-15.
- (v) Comparison of Remuneration of the Key Managerial Personnel(s) against the performance of the Company: Details are given in the table above.

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

	As on March 31, 2014	As on March 31, 2015
Market Capitalisation (in ₹ /million)	594	976

- b) Price Earnings ratio as at the close of closing date of the Current financial year i.e. March 31, 2015 and previous financial year i.e. March 31, 2014: Not applicable, as there was Net Loss in both the financial years;
- c) Percent increase over/ decrease in the market quotations of the shares of the company as compared to the rate at which the company came out with the last public offer: Not applicable, as the Company had not made any public offer of its shares. Shares were issued to the shareholders of Jubilant Life Sciences Limited pursuant to Scheme of Amalgamation and Demerger.
- (vii) Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentage increase in managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:
- Average increase in the remuneration of employees other than managerial remuneration was 9% in the Financial Year 2014-15. No remuneration has been paid to managerial personnel during the Financial Year 2014-15.
- (viii) The key parameters for the variable component of remuneration availed by the Directors: Remuneration paid to Directors does not include any variable component.
- (ix) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receiver remuneration in excess of the highest paid director during the year:

Remuneration of the highest paid Directors	₹ 145,000
Highest paid employee who is not a Director	₹ 22,56,491
Ratio	0.06

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

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

# Report on Corporate Governance



## A) Company's Philosophy:

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

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

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

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

**Highlights of Company's Corporate Governance regime are:**

- Broad based and well represented Board with fair mix of Executive, Non-Executive and Independent Directors bringing in expertise in diverse areas with half of the Board being Independent.
- Constitution of several Board Committees for focused attention and proactive flow of information and informed decisions.
- Active employee participation in place; one

top executive on the Board of Directors.

- Emphasis on ethical business conduct by the Board, management and employees to ensure integrity, transparency, independence and accountability in dealing with stakeholders.
- Established Code of Conduct for Directors and Senior Management, Instituted Whistle Blower policy and Code of Conduct for Prevention of Insider Trading and Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information.
- Focus on hiring, retaining and nurturing best talent and to promote a culture of excellence across the organisation. Exhaustive HRD Policies cover succession planning, training and development, employee grievance handling.
- Organisation wide 'Velocity' initiatives taken which include world-class improvement methodologies such as Six Sigma, Lean and World Class manufacturing.
- Employee Stock Option Plan – to attract, reward and retain key senior executives.
- Exhaustive and unique system of internal controls spanning over 1900 control points monitored through especially designed software.
- Robust Risk Management framework for identifying various risks, assessing their probability as well as likely impact and finalizing risk mitigation and minimization plans.
- Timely, transparent and regular disclosures.
- Effective control on statutory compliances by quarterly reporting and presentation.
- Paperless meetings of Board and Committees.

- Communication with shareholders including emailing of Annual Reports, other documents and Corporate Sustainability Report
- Comprehensive Corporate Sustainability Management System focusing on triple bottom - line reporting on economic, environment and society parameters as per Global Reporting Initiatives standards with a stated policy on sustainability.

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

## B) Board of Directors:

### (i) Composition

The Board comprises of eight Directors out of which four are Non-Executive Independent Directors including a Woman Director, three are Promoter Directors and one Managing Director.

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

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

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

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

management adheres to high standards of ethics, transparency and disclosures.

### (ii) Key functions of the Board

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

- Reviewing and guiding corporate strategy, major plans of action, risk policy, annual budgets and business plans, setting performance objectives, monitoring implementation & corporate performance and overseeing major capital expenditures, acquisitions and divestments;
- Monitoring effectiveness of the Company's governance practices and making changes as needed;
- Selecting, compensating, monitoring and when necessary, replacing key executives and overseeing succession planning;
- Aligning key executive and Board remuneration with the long term interests of the Company and its shareholders;
- Ensuring a transparent Board nomination process with the diversity of thought, experience, knowledge, perspective and gender in the Board;
- Monitoring and managing potential conflicts of interest of management, board members and shareholders, including misuse of corporate assets and abuse in related party transactions;
- Ensuring integrity of the company's accounting and financial reporting systems, including the independent audit and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational controls and compliance with the law and relevant standards;
- Overseeing the process of disclosure and communications;
- Monitoring and reviewing Board Evaluation framework.

**(iii) Meetings of the Board**

Meetings of the Board are generally held at the Corporate office of the Company at 1A, Sector 16A, Noida - 201301, Uttar Pradesh, India. During the financial year under review, the Board met four times i.e. on May 28, 2014; August 06, 2014; October 29, 2014 and February 04, 2015.

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

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

frequently as the situation warrants to properly discharge their responsibilities.

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

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

Composition of the Board of Directors as on March 31, 2015 and attendance at the Board meetings held during the Financial Year ended March 31, 2015 and at the last Annual General Meeting (AGM) are given in table below:

Name and Designation	Category	Attendance at Meetings		
		No. of Board Meetings		Last AGM
		Held during Tenure	Attended	Attended
Mr. Hari S. Bhartia Chairman	Non-Executive and Promoter	4	4	No
Mr. Priyavrat Bhartia# Director	Non-Executive and Promoter	4	4	Yes
Mr. Shamit Bhartia# Director	Non-Executive and Promoter	4	3	No
Dr. Ashok Misra* Director	Non-Executive and Independent	2	1	Yes
Mr. Ghanshyam Dass Director	Non-Executive and Independent	4	4	No
Mr. R. Bupathy Director	Non-Executive and Independent	4	4	Yes
Mr. S. K. Roongta Director	Non-Executive and Independent	4	2	No
Ms. Shivpriya Nanda Director	Non-Executive and Independent	4	4	No
Mr. Videh Kumar Jaipuria Managing Director	Executive	4	4	Yes

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

\* Resigned effective from September 17, 2014.

**(iv) Other Directorships**

The number of directorships and memberships/chairmanships of Board Committees held by the Directors in other bodies corporate as on March 31, 2015 are as given in table below:

Name of Director	No. of Directorships in Other Companies#			No. of Chairmanship / Membership of Committees*	
	Public	Private	Foreign	Chairmanship	Membership
Mr. Hari S. Bhartia	6	10	5	-	1
Mr. Priyavrat Bhartia	8	8	1	3	5
Mr. Shamit Bhartia	8	8	-	2	2
Mr. Ghanshyam Dass	4	4	-	1	4
Mr. R. Bupathy	2	2	-	3	-
Mr. S. K. Roongta	4	-	-	1	5
Ms. Shivpriya Nanda	2	-	-	-	-
Mr. Videh Kumar Jaipurkar	1	-	1	-	2

# Excluding Section 8 companies and Limited Liability Partnerships.

\* Pursuant to Clause 49 of the Listing Agreement, membership of Audit Committees and Stakeholders Relationship Committees of Indian Public Limited Companies, whether listed or not have been considered. Committees of Jubilant Industries Limited are also included.

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

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

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

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

#### (vi) Board Process

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

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

The Company has substantially complied with the Secretarial Standards (SS) issued by the Institute of Company Secretaries of India (ICSI) from time to time.

#### (vii) Independent Directors' Meeting

Independent Directors met on February 05, 2015 and April 30, 2015, without the attendance of Non-Independent Directors and members of the management of the Company. The Independent Directors, *inter alia*, evaluated performance of the Non-Independent Directors, Chairman of the Company and the Board of Directors as a whole. They also assessed the quality, content and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

#### (viii) Familiarisation Programme For Independent Directors

The Company familiarises its Independent

Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc. In this regard, the Company follows a structured familiarisation programme for the Independent Directors. The details related thereto are displayed on the Company's website ([www.jubilantindustries.com](http://www.jubilantindustries.com))

At the time of appointment, an appointment letter setting out the role, duties & responsibilities, details regarding remuneration, performance evaluation process, among others, is given to the Directors. The Directors are also explained in detail the compliances required from them under the Act, Listing Agreement and other relevant regulations and their individual affirmations are taken with respect to the same.

#### C) Committees of the Board

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

Committees that are constituted voluntarily for effective governance of the affairs of the Company may also include Company executives.

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

Audit Committee	Stakeholders Relationship Committee	Corporate Governance Committee
Mr. R. Bupathy (Chairman) Dr. Ashok Misra <i>(resigned w.e.f. September 17, 2014)</i> Mr. Ghanshyam Dass Mr. S. K. Roongta <i>(appointed w.e.f. October 06, 2014)</i>	Mr. S. K. Roongta (Chairman) Mr. Priyavrat Bhartia Mr. Videh Kumar Jaipurkar	Mr. Hari S. Bhartia (Chairman) Mr. Ghanshyam Dass Mr. R. Bupathy Mr. Videh Kumar Jaipurkar
Restructuring Committee	Sustainability and Corporate Social Responsibility Committee	Finance Committee
Mr. Hari S. Bhartia (Chairman) Mr. Priyavrat Bhartia Mr. Videh Kumar Jaipurkar	Mr. Hari S. Bhartia (Chairman) Mr. Priyavrat Bhartia Mr. Ghanshyam Dass Mr. Videh Kumar Jaipurkar	Mr. Hari S. Bhartia (Chairman) Mr. Priyavrat Bhartia Mr. Videh Kumar Jaipurkar
Nomination, Remuneration and Compensation Committee	Business Strategy Committee	Listing Committee
Mr. Ghanshyam Dass (Chairman) Mr. Priyavrat Bhartia Mr. Shamit Bhartia Mr. R. Bupathy Mr. S. K. Roongta	Mr. Ghanshyam Dass Ms. Shivpriya Nanda Mr. Videh Kumar Jaipurkar Mr. Raman Mangalorkar* <i>(resigned w.e.f. August 12, 2015)</i>	Mr. Hari S. Bhartia (Chairman) Mr. Priyavrat Bhartia Mr. Videh Kumar Jaipurkar

\* Whole Time Director of Jubilant Agri and Consumer Products Limited, wholly owned subsidiary of the Company.

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

Name of the Committee	Meetings held	Hari S. Bhartia	Priyavrat Bhartia	Dr. Ashok Misra	Ghanshyam Dass	R. Bupathy	S. K. Roongta	Shivpriya Nanda	Videh Kumar Jaipurkar
Audit	5	N.A.	N.A.	2	5	5	1	N.A.	N.A.
Stakeholders Relationship	5	N.A.	5	N.A.	N.A.	N.A.	4	N.A.	5
Sustainability & CSR	1	1	1	N.A.	1	N.A.	N.A.	N.A.	1
Finance	2	1	2	N.A.	N.A.	N.A.	N.A.	N.A.	2
Business Strategy	1	N.A.	N.A.	N.A.	1	N.A.	N.A.	1	1

N.A. – Not a member of the Committee

No meeting of Nomination, Remuneration and Compensation, Corporate Governance, Restructuring and Listing Committees were held during the year.

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

#### AUDIT COMMITTEE

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

All members of the Audit Committee are

financially literate and a majority have accounting or financial management expertise.

#### (i) Terms of reference:

The Audit Committee functions according to its terms of reference that define its composition, authority, responsibility and reporting functions in accordance with the provisions of the Companies Act and Clause 49 of the Listing Agreement which, *inter-alia*, currently include the following:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

2. Recommendation for appointment, remuneration, terms of appointment of auditor of the Company;
3. Approval of payment to statutory auditors for any other permitted services rendered by the statutory auditors;
4. Reviewing and examining, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report
  - b. Changes, if any, in accounting policies and practices and reasons for the same.
  - c. Major accounting entries involving estimates based on the exercise of judgment by management
  - d. Significant adjustments made in the financial statements arising out of audit findings.
  - e. Compliance with listing and other legal requirements relating to financial statements.
  - f. Disclosure of any related party transactions.
  - g. Draft Auditors' report including qualifications, if any;
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
6. Reviewing and monitoring, with the management, the statement of uses/ application of funds raised through an issue/ public offers (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Reviewing and monitoring with the management, independence and performance of statutory and internal auditors, adequacy of the internal control systems, and effectiveness of the audit processes;
8. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit;
9. Discussion with internal auditors of any significant findings and follow up thereon;
10. Reviewing the findings of any internal investigations by internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
11. Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
12. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors;
13. To ensure establishment of and to review the functioning of the Whistle Blower Policy (Vigil Mechanism);
14. Approval of appointment of CFO (i.e., the whole- time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate;
15. Approval or any subsequent modification of transactions of the Company with related parties;
16. Scrutiny of inter-corporate loans and investments;
17. Valuation of undertakings or assets of the Company, wherever it is necessary;
18. Evaluation of internal financial controls and risk management system;

19. Review of Management discussion and analysis of financial condition and results of operations;
20. Review of Management letters / letters of internal control weaknesses issued by the statutory auditors;
21. Review of Internal audit reports relating to internal control weaknesses;
22. Review of Financial statement, in particular, investments made by the subsidiary company(s);
23. Review of appointment, removal and terms of reference of Chief Internal Auditor;
24. Recommend appointment and remuneration of Cost Auditors;
25. Any other role as prescribed by the Companies Act, 2013 and the Listing Agreement

**(ii) Invitees:**

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

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

**(iii) Meetings and Quorum**

Audit Committee meets at least four times in a year with a gap of not more than four months between two meetings. During the year the Committee met five times i.e. on May 27, 2014, May 28, 2014, August 6, 2014, October 29, 2014 and February 4, 2015.

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

**NOMINATION, REMUNERATION AND COMPENSATION COMMITTEE**

The Nomination, Remuneration and Compensation Committee, constituted under Section 178 of the Act and the Listing Agreement, functions according to its terms of reference that define its composition, authority, responsibility and reporting functions in accordance with

the provisions of Act and Clause 49 of the Listing Agreement which, inter alia, include the following:

**(i) Terms of Reference:**

1. To identify persons who are qualified to become director in accordance with the criteria laid down and recommend to the Board, their appointment / removal;
2. To identify persons who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board, their appointment / removal;
3. To formulate criteria for performance evaluation of independent directors and the Board and to carry out evaluation of every director's performance;
4. To formulate the criteria for determining qualifications, positive attributes and independence of a director;
5. To devise a policy on Board diversity;
6. To formulate and recommend to the Board policies relating to the remuneration for:
  - a. Directors;
  - b. Key Managerial Personnel; and
  - c. Other Employees of the Company;
7. To recommend remuneration payable to Managing Directors and Whole-time Directors;
8. To review and recommend nature of services rendered by any director in other capacity and requisite qualification thereof;
9. To discharge the roles envisaged under the erstwhile SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme), Guidelines, 1999 as replaced by the SEBI (Share Based Employee Benefits) Regulations, 2014;
10. Any other role as may be prescribed by law, from time to time.

**(ii) Meetings and Quorum**

The Committee meets as often as required. No meeting of the Committee was held during the year under review.

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

#### **STAKEHOLDERS RELATIONSHIP COMMITTEE**

Pursuant to the provisions of Section 178 of the Act and Listing Agreements, during the year, the 'Investors Grievance Committee' was renamed as the 'Stakeholders Relationship Committee'.

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

##### **(i) Terms of Reference:**

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

##### **(ii) Meetings and Quorum**

The Committee meets as often as required. During the year under review, the Committee met five times i.e. on May 28, 2014, August 6, 2014, October 29, 2014, December 23, 2014 and February 4, 2015.

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

##### **(iii) Investors' Grievances/Complaints**

During the year, the Company received 9 complaints, which were resolved. No complaint was pending as on March 31, 2015.

##### **(iv) Transfers, Transmissions etc. approved**

The Committee is empowered to deal with share transfers and other related matters. The Committee meets as often as required to discharge its responsibilities. Additionally,

the Board/Committee has authorised Chief Financial Officer and Company Secretary to jointly exercise powers of approving transfer/transmission of shares. Normally, transfers/transmissions are approved weekly.

During the year under review, the Company received 58 cases (involving 2,427 equity shares) of share transfer/transmission out of which 32 cases (involving 1543 equity shares) were transferred/ transmitted and 26 cases (involving 884 equity shares) were rejected for technical reasons.

The Company had 17,660 shareholders as on March 31, 2015.

#### **SUSTAINABILITY AND CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

In compliance with the requirements of the Act, the Committee was originally constituted to oversee the performance of the Company on triple bottom line indicators viz. Environmental, Economic and Social factors. The Committee was renamed during the year under review and oversees the sustainability and CSR initiatives of the Company.

The role of the Committee is:

##### **(i) Terms of Reference:**

##### **1. Sustainability**

- To take all steps and decide all matters relating to triple bottom line indicators viz. Economic, Environmental and Social factors.

##### **2. Corporate Social Responsibility**

- To formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company;
- To recommend the amount of expenditure to be incurred on the activities referred in the CSR Policy and review the same;
- To monitor the CSR Policy including CSR projects/programmes;
- Any other role as may be prescribed by law, from time to time.

**(ii) Meetings and Quorum**

During the year under review, the Committee met once on October 29, 2014.

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

**FINANCE COMMITTEE**

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

**(i) Terms of Reference:**

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

amount of USD 5.82 million outstanding at any point of time;

7. To borrow upto an amount not exceeding ₹ 2 crores outstanding at any point of time, in one or more tranches on such terms and conditions as may be agreed with JACPL.

**(ii) Meetings and Quorum**

The Committee meets as and when necessary. During the year under review, the Committee met two times i.e. April 28, 2014 and July 7, 2014.

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

**BUSINESS STRATEGY COMMITTEE**

Business Strategy Committee was constituted during the year. The role of the Committee is:

**(i) Terms of Reference**

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

**(ii) Meetings and Quorum**

The Committee meets as and when necessary. During the year, one meeting of the Committee was held on November 11, 2014.

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

**RESTRUCTURING COMMITTEE**

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

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

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

#### **LISTING COMMITTEE**

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

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

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

#### **CORPORATE GOVERNANCE COMMITTEE**

The Corporate Governance Committee is responsible for evaluating adoption of Voluntary Corporate Governance Guidelines and Corporate Social Responsibilities Guidelines issued by the Central Government. No meeting of the Committee was held during the year under review. The quorum for the meeting is two members.

#### **D) Annual Performance Evaluation**

Pursuant to the provisions of the Act and Clause 49 of the Listing Agreement, the Board has carried out annual evaluation of its performance, its Committees, Chairperson and Directors through structured questionnaire.

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

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

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

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

#### **E) Remuneration of Directors**

##### **(i) Remuneration to Executive Directors**

Mr. Videh Kumar Jaipurian was appointed as Managing Director without any remuneration w.e.f. March 1, 2013 for a period of three years. During the year, no remuneration was paid to him. He is getting remuneration from JACPL, as its Whole-time Director.

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

Mr. Videh Kumar Jaipurian does not hold any share in the Company. He has been granted 40,000 stock options under JIL Employee Stock Option Scheme 2013. Each stock option on vesting shall be entitled to one equity share of ₹ 10. Post FY 2015, 20,000 equity shares were allotted to Mr. Jaipurian upon exercise of stock options.

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

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

The details of sitting fees paid/payable for Board/Committee Meetings to other Non-Executive Directors for year ended March 31, 2015 are as follows:

Name	Sitting Fees (₹)
Dr. Ashok Misra	40,000
Mr. Ghanshyam Dass	1,45,000
Mr. R. Bupathy	1,35,000
Mr. S. K. Roongta	65,000
Ms. Shivpriya Nanda	90,000
<b>Total</b>	<b>4,75,000</b>

As on March 31, 2015, Mr. Hari S. Bhartia holds 20,873 equity shares in the Company, Mr. Priyavrat Bhartia holds 253 equity shares in the Company and Mr. Shamit Bhartia holds 6,561 equity shares in the Company. Other Non-Executive Directors do not hold any equity share in the Company. No stock options have been granted to any Non-Executive Directors.

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

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

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

attending the meetings and through commission as approved by the Board and members.

**F) General Body Meetings**

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

Financial Year	Date	Time	Location
2013-14 (8th AGM)	September 02, 2014	2:30 pm	Registered office: Bhartiagram, Gajraula, District Amroha – 244223, Uttar Pradesh
2012-13 (7th AGM)	August 27, 2013	1:30 pm	
2011-12 (6th AGM)	August 28, 2012	1:30 pm	

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

Special Resolutions were passed at the AGM of the Company held on August 28, 2012 for appointment of Mr. Videh Kumar Jaipurian as Whole-time Director of the Company and for payment of Commission upto ₹ 10,00,000 per annum to Non-Executive Directors of the Company.

