JUBILANT INDUSTRIES

ANNUAL REPORT 2012-13

Contents

Board of Directors

Mr. Priyavrat Bhartia
Director

Mr. Hari S. Bhartia
Chairman

Mr. Shamit Bhartia
Director

Mr. Videh Kumar Jaipuriar
Managing Director

Mr. R. Bupathy
Director

Mr. S. K. Roongta
Director

Mr. Ghanshyam Dass
Director

Dr. Ashok Misra
Director

Chairman's Message

Dear Shareholders,

For Jubilant Industries Ltd., FY 2013 was characterized by consistent performance amidst difficult market conditions. We all recognize that the market landscape is changing rapidly and we have to do more than simply adapt.

During FY 2013, the company was able to maintain its position in a market characterized by lower economic growth and falling consumption patterns. Fertilizer industry in India had a difficult second half of FY 2013, due to delayed monsoon. Our Agribusiness also witnessed lower demand but the company was able to maintain its market share in most of the key markets it operates in.

Performance Polymer, which had seen a growth of 33% last year, saw a slowdown in exports volume due to down-turn in US and European markets. With better cost management initiatives taken during the course of the year, profitability of Performance Polymer segment improved over last year.

Our strategy for Retail business is yielding the desired result. This was the year of consolidation and getting the cost structure right for the business.

"We are focused on increasing our presence in new markets across the globe, new product development, capacity debottlenecking and automation in manufacturing operations."

Going forward, we are concentrating on expanding our geographical footprint in agribusiness, expanding our customer base and product portfolio in Performance Polymers and getting the store financials prototype developed and validated.

Corporate Restructuring

Keeping in view its objective to achieve synergy in existing business operations, Jubilant has strategically positioned its Food Polymer and VP Latex businesses with Jubilant Agri & Consumer Products Limited (JACPL) along with Agri, Consumer Products and Retail businesses. Jubilant Industries Limited (JIL) continues to be the parent Company and will continue to have business of contract manufacturing of Indian made foreign liquor.

Strategic growth Initiatives

Agribusiness: The Company is looking to increase its basket by offering new value added products like Boronated Granular SSP. The Company continues to focus on herbicide segment by adding new molecule for soybean and also promoting the usage of VAM-C, a Plant Growth Regulator. The Company has plans to expand its distribution network and geographical reach on a wider scale.

Performance Polymer: The key focus of Performance Polymer segment is to expand its product offering and target new customers to become a preferred global supplier. The Company has long term plans to identify alternate applications of PVA and introduce some new products under the Food Polymer business. In our Consumer Products business, the Company is looking at aggressive expansion in distribution in the coming years to support the demand growth.

Retail: In Retail segment, focus will be to stablise sales and maintain healthy margins across all categories. While the ‘Food and Essentials’ categories seem set, the focus will be on range based proposition in ‘Apparel’ and in ‘Home Needs’

Financial performance

We delivered these results in the midst of an unpredictable economic environment, which is validation of the resilience of our Company.

While the consolidated Revenue of the company has dropped by around 2% to reach ₹ 9991 million, its earnings before interest, taxes, depreciation and amortisation (EBITDA) has increased by 25% at ₹ 241 million in FY 2013. Agribusiness recorded revenue of ₹ 2752 million, with a fall of 10% Y-o-Y on the account of difficult market conditions. Performance Polymer segment grew by 2% to ₹ 3646 million on accounts of higher volume and better realisation. Retail segment recorded consolidated Revenue of ₹ 3578 million.

After accounting for depreciation and amortisation of ₹ 315 million, financial charges of ₹ 276 million, we reported Profit before tax (PBT) of ₹ (350) million. Reported Profit after tax (PAT) of the Company was at ₹ (350) million during FY 2013 as compared to ₹ (567) million during FY 2012

The Board of Directors of the Company propose to re-invest the cash generated from operations for business growth and expansion and hence have not recommended any dividend for the financial year ended March 31, 2013

Outlook

We have strong belief in our people and we are confident in setting up new standards. We will drive operational excellence to achieve even greater productivity and efficiencies as we grow our business.

We expect domestic economy to start picking up by second half of the year and our agribusiness is expected to witness jump in volumes during later part of FY 2014.

Within Performance polymers, we expect to start generating improved results from our projects channel in Consumer Products business. In Food Polymers, our main focus will remain on capacity debottlenecking and new customer developments. In VP Latex, we expect to gain volume from some new customers and our focus will remain on new business development.

In Retail business the focus will be to stablise sales and generate margin across all categories through more emphasis on customer service and innovation.

We would like to take the opportunity to thank every stakeholder viz. shareholders, employees and customers / partners in the Company for being a part of this growth story and value creation. We remain grateful towards 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
Chairman
Date: 8th May 2013

Awards & Recognitions

JUBLIANT INDUSTRIES WINNING GLOBAL AWARD FOR **EXCELLENCE IN QUALITY MANAGEMENT & LEADERSHIP**

JUBILANT INDUSTRIES GAJRAULA DECLARED WINNER OF SILVER AWARD IN **11TH ANNUAL GREENTECH SAFETY AWARD 2012**

awards won by subsidiary

JUBILANT AGRI AND CONSUMER PRODUCTS LTD. WINS SHRIRAM AWARD FOR BEING RUNNER-UP IN BEST ARTICLE CATEGORY AT FAI ANNUAL SEMINAR 2012

Management Discussion & Analysis

"Driven by a culture of innovation the Company focuses on delivering world class products and services to its customers."

Introduction

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

The Company's success so far is an outcome of its strategic vision to attain leadership position in each of its businesses. Driven by a culture of innovation the Company focuses on delivering world class products and services to its customers.

Synergies through reinvention

In FY 2013, Jubilant Industries continued to scale up the business operations, strengthening its brands and delivering value to its stakeholders. Keeping in view its objective to achieve synergy in existing business operations, Jubilant has strategically positioned its Food Polymer and VP Latex businesses with Jubilant Agri & Consumer Products Limited (JACPL) along with Agri, Consumer Products and Retail businesses. Jubilant Industries Limited (JIL) continues to be the parent Company and will continue to have businesses of contract manufacturing of Indian made foreign liquor.

Vesting of the businesses will enable the Company to utilise its resources effectively. It will help the overall organisation to perform better and enable to find growth trajectory in the changing market trends. The positioning of businesses under same umbrella will enable increased purchasing synergy with vendors leading to efficiency in procurement of raw materials such as VAM which is a commonly used in manufacturing of food polymer and consumer products. The transformation will lead to better inventory management, logistics and manufacturing consolidation, and integration of distribution network & manufacturing facilities. In addition, the Company will be able to leverage common facilities, infrastructure and human resources which will bring better management focus and control of the aggregated business. The organisation is confident that this strategic move will help in consolidating its current businesses and support future expansions.

Sustained business growth

FY 2013 witnessed adverse market conditions both domestically and globally, which slowed down the business growth for different industries the Company operates in. Agribusiness was affected due to unpredictable climatic conditions, high inventory of phosphate fertilisers stocks in the market, slowdown in the consumption level, reduced subsidies and rising prices. The company was able to maintain its market share in most of the key markets it operates in.