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

The details of Special Resolutions passed on September 08, 2014 through postal ballot/e-voting and the pattern of voting are as below:

S. No.	Particulars of Resolutions	Votes in Favour of Resolution [No. & % age]	Votes against Resolution [No. & % age]
1	Authorisation to the Board of Directors of the Company (including its Committee) for borrowings upto ₹ 5,000 million	8,085,279 (98.40%)	131,547 (1.60%)
2	Authorisation to the Board of Directors of the Company's properties upto ₹ 10,000 million for securing the borrowings of the company, its subsidiary, Associates and/ or joint venture companies (present and future)	8,085,263 (98.40%)	131,563 (1.60%)

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

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

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

**(v) Procedure for Postal Ballot**

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

**G) Codes and Policies**

The Company has established the following salient codes and policies:

**i. Code of Conduct**

The Company has formulated and implemented a Code of Conduct for all

Board members and Senior Management. Requisite annual affirmations of compliance with the Code have been received from the Directors and Senior Management of the Company. A declaration signed to this effect by Mr. Videh Kumar Jaipuriar, Managing Director is enclosed as Annexure-A. The Code of Conduct is posted on the Company's website ([www.jubilantindustries.com](http://www.jubilantindustries.com)).

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

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities of the Company by its Directors and Designated Employees.

**iii. Whistle Blower Policy**

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

The Policy has been posted on the Company's intranet viz: "myjubilant". During the year, no Director or full time employee was denied access to the Chairman of the Audit Committee.

**iv. Appointment and Remuneration Policy**

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

**v. 'Policy for Determining Material Subsidiaries'** is displayed on the Company's website. The web-link for the same is: <http://www.jubilantindustries.com/pdfs/policy-for-material-subsidiaries.pdf>

- vi. 'Policy on Materiality of Related Party Transactions and Dealing with Related Party Transactions' is displayed on the Company's website. The web-link for the same is: <http://www.jubilantindustries.com/pdfs/policy-for-related-party-transactions.pdf>
- vii. 'Corporate Social Responsibility Policy' is displayed on Company's website ([www.jubilantindustries.com](http://www.jubilantindustries.com)).
- viii. Policy on Board Diversity
- ix. Disclosure Policy

#### H) Disclosures

- (i) Jubilant Agri and Consumer Products Limited (JACPL) is a material non-listed wholly owned Indian subsidiary of the Company.
- (ii) There are no materially significant transactions with the related parties viz. promoters, directors or the management, their subsidiaries or relatives, etc. that may have a potential conflict with the interests of the Company at large. Related party transactions are given at Note No. 40 of Notes to the Standalone Financial Statements.
- (iii) The Company has complied with various rules and regulations prescribed by Stock Exchanges, Securities and Exchange Board of India or any other statutory authority relating to the capital markets and no penalties or strictures have been imposed by them on the Company during last three years.
- (iv) Listing fees for the financial year 2015-16 have been paid to the Stock Exchanges where the shares of the Company are listed.
- (v) Detailed notes on risk management are included in the Management Discussion Analysis section.

#### I) Means of Communication

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

- (ii) The quarterly and annual financial results are posted on the website of the Company at [www.jubilantindustries.com](http://www.jubilantindustries.com). The website also displays official news release.
- (iii) Various sections of the Company's website keep the investors updated on material developments of the Company by providing key and timely information like details of directors, financial results, annual reports, shareholding pattern etc.
- (iv) The Investor Relations department of the Company regularly interacts with current and prospective investors and capital market intermediaries (brokers) who either invest in Company stocks and/or encourage investors to do the same, directly or through bourses. Investor Relations Department responds to all requests from investors and analysts, through calls/emails, with respect to the business profile and financial performance of the Company. The published results are shared after the Board meeting by uploading on the company's website for all interested stakeholders.
- (v) Annual Report and Corporate Sustainability Report are emailed to such shareholders whose email ids are registered with the Company/Depositories.

#### J) General Shareholders' Information

##### (i) Date, Time and Venue for 9th Annual General Meeting

As per notice of 9th Annual General Meeting.

##### (ii) Financial Year and Financial Calendar.

The Company observes April 01 to March 31 of the following year as its Financial Year. The Financial Calendar for year 2015-16 is as follows:

Item	Tentative Dates *
First Quarter Results	August 12, 2015
Second Quarter Results	October 28, 2015
Third Quarter Results	February 10, 2016
Audited Annual Results for the year	May 25, 2016

*\*As approved by the Board. However these dates are subject to change.*

**(iii) Book Closure & Dividend Payment Dates**

Book Closure date is as per Notice of 9th Annual General Meeting. Further, no dividend has been recommended for the year ended March 31, 2015.

**(iv) Listing**

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

S. No.	Name of the Stock Exchange	Security Listed	Stock Code
1.	BSE Ltd.	Equity Shares	533320
2.	National Stock Exchange of India Ltd.	Equity Shares	JUBLINDS

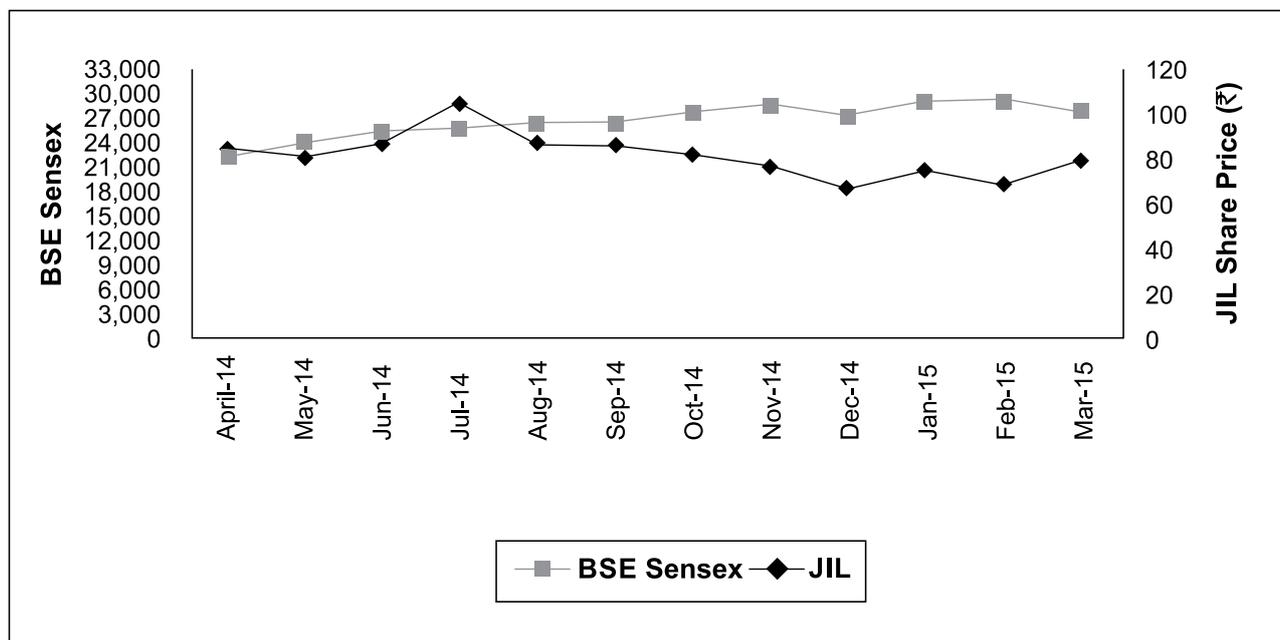
**(v) Market Price Data**

Monthly high/low of market price of the Company's equity shares (of ₹ 10 each) traded on the Stock Exchanges during 2014-15 is given hereinafter:

Month	BSE		NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
Apr-14	87.80	49.00	88.65	51.00
May-14	93.00	80.10	96.60	78.10
Jun-14	91.95	77.65	93.65	77.40
Jul-14	125.00	87.25	121.25	86.60
Aug-14	133.20	81.10	132.10	82.05
Sep-14	104.00	84.25	105.70	83.10
Oct-14	93.00	79.10	95.00	82.00
Nov-14	90.00	70.00	88.10	67.30
Dec-14	79.00	61.50	78.00	59.00
Jan-15	86.25	67.10	86.80	66.30
Feb-15	77.00	66.20	78.00	65.65
Mar-15	109.45	65.10	109.45	66.00

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

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



**(vii) Growth in Equity Capital**

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

**(viii) Compliance Officer**

Mr. Dinesh Kumar Gupta, Company Secretary, is the Compliance Officer appointed by the Board. He can be contacted for any investor related matter relating to the Company. The contact nos. are +91-120-7186000, Fax nos. +91 -120-7186040-6140 and e-mail id is "investorsjil@jubl.com".

**(ix) Registrar and Share Transfer Agent**

For share related matters, members are requested to correspond with the Company's Registrar and Share Transfer Agent - M/s. Alankit Assignments Limited quoting their Folio No. / DP ID & Client ID at the following address:

M/s. Alankit Assignments Limited,  
Alankit Heights 1E/13  
Jhandewalan Extension  
New Delhi-110055;  
Tel: +91-11-23541234, 42541234;  
Fax: +91-11-41543474  
E-mail: rta@alankit.com

**(x) Share Transfer System**

Stakeholders Relationship Committee is authorised to approve transfers of shares. Share transfers which are received in physical form, are processed and the share certificates are normally returned within a period of 15 days from the date of receipt subject to the documents being valid and complete in all respects. The dematerialised shares are transferred directly to the beneficiaries by the depositories.

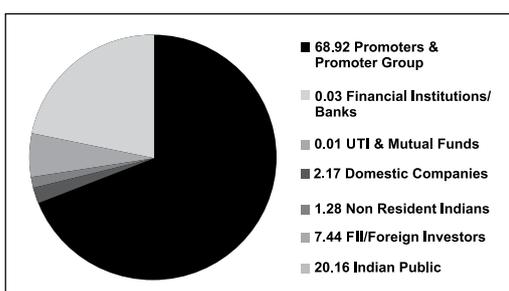
**(xi) Distribution of shareholding as on March 31, 2015****(a) Value wise**

Shareholding of nominal value (in ₹)	Shareholders		Shareholding	
	Number	%	Number	%
Upto 5000	17201	97.40	708518	5.98
5001 to 10000	192	1.09	149641	1.26
10001 to 20000	108	0.61	130884	1.10
20001 to 30000	41	0.23	104984	0.89
30001 to 40000	21	0.12	73997	0.62
40001 to 50000	24	0.14	108008	0.91
50001 to 100000	25	0.14	107094	0.90
100001 and above	48	0.27	10466278	88.34
<b>Total</b>	<b>17660</b>	<b>100.00</b>	<b>11849404</b>	<b>100.00</b>

**(b) Category wise**

S. No.	Category	No. of shares	Shareholding as a percentage of total number of shares
A	Promoters & Promoter Group	8166637	68.92
B	Public Shareholding		
1	Financial Institutions / Banks	3697	0.03
2	UTI/Mutual Funds	645	0.01

S. No.	Category	No. of shares	Shareholding as a percentage of total number of shares
3	Domestic Companies	256910	2.17
4	Non Resident Indians	150868	1.27
5	FII / Foreign Investors	881431	7.44
6	Indian Public	2389216	20.16
	<b>Grand Total</b>	<b>11849404</b>	<b>100.00</b>



#### (xii) Unclaimed Dividends

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

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

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

#### (xiii) Equity Shares in Unclaimed Suspense Account

Pursuant to Clause 5A of the Listing Agreement, shareholders holding physical shares and not having claimed share certificates, had been sent three reminder letters to claim their equity shares. In terms of Listing Agreement, equity shares, which

remained unclaimed, were transferred to Jubilant Industries Limited-Unclaimed Suspense Account. The details required under Clause 5A of the Listing Agreement are given below:

Particulars	Number of Shareholders	Number of Equity Shares
Aggregate number of shareholders and the outstanding shares in the to Unclaimed Suspense Account lying as on April 01, 2014	1414	37011
Aggregate number of shareholders and the outstanding shares transferred to Unclaimed Suspense Account during 2014-15	NIL	NIL
Number of shareholders who approached the Company for transfer of shares from the Unclaimed Suspense Account during 2014-15	5	190
Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during 2014-15	5	190
Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account as on March 31, 2015	1409	36821

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

**(xiv) Information pursuant to Clause 49 VIII(E) (1) of the Listing Agreement**

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

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

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

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

The shares of the Company fall under the category of compulsory delivery in dematerialized mode by all categories of investors. The Company has signed agreements with National Securities Depository Limited (NSDL) and Central Depositories Services (India) Limited (CDSL). 11692143 equity shares of the Company (98.68%) were in dematerialized form as on March 31, 2015. Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE645L01011.

**(b) Liquidity**

The Equity Shares of the Company are frequently traded on the National Stock Exchange of India Limited as well as on the BSE Limited (Group B).

**(c) Paid-Up Capital**

The Paid-up Capital as at March 31, 2015 stands at 1,18,49,404 equity shares of ₹ 10 each amounting to ₹ 11,84,94,040 (Rupees Eleven crores Eighty Four Lacs Ninety Four Thousand and Forty only).

**(d) Stock Options**

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

During the year 2014-15, no Options were granted. As on March 31, 2015 117,431 Options were outstanding under ESOP Scheme.

**(xvii) Location of Plant**

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

**(xviii) Address for Correspondence**

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

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

L24100UP2007PLC032909

**K) Compliance with Clause 49 of Listing Agreement**

**(a) Mandatory Requirements**

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

Particulars	Clause of Listing Agreement	Compliance Status Yes/ No
II. Board of Directors	49 (II)	
(A) Composition of Board	49 (IIA)	Compiled
(B) Independent Directors	49 (IIB)	Compiled
(C) Non-executive Directors' Compensation & Disclosures	49 (IIC)	Compiled
(D) Other Provisions as to Board and Committees	49 (IID)	Compiled

Particulars	Clause of Listing Agreement	Compliance Status Yes/ No
(E) Code of Conduct	49 (IIE)	Compiled
(F) Whistle Blower Policy	49 (IIF)	Compiled
III. Audit Committee	49 (III)	
(A) Qualified & Independent Audit Committee	49 (IIIA)	Compiled
(B) Meeting of Audit Committee	49 (IIIB)	Compiled
(C) Powers of Audit Committee	49 (IIIC)	Compiled
(D) Role of Audit Committee	49 (IIID)	Compiled
(E) Review of Information by Audit Committee	49 (IIIE)	Compiled
IV. Nomination and Remuneration Committee	49 (IV)	Compiled
V. Subsidiary Companies	49 (V)	Compiled
VI. Risk Management	49 (VI)	Compiled
VII. Related Party Transactions	49 (VII)	Compiled
IV. Disclosures	49 (VIII)	
(A) Related Party Transactions	49 (VIII A)	Compiled
(B) Disclosure of Accounting Treatment	49 (VIII B)	Compiled
(C) Remuneration of Directors	49 (VIII C)	Compiled
(D) Management	49 (VIII D)	Compiled
(E) Shareholders	49 (VIII E)	Compiled
(I) Proceeds from Public Issues, Rights Issues, Preferential Issues etc.	49 (VIII F)	N.A.
IX. CEO/CFO Certification	49 (IX)	Compiled
X. Report on Corporate Governance	49 (X)	Compiled
XI. Compliance	49 (XI)	Compiled

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

1. **The Board - Non Executive Chairman's Office**

The Chairman is Non-Executive Promotor Director.

2. **Shareholders' Rights**

Half yearly financial performance is not being sent to Shareholders.

3. **Audit Qualifications**

The financial statements of the Company contain no audit qualifications.

4. **Separate posts of Chairman and CEO**

The Company has separate posts of Chairman and CEO.

5. **Reporting of Internal Auditor**

Internal Auditor reports to the Audit Committee.

**CEO/CFO Certification**

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

**Investor Services**

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

- Emailing Annual Report, Corporate Sustainability Report and Notice of Annual General Meeting to shareholders, whose e-mail IDs are available.
- User friendly Investor Section on the website of the Company [www.jubilantindustries.com](http://www.jubilantindustries.com).
- A dedicated e-mail ID viz. [investorsjil@jubl.com](mailto:investorsjil@jubl.com) for sending communications to the Company Secretary & Compliance Officer. Members may lodge their complaints or suggestions on this e-mail ID as well.

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

## Annexure A

## TO WHOMSOEVER IT MAY CONCERN

This is to confirm that all the Board members and senior management personnel have affirmed compliance with the Code of Conduct of the Company for the year ended March 31, 2015.

For Jubilant Industries Limited

Place : Noida  
Date : October 28, 2015

Videh Kumar Jaipuria  
Managing Director

## Annexure B

## APPOINTMENT AND REMUNERATION POLICY

## SCOPE

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

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

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

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

## DEFINITIONS

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

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

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

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

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

The prospective Director:

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

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

#### **COMPLIANCES**

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

#### **DISCLOSURES**

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

## REVIEW / AMENDMENT

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

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

### PART I – KEY MANAGERIAL PERSONNEL

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

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

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

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

##### OBJECTIVES

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

##### SPECIFIC QUALIFICATIONS AND ATTRIBUTES

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

##### PROCESS OF APPOINTMENT AND REMOVAL

###### Appointment

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

###### Removal

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

##### COMPONENTS OF REMUNERATION / INCREMENTS

Remuneration shall consist of:

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

##### ANNUAL INCREMENT

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

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

### **OBJECTIVES**

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

### **QUALIFICATIONS AND ATTRIBUTES**

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

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

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

#### Appointment

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

#### Removal

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

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

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

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

### **ANNUAL APPRAISAL AND INCREMENT**

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

- Individual's performance against Key Performance Indicators.

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

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

### OBJECTIVES

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

### SPECIAL QUALIFICATIONS AND ATTRIBUTES FOR INDEPENDENT DIRECTORS

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

### PROCESS OF APPOINTMENT AND REMOVAL

#### Appointment

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

#### Removal

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

### ELEMENTS/COMPONENTS OF REMUNERATION

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

## PART III – SENIOR MANAGEMENT & OTHER EMPLOYEES

### OBJECTIVES

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

- Depending on the level of the employee, a suitable component of remuneration is linked to performance of such individual employee, the performance of the business and the Company as per the HR Policy of the Company.

#### **QUALIFICATIONS AND ATTRIBUTES**

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

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

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

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

##### **Appointment**

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

##### **Removal**

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

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

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

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

#### **ANNUAL APPRAISAL AND INCREMENT**

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

- Individual's performance against Key Performance Indicators.

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

## Annexure C

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

To the Members of  
Jubilant Industries Limited

We have examined the compliance of conditions of corporate governance by Jubilant Industries Limited ("the Company") for the year ended on March 31, 2015, as stipulated in clause 49 of the Listing Agreement of the Company with the stock exchanges. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India.

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

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

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

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

Place : Noida  
Date : October 28, 2015

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

**CERTIFICATE OF CEO/CFO**

This is to certify that:

- (a) We have reviewed financial statements and the cash flow statement for the year 2014-15 and that to the best of our knowledge and belief:
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit committee:
  - i. significant changes in internal control over financial reporting during the year;
  - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

**For Jubilant Industries Limited**

Place : Noida  
Date : October 28, 2015

**Videh Kumar Jaipurjar**  
Managing Director

**Sandeep Kumar Shaw**  
Chief Financial Officer

# Independent Auditors' Report



## TO THE MEMBERS OF JUBILANT INDUSTRIES LIMITED

### Report on the Financial Statements

1 We have audited the accompanying financial statements of **JUBILANT INDUSTRIES LIMITED** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2015, 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.

### Management's responsibility for the Financial Statements

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

### Auditors' Responsibility

3 Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which

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

4 An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments; the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design the audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

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

- (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2015;
- (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, 2015 ('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 statement on the matters specified in paragraphs 3 and 4 of the said Order, to the extent applicable.

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 Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement 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 March 2015, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31 March 2015 from being appointed as director in terms of section 164(2) of the Companies Act, 2013 and

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

- i. There were no pending litigations which would impact the financial position of the Company;
- ii. The Company did not have any foreseeable losses on long term contracts and had no derivative contracts outstanding as at 31<sup>st</sup> March, 2015; and
- iii. The Company did not have any dues on account of Investor Education and Protection Fund.