Performance Polymer top-line grew only marginally due to economic slow-down in US and European markets. Performance Polymer segment's profitability was better on account of various cost reduction measures initiated last year

Our strategy for Retail business is yielding the desired result. This was the year of consolidation and getting the cost structure right for the business.

Financials

Substantial portion of the business now resides in the subsidiary companies and hence management considers it prudent to discuss consolidated financials rather than the standalone entity numbers. Accordingly, consolidated financial results are being discussed and analysed:

Consolidated Profit & Loss	FY 2013 (₹ in million)	FY 2012 (₹ in million)
Revenue from Operations	**9991**	**10226**
Other Income	81	76
Total Revenue	**10072**	**10302**
Total Expenditure	9831	10109
Cost of Materials Consumed	3712	3715
Purchase of Trade Goods	3027	2912
Change in Inventories of Work-in-progress, Finished Goods & Traded Goods	(83)	176
Employee Benefits Expense	823	812
Other Expenses	2352	2494
EBITDA	**241**	**193**
Depreciation & Amortisation Expenses	315	293
Finance Cost	276	247
Exceptional Items	-	157
Tax Expenses	-	63
Net Profit After Tax	**(350)**	**(567)**

Revenue: The consolidated Revenue for FY 2013 stands at ₹ 9,991 million as against ₹ 10,226 million during FY 2012, reflecting a drop of around 2%. The drop in revenue is mainly on account of reduced sales in Agribusiness due to adverse market conditions.

Total Expenditure: Major expense heads for the Company include Raw Material costs, Manufacturing costs, Employee benefits expense and Selling General & Administrative expenses. The Company has been able to contain the costs (drop of 3% Y-o-Y) through better cost management.

EBITDA: In FY 2013, the EBITDA stood at ₹ 241 million, compared to ₹ 192 million in FY 2012. While Agribusiness posted a drop of 28% in EBITDA at ₹ 277 million, Performance Polymers segments posted growth of 17% in business EBITDA at ₹ 562 million. Retail business posted loss at EBITDA level.

PAT: After accounting for depreciation and amortisation of ₹ 315 million, we reported PBIT of ₹ (74) million. After accounting for financial charges of 276 million, PBT stands at ₹ (350) million. Reported Profit after Tax of the Company was at ₹ (350) million

Business Segments

Business segment wise consolidated net sales

Composition of Sales* (₹ in million)	FY 2013	FY 2012
Agri Products	2752	3042
Performance Polymer	3646	3583
Retail Business	3578	3591
Total	**9976**	**10216**

(*Note: Composition of Sales doesn't include other operating income)

Agribusiness

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

Industry Overview – Agriculture is the third largest sector of India's economy after services and industry. India has emerged as a global power in the agriculture sector by becoming a leading producer of food grains, commercial crops, fruits and vegetables. Yet the country will have to increase the yield of crops to feed its ever growing population. India imports around 40% of its total fertilizer requirement, with bulk of phosphate and the entire requirement for potash fertilizers.

SSP is a multi-nutrient fertilizer containing 'Phosphate' as primary nutrient and Sulphur and Calcium as secondary nutrients. It is preferred by small and marginal farmers due to lowest price per kg and is the cheaper source of Sulphur.

FY 2013 was quite challenging for overall agriculture & fertilizer industry. SSP industry was affected by multiple factors which led to drop in volumes & profitability. During initial months of 2012, monsoon season registered a lower than expected rainfall which caused drought in many parts of the country. However, a pickup in rainfall in the later part of the monsoon helped farmers to avoid facing the worst possible drought in a decade. This irregular behavior of monsoon impacted fertilizer consumption in Kharif season leading to inventory build up and over-supply in the market for all phosphatic fertilizers. This impacted sales of SSP for all the companies.

During FY 2013, selling price of SSP was increased by the industry due to reduction in subsidy from ₹ 5,359 per ton to ₹ 3,673 per ton and higher raw material prices. It was not possible to pass through all the cost increase to the market in an over-supply situation thereby resulting into margin erosion for the industry. The government has further reduced the nutrient based subsidy on SSP from ₹ 3,673 per ton to ₹ 3,173 per ton for FY 2014.

Business Performance – The Company is focused on further strengthening its distribution network in its area of operation. Currently it operates in Uttar Pradesh, Rajasthan, Madhya Pradesh, Bihar, Punjab and Haryana. The Company's brand "Ramban" has strong brand equity in these areas. The Company was also able to partly offset the rising rock phosphate cost by developing various cocktail rock compositions through its strong R&D setup. The Company is also looking at increasing its basket of products. It has recently included Di-Calcium Phosphate (DCP) in its product portfolio. DCP is a feed supplement for Dairy, Cattle and Poultry.

Business Strategy – The Company continues to expand its product basket by offering new value added products like Boronated Granular SSP which is awaiting inclusion in Fertilizer Control Order (FCO). The Company continues to focus on herbicide segment by adding new molecule for soybean and also promoting the usage of VAM-C, a Plant Growth Regulator. The Company has plans to expand its distribution network and geographical reach on a wider scale by entering into strategic alliances for distribution, tolling, and marketing.

> *The Consumer Products business is focused on providing customers with a complete range of Wood Working Adhesives, Wood Finishes.*

Performance Polymers

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

Consumer Products

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

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

- 'JIVANJOR' offers complete wood finishing system, stains and ancillaries for decoration & protection of wooden furniture. The wood finishes system includes Polyurethane finish, Melamine Non Yellowing finish, Melamine finish, Nitrocellulose finish & PU Alkyd finish. These systems offer exceptional fast drying properties, tough coatings and superior resistance. 'JIVANJOR' also offers a wide range of stains that can be mixed to generate unique colors to suit every desire. 'JIVANJOR' offers ancillaries like sealers & thinners required for the purpose of successful application.

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

Industry Overview – The major users of adhesives are in packaging, automotive, construction and furniture industries. The furniture industry in India is considered to be a "non-organised" sector, where about 85% of the furniture production is by unorgnised sector and only 15% is by organised.

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

Business Performance – The overall economic slow-down has impacted the volume growth in some product categories. The raw material prices also went up sharply in the mid of the financial year, hence prices were revised upwards twice in the financial year to maintain the margins, and the market took some time to absorb this increase. The Company has recently launched "Marine Plus" – a specialised adhesive which is a waterproof and heat proof product; it is a unique offering in the market. Initial results for "Marine Plus" have been very encouraging and we expect this product to do well in coming times.

Business Strategy – Our business strategy has three key pivots – Product Quality, Innovation and Distribution.

Product Quality can be real differentiator in the product category which has localized competition. 'JIVANJOR' has built a reputation for quality in the market. The Company is looking at maintaining its quality leadership position in the market.

The product category has not seen too many innovations in India. With a strong R&D set up, we plan to bring in newer alternatives to the Indian Consumers. Our motto for ourselves is 'Kuch Naya Karo', which is our brand tag-line.

It is a category that has many distribution challenges-with different types of channels. The Company is looking at aggressive expansion in distribution in the coming years to support the demand growth.

Food Polymers

Business Profile – Jubilant is one of the three major global suppliers of PolyVinyl Acetate (PVA). PVA is the major raw material for making gum base for chewing gum and bubble gum. The products under this category are "Vamipol 15", "Vamipol 17" and "Vamipol 30". Food Polymer products are manufactured at our plant at Gajraula, U.P. The customer profile of Company in this business includes the market leaders in chewing gum industry worldwide.