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

Chartered Accountants

Firm Registration Number: 304153E

**B.R. GOYAL**

Partner

Membership No. 12172

**Place : Noida**

Date : 28<sup>th</sup> October, 2015

## ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 7 of our report of even date to the members of Jubilant Industries Limited on the financial statements for the year ended 31<sup>st</sup> March, 2015)

- |   |  |
|---|--|
| <p>i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.</p> <p>(b) As explained to us, physical verification of fixed assets has been carried out in terms of the phased programme of verification of its fixed assets adopted by the Company and no material discrepancies were noticed on such verification. In our opinion the frequency of verification is reasonable, having regard to the size of the Company and nature of its business.</p> <p>ii) (a) The inventories have been physically verified during the year by the management at reasonable intervals.</p> <p>(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.</p> <p>(c) The Company is maintaining proper records of inventory. In our opinion, discrepancies noticed on physical verification of stocks were not material in relation to the operations of the Company.</p> <p>iii) According to the information and explanations given to us, the Company has, during the year, not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the companies Act, 2013. Accordingly, paragraph 3(iii) of the Order is not applicable.</p> <p>iv) In our opinion and according to the information and explanations given to us, there are internal control systems commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and for the sale of goods. There was no sale of services during the year. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system.</p> <p>v) The Company has not accepted public deposits during the year.</p> <p>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.</p> | <p>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, wealth 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 at 31<sup>st</sup> March, 2015 for a period of more than six months from the date they became payable.</p> <p>(b) According to the records of the Company, there are no dues of sale tax, income tax, duties of customs, wealth tax, service tax, duty of excise, cess and value added tax which have not been deposited on account of dispute.</p> <p>(c) The Company did not have any dues on account of Investor Education and Protection Fund.</p> <p>viii) There are no accumulated losses of the Company as at 31<sup>st</sup> March 2015. Company has incurred cash losses during the financial year covered by our audit, as well as in the immediately preceding financial year of the Company.</p> <p>ix) Based on our audit procedures and the information given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to any financial institution or bank as it was not enjoying any loan facility from any financial institution or bank.</p> <p>x) According to the information and explanations given to us, Company has not given any guarantee for loans taken by others from banks or financial institution except in respect of various credit facilities enjoying by its wholly owned subsidiary for which the guarantees have been given and the same is not prejudicing in the interest of the Company.</p> <p>xi) In our opinion and according to the information and explanations given to us, the Company has not availed any term loan during the year.</p> <p>xii) Based upon the audit procedures performed and to the best of our knowledge and according to the information and explanations given to us by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.</p> |
|---|--|

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

Firm Registration Number: 304153E

**B.R. GOYAL**  
Partner

**Place: Noida**  
Date : 28<sup>th</sup> October, 2015

Membership No. 12172

# Balance Sheet



(₹ in million)

	Note	As at 31st March, 2015	As at 31st March, 2014
<b>I EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	3	118.49	118.49
Reserve & surplus	4	2,495.72	2,507.58
		2,614.21	2,626.07
<b>Non-current liabilities</b>			
Long term borrowings	5	–	0.11
Deferred tax liabilities (net)	6	0.52	1.73
Long term provisions	7	1.72	0.89
		2.24	2.73
<b>Current liabilities</b>			
Short term borrowings	8	10.00	–
Trade payables	9	32.00	141.15
Other current liabilities	10	150.80	151.40
Short term provisions	11	0.82	6.79
		193.62	299.34
<b>Total</b>		<b>2,810.07</b>	<b>2,928.14</b>
<b>II ASSETS</b>			
<b>Non-current assets</b>			
<b>Fixed assets</b>			
Tangible assets	12	19.83	21.29
Intangible assets	13	0.44	0.63
Non current investments	14	2,634.87	2,624.12
Long term loans & advances	15	1.31	1.36
		2,656.45	2,647.40
<b>Current assets</b>			
Inventories	16	32.58	54.63
Trade receivables	17	15.25	116.66
Cash & bank balances	18	1.49	2.90
Short term loans and advances	19	104.30	106.55
		153.62	280.74
<b>Total</b>		<b>2,810.07</b>	<b>2,928.14</b>
<b>Statement of significant accounting policies &amp; notes to the Financial Statements</b>	1 - 46		

In terms of our report of even date attached.

For and on behalf of the Board

For K. N. Gutgutia &amp; Co.

Chartered Accountants

Firm Registration Number : 304153E

B. R. Goyal

Partner

Membership No. 12172

Hari S. Bhartia

Chairman

Place : Noida

Date : 28<sup>th</sup> October, 2015Dinesh Kumar Gupta  
Company SecretarySandeep Kumar Shaw  
Chief Financial OfficerVideh Kumar Jaipuria  
Managing Director

# Statement of Profit and Loss

(₹ in million)

	Note	For the year ended 31st March, 2015	For the year ended 31st March, 2014
<b>REVENUE</b>			
Revenue from operations (gross)	20	500.57	522.16
Less: Excise duty		206.98	248.12
Revenue from operations (net)		293.59	274.04
Other income	21	0.17	0.11
<b>Total revenue</b>		<b>293.76</b>	<b>274.15</b>
<b>EXPENSES</b>			
Cost of materials consumed	22	99.66	93.11
Purchase of traded goods	23	0.89	-
Change in inventories of work-in-progress & finished goods	24	7.67	(3.13)
Other manufacturing expenses	25	134.05	141.31
Employee benefits expense	26	14.56	12.67
Finance costs	27	1.12	0.07
Depreciation & amortisation expense	12 & 13	1.54	1.48
Other expenses	28	47.59	36.58
<b>Total expenses</b>		<b>307.08</b>	<b>282.09</b>
<b>Profit/(Loss) before tax</b>		<b>(13.32)</b>	<b>(7.94)</b>
Tax Expenses:			
- Current Tax (Refer note 35)		(0.36)	1.71
- Deferred tax credit		(1.21)	(0.23)
		(1.57)	1.48
<b>Profit/(Loss) for the year</b>		<b>(11.75)</b>	<b>(9.42)</b>
Basic earnings per share of ₹ 10 each (In ₹)	45	(0.99)	(0.79)
Diluted earnings per share of ₹ 10 each (In ₹)	45	(0.99)	(0.79)
<b>Statement of significant accounting policies &amp; notes to the Financial Statements</b>	1 - 46		

In terms of our report of even date attached.

For and on behalf of the Board

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

B. R. Goyal  
Partner  
Membership No. 12172

Hari S. Bhartia  
Chairman

Place : Noida  
Date : 28<sup>th</sup> October, 2015

Dinesh Kumar Gupta  
Company Secretary

Sandeep Kumar Shaw  
Chief Financial Officer

Videh Kumar Jaipuria  
Managing Director

# Cash Flow Statement



(₹ in million)

	For the year ended 31st March, 2015	For the year ended 31st March, 2014
<b>A. Cash flow arising from operating activities:</b>		
Net profit/(loss) before tax	(13.32)	(7.94)
Adjustments for:		
Depreciation & amortisation expense	1.54	1.48
Finance costs	1.12	0.07
Provision for employee benefits	0.89	0.11
Bad debts/irrecoverable advances written-in (net of write-off)	(0.17)	(0.06)
Gain on sale of current investments	-	(0.03)
	3.38	1.57
<b>Operating profit before working capital changes</b>	<b>(9.94)</b>	<b>(6.37)</b>
Adjustments for:		
(Increase)/Decrease in trade receivables, loans & advances and other assets	103.93	(50.43)
(Increase)/Decrease in inventories	22.05	(20.80)
Increase/(Decrease) in trade payables, provisions and other liabilities	(115.95)	76.10
<b>Cash generated from operations</b>	<b>0.09</b>	<b>(1.50)</b>
Direct taxes (paid)/refund (net)	(0.33)	0.52
<b>Net cash inflow/(outflow) in course of operating activities</b>	<b>(0.24)</b>	<b>(0.98)</b>
<b>B. Cash flow arising from investing activities:</b>		
Acquisition/Purchase of fixed assets	-	(1.96)
Sale proceeds of fixed assets	-	0.03
Sale of investments	-	0.41
Subscription towards capital in subsidiary company in USA	(10.75)	-
<b>Net cash inflow/(outflow) in course of investing activities</b>	<b>(10.75)</b>	<b>(1.52)</b>
<b>C. Cash flow arising from financing activities:</b>		
Proceeds from / (Repayment) of long term borrowings (net)	(0.25)	0.36
Inter-corporate borrowing from subsidiary company	10.00	-
Finance costs paid	(0.17)	(0.07)
<b>Net cash inflow/(outflow) in course of financing activities</b>	<b>9.58</b>	<b>0.29</b>
<b>Net increase/(decrease) in cash &amp; cash equivalents (A+B+C)</b>	<b>(1.41)</b>	<b>(2.21)</b>
Add: Cash & cash equivalents at the beginning of the year (including balance in dividend account)	2.90	5.11
<b>Cash &amp; cash equivalents at the close of the year (including balance in dividend account)</b>	<b>1.49</b>	<b>2.90</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 and capital advances during the year.		
iii) Closing cash and cash equivalents includes ₹ 0.24 million (Previous Year: ₹ 0.24 million), which has restricted use.		

In terms of our report of even date attached.

For and on behalf of the Board

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

B. R. Goyal  
Partner  
Membership No. 12172

Hari S. Bhartia  
Chairman

Place : Noida  
Date : 28<sup>th</sup> October, 2015

Dinesh Kumar Gupta  
Company Secretary

Sandeep Kumar Shaw  
Chief Financial Officer

Videh Kumar Jaipurjar  
Managing Director

# Notes to the Financial Statements



## 1. Corporate information

Jubilant Industries Limited (the Company) is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Presently, the Company is engaged in the business of manufacturing of Indian-made foreign liquor. Its shares are listed on the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited.

## 2. Statement of Significant Accounting Policies

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

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

#### Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, the disclosure of contingent liabilities at the date of financial statements and the results of operations during the reporting periods. Examples of such estimate include future obligations under employee benefit plans, income taxes, useful lives of tangible assets and intangible assets, impairment of assets, valuation of derivatives, provision for doubtful debts, etc. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results

could vary from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Appropriate changes in estimates are made as the management becomes aware of the changes in circumstances surrounding the estimates. Any revision to accounting estimates is recognized prospectively in current and future periods. Effect of material changes is disclosed in the notes to the financial statements.

#### Current-non-current classification

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

#### Assets

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

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

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

All other assets are classified as non-current

#### Liabilities

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

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

## Notes to the Financial Statements

by the issue of equity instruments do not affect its classification.

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

All other liabilities are classified as non-current.

### Operating Cycle

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

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

### B. Tangible and Intangible Fixed Assets

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

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

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

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

### C. Depreciation and Amortization

Up to 31<sup>st</sup> March, 2014, depreciation was provided on Straight Line Method at rates mentioned and

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

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

- a. Computer & Information Technology related assets: Three to Five Years.
- b. Employee perquisite-related assets: Five Years, being the period of the Perquisite Scheme.
- c. Motor Vehicles: Five Years.
- d. Motor Vehicles under Finance Lease: Tenure of Lease or Five Years, whichever was shorter.

During the current year, pursuant to the Companies Act, 2013 ("the Act") being effective from 1<sup>st</sup> April, 2014, the Company has revised depreciation rates on fixed assets as per useful life specified in Part "C" of Schedule II of the Act, read with Notification dated 29<sup>th</sup> August, 2014 of the Ministry of Corporate Affairs, on the original cost/ acquisition cost of fixed assets or other amount substituted for cost except for the following classes of fixed assets which are depreciated as under:

- a. Employee perquisite related Assets: Five Years, being the period of the Perquisite Scheme.
- b. Motor Vehicles: Five Years.
- c. Motor Vehicles under Finance Lease: Tenure of Lease or five years whichever is shorter.

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

Leasehold land is amortized over the lease period.

## Notes to the Financial Statements

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

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

### D. Leases

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

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

### E. Valuation of Inventories

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

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

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

Cost includes all direct costs, cost of conversion and appropriate portion of variable and fixed production overheads and such other costs incurred as to bring the inventory to its present

location and condition inclusive of excise duty wherever applicable.

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

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

### F. Investments

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

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

### G. Income Tax

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

#### Current Tax

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

#### Deferred Tax

Deferred tax charge or credit reflects the tax

## Notes to the Financial Statements

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

### H. Foreign Currency Transactions and Translations

- a) **Initial Recognition:** Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency on/or closely approximating to the date of the transaction.
- b) **Conversion:** Foreign currency monetary items, if any are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.
- c) **Exchange Difference:** Exchange differences arising on the settlement of monetary items, if any or on reporting such monetary items of the Company at rates different from those at which they were initially recorded during the year or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.
- d) **Forward Exchange Contracts:** Monetary Assets and Liabilities, if any are restated at the rate prevailing at the period end or at the spot rate at the inception of forward contract where forward cover for specific

asset/liability has been taken and in respect of such forward contracts the difference between the contract rate and the spot rate at the inception of the forward contract is recognized as income or expense in Statement of Profit and Loss over the life of the contract. All other outstanding forward contracts on the closing date are mark to market and resultant loss is recognized as expense in the Statement of Profit and Loss. Mark to market gains, if any, are ignored. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognized as income or as expense for the period.

### I. Provisions, Contingent Liabilities and Contingent Assets

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

### J. Employee Benefits

- (i) **Short-term Employee Benefits:** All employee benefits falling due wholly within twelve months of rendering the services are classified as short-term employee benefits, which include benefits like salaries, wages, short-term compensated absences, performance incentives etc. and are recognized as expenses in the period in which the employee renders the related service and measured accordingly.
  - (ii) **Post-employment Benefits:** Post employment benefit plans are classified into defined contribution plans and defined benefits plans in line with the requirements of AS 15 on "Employee Benefits".
- **Gratuity and Leave Encashment**  
Gratuity and leave encashment which are defined benefits are recognized in the Statement of Profit and Loss based on actuarial valuation using projected unit credit method as at Balance Sheet date by

## Notes to the Financial Statements

an independent actuary. Actuarial gains and losses arising from the experience adjustment and change in actuarial assumption are immediately recognized in the Statement of Profit and Loss as income or expense.

- **Superannuation**

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

- **Provident Fund**

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

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

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

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

**K. Borrowings Cost**

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

**L. Revenue Recognition**

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

Dividend income is recognized when the right to receive the income is established. Income from interest on deposits, loans and interest bearing securities is recognized on time proportionate basis.

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

**M. Segment Reporting**

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

**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

## Notes to the Financial Statements

potential equity shares. The dilutive potential equity shares are deemed converted as of the beginning of the year unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Anti dilutive effect of any potential equity shares is ignored.

### O. Impairment of Fixed Assets

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

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

### P. Employee Stock Option Scheme

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

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

## Notes to the Financial Statements

(₹ in million)

	As at 31st March, 2015	As at 31st March, 2014
<b>3. SHARE CAPITAL</b>		
<b>Authorised</b>		
15,000,000 Equity shares of ₹ 10 each	150.00	150.00
(Previous Year 15,000,000 Equity shares of ₹ 10 each)		
	<b>150.00</b>	<b>150.00</b>
<b>Issued, subscribed &amp; paid-up</b>		
11,849,404 Equity shares of ₹ 10 each (Refer note 3.1)	118.49	118.49
(Previous Year 11,849,404 Equity shares of ₹ 10 each)		
	<b>118.49</b>	<b>118.49</b>

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

- 3,835,348 equity shares of ₹ 10 each allotted pursuant to the Scheme of Arrangement with Jubilant Agri and Consumer Products Limited and Enpro Oil Private Limited during the FY 2011-12.
- 7,964,056 equity shares of ₹ 10 each allotted pursuant to the Scheme of Amalgamation & Demerger with Jubilant Life Sciences Limited during the FY 2010-11.

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

Name of the shareholder	As at 31st March, 2015		As at 31st March, 2014	
	No. of shares	% held	No. of shares	% held
Jubilant Stock Holding Private Limited	1,329,757	11.22	1,329,757	11.22
Jubilant Capital Private Limited	1,166,600	9.85	1,166,600	9.85
Jubilant Enpro Private Limited	3,729,683	31.48	3,617,307	30.53
Jubilant Securities Private Limited	1,051,075	8.87	1,051,075	8.87
Samena Special Situations Mauritius	690,555	5.83	690,555	5.83

3.3 The reconciliation of the number of shares outstanding as at 31st March, 2015 and 31st March, 2014 is set out below:

Particulars	As at 31st March, 2015		As at 31st March, 2014	
	No. of shares	₹ in million	No. of shares	₹ in million
Number of shares at the beginning of the year	11,849,404	118.49	11,849,404	118.49
<b>Numbers of shares at the end of the year</b>	<b>11,849,404</b>	<b>118.49</b>	<b>11,849,404</b>	<b>118.49</b>

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

3.5 For Employee Stock Option Scheme refer note 33.

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

## Notes to the Financial Statements

(₹ in million)

	As at 31st March, 2015	As at 31st March, 2014
<b>4. RESERVES AND SURPLUS</b>		
<b>Securities premium account</b>		
As per last Balance Sheet	823.45	823.45
<b>General reserve</b>		
As per last Balance Sheet	227.78	227.78
<b>Surplus</b>		
As per last Balance Sheet	1,456.35	1,465.77
Less: Net loss after tax as per Statement of Profit & Loss for the year	11.75	9.42
Less: Adjustments on account of depreciation (Refer note 4.2)	0.11	-
<b>Closing Balance</b>	<b>1,444.49</b>	<b>1,456.35</b>
	<b>2,495.72</b>	<b>2,507.58</b>

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

4.2 Based on transitional provision provided in note 7(b) of Schedule II of Companies Act, 2013, where useful life of fixed assets has become nil in terms of the said schedule, carrying amount of such assets as at 1st April, 2014 has been debited to the opening balance of the surplus. (Refer note 37)

(₹ in million)

	As at 31st March, 2015	As at 31st March, 2014
<b>5. LONG TERM BORROWINGS</b>		
<b>Long term maturities of finance lease obligation</b>		
- Finance lease obligations (secured)	-	0.11
	-	0.11

Refer note 10 for current maturities of long term borrowings.

5.1 Finance lease obligations ₹ 0.11 million (Previous Year: ₹ 0.36 million) including current maturities of ₹ 0.11 million (Previous Year: ₹ 0.25 million) under other current liabilities are secured by hypothecation of specific assets taken under such lease arrangements and are repayable as per the terms of agreement with the lessor.

(₹ in million)

	As at 31st March, 2015	As at 31st March, 2014
<b>6. DEFERRED TAX LIABILITIES (NET)</b>		
<b>Deferred tax liabilities on account of:</b>		
Accelerated depreciation/amortization	1.81	2.05
	1.81	2.05
<b>Deferred tax assets on account of:</b>		
Provisions for leave encashment and gratuity	1.29	0.32
	1.29	0.32
<b>Deferred tax liabilities (net)</b>	<b>0.52</b>	<b>1.73</b>

## Notes to the Financial Statements

(₹ in million)

	As at 31st March, 2015	As at 31st March, 2014
<b>7. LONG TERM PROVISIONS</b>		
Employee benefits	1.72	0.89
	<b>1.72</b>	<b>0.89</b>

(₹ in million)

	As at 31st March, 2015	As at 31st March, 2014
<b>8. SHORT TERM BORROWINGS</b>		
(Unsecured)		
Loan from related party (Subsidiary)	10.00	–
	<b>10.00</b>	<b>–</b>

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

(₹ in million)

	As at 31st March, 2015	As at 31st March, 2014
<b>9. TRADE PAYABLES</b>		
Due to micro, small & medium enterprises under MSMED Act, 2006 (Refer note 31)	–	–
Others	32.00	141.15
	<b>32.00</b>	<b>141.15</b>

(₹ in million)

	As at 31st March, 2015	As at 31st March, 2014
<b>10. OTHER CURRENT LIABILITIES</b>		
Current maturities of finance lease obligations (Refer note 5)	0.11	0.25
Employee benefits payable	0.31	0.45
Trade deposits & advances	0.12	4.71
Interest accrued and due	0.95	–
Unpaid dividend	0.24	0.24
Due to related parties (Refer note 40)	122.42	115.09
Others (including statutory dues)	26.65	30.66
	<b>150.80</b>	<b>151.40</b>

(₹ in million)

	As at 31st March, 2015	As at 31st March, 2014
<b>11. SHORT TERM PROVISIONS</b>		
Income tax	–	0.64
Employee benefits	0.24	0.18
Excise duty	0.58	5.97
	<b>0.82</b>	<b>6.79</b>

## Notes to the Financial Statements

## 12. TANGIBLE ASSETS

Description	GROSS BLOCK – COST / BOOK VALUE			DEPRECIATION / AMORTISATION / IMPAIRMENT				NET BLOCK	
	As at 31st March, 2014	Additions/ adjustments during the year	Deductions/ adjustments during the year	As at 31st March, 2014	Provided for the year	Deductions/ adjustments during the year	As at 31st March, 2015	As at 31st March, 2015	As at 31st March, 2014
Land (Freehold)	6.81	-	-	-	-	-	-	6.81	6.81
Buildings factory	9.12	-	-	3.08	0.27	-	3.35	5.77	6.04
Plant & machineries	16.20	-	-	8.44	0.71	-	9.15	7.05	7.76
Furniture & fixtures	0.22	-	-	0.12	0.08	-	0.20	0.02	0.10
Office equipments	0.44	-	-	0.30	0.06	-	0.36	0.08	0.14
Vehicles (Leased)	0.50	-	-	0.06	0.34	-	0.40	0.10	0.44
<b>TOTAL</b>	<b>33.29</b>	<b>-</b>	<b>-</b>	<b>12.00</b>	<b>1.46</b>	<b>-</b>	<b>13.46</b>	<b>19.83</b>	<b>21.29</b>
Less: Debited to the opening balance of surplus (Refer note 37)									
<b>Net amount charged to Statement of profit and loss</b>									
Previous Year	32.14	1.18	0.03	10.68	1.33	0.01	12.00	21.29	21.46

12.1 Fixed assets of the Company are charged in favour of bankers for term loan availed by Jubilant Agri and Consumer Products Limited, its wholly owned subsidiary company.

## 13. INTANGIBLE ASSETS

Description	GROSS BLOCK – COST / BOOK VALUE			DEPRECIATION / AMORTISATION / IMPAIRMENT				NET BLOCK	
	As at 31st March, 2014	Additions/ adjustments during the year	Deductions/ adjustments during the year	As at 31st March, 2014	Provided for the year	Deductions/ adjustments during the year	As at 31st March, 2015	As at 31st March, 2015	As at 31st March, 2014
Software	0.78	-	-	0.15	0.19	-	0.34	0.44	0.63
<b>TOTAL</b>	<b>0.78</b>	<b>-</b>	<b>-</b>	<b>0.15</b>	<b>0.19</b>	<b>-</b>	<b>0.34</b>	<b>0.44</b>	<b>0.63</b>
Previous Year	-	0.78	-	-	0.15	-	0.15	0.63	-

## Notes to the Financial Statements

(₹ in million)

			As at 31st March, 2015	As at 31st March, 2014
<b>14. NON-CURRENT INVESTMENTS</b>				
<b>(At cost)</b>				
Number	Face value per unit			
		Trade investments (long term) (unquoted)		
		In subsidiary companies:-		
		<b>Jubilant Agri and Consumer Products Limited:</b>		
50,000	₹ 10	Fully paid-up equity shares	0.50	0.50
(50,000)	(₹ 10)			
1,648,817	₹ 10	10% Optionally convertible non-cumulative redeemable preference shares	1,648.82	1,648.82
(1,648,817)	(₹ 10)			
974,800	₹ 10	10% Non-cumulative redeemable preference shares	974.80	974.80
(974,800)	(₹ 10)			
		<b>Jubilant Industries Inc. USA</b>		
200	No Par Value	In equity instruments fully paid-up	10.75	-
(Nil)				
			<b>2,634.87</b>	<b>2,624.12</b>
		Aggregate amount of unquoted investments	<b>2,634.87</b>	<b>2,624.12</b>

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

(₹ in million)

		As at 31st March, 2015	As at 31st March, 2014
<b>15. LONG TERM LOANS &amp; ADVANCES</b>			
<b>(Unsecured, considered good)</b>			
	Security deposits	1.31	1.31
	Others	-	0.05
		<b>1.31</b>	<b>1.36</b>

(₹ in million)

		As at 31st March, 2015	As at 31st March, 2014
<b>16. INVENTORIES</b>			
	Raw materials	3.27	5.94
	Work-in-progress	3.89	4.33
	Finished goods	9.55	16.78
	Stores and spares	1.16	1.33
	Others – Fuels & packing materials	14.71	26.25
		<b>32.58</b>	<b>54.63</b>

For method of valuation refer note 2 E.

## Notes to the Financial Statements

(₹ in million)

	As at 31st March, 2015	As at 31st March, 2014
<b>17. TRADE RECEIVABLES</b>		
(Unsecured, considered good)		
Outstanding for period exceeding six months from the date they are due for payment	–	1.96
Other receivables	15.25	114.70
	<b>15.25</b>	<b>116.66</b>

(₹ in million)

	As at 31st March, 2015	As at 31st March, 2014
<b>18. CASH &amp; BANK BALANCES</b>		
<b>Cash and cash equivalents</b>		
Balance With Banks		
– On current accounts	1.24	2.64
– On dividend account	0.24	0.24
Cash in hand	0.01	0.02
	<b>1.49</b>	<b>2.90</b>

(₹ in million)

	As at 31st March, 2015	As at 31st March, 2014
<b>19. SHORT TERM LOANS &amp; ADVANCES</b>		
Deposits/Balances with government authorities	9.99	11.11
Advance payment of income tax	82.03	81.98
Employee loans & advances	0.01	0.02
Advances recoverable in cash or in kind or for value to be received:		
– From related parties (Refer note 40)	0.83	0.97
– Others	11.44	12.47
	<b>104.30</b>	<b>106.55</b>

(₹ in million)

	For the year ended 31st March, 2015	For the year ended 31st March, 2014
<b>20. REVENUE FROM OPERATIONS</b>		
Sale of products*	498.98	520.52
Other operating income**	1.59	1.64
<b>Revenue from operations (gross)</b>	<b>500.57</b>	<b>522.16</b>
Less: Excise duty	206.98	248.12
<b>Revenue from operations (net)</b>	<b>293.59</b>	<b>274.04</b>

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

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

## Notes to the Financial Statements

(₹ in million)

	For the year ended 31st March, 2015	For the year ended 31st March, 2014
<b>21. OTHER INCOME</b>		
Gain on sale of current Investments	–	0.03
Other non-operating income	0.17	0.08
	<b>0.17</b>	<b>0.11</b>

(₹ in million)

	For the year ended 31st March, 2015	For the year ended 31st March, 2014
<b>22. COST OF MATERIALS CONSUMED</b>		
Raw & process materials consumed	99.66	93.11
	<b>99.66</b>	<b>93.11</b>

(₹ in million)

	For the year ended 31st March, 2015	For the year ended 31st March, 2014
<b>22.1 PARTICULARS OF RAW &amp; PROCESS MATERIALS CONSUMED</b>		
Extra natural alcohol	95.36	88.74
Others	4.30	4.37
	<b>99.66</b>	<b>93.11</b>

	For the year ended 31st March, 2015		For the year ended 31st March, 2014	
	%	₹ in million	%	₹ in million
<b>22.2 PARTICULARS OF IMPORTED AND INDIGENOUS RAW &amp; PROCESS MATERIALS CONSUMED</b>				
Imported	–	–	–	–
Indigenous	100.00	99.66	100.00	93.11
	<b>100.00</b>	<b>99.66</b>	<b>100.00</b>	<b>93.11</b>

(₹ in million)

	For the year ended 31st March, 2015	For the year ended 31st March, 2014
<b>23. PURCHASE OF TRADED GOODS</b>		
Purchase of traded goods	0.89	–
	<b>0.89</b>	<b>–</b>

## Notes to the Financial Statements

(₹ in million)

	For the year ended 31st March, 2015	For the year ended 31st March, 2014
<b>24. CHANGES IN INVENTORIES OF WORK-IN-PROGRESS &amp; FINISHED GOODS</b>		
Stock at commencement – Work-in-progress*	4.33	2.02
Stock at commencement – Finished goods*	16.78	15.96
	<b>21.11</b>	<b>17.98</b>
Stock at close – Work-in-progress*	3.89	4.33
Stock at close – Finished goods*	9.55	16.78
	<b>13.44</b>	<b>21.11</b>
<b>Net decrease /(increase) in stocks</b>	<b>7.67</b>	<b>(3.13)</b>

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

(₹ in million)

	For the year ended 31st March, 2015	For the year ended 31st March, 2014
<b>25. OTHER MANUFACTURING EXPENSES</b>		
Power and fuel	1.84	1.78
Stores, spares & packing materials consumed	137.73	136.32
Repairs to plant & machinery	0.64	0.83
Repairs to factory building	0.17	–
Excise duty (Refer note 32)	(6.33)	2.38
	<b>134.05</b>	<b>141.31</b>

	For the year ended 31st March, 2015		For the year ended 31st March, 2014	
	%	₹ in million	%	₹ in million
<b>25.1 PARTICULARS OF IMPORTED AND INDIGENOUS STORES, SPARES &amp; PACKING MATERIAL CONSUMED</b>				
Imported	–	–	–	–
Indigenous	100.00	137.73	100.00	136.32
	<b>100.00</b>	<b>137.73</b>	<b>100.00</b>	<b>136.32</b>

(₹ in million)

	For the year ended 31st March, 2015	For the year ended 31st March, 2014
<b>26. EMPLOYEE BENEFITS EXPENSE</b>		
Salaries, wages, bonus, gratuity & allowances	13.30	11.79
Contribution to provident & superannuation funds	0.33	0.35
Staff welfare expenses	0.93	0.53
	<b>14.56</b>	<b>12.67</b>

## Notes to the Financial Statements

(₹ in million)

	For the year ended 31st March, 2015	For the year ended 31st March, 2014
<b>27. FINANCE COSTS</b>		
Interest expense	1.12	0.07
	<b>1.12</b>	<b>0.07</b>

(₹ in million)

	For the year ended 31st March, 2015	For the year ended 31st March, 2014
<b>28. OTHER EXPENSES</b>		
Rent	0.15	0.18
Rates & taxes	6.89	5.04
Insurance	0.14	0.08
Advertisement, publicity & sales promotion	1.00	0.89
Travelling & other incidental expenses	0.21	0.60
Repair & maintenance – others	0.71	0.72
Vehicle running & maintenance	0.16	0.09
Printing & stationery	1.02	0.92
Communication expenses	0.80	0.40
Staff recruitment & training	0.02	–
Auditors remuneration:		
– As auditors	0.11	0.10
– For limited review	0.14	0.13
– For taxation matters	0.03	0.03
– For certifications etc.	0.15	0.20
– Out of pocket expenses	–	0.11
Legal, professional and consultancy charges	1.08	1.08
CSR expenses (Refer note 28.2)	2.00	–
Directors' sitting fees	0.57	0.47
Bank charges	0.07	0.05
Miscellaneous expenses	–	0.02
Freight & forwarding	2.06	3.45
Discounts, claims to customers and other selling expenses (Refer note 28.1)	30.45	22.08
Bad debts / irrecoverable advances & receivables written off/ (written in)	(0.17)	(0.06)
	<b>47.59</b>	<b>36.58</b>

28.1 Discounts, claims to customers and other selling expenses includes ₹ 28.39 million (Previous Year: ₹ 20.02 million) on account of surplus over the cost being passed on to the bottler as per agreement with them.

28.2 Expenditure related to corporate social responsibility as per Section 135 of the Companies Act, 2013, read with Schedule VII, thereof: ₹ 1.99 million.

## Notes to the Financial Statements

29. Consequent upon the confirmation of the Scheme for Capital Reduction of Jubilant Agri and Consumer Products Limited (JACPL), a wholly owned subsidiary of the Company, by way of reduction in Securities Premium Account, and to permit it to set off its accumulated losses as at March 31, 2015 against the securities premium account by the Hon'ble Allahabad High Court vide its order dated October 01, 2015. Accordingly, JACPL has set off on 31st March, 2015 its accumulated loss to date amounting to ₹ 2041.12 million against its securities premium account. The accounts of the Company have been prepared after giving effect to the said reduction as on March 31, 2015 though it does not have any financial impact on the results of the Company for the said date. Further, the Hon'ble Allahabad High Court has also permitted not to use the word "and reduced" with the name of the subsidiary company.

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

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

Claims/Demands in respect of which proceeding or appeals are pending and are not acknowledged as debts, as at 31st March, 2015 is ₹ Nil (Previous Year: ₹ Nil), however, demands in respect of business transferred in earlier years to Jubilant Agri and Consumer Products Limited in terms of the Business Transfer Agreement and Scheme of Arrangement though the demands may be continuing in the name of the Company.

#### II) Guarantees:

The Company has given corporate guarantee on behalf of its wholly owned subsidiary, Jubilant Agri and Consumer Products Limited to secure financial facilities granted by banks, details for guarantees as at 31st March, 2015 are as under:

- a) To Axis Bank Ltd of ₹ 700 million (Previous Year: ₹ 700 million) for working capital facility (including non fund based facility) and effective guarantee is ₹ 271.81 million (Previous Year: ₹ 354.95 million).
- b) To Yes Bank Ltd of ₹ 400 million (Previous Year: ₹ 400 million) for working capital facility (including non fund based facility) and effective guarantee is ₹ 283.38 million (Previous Year: ₹ 273.51 million).
- c) To IDBI Bank Ltd of ₹ 750 million (Previous Year: ₹ 750 million) for working capital facility (including non fund based facility) and effective guarantee is ₹ 473 million (Previous Year: ₹ 278 million).
- d) To Corporation Bank of ₹ 1000 million (Previous Year: ₹ 1000 million) for working capital facility (including non fund based facility) and effective guarantee is ₹ 612.18 million (Previous Year: ₹ 553.20 million).
- e) To Yes Bank Ltd of ₹ 1200 million (Previous Year: ₹ 1200 million) for term loan facility and effective guarantee is ₹ 1114.29 million (Previous Year: ₹ 1200 million).
- f) To Ratnakar Bank Ltd of ₹ 850 million (Previous Year: ₹ 850 million) for term loan facility and effective guarantee is ₹ 623.33 million (Previous Year: ₹ 807.50 million).

#### III) Commitments:

##### a) Capital Commitments

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

##### b) For lease commitment refer note 34.

### 31. Micro and Small Business Entities

There are no micro and small enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March, 2015. The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) has been determined to the extent such parties have been identified on the basis of information available with the Company.

## Notes to the Financial Statements

(₹ in million)

Particulars	As at 31 March, 2015	As at 31 March, 2014
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	–	–
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	–	–
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	–	–
(iv) The amount of interest due and payable for the year	–	–
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	–	–
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	–	–

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

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

### 33. Employee Stock Option Scheme

In terms of approval of members accorded and in accordance with SEBI (ESOP & ESPS) Guidelines, 1999, the Company constituted "JIL Employees Stock Option Scheme, 2013 (Scheme 2013)" for specified categories of employees and directors of the Company, its subsidiaries and holding companies. Under the Scheme 2013, up to 590000 stock options can be issued to eligible directors (other than promoter directors, independent directors and nominee directors of the Company/subsidiaries/holding companies) and other specified categories of employees of the Company/subsidiaries/holding companies. The options are to be granted at market price. As per SEBI Guidelines, the market price is taken as the closing price on the day preceding the date of grant of options, on the stock exchange where the trading volume is the highest.

Each option, upon vesting, shall entitle the holder to subscribe 1 (one) fully paid equity share of ₹ 10 of the Company. 20% of the options shall vest on first anniversary of the grant date, subsequent 30% shall vest on second anniversary and balance 50% of the options shall vest on the third anniversary of the grant date.

The Company has constituted a Compensation Committee, comprising of a majority of independent directors. This Committee is fully empowered to administer the Scheme 2013.

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

Particulars	2014-15		2013-14	
	Number of Options	Weighted Average Exercise Price (₹)	Number of Options	Weighted Average Exercise Price (₹)
Options outstanding at the beginning of the year	133,938	101.46	–	–
Granted during the year	–	–	141,712	101.83
Expired/Lapsed during the year	16,507	101.64	7,774	108.10
Options forfeited during the year	–	–	–	–
Options exercised during the year	–	–	–	–
Options outstanding at the end of the year	117,431	101.44	133,938	101.46

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

## Notes to the Financial Statements

### 34. Disclosures of leasing arrangements

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

II) **Assets acquired under finance lease:**

The Company has taken vehicles under finance lease. Future minimum lease payments and their present values under finance leases as at 31st March, 2015 are as follows:

(₹ in million)

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

a) Previous year figures are given in parenthesis.

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

35. Current tax includes ₹ (0.36) million (Previous Year: ₹ 1.07 million) related to previous years.

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

#### Movement in provisions

(₹ in million)

Particulars of disclosure	Excise duty
1 Balance as at 1st April, 2014	5.97
	(3.58)
2 Additional provision during 2014-2015	0.58
	(5.97)
3 Provision used during 2014-15	5.97
	(3.58)
4 Balance as at 31st March, 2015	0.58
	(5.97)

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.

37. Pursuant to Companies Act, 2013 ("the Act"), being effective from 1st April, 2014, the Company has 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 is lower by ₹ 0.28 million for the year ended 31st March, 2015. Further based on transitional provision provided in note 7 (b) of the said Schedule, an amount of ₹ 0.11 million, where useful life has become nil in terms of the said schedule, has been debited to the opening balance of the surplus.

## Notes to the Financial Statements

### 38. Employee benefits have been calculated as under:

#### (A) Defined contribution plans

- a) Provident fund\*
- b) Superannuation fund

During the year the Company has contributed following amounts to:

(₹ in million)

	For the year ended 31st March, 2015	For the year ended 31st March, 2014
Employer's contribution to provident fund	0.11	0.11
Employer's contribution to employee pension scheme, 1995	0.04	0.02
Employer's contribution to superannuation fund	0.01	0.09

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

#### (B) Defined benefit plans

##### a) Compensated absences and gratuity

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

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

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

(₹ in million)

	Gratuity		Leave encashment	
	31st March, 2015	31st March, 2014	31st March, 2015	31st March, 2014
Present value of obligation at the beginning of the year	0.48	0.38	0.39	0.32
Current service cost	0.10	0.08	0.09	0.08
Interest cost	0.04	0.03	0.03	0.03
Actuarial (gain)/loss	0.43	(0.01)	0.11	0.09
Benefits paid	-	-	-	(0.13)
Present value of obligation at the end of the year	1.05	0.48	0.62	0.39

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

(₹ in million)

	Gratuity		Leave encashment	
	31st March, 2015	31st March, 2014	31st March, 2015	31st March, 2014
Present value of obligation at the end of the year	1.05	0.48	0.62	0.39
Fair value of plan assets at end of the year	-	-	-	-
Assets/(Liabilities) recognized in the Balance Sheet	(1.05)	(0.48)	(0.62)	(0.39)

## Notes to the Financial Statements

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

(₹ in million)

	Gratuity		Leave encashment	
	31st March, 2015	31st March, 2014	31st March, 2015	31st March, 2014
Current service cost	0.10	0.08	0.09	0.08
Interest cost	0.04	0.03	0.03	0.03
Actuarial (gain)/loss	0.43	(0.01)	0.11	0.09
Net cost recognized during the year	0.57	0.10	0.23	0.20

Experience adjustment:

(₹ in million)

	Gratuity		Leave encashment	
	31st March, 2015	31st March, 2014	31st March, 2015	31st March, 2014
Defined benefit obligation	1.05	0.48	0.62	0.39
Plan assets	-	-	-	-
Surplus/(Deficit)	(1.05)	(0.48)	(0.62)	(0.39)
Experience adjustment of plan liabilities-(loss)/gain	0.43	0.01	0.11	(0.09)
Experience adjustment of plan assets-(loss)/gain	-	-	-	-

### b) Provident fund

The Guidance on implementation of AS 15, Employee Benefits (Revised 2005) issued by Accounting Standard Board (ASB) states that benefits involving provident funds, which require interest shortfall to be compensated, are to be considered as defined benefit plans. The actuary has worked out a liability of ₹ Nil (Previous Year: ₹ Nil) likely to arise towards interest guarantee. The Trust is managing common corpus of some of the group companies. The total liability of ₹ Nil (Previous Year: ₹ Nil) as worked out by the actuary has been allocated to each entity based on the corpus value of each entity as on 31st March 2015. Accordingly, liability of ₹ Nil (Previous Year: ₹ Nil) has been allocated to the Company and ₹ Nil (Previous Year: ₹ Nil) has been charged to Statement of Profit and Loss during the year. The Company has contributed ₹ 0.14 million (Previous Year: ₹ 0.12 million) to provident fund for the year.