Industry Overview – The chewing gum-base market that consumes Solid Poly Vinyl Acetate (SPVA) has been among one of the fastest growing categories within the confectionery industry. Chewing gum industry has seen tough times in last one year and companies have reported fall in sales. The industry is in need of innovation and this has shifted focus towards growing popularity of functional chewing gums that has led the manufacturers to focus on products that can easily incorporate wide-ranging benefits to traditional gum flavors and textures. Consumer demands for breath-freshening chewing gums are pushing the market towards the sugar-free formulations demands the flavor & freshness.

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

Business Performance – During FY 2013, the Company has added some new global customers in its portfolio. Our production capacity was also increased by around 20% through debottlenecking during FY 2013, to cater to rising demand.

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

"We are focusing on increasing global presence by achieving the status of a preferred vendor by large international key accounts and improving customer service levels both in domestic and export market."

Latex

Business Profile – Jubilant ranks No. 1 in India and is No. 2 globally, for manufacturing VP Latex (Vinyl Pyridine Latex) used in dipping of automobile tyre cord and conveyor belt fabric. The Company also produces SBR Latex used in tyre cord fabric. The Company is bulk suppliers of these lattices to global automobile tyre manufactures and dippers. The products under this category are "Encord VP Latex", "Encord SBR Latex" and "Encord NB Latex" used in automotive gasket jointing, all of which 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 recognised by the Department of Science and Technology, Government of India. We are an ISO 9001:2008; ISO 14001:2004 and BS OHSAS 18001:2007 certified Company.

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

Overall the automotive industry showed signs of slow-down last year. In India, the commercial vehicle (CV) industry has declined by 10% but it is expected to recover in second half of the FY 2014 and offers potential for growth. New players are planning to introduce new models and the existing leading CV players are also launching new models to hold onto their share. Hence an increase in CV market is anticipated in coming years. To support the CV manufacturers, many established tyre manufacturers are expanding and setting up new plants. Increased economic activity has resulted in growth in industrial production thereby creating demand for conveyors. These developments augur well for VP Latex dipped tyre cord and conveyor belt fabric markets.

Business Performance – We have continued to improve our profitability and service level by focusing more on quality conscious customers .

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

Retail

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

Jubilant recognised opportunity in retail sector and started operations in FY 2000 by acquiring Food Express Store Limited from Amalgam Food Limited, which operated the supermarket format Monday to

> *“The Indian retail market is estimated to be $ 450 billion and one of the top five retail markets in the world by economic value. India is one of the fastest growing retail markets in the world, with 1.3 billion people.”*

Sunday (M2S). In FY 2003, two more stores were opened in Koramangala and J.P. Nagar, Bangalore. Jubilant opened the first hypermarket store on Mysore Road in FY 2006 under the brand name “Jumbo” – in order to build a more financially lucrative format. Subsequently, the brand name was changed to “Total” and in FY 2007 a second store was opened at Madivala. In FY 2008, two more stores were opened, one at Sarjapura Road and another at Old Airport Road. In FY 2012 a new store was opened at Mahadevapura.

The single city operations lead to benefits – in terms of supply chain efficiencies, advertising spend and management focus. The hypermarket format has high economic potential and is one toward which most players in India are beginning to gravitate.

Industry Overview – The Indian retail market is estimated to be $450 billion and one of the top five retail markets in the world by economic value. India is one of the fastest growing retail markets in the world, with 1.3 billion people.

Organised retail penetration in India is quite low (below 10%). Supermarkets and similar organized retail accounted for just 4% of the market. This is significantly lower if compared to developed markets like US and Japan. Total retail employment in India, both organized and unorganized, account for about 6% of Indian labor work force currently – most of which is unorganized. This is about a third of levels in United States and Europe; and about half of levels in other emerging economies.

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

Business performance – In FY 2013, the key focus area was to control cost. Space was cut down by as much as 30%. Sales numbers were also hit owing to delays in store refresh program. The ‘Food and Essentials’ categories stabilized with good sales whereas ‘Apparels’ category faced some difficulties. A new team was brought in during second half of FY 2013 to revamp the category and build overall profitability. A revised store financials prototype was developed with higher structural margins to drive format viability.

Business Strategy – The focus of this year is to prove the proto in terms of stable sales and healthy margins for all categories. While the food and essentials categories seem set, the focus will be on range based proposition in Apparel and also to some extent in Home needs. Operationally, the thrust will be on a strong training program focused on product servicing and store standards. Marketing will focus on innovation in communication as well as leveraging of loyalty data to drive customized offers and better loyalty.

Company Outlook

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

Research & Development Initiatives

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

During last year, Jubilant has developed & introduced a premium grade water resistant wood adhesive “Marine Plus” and also developed alternate formulation for “NC Sealer & Binder” with improved quality at competitive cost. The Company has successfully improved processes in SPVA business to achieve higher efficiencies by technological advancement for norms improvement & waste re-cycling. Jubilant undertook capacity enhancement in VP Latex in the present facility and developed new technology – Ammonia Free Latex & New grade of NBR latex. Jubilant also developed special cost effective rock formulations for manufacturing SSP. It gives flexibility to source raw materials as per availability and lowest available cost. The Company also developed Di-Calcium Phosphate & Boronated GSSP and the same is under commercialisation stage. These efforts will help the company improve top line and bottom line growth.

Manufacturing

Jubilant always focuses on making its manufacturing processes efficient without compromising the quality or flexibility necessary to serve the needs of its customers. The company’s innovative manufacturing systems and technique allows it to control manufacturing costs.

Our drive for excellence led us to accolades such as Gobal Award for Excellence in Quality Management and Leadership on “Best in Class Manufacturing” for Gajraula facility during World Quality Congress Conclave on 22nd Nov. 2012. The Company also won silver award in chemical sector for outstanding achievement in safety management by “Greentech Foundation”.

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

Supply Chain Management

Jubilant Industries practices the best programs & techniques to support excellence in supply chain. The Company’s endeavor to automate the procurement process through the use of technology matured this year with material procurement happening throughout the year by utilising a software program called “eJ-Buy”, which aims at improving transparency in purchasing processes as well as works as a reverse auction platform. Various Mission Directed Teams (MDTs) helped in development of alternate materials as well as suppliers for these materials. Strategic procurement initiatives in key raw materials helped the Company against inflationary cost pressures on it’s bottom-line.

Going forward, the Company plans major thrust in developing strategic partnerships with key raw material suppliers to get advantages in terms of better cost as

"Jubilant Industries diligently works toward improving management quality, driving employee productivity, and ensuring employee satisfaction within a neutral and congenial organisation culture."

well as quality of products. Strategic initiatives are being taken in logistics to hedge against the adverse impact of diesel price fluctuations.

Human Resources – the 'Catalyst' for Growth

Jubilant Industries diligently works toward improving management quality, driving employee productivity, and ensuring employee satisfaction within a neutral and congenial organisation culture.

The Company has a total workforce of around 2500, spread across its corporate office in Noida, manufacturing units, hypermarkets in Bangalore and sales and distribution offices/stores across India that witness their development aligned to the growth of the organisation.

Jubilant Industries invests in excellent training programs for its employees. We ensure that people across the Company experience in-depth trainings in a wide range of commercial, technical and business role. Our effective HR training and development programs focus especially on developing skill and competency. The Company offers its nation-wide employees a comprehensive range of different training interventions like Young Leaders Acceleration Program, Breakthrough Workshops, Talent & Succession Planning etc focusing on the transfer of specific know how and advancing each of the participants. The aim is to sustainably support talent.

The conviction of Human Resources to thrive with the prosperity of the organisation will definitely comprehend with more rigors in meeting and beating all business challenges. This is how we are determined to set up the win-win situation across all businesses and functions at Jubilant Industries Limited.

Internal Control Systems & Risk Management

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

Jubilant's Vision on Risk Management

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

Risk Management Strategy

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

system at the Board and senior management levels.

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

Risk Management Structure

Our risk management structure comprises the Board of Directors and Audit Committee at the Apex level, supported by the CEOs, CFO, Heads of Businesses, Functional Heads, Unit Heads, Divisional Heads of Accounts & Finance and Head of Assurance function. 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 CEOs and actions are drawn upon. The Audit Committee, CEOs, CFO and Head of Assurance act as a governing body to monitor the effectiveness of the internal controls framework.

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

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

Risk Mitigation Methodology

We have a comprehensive internal audit plan and a robust Enterprise Risk Management (ERM) exercise which helps to identify risks at an early stage and take appropriate steps to mitigate the same. We have completed three years of our certification process wherein, all concerned Control Owners certify the correctness of about 700 controls related to key operating, financial and compliance related issues, every quarter. This has made our internal controls and processes stronger and also serves as the basis for compliance with revised Clause 49 requirements mandated by the Securities and Exchange Board of India (SEBI).

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

Management's Assessment of Risk

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

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

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

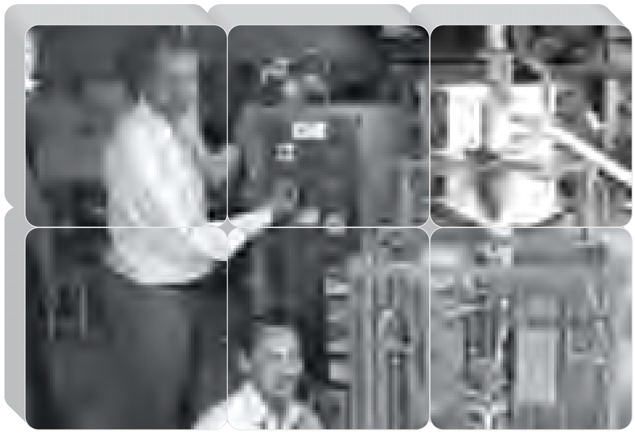
For its Food Polymer and Latex business, where it commands a significant share of business for leading chewing gum and tyre manufacturers, it faces competition from international territories including China in terms of cost advantage enjoyed by these companies. The Company has strong customer and account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

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

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

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

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



determining the right price of the product in the market.

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

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

The Company has robust processes in place to continuously monitor planned capacities and utilisation ratio, aligned with good manufacturing practices and stringent plant maintenance plan. The Company plans to take additional initiatives to commit

"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."

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 debottlenecking and other initiatives to improve efficiencies and build additional capacities.

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

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

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

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

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

Distribution Channel and Brand Recall: For its wood adhesive and wood finish business, the Company competes with both national players with established brands as well as regional players with lower costs and personalised connect with dealers and distributors. As distributors and dealers play a significant role in driving consumer 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 and it has a media and advertising strategy in place to carry-out tailored programs for specific markets to maximise return on investment (ROI) in such initiatives. To widen its distribution network, it plans to expand its distribution footprint in unrepresented markets and dealer-segments. Also, processes are being streamlined to manage distributor inventory and its liquidation which would in return offer better returns to distributors and hence secure their long term loyalty and commitment.

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

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

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

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

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

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

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

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

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

DIRECTORS' REPORT

Your Directors have pleasure in presenting the Seventh Annual Report and Audited Accounts for the year ended March 31, 2013.

Financial Results

(₹ in million)

Particulars	Consolidated		Standalone	
	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2013	Year ended March 31, 2012
Revenue from Operations	**9976.12**	10215.51	**227.64**	2426.44
Other Operating Income	**15.11**	10.75	**1.11**	4.29
Total Revenue from Operations	**9991.23**	10226.26	**228.75**	2430.73
Total Expenses	**9830.52**	10108.60	**233.94**	2097.34
Operating Profit/(Loss)	**160.71**	117.66	**(5.19)**	333.39
Other Income	**80.37**	75.33	**0.31**	16.75
EBITDA (including Other Income)	**241.08**	192.99	**(4.88)**	350.14
Depreciation & Amortisation Expenses	**314.54**	293.10	**1.25**	28.40
Interest (Finance Cost)	**276.52**	247.42	**-**	4.04
Profit/(Loss) before Exceptional Items & Tax	**(349.98)**	(347.53)	**(6.13)**	317.70
Exceptional Items	**-**	157.04	**(1.74)**	11.06
Tax Expenses	**0.29**	62.43	**0.29**	49.13
Reported Net Profit/(Loss) for the year	**(350.27)**	(567.00)	**(4.68)**	257.51
Balance brought forward from previous year	**645.91**	1212.91	**1,470.45**	1,212.94
AMOUNT AVAILABLE FOR APPROPRIATION	**295.64**	645.91	**1465.77**	1,470.45
Which the Directors have appropriated as follows:	**-**	-	**-**	-
- Proposed Dividend on Equity shares	**-**	-	**-**	-
- Tax on Distributed Profits on Equity Shares	**-**	-	**-**	-
- Transfer to General Reserve	**-**	-	**-**	-
Balance to be carried forward	**295.64**	645.91	**1465.77**	1,470.45

Transfer of Business Undertaking through Business Transfer Agreement

During the year under review, your Board of Directors approved the slump sale of the Business undertaking engaged in the manufacture and sale of Solid Poly Vinyl Acetate (Solid PVA) and Vinyl Pyridine Latex (VP Latex) business of the Company by way of slump sale to Jubilant Agri and Consumer Products Limited (JACPL), wholly owned subsidiary w.e.f. April 1, 2012 along with all the assets and liabilities including employees, contracts, licenses, permits, consents and approvals relating to business undertaking on a going concern basis, with effect from April 1, 2012, by means of a 'slump sale' (as defined in section 2(42C) of the Income Tax Act, 1961) for a lump sum consideration of ₹ 974,800,000/-. The sale of Business undertaking was approved by shareholders by passing of Special resolution on March 1, 2013 by way of Postal Ballot voting.

Standalone Financials

In FY2013 total revenue from operations was ₹ 228.75 million. EBITDA for the year stood at (₹ 4.88 million), Net loss was ₹ 4.68 million and EPS at (₹ 0.39).

Consolidated Financials

In FY2013 the consolidated revenue from operations was ₹ 9991.23 million. EBITDA for the year stood at ₹ 241.08 million. Net loss was ₹ 350.27 million and EPS on consolidated basis stood at (₹ 29.56).

Dividend

In view of the losses, your Directors do not recommend any dividend for the year ended March 31, 2013.