### (C) Other long term benefits

(₹ in million)

	31st March, 2015	31st March, 2014
Present value of obligation at the end of the year	0.09	0.04

## 39. Segment Reporting

- I) The Company operates under one reportable segment viz. IMFL (Indian Made Foreign Liquor).
- II) In respect of secondary segment information, the Company has identified its geographical segments as:
  - a. With in India, and
  - b. Outside India.

## Notes to the Financial Statements

### III) Secondary segments (geographical segments):

(₹ in million)

For the year ended/ As at 31st March,	2015	2014
<b>a) Revenue from operations geographical location of customers (net of excise duty)</b>		
Within India	293.59	274.04
Outside India	–	–
<b>Total</b>	<b>293.59</b>	<b>274.04</b>
<b>b) Carrying amount of segment assets</b>		
Within India	2810.07	2928.14
Outside India	–	–
<b>Total</b>	<b>2810.07</b>	<b>2928.14</b>
<b>c) Capital expenditure</b>		
Within India	–	1.96
Outside India	–	–
<b>Total</b>	<b>–</b>	<b>1.96</b>
<b>d) Revenue from operations by geographical market</b>		
Within India	293.59	274.04
Outside India	–	–
<b>Total</b>	<b>293.59</b>	<b>274.04</b>

#### 40. Related Party Disclosures

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

###### Subsidiaries:

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

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

###### a) Key Management Personnel: Mr. Videh Kumar Jaipuria\* (Managing Director)

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

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

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

## Notes to the Financial Statements

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

(₹ in million)

Particulars	Subsidiaries	Enterprise over which Directors and Major Shareholders of the Company have substantial influence	Others
i) Subscription towards capital in subsidiary company (b)	10.75 (-)		
ii) Payment of rent to (c)		0.18 (0.18)	
iii) Contribution towards provident fund (d)			0.26 (0.24)
iv) Contribution towards superannuation fund (e)			0.01 (0.09)
v) Purchase of utilities (f)		- (1.14)	
vi) Inter-corporate loan taken (g)	10.00 (-)		
vii) Interest expense on inter-corporate loan taken (h)	1.06 (-)		
viii) Donation (i)			1.00 (-)
<b>Balance as at 31st March, 2015</b>			
ix) Current account debit/credit (-) balance (j)	-122.42 (-115.09)	0.83 (0.97)	
x) Outstanding investments in equity share capital (k)	0.50 (0.50)		
xi) Outstanding investments in 10% Optionally convertible non-cumulative redeemable preference share capital (l)	1648.82 (1648.82)		
xii) Outstanding investments in 10% Non-cumulative redeemable preference share capital (m)	974.80 (974.80)		
xiii) Outstanding investments in Equity stock (n)	10.75 (-)		
xiv) Outstanding of inter-corporate loan taken (o)	10.00 (-)		
xv) Interest payable on inter-corporate loan taken (p)	0.95 (-)		
xvi) Financial guarantee given on behalf of subsidiary and outstanding at the end of the year (q)	3377.99 (4900.00)		

a) Previous year figures are given in parenthesis.

## Details of related party transactions Individually:

(₹ in million)

For the year ended/As at 31st March,	2015	2014
<b>b) Subscription towards capital in subsidiary company:</b>		
Subsidiaries:-		
Jubilant Industries Inc. USA	10.75	-
<b>c) Payment of rent to:</b>		
Enterprise over which directors and major shareholders of the Company have substantial influence:-		
Jubilant Life Sciences Limited	0.18	0.18

## Notes to the Financial Statements

For the year ended/As at 31st March,	2015	2014
<b>d) Contribution towards provident fund:</b>		
Others:-		
VAM Employees Provident Fund Trust	0.26	0.24
<b>e) Contribution towards superannuation fund:</b>		
Others:-		
Pace Marketing Specialities Limited Officer's Superannuation Trust	0.01	0.09
<b>f) Purchase of utilities:</b>		
Enterprise over which directors and major shareholders of the Company have substantial influence:-		
Jubilant Life Sciences Limited	-	1.14
<b>g) Inter-corporate-loan taken:</b>		
Subsidiaries:-		
Jubilant Agri and Consumer Products Limited	10.00	-
<b>h) Interest expense on inter-corporate-loan taken:</b>		
Subsidiaries:-		
Jubilant Agri and Consumer Products Limited	1.06	-
<b>i) Donation:</b>		
Others:-		
Jubilant Bhartia Foundation	1.00	-
<b>j) Current account debit/(credit) balances:</b>		
Subsidiaries:-		
Jubilant Agri and Consumer Products Limited	(122.42)	(115.09)
Enterprise over which directors and major shareholders of the Company have substantial influence:-		
Jubilant Life Sciences Limited	0.83	0.97
<b>k) Outstanding investment in equity share capital:</b>		
Subsidiaries:-		
Jubilant Agri and Consumer Products Limited	0.50	0.50
<b>l) Outstanding investment in 10% Optionally convertible non-cumulative redeemable preference share capital:</b>		
Subsidiaries:-		
Jubilant Agri and Consumer Products Limited	1,648.82	1,648.82
<b>m) Outstanding investment in 10% Non-cumulative redeemable preference share capital:</b>		
Subsidiaries:-		
Jubilant Agri and Consumer Products Limited	974.80	974.80
<b>n) Outstanding investment in equity stock:</b>		
Subsidiaries:-		
Jubilant Industries Inc. USA	10.75	-
<b>o) Outstanding of inter-corporate loan taken:</b>		
Subsidiaries:-		
Jubilant Agri and Consumer Products Limited	10.00	-
<b>p) Interest payable on inter-corporate loan taken:</b>		
Subsidiaries:-		
Jubilant Agri and Consumer Products Limited	0.95	-
<b>q) Financial guarantee given on behalf of subsidiary and outstanding at the end of the year:</b>		
Subsidiaries:-		
Jubilant Agri and Consumer Products Limited	3,377.99	4,900.00

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

## Notes to the Financial Statements

### 41. Value of imports calculated on CIF basis

Value of imports calculated on CIF basis for the year ended 31st March, 2015 is ₹ Nil (Previous Year: ₹ Nil).

### 42. Expenditure in foreign currency

Expenditure in foreign currency for the year ended 31st March, 2015 is ₹ Nil (Previous Year: ₹ Nil).

### 43. Earnings in foreign exchange

Earnings in foreign exchange for the year ended 31st March, 2015 is ₹ Nil (Previous Year: ₹ Nil).

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

Amounts remitted in foreign currency on account of dividend during the year ended 31st March, 2015 is ₹ Nil (Previous Year: ₹ Nil).

### 45. Earnings per share (EPS)

		For the year ended 31st March, 2015	For the year ended 31st March, 2014
<b>I Profit computation for basic &amp; diluted earnings per share of ₹ 10/- each</b>			
Net loss as per Statement of Profit & Loss available for equity shareholders	₹ in million	(11.75)	(9.42)
<b>II Weighted average number of equity shares for earnings per share computation</b>			
(A) For basic earnings per share	Nos	11849404	11849404
(B) For diluted earnings per share:			
Nos of shares for basic EPS as per II (A)	Nos	11849404	11849404
Add: Weighted average outstanding options related to employee stock options	Nos	5258	130
Nos of shares for diluted earnings per share	Nos	11854662	11849534
<b>III Earnings per share (weighted average)</b>			
Basic	₹	(0.99)	(0.79)
Diluted	₹	(0.99)	(0.79)

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

### Signatures to Notes "1" to "46" forming part of the Balance Sheet and Statement of Profit and Loss.

In terms of our report of even date attached.

For and on behalf of the Board

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

Chartered Accountants

Firm Registration Number : 304153E

**B. R. Goyal**

Partner

Membership No. 12172

**Hari S. Bhartia**

Chairman

Place : Noida

Date : 28<sup>th</sup> October, 2015

**Dinesh Kumar Gupta**

Company Secretary

**Sandeep Kumar Shaw**

Chief Financial Officer

**Videh Kumar Jaipuria**

Managing Director

# Independent Auditors' Report



## TO THE MEMBERS OF JUBILANT INDUSTRIES LIMITED

### Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of **JUBILANT INDUSTRIES LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31st March, 2015, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Consolidated Financial Statements

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

### Auditor's Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting

and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.
5. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at 31st March, 2015, and their consolidated profit/loss and their consolidated cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

7. As required by the Companies (Auditor's Report) Order, 2015 ("the Order" or "CARO 2015"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding company and subsidiary companies, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable. Our reporting on the CARO 2015 includes one subsidiary company incorporated in India to which CARO 2015 is applicable.

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

**B.R. GOYAL**

Partner

Membership No. 12172

Place : Noida

Date : 28<sup>th</sup> October, 2015

## ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 7 of our report of even date to the members of Jubilant Industries Limited on the consolidated financial statements for the year ended 31<sup>st</sup> March, 2015)

- i) In respect of fixed assets of the Holding company and the Subsidiary company incorporated in India:
- (a) The respective entities have 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 management of respective entities in accordance with a phased programme of verification of its fixed assets adopted by the respective entities 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 respective entities and nature of their business.
- ii) (a) The inventories have been physically verified during the year by the management of the respective entities at reasonable intervals.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management of the respective entities are reasonable and adequate in relation to the size of the respective entities and the nature of their business.
- (c) The respective entities are maintaining proper records of inventory. In our opinion, discrepancies noticed on physical verification of stocks were not material in relation to the operations of the respective entities.
- iii) (a) According to the information and explanations given to us, the Holding Company has not granted any loans secured or unsecured during the year to any entity covered in the register maintained under section 189 of the Companies Act, 2013.
- (b) According to the information and explanations given to us, the Subsidiary company has granted unsecured loan during the year to its holding company covered in the register maintained under section 189 of the Companies Act, 2013. The loan is repayable over a period of one year. In respect of the said loan, there are no overdue amounts.
- iv) In our opinion and according to the information and explanations given to us, there are internal control systems commensurate with the size of the respective entities and the nature of their business with regard to purchase of inventory, fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system.
- v) None of the entities of the Group has accepted public deposits during the year.
- vi) We have broadly reviewed the books of account maintained by the respective entities of the Group 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 respective entities are regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees state insurance, income tax, sales tax, wealth 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 at 31<sup>st</sup> March, 2015 for a period of more than six months from the date they became payable.
- (b) According to the records of the respective entities of the Group, the details of dues in respect of sale tax, income tax, duties of customs, wealth tax, service tax, duty of excise, cess and value added

tax which have not been deposited on account of disputes and the forum where the disputes are 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	5.00	2010-11	High Court, Allahabad
2 Central Excise Act, 1944	Sales Tax/VAT	0.97	1996-97 to 2000-01	Tribunal, Cuttack
	Excise Duty	10.73	May-07 to Oct-09	Commissioner, Ghaziabad
	Excise Duty	4.23	Nov-09 to March-11	Commissioner, Ghaziabad
	Excise Duty	1.11	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	7.78	Apr-08 to Jan-13	CESTAT, New Delhi
	Excise Duty	0.28	Feb-13 to Dec-13	Assistant Commissioner, Meerut
	Excise Duty	1.60	Nov-08 to Mar-13	Additional Commissioner, Ghaziabad
	Excise Duty	0.86	Jan-14 to Oct-14	Additional Commissioner, Ghaziabad
3 Service Tax Act, 1994	Excise Duty	0.24	April-13 to Oct-14	Assistant Commissioner, Ghaziabad
	Excise Duty	2.08	April-12 to March-14	Additional Commissioner, Ghaziabad
4 Custom Act, 1962	Excise Duty	0.04	Sept-11 to March-13	Assistant Commissioner, Hapur
	Service Tax	4.92	Oct-09 to Nov-10	High Court, Allahabad
	Custom Duty	21.36	15.02.2007 to	A.C. Customs, Kandla
	+ Interest		14.02.2012	
	Custom Duty	4.56	25.11.2010	A.C. Customs, JNCH, Nhava Sheva
	+ Interest		10.12.2010	A.C. Customs, JNCH, Nhava Sheva
	Custom Duty	2.80		
	+ Interest			

Note: Some of the above demands are in the name of Jubilant Life Sciences Limited being the transferor company in terms of the Scheme of Amalgamation & Demerger in the FY 2010-11.

- (c) The respective entities of the Group did not have any dues on account of Investor Education and Protection Fund.
- viii) (a) There are no accumulated losses of the Holding company as at 31<sup>st</sup> March, 2015. Holding company has incurred cash losses during the financial year covered by our audit, as well as in the immediately preceding financial year.
- (b) There remains no accumulated losses in respect of the Subsidiary company as at 31<sup>st</sup> March 2015 (Refer note 31 of the Consolidated Financial Statements). The said entity has incurred cash losses during the financial year covered by our audit, as well as in the immediately preceding financial year.
- ix) Based on our audit procedures and the information given by the management of the respective entity, we are of the opinion that none of the entities has defaulted in repayment of dues to any financial institution or bank.
- x) (a) According to the information and explanations given to us, the Holding company has not given any guarantee for loans taken by others from banks or financial institution except in respect of various credit facilities enjoying by its wholly owned subsidiary for which the guarantees have been given and the same is not prejudicial to the interest of the Company.
- (b) According to the information and explanations given to us, the Subsidiary company has not given any guarantee for loans taken by others from bank or financial institution.
- xi) In our opinion and according to the information and explanations given to us, the term loans taken by the entities of the Group have been applied for the purpose for which they were obtained.
- xii) 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 of respective entity, we report that no fraud on or by the management of the entities of the Group has been noticed or reported during the course of our audit.

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

B.R. GOYAL  
Partner  
Membership No. 12172  
Place : Noida  
Date : 28<sup>th</sup> October, 2015

# Consolidated Balance Sheet



(₹ in million)

	Note	As at 31st March, 2015	As at 31st March, 2014
<b>I EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share Capital	2	118.49	118.49
Reserve & surplus	3	408.05	1,595.96
		526.54	1,714.45
<b>Non-current liabilities</b>			
Long term borrowings	4	1,625.37	1,741.54
Deferred tax liabilities (net)	5	0.52	1.73
Other long term liabilities	6	205.18	88.46
Long term provisions	7	102.91	103.02
		1,933.98	1,934.75
<b>Current liabilities</b>			
Short term borrowings	8	1,376.72	796.82
Trade payables	9	1,128.35	1,529.67
Other current liabilities	10	916.30	694.27
Short term provisions	11	271.06	46.99
		3,692.43	3,067.75
<b>Total</b>		<b>6,152.95</b>	<b>6,716.95</b>
<b>II ASSETS</b>			
<b>Non-current assets</b>			
<b>Fixed assets</b>			
Tangible assets	12	2,096.69	1,854.58
Intangible assets	13	757.63	884.34
Capital work-in-progress	12	33.92	229.12
Intangible assets under development	13	12.40	7.81
Long term loans & advances	14	309.16	333.56
		3,209.80	3,309.41
<b>Current assets</b>			
Current investments	15	0.08	0.08
Inventories	16	1,142.58	1,308.14
Trade receivables	17	1,058.06	1,355.05
Cash & bank balances	18	226.66	224.69
Short term loans and advances	19	512.85	517.25
Other current assets	20	2.92	2.33
		2,943.15	3,407.54
<b>Total</b>		<b>6,152.95</b>	<b>6,716.95</b>
<b>Statement of significant accounting policies &amp; notes to the Consolidated Financial Statements</b>	1 - 46		

In terms of our report of even date attached.

For and on behalf of the Board

For K. N. Gutgutia &amp; Co.

Chartered Accountants

Firm Registration Number : 304153E

B. R. Goyal

Partner

Membership No. 12172

Hari S. Bhartia

Chairman

Place : Noida

Date : 28<sup>th</sup> October, 2015

Dinesh Kumar Gupta

Company Secretary

Sandeep Kumar Shaw

Chief Financial Officer

Videh Kumar Jaipuria

Managing Director

# Consolidated Statement of Profit and Loss

(₹ in million)

	Note	For the year ended 31st March, 2015	For the year ended 31st March, 2014
<b>REVENUE</b>			
Revenue from operations (gross)	21	9,122.88	9,869.57
Less: Excise duty		540.87	569.23
Revenue from operations (net)		8,582.01	9,300.34
Other income	22	22.41	2.94
<b>Total revenue</b>		<b>8,604.42</b>	<b>9,303.28</b>
<b>EXPENSES</b>			
Cost of materials consumed	23	3,072.10	3,037.14
Purchase of traded goods	24	2,586.46	2,955.23
Change in inventories of work-in-progress, finished goods & traded goods	25	(17.53)	41.04
Other manufacturing expenses	26	653.45	731.69
Employee benefits expense	27	1,005.05	986.97
Finance costs	28	382.08	305.58
Depreciation & amortisation expense	12 & 13	307.44	316.40
Other expenses	29	1,561.24	1,571.60
<b>Total expenses</b>		<b>9,550.29</b>	<b>9,945.65</b>
<b>Profit/(Loss) before exceptional items &amp; tax</b>		<b>(945.87)</b>	<b>(642.37)</b>
Exceptional items	30	233.49	(850.90)
<b>Profit/(Loss) before tax</b>		<b>(1179.36)</b>	<b>208.53</b>
Tax Expenses:			
- Current Tax (Refer note 37)		(0.36)	1.71
- Deferred tax credit		(1.21)	(42.27)
<b>Profit/(Loss) for the year</b>		<b>(1.57)</b>	<b>(40.56)</b>
		<b>(1177.79)</b>	<b>249.09</b>
Basic earnings per share of ₹ 10 each (In ₹)	45	(99.40)	21.02
Diluted earnings per share of ₹ 10 each (In ₹)	45	(99.40)	21.02
Statement of significant accounting policies & notes to the Consolidated Financial Statements	1 - 46		

In terms of our report of even date attached.

For and on behalf of the Board

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

B. R. Goyal  
Partner  
Membership No. 12172

Hari S. Bhartia  
Chairman

Place : Noida  
Date : 28<sup>th</sup> October, 2015

Dinesh Kumar Gupta  
Company Secretary

Sandeep Kumar Shaw  
Chief Financial Officer

Videh Kumar Jaipurkar  
Managing Director

# Consolidated Cash Flow Statement



(₹ in million)

	For the year ended 31st March, 2015	For the year ended 31st March, 2014
<b>A. Cash flow arising from operating activities:</b>		
Net profit/(loss) before tax	(1,179.36)	208.53
Adjustments for:		
Depreciation & amortisation expense	307.44	316.40
Loss/(Profit) on sale of fixed assets (net)	0.28	2.41
Provision for closure of certain units of retail segment (Refer note 30.1)	233.49	-
Lease rent equalisation reserve reversal under exceptional items (Refer note 30)	-	(1,291.50)
Fixed assets written off under exceptional items (Refer note 30)	-	440.60
Finance costs	382.08	305.58
Lease rent equalisation charges	104.29	10.02
Provision for employee benefits	(2.38)	25.83
Bad debts/irrecoverable advances written-in (net of write-off)	(12.58)	(6.60)
Provision for doubtful receivables	10.03	7.55
Write off of inventory	25.66	-
Unrealised (gain)/loss on foreign exchange (net)	1.67	(15.87)
Gain on sale of current investments	-	(0.03)
	1,049.98	(205.61)
<b>Operating profit before working capital changes</b>	<b>(129.38)</b>	<b>2.92</b>
Adjustments for:		
(Increase)/Decrease in trade receivables, loans & advances and other assets	315.65	292.55
(Increase)/Decrease in inventories	139.90	119.80
Increase/(Decrease) in trade payables, provisions and other liabilities	(474.09)	302.98
<b>Cash generated from operations</b>	<b>(147.92)</b>	<b>718.25</b>
Direct taxes (paid)/refund (net)	(13.44)	(8.08)
<b>Net cash inflow/(outflow) in course of operating activities</b>	<b>(161.36)</b>	<b>710.17</b>
<b>B. Cash flow arising from investing activities:</b>		
Acquisition/Purchase of fixed assets	(224.61)	(351.22)
Movement in other bank balances	(19.41)	3.96
Sale proceeds of fixed assets	4.63	0.55
Interest income	14.90	13.66
(Purchase)/Sale of investments (net)	-	0.41
<b>Net cash inflow/(outflow) in course of investing activities</b>	<b>(224.49)</b>	<b>(332.64)</b>
<b>C. Cash flow arising from financing activities:</b>		
Repayment of long term borrowings	(273.23)	(2.70)
Proceeds from long term borrowings	241.85	11.74
Proceeds from / (Repayment) of short term borrowings (net)	314.90	(203.82)
Finance costs paid	(379.58)	(319.65)
Inter-corporate borrowings received from related parties (Refer note 43)	465.00	-
<b>Net cash inflow/(outflow) in course of financing activities</b>	<b>368.94</b>	<b>(514.43)</b>
<b>D. Foreign currency translation difference arising on consolidation</b>	<b>(0.53)</b>	<b>-</b>
<b>Net Increase/(Decrease) in cash &amp; cash equivalents (A+B+C+D)</b>	<b>(17.44)</b>	<b>(136.90)</b>
Add: Cash & cash equivalents at the beginning of the year (including balance in dividend account)	65.90	202.80
<b>Cash &amp; cash equivalents at the close of the year (including balance in dividend account)</b>	<b>48.46</b>	<b>65.90</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 during the year.
- iii) Closing cash and cash equivalents includes ₹ 0.24 million (Previous Year: ₹ 0.24 million), which has restricted use.