Operations

The financial results for the year ended March 31, 2013 have been prepared after giving effect to the slump sale of the Business Undertaking and in accordance with revised Schedule VI to the Companies Act, 1956. Accordingly, the figures of the previous year ended March 31, 2012, wherever necessary, have also been regrouped/reclassified. Therefore, they are strictly not comparable with the figures of year under review.

Capital Structure

Authorised Share Capital

The authorized share capital of the Company as at March 31, 2013 was ₹ 150 million.

Paid-Up Share Capital

The paid-up share capital as at March 31, 2013 stands at ₹ 118.49 million comprising of 11,849,404 equity shares of ₹ 10/- each fully paid up at the end of previous year.

Employees Stock Option Scheme (ESOPs)

During the year, your Company instituted JIL Employees Stock Option Scheme 2013 (the Scheme), in terms of approval of shareholders of the Company accorded by way of Postal Ballot on March 1, 2013 and in accordance with SEBI(Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (SEBI Guidelines). Under the scheme, maximum 590,000 Stock Options in aggregate can be granted by the Company and exercised by the Grantees. Each Option entitles the holder to acquire one equity share of ₹ 10/- at the exercise price fixed at the time of grant being market price as per the SEBI Guidelines. During the financial year 2012-13, no Stock Options were granted.

During the current financial year 2013-14, 126,279 stock options were granted to the eligible employees of the Company and the subsidiary. Assuming exercise of these options, equivalent number of equity shares will be allotted to the eligible employees.

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

Fixed Deposits

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

Subsidiary

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

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

In terms of the transfer of business undertaking as described in the preceding paragraph, JACPL allotted 974,800 10% Non-Cumulative Redeemable Preference Shares of ₹ 10/- each at premium of ₹ 990/- per share to the Company towards discharge of lump sum consideration of ₹ 974,800,000/-.

Consolidated Financial Statements

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

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

In terms of the general exemption granted by the Government of India vide its general circular no. 2/2011 dated February 08, 2011, from attaching the Directors' Report, Balance Sheet, Statement of Profit & Loss and other particulars of the subsidiaries, the Board of Directors in its meeting held on May 8, 2013 decided not to attach Directors' Report, Balance Sheet, Statement of Profit & Loss and other particulars of JACPL, the wholly owned Subsidiary Company with the Annual Report of the Company this year.

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

Auditors

M/s. K. N. Gutgutia & Co., Chartered Accountants, [ICAI Registration Number - 304153E] Statutory Auditors of the Company, retire at the ensuing Annual General Meeting and offer themselves for re-appointment. They have confirmed that their re-appointment, if made, shall be within the limits laid down in Section 224(1B) of the Companies Act, 1956.

Cost Auditors

Subsequent to transfer of business undertaking engaged in the manufacture and sale of Solid PVA and VP Latex to JACPL, these products which were subject to Cost Audit in the Company will now be subject to Cost Audit in JACPL from the financial year 2012-13 and onwards.

The relevant cost audit reports for the financial year 2011-12 for Tyres and Tubes was filed on February 22, 2013, against the due date of February 28, 2013.

Directors

Mr. Videh Kumar Jaipuriar ceased to be the Whole-time Director of the Company w.e.f. March 1, 2013.

He was appointed as Managing Director of the Company without any remuneration for a period of three years w.e.f. March 1, 2013 subject to necessary approvals.

In accordance with the provisions of the Act and the Articles of Association of the Company, Mr. Ramanathan Bupathy, Mr. Ghanshyam Dass and Mr. S. K. Roongta retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

Directors' Responsibility Statement

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

- that in the preparation of annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2013 and of profit or loss of the Company for the year ended March 31, 2013.
- that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- that the Directors had prepared the annual accounts on a going concern basis.

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

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

Employees

The particulars of employees, as required under section 217(2A) of the Companies Act 1956, read with the Companies (Particulars of Employees) Rules, 1975, are given in **Annexure C** and forms part of this Report.

Corporate Governance

A detailed report on Corporate Governance is attached to this Report as **Annexure D.** A certificate from the Auditors of the Company confirming compliance of conditions of Corporate Governance as stipulated in clause 49 of the Listing Agreement with Stock Exchanges is enclosed as **Annexure E.** A certificate from Chairman that all Board members and senior management personnel have affirmed compliance with the Code of Conduct for the year ended March 31, 2013 is attached as **Annexure F.**

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

Management Discussion & Analysis

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

Corporate Sustainability Report

Your Company, being committed to address environmental issues and to discharge its corporate social responsibility, is publishing its Corporate Sustainability Report, duly audited by Ernst & Young, and conforming to Global Reporting Initiative (GRI) G3.1 Reporting Guidelines. The Report is being sent in CD to all the shareholders alongwith the Annual Report of the Company. The same shall also be available on the website of the Company www.jubilantindustries.com.

Risk Management

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

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

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

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

Human Resources

Jubilant Industries Limited – that's all of us!

It's our strategy to use integrated HR instruments throughout the corporation to find, bind and support our employees in the right positions at the right time. As a result – and in view of the current megatrend of globalizing and internationalizing business processes – Our HR systems are integrated into strategy development and operative processes as change agents and business partners for employees that are critical for success, contributing to the growth strategy, supporting employer - employee relationships and using innovative HR instruments to **Attract, Retain, Develop and Excite JLITE**. The Company and its wholly owned subsidiary has a total workforce of around 2500 resourceful employees spread across its corporate office in Noida, manufacturing units and sales and distribution offices / stores across India that witness their development aligned to the growth of the organization.

Jubilant Industries encourages leadership and commitment through measures to maintain management quality, employee productivity, and employee satisfaction within a neutral and congenial organization culture.

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

Jubilant Industries invests in excellent training programs for its employees. We ensure that people across the company experience in-depth trainings in a wide range of commercial, technical and business role. Our effective HR training and development programs focus especially on developing skill and competency. Jubilant Industries offers its nation-wide employees a comprehensive range of different training interventions like Young Leaders Acceleration Program, Orbit Shift, Breakthrough Workshops, Talent & Succession Planning etc focusing on the transfer of specific know how and advancing each of the participants. The aim is to sustainably support talent. Employees and managers receive help in recognizing, enhancing and applying their individual strengths for the benefit of the organization. We believe that each individual success contributes to the sustained success of the entire Jubilant Bhartia Group.

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

The conviction of Human Resource to thrive with the prosperity of the Organization will definitely comprehend with more rigors in meeting and beating all business challenges. This is how we are determined to set up the win-win situation across all businesses and functions at Jubilant Industries Limited.

Awards and Accolades

During the Year 2012-13, the Company's Gajraula Unit won the prestigious "Quality Excellence Award" at the Asia Pacific Quality summit held in Mumbai for best in class manufacturing. The Company received the Honorable "Shriram Award" for the third time in a row by the Fertilizer Association of India (FAI) in Annual Seminar held in Agra. The Company won the "Silver Award" in Chemical sector for outstanding achievement in safety management at the 11th Annual Greentech Fire, Safety & Security 2012 Conference. The Company's Kapasan unit received appreciation from the District Collectorate office at Chittaurgarh for extending community services and environment protection initiatives of Jubilant Industries Limited for the third consecutive year.

Investor Services

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

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

Green Initiatives

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

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

Acknowledgments

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

For and on behalf of the Board

Place : Noida
Date : May 8, 2013

Hari S. Bhartia
Chairman

ANNEXURE A

DETAILS AS PER REGULATION 12 OF SEBI(ESOP AND ESPS) GUIDELINES, 1999
JIL EMPLOYEES STOCK OPTION SCHEME 2013

a)	Options granted during 2012-13	None
b)	Options granted upto March 31, 2013	None
c)	Pricing formula	Market price of share as on the date of grant, as per SEBI Guidelines.
d)	Options vested upto March 31, 2013	None
e)	Options exercised upto March 31, 2013	None
f)	Total number of shares arising as a results of exercise of options upto March 31, 2013	None
g)	Options lapsed upto March 31, 2013	None
h)	Variation of terms of options upto March 31, 2013	No Variation
i)	Money realized by exercise of options upto March 31, 2013	None
j)	Total number of options in force upto March 31, 2013	None
k)	Employee-wise details of options granted during 2012-13 to:	Not applicable as no options were granted during the year
	i) senior management personnel;	
	ii) any other employee who received a grant in any one year of options amounting to 5% or more of options granted during that year;	
	iii) identified employees who are granted options, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant;	
l)	Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard (AS) - 20.	
m)	Where the company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options, shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed	Not applicable as no options were granted during the year
n)	Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock options	Not applicable as no options were granted during the year
o)	A description of the method and significant assumptions used during the year to estimate the fair values of options, including the following weighted-average information:	Not applicable as no options were granted during the year
	i) date of grant	
	ii) risk-free interest rate	
	iii) expected life	
	iv) expected volatility	
	v) expected dividends and	
	vi) the price of the underlying share in market at the time of option grant.	

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

A. ***Conservation of Energy:***

(a) Energy Conservation Measures Taken

1) Replaced 45KW/60HP Air compressor to 5.5 KW/7.5HP compressors.
2) Recycled /reused process water, ETP load reduced.
3) OPE improvement.
4) Reducing line changeover.

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

Nil

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

1) Reduction in power consumption norms.
2) Improvement in process and norms.

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

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

B. ***Technology Absorption:***

(e) efforts made in technology absorption

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

FORM B

Research and Development (R&D):

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

Technology absorption, adaptation and innovation:

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

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

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

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

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

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

(g) Total Foreign exchange used and earned: None

ANNEXURE C

STATEMENT U/S 217 (2A) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 AND FORMING PART OF DIRECTORS' REPORT FOR THE YEAR ENDED MARCH 31, 2013

S. No.	Employee Name	Designation & Nature of Duties	Qualification	Total Work Experience (in Years)	Date of Commencement of Employment	Age	Remuneration (₹)	Previous Employment held	
								Designation	Name of the Company
A	**Employed for Full Year and in receipt of remuneration for the year which in aggregate was not less than ₹60,00,000/-**								
	NIL								

B	**Employed for Part of the Year and in receipt of remuneration which in aggregate was not less than ₹500,000/- p.m.**								
1	Mr. Videh Kumar Jaipuriar	CEO & Whole-time Director	B. Tech (Chemical Engineering) IIT, Master in Management Studies	23	November 16, 2011	49	1,26,58,631	Vice President-Foods Business	Bunge India Limited
2	Mr. Puneet Mathur	SVP & BU Head - Food Polymer	M.Sc, MBA	26	November 15, 2010	52	60,29,414	SVP - Food Polymer	Jubilant Life Sciences Limited
3	Dr. Jagdish Kestur Rao	SVP & BU Head - VP Latex	M.Sc., Ph.D	24	November 15, 2010	52	80,74,819	SVP - Latex	Jubilant Life Sciences Limited

NOTES

1. All above persons are/were full time employees of the Company and their employment is/was governed by the rules and regulations of the Company from time to time. Employment of Mr. Videh Kumar Jaipuriar is contractual.

2. The above employees do not fall within the meaning of section 217 (2A) (a) (iii) of the Companies Act, 1956.

3. Mr. Videh Kumar Jaipuriar ceased to be Whole-time Director of the Company w.e.f. March 1, 2013. He was appointed as Managing Director without remuneration w.e.f. March 1, 2013. He is not related to any other Director of the Company. Dr. Jagdish Kestur Rao and Mr. Puneet Mathur are also not related to any Director of the Company.

4. Remuneration comprises of salary, allowances and perquisites/taxable value of perquisites.

5. Pursuant to Business Transfer Agreement with an appointed date April 1, 2012, the remuneration of the above employees from April 1, 2012 were debited to Jubilant Agri and Consumer Products Limited, wholly owned subsidiary of the Company.

   Abbreviations: SVP - Senior Vice President; BU – Business Unit

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

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

- Broad based and well represented Board with fair mix of Executive, Non-Executive and Independent Directors bringing in expertise in diverse areas with half of the Board being Independent
- Constitution of several Board Committees for focused attention and proactive flow of information and informed decisions
- Emphasis on ethical business conduct by the Board, management and employees
- Established Code of Conduct for Directors and Senior Management. Instituted Whistle Blower policy and Code of Conduct for Prevention of Insider Trading
- Focus on hiring, retaining and nurturing best talent and to promote a culture of excellence across the organisation. Exhaustive HRD Policies cover succession planning, training and development, employee grievance handling
- Organisation wide 'Velocity' initiatives taken which include world-class improvement methodologies such as Six Sigma, Lean and World Class manufacturing
- Employee Stock Option Plan – to attract, reward and retain key senior executives
- Exhaustive and unique system of internal controls spanning over 1100 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 minimization plans
- Timely, transparent and regular disclosures
- Effective control on statutory compliances by quarterly reporting and presentation
- Paperless meetings of Board and Committees
- Communication with shareholders including emailing of Annual Reports, other documents and Corporate Sustainability Report
- Comprehensive Corporate Sustainability Management System focusing on triple bottom- line reporting on economic, environment and society parameters as per Global Reporting Initiatives standards with a stated policy on sustainability

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

b) Board of Directors:

(i) Composition

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

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

(ii) Meetings of the Board

Meetings of the Board are generally held at the Corporate office of the Company at 1A, Sector 16A, Noida - 201301, Uttar Pradesh, India. During the financial year under review, the Board met four times i.e. on May 9, 2012; July 24, 2012; November 1, 2012 and January 21, 2013.

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

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

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

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

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

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

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

* Ceased to be the Whole-time Director of the Company w.e.f. March 1, 2013 and appointed as Managing Director w.e.f. March 1, 2013.