In terms of our report of even date attached.

For and on behalf of the Board

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

B. R. Goyal  
Partner  
Membership No. 12172

Hari S. Bhartia  
Chairman

Place : Noida  
Date : 28<sup>th</sup> October, 2015

Dinesh Kumar Gupta  
Company Secretary

Sandeep Kumar Shaw  
Chief Financial Officer

Videh Kumar Jaipuria  
Managing Director

# Notes to the Consolidated Financial Statements



## 1. Statement of Significant Accounting Policies

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

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

#### Use of estimates

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

### Current-non-current classification

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

#### Assets

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

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

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

All other assets are classified as non-current.

#### Liabilities

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

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

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

All other liabilities are classified as non-current.

#### Operating Cycle

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

## Notes to the Consolidated Financial Statements

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

### B. Principles of Consolidation

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

- i) The financial statements of the Company and its subsidiary companies have been combined substantially on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and unrealized profits.
- ii) The Consolidated Financial Statements have been prepared in accordance with the Accounting Standard 21 (AS-21); "Consolidated Financial Statements" notified by the Central Government of India and using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements.

The Subsidiary Companies considered in the Consolidated Financial Statements are:

(1)

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

(2)

<b>Name of the Subsidiary</b>	Jubilant Industries Inc. (USA)
<b>Country of incorporation</b>	United States of America
<b>Nature of Business</b>	Engaged in marketing & distribution of SPVA product
<b>Percentage of ownership</b>	100%

### C. Tangible and Intangible Fixed Assets

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

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

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

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

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

### D. Depreciation and Amortization

Up to 31<sup>st</sup> March, 2014, depreciation was provided on Straight Line Method at rates mentioned and in the manner specified vide Schedule XIV to the Companies Act, 1956 (as amended) and read with the statement as mentioned hereunder, on the original cost/ acquisition cost or other amount substituted for cost. Plant had been treated as continuous plant based on technical assessment, (relied upon by the auditors being a technical matter) and depreciation on such assets had been provided accordingly.

Depreciation in respect of assets added/installed up to December 15<sup>th</sup> 1993, was provided at the rates applicable at the time of addition/ installation of the assets as per Companies Act, 1956 and depreciation in respect of other assets added/installed during the subsequent

## Notes to the Consolidated Financial Statements

period was provided at the rates mentioned in Schedule XIV to the Companies Act, 1956 read with Notification dated 16<sup>th</sup> December, 1993 issued by the Department of Company Affairs, Government of India except for the following classes of fixed assets which were depreciated/ amortized over the useful life estimated as under:

- a. Computer & Information Technology related assets: Three to Five Years.
- b. Employee perquisite-related assets: Five Years, being the period of Perquisite Scheme.
- c. Motor Vehicles: Five Years.
- d. Motor Vehicles under Finance Lease: Tenure of Lease or Five Years, whichever was shorter.

During the current year, pursuant to the Companies Act, 2013 ("the Act") being effective from 1<sup>st</sup> April, 2014, the Group has revised depreciation rates 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: Five Years.
- c. Motor Vehicles under Finance Lease: Tenure of Lease or five years whichever is shorter.

Useful life so arrived at are currently reflective of the estimated useful life of the fixed assets and are not higher than the useful lives as prescribed vide Schedule II to the Companies Act, 2013 except for the following classes of fixed assets of its retail division:

- a. Plant and machineries: Twenty Years.
- b. Furniture & fixtures: Fifteen Years.
- c. Office equipments: Ten Years.

Leasehold land is amortized over the lease period.

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

Goodwill recognized pursuant to acquisition of

business is amortized over ten years on straight-line basis.

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

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

### E. Leases

#### i) Where the Group is Lessee

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

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

#### ii) Where the Group is lessor

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

### F. Valuation of Inventories

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

## Notes to the Consolidated Financial Statements

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

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

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

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

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

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

### G. Investments

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

Current Investments are carried at cost or

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

### H. Income Tax

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

#### Current Tax

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

#### Deferred Tax

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

### I. Foreign Currency Transactions and Translations

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

b) **Conversion:** Foreign currency monetary

## Notes to the Consolidated Financial Statements

- items, if any are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.
- c) **Exchange Difference:** Exchange differences arising on the settlement of monetary items, if any or on reporting such monetary items of the Group at rates different from those at which they were initially recorded during the year or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.
- d) **Forward Exchange Contracts:** Monetary Assets and Liabilities, if any are restated at the rate prevailing at the period end or at the spot rate at the inception of forward contract where forward cover for specific asset/liability has been taken and in respect of such forward contracts the difference between the contract rate and the spot rate at the inception of the forward contract is recognized as income or expense in Consolidated Statement of Profit and Loss over the life of the contract. All other outstanding forward contracts on the closing date are mark to market and resultant loss is recognized as expense in the Consolidated Statement of Profit and Loss. Mark to market gains, if any, are ignored. Any profit or loss arising on cancellation or renewal of such a forward contract is recognized as income or as expense for the period.
- e) **Non-integral operations:** The financial statements of the foreign non integral subsidiaries (collectively referred to as the 'foreign non integral operations') are translated in to Indian Rupees as follows:-
- Share capital and opening reserves and surplus are carried at historical cost.
  - All assets and liabilities, both monetary and non-monetary, (excluding share capital, opening reserves and surplus) are translated using closing rates at the Balance Sheet date.
  - Profit and Loss items are translated at the respective year to date average rates or the exchange rate that approximates the actual exchange rate on the date of specific transaction.
  - Contingent liabilities are translated at the closing rates at the Balance sheet date.
- The resulting net exchange differences is credited or debited to the foreign currency translation reserve.
- The items of Consolidated Cash Flow Statement are translated at the respective average rates or the exchange rate that approximates the actual exchange rate on date of specific transaction. The effect of changes in exchange rates on cash cash equivalents held in a foreign currency is reported separately as part of the reconciliation of the changes in cash and cash equivalents during the period.
- J. **Provisions, Contingent Liabilities and Contingent Assets**
- The Group recognizes a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. Contingent liabilities are disclosed in respect of possible obligations that may arise from past events but their existence is confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Contingent Assets are neither recognized nor disclosed in the consolidated financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the assets and related income are recognized in the period in which the change occurs.
- K. **Employee Benefits**
- (i) **Short-term Employee Benefits:** All employee benefits falling due wholly within twelve months of rendering the services are classified as short-term employee benefits, which include benefits like salaries, wages, short-term compensated absences, performance incentives etc. and are recognized as expenses in the period in which the employee renders the related service and measured accordingly.
- (ii) **Post-employment Benefits:** Post employment benefit plans are classified into defined contribution plans and defined benefits plans in line with the requirements of AS 15 on "Employee Benefits".
- **Gratuity and Leave Encashment**
- Gratuity and leave encashment which are defined benefits are recognized in the Consolidated Statement of Profit and Loss based on actuarial valuation using projected unit credit method as at Balance Sheet date by an independent actuary. Actuarial gains and losses arising from the experience adjustment and change in actuarial assumption are immediately

## Notes to the Consolidated Financial Statements

recognized in the Consolidated Statement of Profit and Loss as income or expense. The gratuity liability for certain employees of one of the units of the Group is funded with Life Insurance Corporation of India.

- **Superannuation**

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

- **Provident Fund**

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

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

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

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

- L. **Borrowings Cost**

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

- M. **Revenue Recognition**

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

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

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 and are included in turnover.

- N. **Segment Reporting**

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

## Notes to the Consolidated Financial Statements

### O. Earnings Per Share

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

### P. Impairment of Fixed Assets

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

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

been determined had no impairment loss been recognized for the asset in previous periods. A reversal of impairment loss is recognized in the Consolidated Statement of Profit and Loss.

### Q. Employee Stock Option Scheme

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

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

## Notes to the Consolidated Financial Statements

(₹ in million)

	As at 31st March, 2015	As at 31st March, 2014
<b>2. SHARE CAPITAL</b>		
<b>Authorised</b>		
15,000,000 Equity shares of ₹ 10 each	150.00	150.00
(Previous Year 15,000,000 Equity shares of ₹ 10 each)		
	<b>150.00</b>	<b>150.00</b>
<b>Issued, subscribed &amp; paid-up</b>		
11,849,404 Equity shares of ₹ 10 each (Refer note 2.1)	118.49	118.49
(Previous Year 11,849,404 Equity shares of ₹ 10 each)		
	<b>118.49</b>	<b>118.49</b>

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

- 3,835,348 equity shares of ₹ 10 each allotted pursuant to the Scheme of Arrangement with Jubilant Agri and Consumer Products Limited and Enpro Oil Private Limited during the FY 2011-12.
- 7,964,056 equity shares of ₹ 10 each allotted pursuant to the Scheme of Amalgamation & Demerger with Jubilant Life Sciences Limited during the FY 2010-11.

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

Name of the shareholder	As at 31st March, 2015		As at 31st March, 2014	
	No. of shares	% held	No. of shares	% held
Jubilant Stock Holding Private Limited	1,329,757	11.22	1,329,757	11.22
Jubilant Capital Private Limited	1,166,600	9.85	1,166,600	9.85
Jubilant Enpro Private Limited	3,729,683	31.48	3,617,307	30.53
Jubilant Securities Private Limited	1,051,075	8.87	1,051,075	8.87
Samena Special Situations Mauritius	690,555	5.83	690,555	5.83

2.3 The reconciliation of the number of shares outstanding as at 31st March, 2015 and 31st March, 2014 is set out below:

Particulars	As at 31st March, 2015		As at 31st March, 2014	
	No. of shares	₹ in million	No. of shares	₹ in million
Number of shares at the beginning of the year	11,849,404	118.49	11,849,404	118.49
<b>Numbers of shares at the end of the year</b>	<b>11,849,404</b>	<b>118.49</b>	<b>11,849,404</b>	<b>118.49</b>

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

2.5 For Employee Stock Option Scheme refer note 34.

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

## Notes to the Consolidated Financial Statements

(₹ in million)

	As at 31st March, 2015	As at 31st March, 2014
<b>3. RESERVES AND SURPLUS</b>		
<b>Foreign currency translation reserve</b>		
As per last Balance Sheet	-	-
Addition during the year	(0.53)	-
<b>Closing Balance</b>	<b>(0.53)</b>	<b>-</b>
<b>Securities premium account</b>		
As per last Balance Sheet	823.45	823.45
<b>General reserve</b>		
As per last Balance Sheet	227.78	227.78
<b>Surplus/(Deficit)</b>		
As per last Balance Sheet	544.73	295.64
Add: Net profit/(loss) after tax as per Consolidated Statement of Profit & Loss for the year	(1,177.79)	249.09
Less: Adjustments on account of depreciation (Refer note 3.2)	9.59	-
<b>Closing Balance</b>	<b>(642.65)</b>	<b>544.73</b>
<b>Total</b>	<b>408.05</b>	<b>1,595.96</b>

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

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

3.3 Pursuant to the confirmation of the Scheme for Capital Reduction of Jubilant Agri and Consumer Products Limited (JACPL), a wholly owned subsidiary of the Company, by way of reduction in Securities Premium Account, and to permit it to set off its accumulated losses as at March 31, 2015 against the securities premium account by the Hon'ble Allahabad High Court vide its order dated October 01, 2015. Accordingly, JACPL has set off on 31st March, 2015 its accumulated loss to date amounting to ₹ 2041.12 million against its securities premium account. (Refer Note 31)

(₹ in million)

	As at 31st March, 2015	As at 31st March, 2014
<b>4. LONG TERM BORROWINGS</b>		
<b>Term loan from banks</b>		
- Indian rupee loan (secured)	1,422.26	1,737.62
<b>Long term maturities of finance lease obligation</b>		
- Finance lease obligations (secured)	3.11	3.92
<b>Term loan from others</b>		
- Loan from related party (unsecured)	200.00	-
	<b>1,625.37</b>	<b>1,741.54</b>
<b>The above amounts includes</b>		
Secured borrowings	1,425.37	1,741.54
Unsecured borrowings	200.00	-
	<b>1,625.37</b>	<b>1,741.54</b>

Refer note 10 for current maturities of long term borrowings.

4.1 Term loan I availed from Yes Bank Limited amounting to ₹ 1114.29 million (Previous Year: ₹ 1200 million) including current maturities of ₹ 342.86 million (Previous Year: ₹ 85.71 million) is secured by first pari passu charge on all fixed assets (both present & future) of Jubilant Agri and Consumer Products Limited and the parent Company, unconditional and irrevocable corporate guarantee of the parent Company and also of Jubilant Enpro (P) Limited. The said bank has lien on fixed deposits worth ₹ 120 million (Previous Year: ₹ 120 million).

## Notes to the Consolidated Financial Statements

- 4.2 Term loan II availed from Yes Bank Limited amounting to ₹ 240.00 million (Previous Year: ₹ Nil) including current maturities of ₹ Nil (Previous Year: ₹ Nil) is secured by first pari passu charge on all fixed assets (both present & future) of Jubilant Agri and Consumer Products Limited, unconditional and irrevocable corporate guarantee of Jubilant Enpro (P) Limited. The said bank has lien on fixed deposits worth ₹ 24 million (Previous Year: ₹ Nil).
- 4.3 Term loan availed from The Rantnakar Bank Limited amounting to ₹ 623.33 million (Previous Year: ₹ 807.50 million) including current maturities of ₹ 212.50 million (Previous Year: ₹ 184.17 million) is secured by first pari passu charge on all fixed assets (both present & future) of Jubilant Agri and Consumer Products Limited and the parent Company, unconditional and irrevocable corporate guarantee of the parent Company and also of Jubilant Enpro (P) Limited.
- 4.4 Term loan I availed from Yes Bank Limited is repayable in remaining thirteen equal quarterly instalments payable up to June, 2018.
- 4.5 Term loan II availed from Yes Bank Limited is repayable in sixteen equal quarterly instalments commencing from March, 2017 to December, 2020.
- 4.6 Term loan availed from The Rantnakar Bank Limited is repayable in remaining eleven structured quarterly instalments payable up to December, 2017.
- 4.7 Finance lease obligations ₹ 4.85 million (Previous Year: ₹ 6.35 million) including current maturities of ₹ 1.74 million (Previous Year: ₹ 2.43 million) under other current liabilities are secured by hypothecation of specific assets taken under such lease arrangements and the same are repayable as per the terms of agreement with the lessor.
- 4.8 Term loans availed from related party, namely Jubilant Enpro (P) Limited are repayable at the end of three years from the date of respective disbursement.

(₹ in million)

	As at 31st March, 2015	As at 31st March, 2014
<b>5. DEFERRED TAX LIABILITIES (NET)</b>		
Deferred tax liabilities on account of:		
Accelerated depreciation/amortization	1.81	2.05
	<b>1.81</b>	<b>2.05</b>
Deferred tax assets on account of:		
Provisions for leave encashment and gratuity	1.29	0.32
	<b>1.29</b>	<b>0.32</b>
<b>Deferred tax liabilities (net)</b>	<b>0.52</b>	<b>1.73</b>

(₹ in million)

	As at 31st March, 2015	As at 31st March, 2014
<b>6. OTHER LONG TERM LIABILITIES</b>		
Security deposits	51.06	33.97
Trade deposits & advances	39.81	44.47
Lease rent equalisation charges (Refer note 35)	114.31	10.02
	<b>205.18</b>	<b>88.46</b>

(₹ in million)

	As at 31st March, 2015	As at 31st March, 2014
<b>7. LONG TERM PROVISIONS</b>		
Employee benefits	102.91	103.02
	<b>102.91</b>	<b>103.02</b>

## Notes to the Consolidated Financial Statements

(₹ in million)

	As at 31st March, 2015	As at 31st March, 2014
<b>8. SHORT TERM BORROWINGS</b>		
Loans repayable on demand		
- From banks:		
Secured	1,111.72	796.82
Loans from others:		
- From related party (unsecured)	265.00	-
	<b>1,376.72</b>	<b>796.82</b>
<b>The above amounts includes</b>		
Secured borrowings	1,111.72	796.82
Unsecured borrowings	265.00	-
	<b>1,376.72</b>	<b>796.82</b>

8.1 Working capital facilities sanctioned by Consortium of banks comprising of Axis Bank Limited, Corporation Bank, IDBI Bank Limited and Yes Bank Limited are secured by a first charge by way of hypothecation, of the entire book debts, receivables, inventories and current assets both present and future, of Jubilant Agri and Consumer Products Limited wherever the same may be or be held and unconditional and irrevocable corporate guarantee of its Holding company in favour of its bankers. Short term borrowings from banks are availed in Indian rupees and in foreign currency. Short term borrowings from related party are repayable as per terms of agreement with in one year.

(₹ in million)

	As at 31st March, 2015	As at 31st March, 2014
<b>9. TRADE PAYABLES</b>		
Due to micro, small & medium enterprises under MSMED Act, 2006	3.75	5.54
Trade payables - others	1,124.60	1,524.13
	<b>1,128.35</b>	<b>1,529.67</b>

(₹ in million)

	As at 31st March, 2015	As at 31st March, 2014
<b>10. OTHER CURRENT LIABILITIES</b>		
Current maturities of long term debt (Refer note 4)	555.36	269.88
Current maturities of finance lease obligations (Refer note 4)	1.74	2.43
Creditors for capital supplies and services	18.52	21.66
Employee benefits payable	22.79	55.62
Trade deposits & advances	44.04	45.21
Interest accrued and due	27.31	12.48
Interest accrued but not due	3.36	0.79
Unpaid dividend	0.24	0.24
Due to related parties (Refer note 43)	12.47	13.25
Others (including statutory dues)	230.47	272.71
	<b>916.30</b>	<b>694.27</b>

(₹ in million)

	As at 31st March, 2015	As at 31st March, 2014
<b>11. SHORT TERM PROVISIONS</b>		
Income tax	-	0.64
Employee benefits	32.91	35.18
Excise duty	4.66	11.17
Provision for closure of certain units of retail segment (Refer note 30.1)	233.49	-
	<b>271.06</b>	<b>46.99</b>

## Notes to the Consolidated Financial Statements

## 12. TANGIBLE ASSETS

(₹ in million)

Description	GROSS BLOCK – COST / BOOK VALUE			DEPRECIATION / AMORTISATION / IMPAIRMENT			NET BLOCK		
	As at 31st March, 2014	Additions/ adjustments during the year	Deductions/ adjustments during the year	As at 31st March, 2015	As at 31st March, 2014	Provided for the year	Deductions/ adjustments during the year	As at 31st March, 2015	As at 31st March, 2014
Land									
(a) Freehold	25.35	5.24	-	30.59	-	-	-	30.59	25.35
(b) Leasehold	15.35	-	-	15.35	2.06	0.21	-	13.08	13.29
Leasehold improvements	604.47	89.79	-	694.26	223.50	49.36	-	421.40	380.97
Buildings									
(a) Factory	201.28	21.31	-	222.59	24.08	12.90	(0.46)	37.44	177.20
(b) Others	43.11	1.25	3.49	40.87	2.21	0.92	(0.68)	3.81	40.90
Plant & machineries	1,451.26	275.37	11.44	1,715.19	466.29	74.42	1.73	538.98	1,176.21
Furniture & fixtures	283.81	35.00	3.28	315.53	112.19	18.16	2.10	128.25	171.62
Office equipments	125.04	12.39	3.70	133.73	71.97	21.24	1.00	92.21	53.07
Vehicles									
(a) Leased	10.62	1.85	3.83	8.64	3.45	3.56	2.76	4.25	7.17
(b) Others	0.04	-	-	0.04	-	0.03	-	0.03	0.04
<b>TOTAL</b>	<b>2,760.33</b>	<b>442.20</b>	<b>25.74</b>	<b>3,176.79</b>	<b>905.75</b>	<b>180.80</b>	<b>6.45</b>	<b>1,080.10</b>	<b>1,854.58</b>
Less: Debited to the opening balance of surplus/(deficit) (Refer note 40)						9.59			
<b>Net amount charged to Consolidated statement of profit and loss</b>						<b>171.21</b>			
Previous Year	3,035.77	442.54	717.98	2,760.33	997.19	182.99	274.43	905.75	2,038.58
Capital work in progress								33.92	229.12

12.1 During the year certain fixed assets have been reclassified from building others to building factory – gross block ₹ 10.17 million, accumulated depreciation ₹ 0.57 million, from building factory to building others – gross block ₹ 6.68 million, accumulated depreciation ₹ 1.25 million, from furniture & fixtures to office equipments – gross block ₹ 1.00 million, accumulated depreciation ₹ 0.40 million, from office equipments to furniture & fixtures – gross block ₹ 0.39 million, accumulated depreciation ₹ 0.03 million, and from plant & machineries to building factory – gross block ₹ 10.28 million, accumulated depreciation ₹ 1.14 million.