(iii) Other Directorships

The number of directorships and memberships/chairmanships of Board and Committees held by the Directors in other bodies corporate (excluding Jubilant Industries Limited) as on March 31, 2013 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	18	3	–	2
Mr. Priyavrat Bhartia	15	13	–	2	9
Mr. Shamit Bhartia	13	15	–	1	3
Mr. Videh Kumar Jaipuriar	1	–	–	–	1
Mr. R. Bupathy	2	1	–	3	3
Mr. Ghanshyam Dass	2	3	–	2	3
Mr. S.K. Roongta	8	–	–	1	5
Dr. Ashok Misra	1	–	–	–	2

Excluding Section 25 Companies

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

(iv) Code of Conduct

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

(v) Information given to the Board

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

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

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

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

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

c) Committees of the Board:

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

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

Audit Committee Mr. R. Bupathy (Chairman) Mr. Ghanshyam Dass Dr. Ashok Misra Mr. S.K. Roongta* *Ceased to be member of the Committee w.e.f. May 9, 2012.	**Investors' Grievance Committee** Mr. S.K. Roongta (Chairman) Mr. Priyavrat Bhartia Mr. Videh Kumar Jaipuriar	**Remuneration Committee** Mr. Ghanshyam Dass (Chairman) Mr. Hari S. Bhartia Mr. R. Bupathy Mr. S.K. Roongta
Corporate Governance Committee Mr. Hari S. Bhartia (Chairman) Mr. Ghanshyam Dass Mr. R. Bupathy Mr. Videh Kumar Jaipuriar	**Sustainability Committee** Mr. Hari S. Bhartia (Chairman) Mr. Priyavrat Bhartia Mr. Ghanshyam Dass Mr. Videh Kumar Jaipuriar	**Finance Committee** Mr. Hari S. Bhartia (Chairman) Mr. Priyavrat Bhartia Mr. Videh Kumar Jaipuriar
Compensation Committee Mr. Ghanshyam Dass (Chairman) Mr. Priyavrat Bhartia Dr. Ashok Misra	**Restructuring Committee** Mr. Hari S. Bhartia (Chairman) Mr. Priyavrat Bhartia Mr. Videh Kumar Jaipuriar	**Listing Committee** Mr. Hari S. Bhartia (Chairman) Mr. Priyavrat Bhartia Mr. Videh Kumar Jaipuriar
	Investment Committee Mr. Hari S. Bhartia (Chairman) Mr. Priyavrat Bhartia Mr. Videh Kumar Jaipuriar	

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

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

Name of the Committee	Meetings held	Hari S. Bhartia	Priyavrat Bhartia	Videh Kr. Jaipuriar	R. Bupathy	Ghanshyam Dass	S.K. Roongta	Dr. Ashok Misra
Audit	5	N.A.	N.A.	N.A.	5	5	1#	4
Investors' Grievance	5	N.A.	5	5	N.A.	N.A.	4	N.A.
Remuneration	None	–	N.A.	N.A.	–	–	–	N.A.
Corporate Governance	None	–	N.A.	–	–	–	N.A.	N.A.
Sustainability	1	1	1	1	N.A.	1	N.A.	N.A.
Finance	5	3	4	5	N.A.	N.A.	N.A.	N.A.
Compensation	1	N.A.	1	N.A.	N.A.	1	N.A.	1
Restructuring	None	–	–	–	N.A.	N.A.	N.A.	N.A.
Listing	None	–	–	–	N.A.	N.A.	N.A.	N.A.
Investment	None	–	–	–	N.A.	N.A.	N.A.	N.A.

N.A. – Not a member of the Committee
Ceased to be member w.e.f. May 9, 2012. One meeting held during his tenure.

Terms of Reference and Other Details

AUDIT COMMITTEE

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

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

(i) Terms of reference:

The Audit Committee functions according to its terms of reference that define its composition, authority, responsibility and reporting functions in accordance with Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement which, inter-alia, include the following:

(a) Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;

(b) Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the Statutory Auditors and the fixation of audit fees;

(c) Approval of payment to Statutory Auditors for any other services rendered;

(d) Reviewing with the management, the Annual Financial Statements before they are submitted to the Board for approval, with particular reference to:

- Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of sub-section (2AA) of section 217 of the Companies Act, 1956

- Changes, if any, in accounting policies and practices and reasons for the same
- Major accounting entries involving estimates based on the exercise of judgment by management
- Significant adjustments made in the financial statements arising out of audit findings
- Compliance with listing and other legal requirements relating to financial statements
- Disclosure of any related party transactions
- Qualifications in the draft audit report

(e) Reviewing with the management, the Quarterly Financial Statements before submission to the Board for approval;

(f) Reviewing with the management, the statement of uses / application of funds raised through an issue (public issue, right 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 utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

(g) Reviewing with the management, performance of Statutory and Internal Auditors, adequacy of the internal control systems;

(h) Reviewing the adequacy of internal audit function, 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;

(i) Discussion with internal auditors of any significant findings and follow up thereon;

(j) 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;

(k) 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;

(l) 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;

(m) Reviewing the functioning of the Whistle Blower mechanism;

(n) Approval of appointment of CFO;

(o) Reviewing the Management Discussion and Analysis of financial condition and results of operations;

(p) Reviewing the statement of significant related party transactions;

(q) Reviewing management letters / letters of internal control weaknesses issued by the Statutory Auditors;

(r) Reviewing the Internal audit reports relating to internal control weaknesses;

(s) Approving the appointment, removal and terms of remuneration of the Internal Auditor;

(t) Reviewing the financial statements of unlisted subsidiary companies.

(ii) Invitees:

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

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

(iii) Meetings and Quorum

The Audit Committee meets at least four times in a year with a gap of not more than four months between two meetings. During the year the Committee met five times on May 9, 2012; July 24, 2012; November 1, 2012; January 21, 2013 and February 6, 2013.

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

INVESTORS' GRIEVANCE COMMITTEE

The Board has delegated the power of share transfers and other related matters to the Investors' Grievance Committee. The Committee meets as often as required. Additionally, the Board has authorised Chief Financial Officer and Company Secretary to jointly exercise powers of approving transfer/ transmission of shares. Normally, transfers/transmissions are approved weekly on every Monday.

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

(i) Terms of Reference:

The Committee approves the matters relating to:

(a) Transfer & Transmission of shares;

(b) Issue of duplicate share certificates;

(c) Redressal of Investors' complaints and grievances such as non-receipt of annual reports, dividend payments etc.

(d) Other areas of investors' service.

(ii) Meetings and Quorum

The Investors' Grievance Committee meets as often as required. During the year under review, the Committee met five times on May 9, 2012; July 24, 2012; November 1, 2012, January 21, 2013 and March 25, 2013.

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 12 complaints, which were resolved. No complaint was pending as on March 31, 2013.

(iv) Transfers, Transmissions etc. approved

During the year under review, the Company received 1568 cases (43,117 equity shares) of share transfer/ transmission out of which 1490 cases (40,058 equity shares) were transferred/ transmitted and 78 cases (3,059 equity shares) were rejected for technical reasons.

The Company had 20,320 shareholders as on March 31, 2013.

REMUNERATION COMMITTEE

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

(i) Terms of reference:

To recommend the remuneration and terms of appointment of the Executive Board Members of the Company.

(ii) Meetings and Quorum

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

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

CORPORATE GOVERNANCE COMMITTEE

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

(i) Terms of reference:

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

(ii) Meetings and Quorum

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

The quorum for the meeting is two members.

SUSTAINABILITY COMMITTEE

The Sustainability Committee has been constituted to oversee the performance of the Company on triple bottom line indicators viz. Environmental, Economic and Social factors.

(i) Terms of Reference:

To oversee the performance of the Company on triple bottom line indicators viz. Environmental, Economic and Social factors.

(ii) Meetings and Quorum

The Committee usually meets twice a year. During the year under review, the Committee met once on November 1, 2012.