## 13. INTANGIBLE ASSETS

(₹ in million)

Description	GROSS BLOCK – COST / BOOK VALUE			DEPRECIATION / AMORTISATION / IMPAIRMENT			NET BLOCK		
	As at 31st March, 2014	Additions/ adjustments during the year	Deductions/ adjustments during the year	As at 31st March, 2015	As at 31st March, 2014	Provided for the year	Deductions/ adjustments during the year	As at 31st March, 2015	As at 31st March, 2014
Goodwill	1,237.74	-	-	1,237.74	371.40	123.70	-	495.10	866.34
Trade marks	0.09	-	-	0.09	0.09	-	-	0.09	-
Software	44.66	9.52	-	54.18	26.66	12.53	-	39.19	18.00
<b>TOTAL</b>	<b>1,282.49</b>	<b>9.52</b>	<b>-</b>	<b>1,292.01</b>	<b>398.15</b>	<b>136.23</b>	<b>-</b>	<b>534.38</b>	<b>884.34</b>
Previous Year	1,275.68	6.81	-	1,282.49	264.74	133.41	-	398.15	1,010.94
Intangible assets under development								12.40	7.81



## Notes to the Consolidated Financial Statements

(₹ in million)

	As at 31st March, 2015	As at 31st March, 2014
<b>17. TRADE RECEIVABLES</b>		
(Unsecured)		
<b>Outstanding for period exceeding six months from the date they are due for payment</b>		
Considered good	48.93	108.05
Doubtful	15.88	7.55
	64.81	115.60
<b>Other receivables</b>		
Considered good	1,009.13	1,247.00
Doubtful	1.70	–
	1,010.83	1,247.00
<b>Total Trade receivables</b>	<b>1,075.64</b>	<b>1,362.60</b>
Less: Provision for doubtful receivables	17.58	7.55
	<b>1,058.06</b>	<b>1,355.05</b>

17.1 Trade receivable includes subsidy receivable ₹ 239.29 million (Previous Year: ₹ 163 million). (Refer note 1 M)

(₹ in million)

	As at 31st March, 2015	As at 31st March, 2014
<b>18. CASH &amp; BANK BALANCES</b>		
<b>Cash and cash equivalents</b>		
Balance With Banks		
– On current accounts	44.92	51.39
– On dividend account	0.24	0.24
Cash in hand	2.14	13.05
Others		
– Gift/Meal vouchers in hand	0.22	0.36
– Funds in transit	0.94	0.86
	<b>48.46</b>	<b>65.90</b>
<b>Other bank balances</b>		
Margin money with banks*	34.17	38.37
On deposit accounts**	144.03	120.42
	<b>178.20</b>	<b>158.79</b>
	<b>226.66</b>	<b>224.69</b>

\* For bank guarantees in favour of government authorities.

\*\* The fixed deposits for ₹ 120 million (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 ₹ 24 million (Previous Year: ₹ Nil) has been kept under lien of bank against the term loan-II availed in the year 2014–15 for ₹ 240 million from Yes Bank Limited. (Refer note 4.1 & 4.2)

## Notes to the Consolidated Financial Statements

(₹ in million)

	As at 31st March, 2015	As at 31st March, 2014
<b>19. SHORT TERM LOANS &amp; ADVANCES</b>		
Deposits	107.00	107.00
Deposits/Balances with government authorities	121.48	155.04
Advance payment of income tax	117.84	104.68
Employee loans & advances	5.31	4.20
Advances recoverable in cash or in kind or for value to be received:		
– Others – Export incentives and others recoverable	161.22	146.33
	<b>512.85</b>	<b>517.25</b>

(₹ in million)

	As at 31st March, 2015	As at 31st March, 2014
<b>20. OTHER CURRENT ASSETS</b>		
Others	2.92	2.33
	<b>2.92</b>	<b>2.33</b>

(₹ in million)

	For the year ended 31st March, 2015	For the year ended 31st March, 2014
<b>21. REVENUE FROM OPERATIONS</b>		
Sale of products	8,909.33	9,682.95
Sale of services	108.25	81.46
Other operating income	105.30	105.16
<b>Revenue from operations (gross)</b>	<b>9,122.88</b>	<b>9,869.57</b>
Less: Excise duty	540.87	569.23
<b>Revenue from operations (net)</b>	<b>8,582.01</b>	<b>9,300.34</b>

(₹ in million)

	For the year ended 31st March, 2015	For the year ended 31st March, 2014
<b>22. OTHER INCOME</b>		
Gain on sale of current Investments	–	0.03
Surplus on sale of liquor license	14.50	–
Other non-operating income	7.91	2.91
	<b>22.41</b>	<b>2.94</b>

## Notes to the Consolidated Financial Statements

(₹ in million)

	For the year ended 31st March, 2015	For the year ended 31st March, 2014
<b>23. COST OF MATERIALS CONSUMED</b>		
Raw & process materials consumed	3,072.10	3037.14
	<b>3,072.10</b>	<b>3,037.14</b>

(₹ in million)

	For the year ended 31st March, 2015	For the year ended 31st March, 2014
<b>24. PURCHASE OF TRADED GOODS</b>		
Purchase of traded goods*	2,586.46	2,955.23
	<b>2,586.46</b>	<b>2,955.23</b>

\* including write off of inventory ₹ 25.66 million (Previous Year: ₹ Nil)

(₹ in million)

	For the year ended 31st March, 2015	For the year ended 31st March, 2014
<b>25. CHANGES IN INVENTORIES OF WORK-IN-PROGRESS, FINISHED GOODS AND TRADED GOODS</b>		
Stock at commencement – Work-in-progress	44.19	179.04
Stock at commencement – Finished goods	213.85	203.52
Stock at commencement – Traded goods	459.21	375.73
	<b>717.25</b>	<b>758.29</b>
Stock at close – Work-in-progress	70.55	44.19
Stock at close – Finished goods	335.37	213.85
Stock at close – Traded goods	325.64	459.21
	<b>731.56</b>	<b>717.25</b>
Decrease /(Increase) in stocks	(14.31)	41.04
Less: Loss of inventory due to fire	3.22	-
Net decrease /(increase) in stocks	<b>(17.53)</b>	<b>41.04</b>

## Notes to the Consolidated Financial Statements

(₹ in million)

	For the year ended 31st March, 2015	For the year ended 31st March, 2014
<b>26. OTHER MANUFACTURING EXPENSES</b>		
Power and fuel	156.11	195.67
Stores, spares & packing materials consumed	448.04	466.08
Repairs to plant & machinery	53.18	63.97
Repairs to factory building	3.57	4.58
Excise duty (Refer note 33)	(7.45)	1.39
	<b>653.45</b>	<b>731.69</b>

(₹ in million)

	For the year ended 31st March, 2015	For the year ended 31st March, 2014
<b>27. EMPLOYEE BENEFITS EXPENSE</b>		
Salaries, wages, bonus, gratuity & allowances	909.77	892.00
Contribution to provident & superannuation funds	53.57	53.71
Staff welfare expenses	41.71	41.26
	<b>1005.05</b>	<b>986.97</b>

(₹ in million)

	For the year ended 31st March, 2015	For the year ended 31st March, 2014
<b>28. FINANCE COSTS</b>		
Interest expense	339.65	268.44
Other borrowings cost	57.33	50.80
	<b>396.98</b>	<b>319.24</b>
Less: Interest income (on fixed and other deposits)	14.90	13.66
	<b>382.08</b>	<b>305.58</b>

## Notes to the Consolidated Financial Statements

(₹ in million)

	For the year ended 31st March, 2015	For the year ended 31st March, 2014
<b>29. OTHER EXPENSES</b>		
Rent (Including lease equalisation charges) (Refer note 35)	532.32	496.63
Rates & taxes	18.78	19.14
Insurance	18.54	18.57
Advertisement, publicity & sales promotion	90.04	99.13
Travelling & other incidental expenses	67.31	89.42
Repair & maintenance – others	194.38	202.46
Vehicle running & maintenance	3.05	2.93
Printing & stationery	10.76	10.89
Communication expenses	17.92	15.64
Staff recruitment & training	17.02	14.25
Auditors remuneration – As auditors	1.13	1.12
– For limited review	0.35	0.34
– For taxation matters	0.26	0.26
– For other services	0.93	0.95
– Out of pocket expenses	0.30	0.47
Legal, professional and consultancy charges	71.81	80.09
Donations	1.39	8.00
CSR expenses (Refer note 29.2)	2.00	–
Directors' sitting fees	1.70	0.71
Bank charges	53.04	53.58
Miscellaneous expenses	2.59	3.12
Foreign exchange fluctuation loss – (net of gain)	17.24	19.73
Freight & forwarding	328.66	312.81
Commission on sales	25.21	34.63
Discounts, claims to customers and other selling expenses (Refer note 29.1)	86.78	83.37
Bad Debts/irrecoverable advances & receivables written off/written in (net)	(12.58)	0.95
Provision for doubtful debts	10.03	–
Loss on sale/disposal of fixed assets	0.28	2.41
	<b>1,561.24</b>	<b>1,571.60</b>

29.1 Discounts, claims to customers and other selling expenses includes ₹ 28.39 million (Previous Year: ₹ 20.02 million) on account of surplus over the cost being passed on to the bottler as per agreement with them.

29.2 Expenditure related to corporate social responsibility as per Section 135 of the Companies Act, 2013, read with Schedule VII, thereof: ₹ 1.99 million.

(₹ in million)

	For the year ended 31st March, 2015	For the year ended 31st March, 2014
<b>30. EXCEPTIONAL ITEMS</b>		
Lease rent equalisation reserve reversal (Refer note 35)	–	(1,291.50)
Fixed assets written off (Refer note 35)	–	440.60
Provision for closure of certain units of retail segment (Refer note 30.1)	233.49	–
	<b>233.49</b>	<b>(850.90)</b>

30.1 Based upon viability assessment done for retail segment, management has taken provision against closure of certain units of retail segment:

- Reversal of lease rent equalisation reserve (LRER) as the same is no longer required to be maintained of ₹ (12.80) million.
- Security deposits taken/given towards mall tenants and landlords in terms of the agreement entered in to of ₹ 27.03 million.
- Associated leasehold improvements and other fixed assets pertaining to those hyper markets and malls of ₹ 219.26 million.

## Notes to the Consolidated Financial Statements

31. Consequent upon the confirmation of the Scheme for Capital Reduction of Jubilant Agri and Consumer Products Limited (JACPL), a wholly owned subsidiary of the Company, by way of reduction in Securities Premium Account, and to permit it to set off its accumulated losses as at March 31, 2015 against the securities premium account by the Hon'ble Allahabad High Court vide its order dated October 01, 2015. Accordingly, JACPL has set off on 31st March, 2015 its accumulated loss to date amounting to ₹ 2041.12 million against its securities premium account. The consolidated accounts of the Company have been prepared after giving effect to the said reduction as on March 31, 2015 though it does not have any financial impact on the consolidated results of the Company for the said date. Further, the Hon'ble Allahabad High Court has also permitted not to use the word "and reduced" with the name of the subsidiary company.

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

#### I) Claims against Group not acknowledged as debt:

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

(i)

(₹ in million)

Particulars	As at 31 March, 2015	As at 31 March, 2014
Central excise	36.85	46.31
Customs	7.35	7.12
Sales tax	6.70	13.36
Service tax	4.92	4.92
Others	60.52	60.52

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

iii) A civil suit (OS No. 5549/2013) has been filed by Kids Kemp (the lessor) against Food Express Stores and Jubilant Agri and Consumer Products Limited (JACPL), a wholly owned subsidiary of the Company, and the same is pending before the City Civil Court Bangalore. Part of the claims were settled by means of a compromise petition between the parties and the remaining claims amounting to ₹ 132.20 million relate to claims for past periods. JACPL has filed detailed statement of objections and is strongly contesting the claims on a number of grounds, including that a significant part of the claims is barred by the law of limitation. JACPL is reasonably confident that its position will be upheld by the court. Hence, no liability is acknowledged.

iv) Another suit (OS No. 5561/2014) is pending before the City Civil Court, Bangalore and has been filed against Jubilant Agri and Consumer Products Limited (JACPL), a wholly owned subsidiary of the Company by Shivashakti Builders (the lessor) amounting to ₹ 218.86 million. The matter relates to damages allegedly suffered by the plaintiff due to the termination of a lease arrangement between the parties. JACPL has filed detailed objections to the plaint and has explained the reasons as to why it terminated the lease arrangement. The matter is pending in trial and JACPL is reasonably confident of its chances of success in this matter.

b) Outstanding guarantees furnished by banks on behalf of the Group/by the Group including in respect of letters of credit is ₹ 528.64 million (Previous Year: ₹ 652.09 million).

#### II) Commitments

##### a) Capital commitments

Estimated amount of contracts remaining to be executed on capital account (net of advances) ₹ 6.25 million (Previous Year: ₹ 55.55 million) [Advances ₹ 0.41 million (Previous Year: ₹ 25.67 million)].

## Notes to the Consolidated Financial Statements

### b) Other Commitments:

- i) Export obligation under Advance License Scheme on duty free import of raw materials, remaining outstanding ₹ 27.08 million (Previous Year: ₹ 86.02 million)
- ii) For lease commitment refer note 35.

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

### 34. Employee Stock Option Scheme

In terms of approval of members accorded and in accordance with SEBI (ESOP & ESPS) Guidelines, 1999, the Company constituted "JIL Employees Stock Option Scheme, 2013 (Scheme 2013)" for specified categories of employees and directors of the Company, its subsidiaries and holding companies. Under the Scheme 2013, up to 590000 stock options can be issued to eligible directors (other than promoter directors, independent directors and nominee directors of the Company/subsidiaries/holding companies) and other specified categories of employees of the Company/subsidiaries/holding companies. The options are to be granted at market price. As per SEBI Guidelines, the market price is taken as the closing price on the day preceding the date of grant of options, on the stock exchange where the trading volume is the highest.

Each option, upon vesting, shall entitle the holder to subscribe 1 (one) fully paid equity share of ₹ 10 of the Company. 20% of the options shall vest on first anniversary of the grant date, subsequent 30% shall vest on second anniversary and balance 50% of the options shall vest on the third anniversary of the grant date.

The Company has constituted a Compensation Committee, comprising of a majority of independent directors. This Committee is fully empowered to administer the Scheme 2013.

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

Particulars	2014-15		2013-14	
	Number of Options	Weighted Average Exercise Price (₹)	Number of Options	Weighted Average Exercise Price (₹)
Options outstanding at the beginning of the year	133,938	101.46	-	-
Granted during the year	-	-	141,712	101.83
Expired/Lapsed during the year	16,507	101.64	7,774	108.10
Options forfeited during the year	-	-	-	-
Options exercised during the year	-	-	-	-
Options outstanding at the end of the year	117,431	101.44	133,938	101.46

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

### 35. Disclosures of leasing arrangements

#### I) Operating lease:

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

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

## Notes to the Consolidated Financial Statements

Operating lease payments are recognized as an expense in the Consolidated Statement of Profit and Loss on a straight-line basis over the lease term. Excess of lease rent expenses paid over the equalized lease rent payable to the lessor as per the terms of contract amounting to ₹ 104.29 million for the year (Previous Year: (1281.50) million) and till 31st March, 2015, ₹ 114.31 million (Previous Year: ₹ 10.02 million) is credited to lease rent equalization charges and is classified under other long term liabilities.

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

(₹ in million)

Particulars	As at 31 March, 2015	As at 31 March, 2014
Not later than one year	278.91	331.68
Later than one year but not later than five years	1310.18	1813.04
Later than five years	4743.59	5468.20

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

### II) Assets acquired under finance lease:

The Group has taken vehicles under finance lease. Future minimum lease payments and their present values under finance leases as at 31st March, 2015 are as follows:

(₹ in million)

Particulars	Minimum lease payments	Present value of minimum lease payments	Future interest
Not later than one year	2.27 (3.11)	1.74 (2.43)	0.53 (0.68)
Later than one year but not later than five years	3.59 (4.62)	3.11 (3.92)	0.48 (0.70)
Later than five years	- (-)	- (-)	- (-)

- a) Previous year figures are given in parenthesis.
- b) There is no element of contingent rent or sub lease payments. Group has option to purchase the assets at the end of the lease term. There are no restrictions imposed by these lease arrangements regarding dividend, additional debt and further leasing.

36. In line with the applicable accounting standards, during the year, interest amounting to ₹ 10.27 million (Previous Year: ₹ 27.89 million) and preoperative expenses including trial run expenses (net) for projects and/or substantial expansions amount to ₹ Nil (Previous Year: ₹ 2.77 million) have been capitalised/pending capitalisation up to the date of commercial production/stabilisation of the project. Preoperative expenses include salary of ₹ Nil (Previous Year: ₹ 1.43 million) and ancillary cost in connection with the arrangement of borrowings of ₹ Nil (Previous Year: ₹ 1.34 million). The said expenditure (net of trial run receipts), so capitalised are accumulated as capital work-in-progress and have been allocated to respective fixed assets to the extent fixed assets were put to use and balance is appearing in capital work-in-progress.

37. Current tax includes ₹ (0.36) million (Previous Year: ₹ 1.07 million) related to previous years.

## Notes to the Consolidated Financial Statements

### 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
1	Balance as at 1st April, 2014	11.17 (9.53)	7.55 (0.63)	– (–)
2	Additional provision during 2014–15	4.66 (11.17)	10.03 (6.92)	233.49 (–)
3	Provision used during 2014–15	11.17 (9.53)	– (–)	– (–)
4	Balance as at 31st March, 2015	4.66 (11.17)	17.58 (7.55)	233.49 (–)

- Previous year figures are given in parenthesis.
- Provision for excise duty represents the excise duty on closing stock of finished goods and also in respect of written off/provision of write down of inventory.

### 39. Derivatives

Foreign currency exposures not hedged by derivative instrument\*:

	Amount (foreign currency in million)			
	31st March, 2015		31st March, 2014	
Amount receivable on account of sale of goods	USD	0.90	USD	4.09
	EURO	0.72	EURO	0.71
Amount payable on account of purchase of goods, services etc.	USD	9.22	USD	12.35
	EURO	0.01	EURO	0.11

\* Excluding assets & liabilities in respect of Jubilant Industries Inc., USA

- Pursuant to Companies Act, 2013 ("the Act"), being effective from 1st April, 2014, the Group has 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 is higher by ₹ 9.30 million for the year ended 31st March, 2015. Further based on transitional provision provided in note 7 (b) of the said Schedule, an amount of ₹ 9.59 million, where useful life has become nil in terms of the said schedule, has been debited to the opening balance of the surplus/(deficit).

- Employee benefits in respect of parent company including its subsidiaries have been calculated as under:

#### (A) Defined contribution plans

- Provident fund\*
- Superannuation fund

During the year the Group has contributed following amounts to:

(₹ in million)

	For the year ended 31st March, 2015	For the year ended 31st March, 2014
Employer's contribution to provident fund	10.10	10.70
Employer's contribution to employee pension scheme, 1995	15.03	12.68
Employer's contribution to superannuation fund	2.97	3.29

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

## Notes to the Consolidated Financial Statements

- c) The Group entity located in United States of America have a 401(k) Plan, where in the regular, full time and part-time employees are eligible to participate in the defined contribution plan after completion of one month of continuous service. Participants may voluntarily contribute eligible pre-tax and post-tax compensation in 1% increments of up to 90% of their annual compensation in accordance with the annual limits as determined by the Internal Revenue Service. Eligible employees receive a 50% match of their contributions up to 6% of their eligible compensation. Employees above the age of 50 years may choose to contribute "catch-up" contributions in accordance with the Internal Revenue Service limits and are matched the same up to the maximum Group contribution 3% of eligible compensation. The Group's matching contributions vest 100% after three years of service. The Group has contributed ₹ 0.06 million (Previous Year: ₹ Nil) to 401(k) plan for the year.
- d) State plans

During the year the Group has contributed following amounts to:

	(₹ in million)	
	For the year ended 31st March, 2015	For the year ended 31st March, 2014
Employer's contribution to employee state insurance	6.15	5.67

### (B) Defined benefit plans

#### a) Compensated absences and gratuity

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

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

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

	Gratuity*		Leave encashment	
	31st March, 2015	31st March, 2014	31st March, 2015	31st March, 2014
Present value of obligation at the beginning of the year	70.59	61.15	38.89	33.27
Current service cost	8.55	9.11	7.78	10.50
Interest cost	5.65	4.89	3.11	2.67
Actuarial (gain)/loss	0.47	4.08	(0.81)	1.05
Benefits paid	(14.59)	(8.64)	(12.10)	(8.60)
Present value of obligation at the end of the year	70.67	70.59	36.87	38.89

**Reconciliation of the present value of defined benefit obligation and the fair value of the plan assets:**  
(₹ in million)

	Gratuity*		Leave encashment	
	31st March, 2015	31st March, 2014	31st March, 2015	31st March, 2014
Present value of obligation at the end of the year	70.67	70.59	36.87	38.89
Fair value of plan assets at end of the year	-	-	-	-
Assets/(Liabilities) recognized in the Consolidated Balance Sheet	(70.67)	(70.59)	(36.87)	(38.89)

## Notes to the Consolidated Financial Statements

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

(₹ in million)

	Gratuity*		Leave encashment	
	31st March, 2015	31st March, 2014	31st March, 2015	31st March, 2014
Current service cost	8.55	9.11	7.78	10.50
Interest cost	5.65	4.89	3.11	2.67
Actuarial (gain)/loss	0.47	4.08	(0.81)	1.05
Net cost recognized during the year	14.67	18.08	10.08	14.22

\*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	
	31st March, 2015	31st March, 2014
Present value of obligation at the beginning of the year	5.95	5.01
Current service cost	0.41	0.40
Interest cost	0.48	0.40
Actuarial (gain)/loss	0.36	0.32
Benefits paid	(0.46)	(0.18)
Present value of obligation at the end of the year	6.74	5.95

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

(₹ in million)

	Gratuity	
	31st March, 2015	31st March, 2014
Present value of obligation at the end of the year	6.74	5.95
Fair value of plan assets at end of the year	6.83	6.43
Funded status excess of actual over estimated	-	0.02
Assets/(Liabilities) recognized in the Consolidated Balance Sheet	0.09	0.48

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

(₹ in million)

	Gratuity	
	31st March, 2015	31st March, 2014
Current service cost	0.41	0.40
Interest cost	0.48	0.40
Actuarial (gain)/Loss	0.36	0.30
Expected return on plan assets	(0.58)	(0.52)
Net cost recognized during the year	0.67	0.58

\*\* In respect of certain employees of Sahibabad unit

## Notes to the Consolidated Financial Statements

### Experience adjustment:

(₹ in million)

	Gratuity		Leave encashment	
	31st March, 2015	31st March, 2014	31st March, 2015	31st March, 2014
Defined benefit obligation	77.41	76.54	36.87	38.89
Plan assets	6.83	6.43	-	-
Surplus/(Deficit)	(70.58)	(70.11)	(36.87)	(38.89)
Experience adjustment of plan liabilities - (loss)/gain	0.02	(4.44)	1.03	(1.08)
Experience adjustment of plant assets - (loss)/gain	(0.03)	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 31st March 2015. Accordingly, liability of ₹ Nil (Previous Year: ₹ Nil) has been allocated to the Group and ₹ Nil (Previous Year: ₹ (0.37) million) has been charged to Consolidated Statement of Profit and Loss during the year. The Group has contributed ₹ 16.57 million (Previous Year: ₹ 18.71 million) to provident fund for the year.

#### (C) Other long term benefits

(₹ in million)

	2015	2014
Present value of obligation at the end of the year	3.35	3.64

## 42. Segment Reporting

- I) Based on the guiding principles given in Accounting Standard 17 (AS 17) on "Segment Reporting", the Group's primary business segments were organized around customers on industry and products lines as under:
  - a. **Performance Polymer:** Adhesives & Wood Finishes, Food Polymer (Solid PVA) and VP Latex and SBR Latex
  - b. **Agri Products:** Single Super Phosphate, Sulphuric Acid and Agro Chemicals for Crop Products
  - c. **Retail:** This segment is engaged in running and maintaining hypermarket cum malls.
- II) In respect of secondary segment information, the Group has identified its geographical segments as:
  - a. With in India, and
  - b. Outside India.

## Notes to the Consolidated Financial Statements

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

For the year ended/As at 31st March,	Performance Polymers		Agri Products		Retail		Total	
	2015	2014	2015	2014	2015	2014	2015	2014
	(₹ in million)							
<b>1) Revenue from operations</b>	4,043.60	4,307.17	1,732.55	1,957.23	3,346.73	3,605.17	9,122.88	9,869.57
Less: Excise duty on sales	506.69	540.69	34.18	28.54	-	-	540.87	569.23
<b>Net revenue from operations</b>	<b>3,536.91</b>	<b>3,766.48</b>	<b>1,698.37</b>	<b>1,928.69</b>	<b>3,346.73</b>	<b>3,605.17</b>	<b>8,582.01</b>	<b>9,300.34</b>
<b>2) Segments result</b>	225.04	486.28	37.85	(73.38)	(706.19)	(602.93)	(443.30)	(190.03)
Less:								
Exceptional Items (Related to Retail Business)	-	-	-	-	233.49	(850.90)	233.49	(850.90)
Interest (net)							382.08	305.51
Other Un-allocable expenditure (net of un-allocable income)							120.49	146.83
<b>Total profit/(loss) before tax</b>	<b>225.04</b>	<b>486.28</b>	<b>37.85</b>	<b>(73.38)</b>	<b>(939.68)</b>	<b>247.97</b>	<b>(1,179.36)</b>	<b>208.53</b>
<b>3) Capital employed</b>								
(segment assets-segment liabilities)								
Segment assets	1,783.87	1,987.55	1,550.19	1,658.94	2,587.73	2,834.24	5,921.79	6,480.73
Add: Common assets							231.16	236.22
<b>Total assets</b>	<b>1,783.87</b>	<b>1,987.55</b>	<b>1,550.19</b>	<b>1,658.94</b>	<b>2,587.73</b>	<b>2,834.24</b>	<b>6,152.95</b>	<b>6,716.95</b>
Segment liabilities	563.40	837.47	414.40	499.52	1,008.55	762.94	1,986.35	2,099.93
Add: Common liabilities							80.35	90.17
<b>Total liabilities</b>	<b>563.40</b>	<b>837.47</b>	<b>414.40</b>	<b>499.52</b>	<b>1,008.55</b>	<b>762.94</b>	<b>2,066.70</b>	<b>2,190.10</b>
Segments capital employed	1,220.47	1,150.08	1,135.79	1,159.42	1,579.18	2,071.30	3,935.44	4,380.80
Add: Common capital employed							150.81	146.05
<b>Total capital employed</b>	<b>1,220.47</b>	<b>1,150.08</b>	<b>1,135.79</b>	<b>1,159.42</b>	<b>1,579.18</b>	<b>2,071.30</b>	<b>4,086.25</b>	<b>4,526.85</b>
<b>4) Segment Capital expenditure</b>	50.18	38.27	20.46	132.57	171.11	85.86	241.75	256.70
Add: Common capital expenditure							4.98	24.27
<b>Total Capital expenditure</b>	<b>50.18</b>	<b>38.27</b>	<b>20.46</b>	<b>132.57</b>	<b>171.11</b>	<b>85.86</b>	<b>246.73</b>	<b>280.97</b>
<b>5) Depreciation &amp; amortization</b>	32.68	33.86	34.97	22.25	229.91	252.18	297.56	308.29
Add: Common depreciation							9.88	8.11
<b>Total depreciation &amp; amortization (Charged to Consolidated statement of profit and loss)</b>	<b>32.68</b>	<b>33.86</b>	<b>34.97</b>	<b>22.25</b>	<b>229.91</b>	<b>252.18</b>	<b>307.44</b>	<b>316.40</b>

## Notes to the Consolidated Financial Statements

### IV) Secondary segments (geographical segments):

(₹ in million)

For the year ended/As at 31st March,	2015	2014
<b>a) Revenue from operations by geographical location of customers (net of excise duty)</b>		
Within India	7551.97	8003.15
Outside India	1030.04	1297.19
<b>Total</b>	<b>8,582.01</b>	<b>9300.34</b>
<b>b) Carrying amount of segment assets</b>		
Within India	5,894.13	6,413.41
Outside India	258.82	303.54
<b>Total</b>	<b>6,152.95</b>	<b>6716.95</b>
<b>c) Capital expenditure</b>		
Within India	246.69	280.97
Outside India	0.04	-
<b>Total</b>	<b>246.73</b>	<b>280.97</b>
<b>d) Revenue from operations by geographical market</b>		
India	7,551.97	8003.15
Americas & Europe	796.83	961.26
China	75.29	154.39
Asia & Others	157.92	181.54
<b>Total</b>	<b>8,582.01</b>	<b>9300.34</b>

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

### 43. Related party disclosures

#### 1) Related parties with whom transactions have taken place during the year:

- a) **Key Management Personnel:** Mr. Videh Kumar Jaipurkar (Managing Director of the Company, Whole Time Director of Jubilant Agri and Consumer Products Limited and Director of Jubilant Industries Inc. USA), Mr. Raman Mangalorkar (Whole Time Director of Jubilant Agri and Consumer Products Limited)
- b) **Enterprise over which directors and major shareholders of the Group have substantial influence:** Jubilant Life Sciences Limited, Jubilant Life Sciences (USA) Inc., USA., Jubilant Enpro (P) Limited, Jubilant Motor Works (P) Limited, Jubilant Generics Limited, Jubilant HollisterStier LLC, USA.
- c) **Others:** Pace Marketing Specialities Limited Officer's Superannuation Scheme (Trust), VAM Employees Provident Fund Trust, Jubilant Bhartia Foundation.

## Notes to the Consolidated Financial Statements

### 2) Details of related party transactions during the year:

(₹ in million)

Particulars		Key management person	Enterprise over which directors and major shareholders of the Group have substantial influence	Others
i)	Purchase of goods, utilities & services (b)		168.82	
			(239.35)	
ii)	Sale of goods, utilities & services (c)		220.22	
			(662.13)	
iii)	Payment of rent to (d)		31.97	
			(37.58)	
iv)	Contribution towards provident fund (e)			40.02
				(42.48)
v)	Contribution towards superannuation fund (f)			2.97
				(3.29)
vi)	Donation (g)			1.00
				(3.45)
vii)	Inter-corporate loans taken (h)		465.00	
			(-)	
viii)	Interest expense on inter-corporate loans taken (i)		16.47	
			(-)	
ix)	Remuneration and related expenses (j)	39.93		
		(39.09)		
<b>Balance as at 31st March, 2015</b>				
x)	Current account debit/credit (-) balance (k)		-12.47	
			(-13.25)	
xi)	Outstanding payables (l)		9.10	
			(37.19)	
xii)	Outstanding receivables (m)		10.00	
			(181.39)	
xiii)	Outstanding of inter-corporate loans taken (n)		465.00	
			(-)	
xiv)	Interest payable on inter-corporate loans taken (o)		14.82	
			(-)	
xv)	Financial guarantee received from and outstanding at the end of the year (p)		1977.62	
			(-)	

a) Previous year figures are given in parenthesis.

## Notes to the Consolidated Financial Statements

### Details of related party transactions individually:

(₹ in million)

For the Year Ended/As at 31st March,	2015	2014
<b>b) Purchase of goods, utilities &amp; services:</b>		
Enterprise over which directors and major shareholders of the Group have substantial influence:-		
Jubilant Life Sciences Limited	165.72	239.35
Jubilant Generics Limited	2.12	-
Jubilant Life Sciences (USA) Inc. USA	0.86	-
Jubilant HollisterStier LLC., USA	0.12	-
<b>c) Sale of goods, utilities &amp; services:</b>		
Enterprise over which directors and major shareholders of the Group have substantial influence:-		
Jubilant Life Sciences (USA) Inc. USA	90.33	541.97
Jubilant Life Sciences Limited	129.89	120.16
<b>d) Payment of rent to:</b>		
Enterprise over which directors and major shareholders of the Group have substantial influence:-		
Jubilant Life Sciences Limited	31.97	37.58
<b>e) Contribution towards provident fund:</b>		
Others:-		
VAM Employees Provident Fund	40.02	42.48
<b>f) Contribution towards superannuation fund:</b>		
Others:-		
Pace Marketing Specialities Limited Officer's Superannuation Scheme	2.97	3.29
<b>g) Donation:</b>		
Others:-		
Jubilant Bhartia Foundation	1.00	3.45
<b>h) Inter-corporate loans taken:</b>		
Enterprise over which directors and major shareholders of the Group have substantial influence:-		
Jubilant Enpro (P) Limited	200.00	-
Jubilant Motor Works (P) Limited	265.00	-
<b>i) Interest expense on inter-corporate loans taken:</b>		
Enterprise over which directors and major shareholders of the Group have substantial influence:-		
Jubilant Enpro (P) Limited	11.20	-
Jubilant Motor Works (P) Limited	5.27	-
<b>j) Remuneration and related expenses:</b>		
Key management personnel:-		
Videh Jaipurkar (Whole Time Director)	20.00	17.00
Raman Mangalorkar (Whole Time Director)	19.93	22.09
<b>k) Current account debit/(credit) balances:</b>		
Enterprise over which directors and major shareholders of the Group have substantial influence:-		
Jubilant Life Sciences Ltd	(12.47)	(13.25)

## Notes to the Consolidated Financial Statements

For the Year Ended/As at 31st March,	2015	2014
<b>l) Outstanding payables:</b>		
Enterprise over which directors and major shareholders of the Group have substantial influence:-		
Jubilant Life Sciences Limited	8.46	37.19
Jubilant Life Sciences (USA) Inc. USA	0.31	-
Jubilant HollisterStier LLC., USA	0.12	-
Jubilant Generics Limited	0.21	-
<b>m) Outstanding receivables:</b>		
Enterprise over which directors and major shareholders of the Group have substantial influence:-		
Jubilant Life Sciences Limited	10.00	9.67
Jubilant Life Sciences (USA) Inc. USA	-	171.72
<b>n) Outstanding of inter-corporate loans taken:</b>		
Enterprise over which directors and major shareholders of the Group have substantial influence:-		
Jubilant Enpro (P) Limited	200.00	-
Jubilant Motor Works (P) Limited	265.00	-
<b>o) Interest payable on inter-corporate loans taken:</b>		
Enterprise over which directors and major shareholders of the Group have substantial influence:-		
Jubilant Enpro (P) Limited	10.08	-
Jubilant Motor Works (P) Limited	4.74	-
<b>p) Financial guarantee received from and outstanding at the end of the year:</b>		
Enterprise over which directors and major shareholders of the Group have substantial influence:-		
Jubilant Enpro (P) Limited	1977.62	-

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

44. Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary.

Name of the enterprise	Net Assets i.e. Total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount (₹ in million)	As % of consolidated profit or loss	Amount (₹ in million)
<b>Parent</b>				
Jubilant Industries Limited	496.49	2,614.21	1.00	(11.75)
<b>Subsidiaries</b>				
<b>Indian</b>				
Jubilant Agri and Consumer Products Limited	110.72	583.00	95.21	(1,121.41)
<b>Foreign</b>				
Jubilant Industries Inc. USA	1.74	9.14	0.18	(2.07)

## Notes to the Consolidated Financial Statements

### 45. Earnings per share (EPS)

		For the year ended 31st March, 2015	For the year ended 31st March, 2014
<b>I Profit computation for basic &amp; diluted earnings per share of ₹ 10/- each</b>			
Net profit/(loss) as per Consolidated Statement of Profit & Loss available for equity shareholders	₹ in million	(1177.79)	249.09
<b>II Weighted average number of equity shares for earnings per share computation</b>			
(A) For basic earnings per share	Nos	11849404	11849404
(B) For diluted earnings per share:			
No of shares for Basic EPS as per II (A)	Nos	11849404	11849404
Add: Weighted average outstanding options related to employee stock options	Nos	5258	130
No of shares for diluted earnings per share	Nos	11854662	11849534
<b>III Earnings per share (weighted average)</b>			
Basic	₹	(99.40)	21.02
Diluted	₹	(99.40)	21.02

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

Signatures to Notes "1" to "46" forming part of the Consolidated Balance Sheet and Consolidated Statement of Profit and Loss.

In terms of our report of even date attached.

For and on behalf of the Board

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

B. R. Goyal  
Partner  
Membership No. 12172

Hari S. Bhartia  
Chairman

Place : Noida  
Date : 28<sup>th</sup> October, 2015

Dinesh Kumar Gupta  
Company Secretary

Sandeep Kumar Shaw  
Chief Financial Officer

Videh Kumar Jaipuria  
Managing Director

## Notes to the Consolidated Financial Statements

### Form AOC - I

#### STATEMENT CONTAINING SALIENT FEATURES OF FINANCIAL STATEMENT OF SUBSIDIARIES AS PER COMPANIES ACT, 2013

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

#### SUBSIDIARIES OF THE COMPANY

(₹ in million & USD in thousand)

1) Sr. No.	1	2	
2) Name of the subsidiaries	Jubilant Agri and Consumer Products Limited	Jubilant Industries Inc. USA	
3) Reporting currency	INR	USD	INR*
4) Share capital	26.74	0.11	0.01
5) Reserve & surplus	556.26	145.97	9.13
6) Total assets	6143.29	3160.25	197.53
7) Total Liabilities	5560.29	3014.17	188.39
8) Investments	0.08	-	-
9) Turnover	8348.42	6852.27	419.02
10) Profit before taxation	(1,121.41)	(33.91)	(2.07)
11) Provision for taxation	-	-	-
12) Profit after taxation	(1,121.41)	(33.91)	(2.07)
13) Proposed dividend	-	-	-
14) % of shareholding	100	100	

\* For the purpose of conversion of accounts, USD in to Indian Currency, following rates have been applied:

Average rate for F.Y. 2014-15 1 USD = ₹ 61.15

Rate as at 31st March, 2015 1 USD = ₹ 62.50

**Note:** There is no associate companies / joint ventures of the Company.

In terms of our report of even date attached.

For and on behalf of the Board

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

Chartered Accountants

Firm Registration Number : 304153E

**B. R. Goyal**

Partner

Membership No. 12172

**Hari S. Bhartia**

Chairman

Place : Noida

Date : 28<sup>th</sup> October, 2015

**Dinesh Kumar Gupta**

Company Secretary

**Sandeep Kumar Shaw**

Chief Financial Officer

**Videh Kumar Jaipuria**

Managing Director





**Jubilant Industries Limited**

Registered Office: Bhartiagram, Gajraula,  
Distt. Amroha – 244223, Uttar Pradesh, India

Corporate Office: Plot No. 1A, Sector 16A,  
Noida – 201301, Uttar Pradesh, India

[www.jubilantindustries.com](http://www.jubilantindustries.com)