The quorum for the meeting is two members.

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:

(a) To avail financial assistance from Banks/ Financial Institutions/NBFCs/Mutual Funds/ Insurance Companies etc., within the limits approved by the Board;

(b) To charge/mortgage/create lien on company's property for securing the borrowings, within the limits approved by the Board; and

(c) To give guarantee(s) or provide security(ies) in favour of Bank/Financial Institution in connection with the term loan/working capital loan/facilities availed by Jubilant Agri and Consumer Products Limited, wholly owned subsidiary of the Company, within the limits approved by Board.

(ii) Meetings and Quorum

The Committee meets as and when necessary. During the year under review, the Committee met five times i.e. July 24, 2012, December 28, 2012, February 15, 2013, March 11, 2013 and March 14, 2013.

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

COMPENSATION COMMITTEE

The Compensation Committee has been constituted for administration and superintendence of Employees Stock Option Scheme (ESOS).

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

(i) Terms of Reference:

(a) the quantum of options to be granted under ESOS per employee and in the aggregate;

(b) the conditions under which options vested in employees may lapse in case of termination of employment for misconduct etc.;

(c) the exercise period within which the employee should exercise the option and that option would lapse on failure to exercise the option within the exercise period;

(d) the specified time period within which the employee shall exercise the vested options in the event of termination or resignation of an employee;

(e) the right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period;

(f) the procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others;

(g) the grant, vest and exercise of options in case of employees who are on long leave;

(h) the procedure, if any, for cashless exercise of options; and

(i) making any variation/modification in the ESOS as may be deemed necessary.

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

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

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

(ii) Meetings and Quorum

The Committee meets as and when necessary. During the year under review, the Committee met once on January 21, 2013.

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.

(i) Terms of Reference:

(a) To make any alterations/ changes/modifications to the Scheme as may be expedient or necessary which do not materially change the substance of the Scheme, particularly for satisfying the requirements or conditions imposed by the Central Government or the Court or any other authority;

(b) To approve share exchange ratio;

(c) To file the Scheme before the Court and/or any other information / details with any other body or regulatory authority or agency to obtain approval or sanction to any of the provisions of the Scheme or for giving effect thereto.

(ii) Meetings and Quorum

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

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

LISTING COMMITTEE

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

(i) Terms of Reference

To deal with Stock Exchanges/SEBI for listing and other matters.

(ii) Meetings and Quorum

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

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

INVESTMENT COMMITTEE

The Investment Committee had been constituted for profitable deployment of funds, from time to time, on short or long term basis in specified securities.

(i) Terms of Reference:

To make investments for profitable deployment of funds on short term and long term basis in Mutual Funds, Bank Deposits or Government securities, within the limits approved by the Board.

(ii) Meetings and Quorum

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

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

d) Remuneration of Directors

(i) Remuneration to Whole-time Director

Mr. Videh Kumar Jaipuriar ceased to be the Whole-time Director of the Company w.e.f. March 1, 2013. He was appointed as Managing Director without remuneration w.e.f. March 1, 2013

The details of remuneration including perquisites/ allowances, retirement benefits paid/payable to Whole-time Director for the year 2012-13 is as follows:

(Amount in ₹)

Particulars	Mr. Videh Kumar Jaipuriar (from April 1, 2012 to February 28, 2013)
Salary	1,19,98,441
Perquisites/Allowances	1,42,385
Contribution to Provident Fund	5,17,805
Total	**1,26,58,631**

The above excludes the provision for gratuity and leave encashment as the same is calculated on overall Company basis.

Service Contracts, Notice Period, Severance Fees

The appointment of Whole-time Director was contractual. It was terminable by the Company by giving 3 months' notice or salary in lieu thereof.

(ii) Remuneration to Non-Executive Directors

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

The details of sitting fees paid for Board/Committee Meetings to other Non-Executive Directors for year ended March 31, 2013 is as follows :

Name	Sitting Fees (₹)
Mr. R. Bupathy	1,30,000
Mr. Ghanshyam Dass	1,40,000
Mr. S.K. Roongta	80,000
Dr. Ashok Misra	1,05,000
Total	**4,55,000**

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

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

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

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

e) Remuneration Policy

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

f) General Body Meetings

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

Financial Year	Date	Time	Location
2011-12 (6th AGM)	August 28, 2012	1:30 pm	Registered office: Bhartiagram, Gajraula – 244223, District Jyotiba Phoolay Nagar, U.P.
2010-11 (5th AGM)	August 23, 2011	2:30 pm	Registered office: Bhartiagram, Gajraula – 244223, District Jyotiba Phoolay Nagar, U.P.
2009-10 (4th AGM)	September 28, 2010	11.00 am	Registered office: Bhartiagram, Gajraula – 244223, District Jyotiba Phoolay Nagar, U.P.

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

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

(iii) Special resolutions passed through Postal Ballot last year

The Special resolutions passed through Postal Ballot during the year 2012-13 are as follows:

1. Approve JIL Employees Stock Option Scheme 2013.
2. Approve the grant of Stock Options to the Employees of Subsidiary Companies and/or its Holding Companies under JIL Employees Stock Option Scheme 2013.

Both the above resolutions were assented by 99.964% of total votes received and dissented by 0.004% of total votes received.

Mr. Sanjay Grover, Practising Company Secretary, was appointed as Scrutinizer to conduct the Postal Ballot exercise.

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

None

(v) Procedure for Postal Ballot

- The notices containing the proposed resolutions and explanatory statements thereto are sent to the registered addresses of all shareholders of the Company alongwith a Postal Ballot Form and a postage pre-paid envelope containing the address of the Scrutinizer appointed by the Board for carrying out postal ballot process.

- The Postal Ballot Forms received within 30 days of dispatch are considered by the Scrutinizer.

- The Scrutinizer submits his report to the Chairman of the Company, who on the basis of the report announces the results.

g) Disclosures

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

(ii) There are no materially significant transactions with the related parties viz. promoters, directors or the management, their subsidiaries or relatives, etc. that may have a potential conflict with the interests of the Company at large. Related party transactions are given at Note No. 45 to the financial statements.

(iii) The Company has complied with various rules and regulations prescribed by Stock Exchanges, Securities and Exchange Board of India or any other statutory authority relating to the capital markets since listing of its equity shares. No penalties or strictures have been imposed by them on the Company.

(iv) Listing fees for the financial year 2013-14 have been paid to the Stock Exchanges where the shares of the Company are listed.

(v) The Company has established a Whistle Blower Policy to make the work place conducive to open communication regarding business practices and to protect the employees from unlawful victimization, retaliation or discrimination for their having disclosed or reported fraud, unethical behaviour, violation of Code of Conduct, questionable accounting practices, grave misconduct etc. Under the policy Ombudsman has been appointed.

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

h) Means of Communication

(i) The quarterly financial results of the Company are regularly submitted with the Stock Exchanges in accordance with the requirements of the Listing Agreement immediately after they are approved by the Board. The results are generally published in leading Business Newspapers of the country like 'Financial Express' and regional newspapers like 'Dainik Jagran' in accordance with the requirements of listing agreement They have recently been published HT Mint and regional newspaper "Hindustan".

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

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

(iv) The Investor Relations department of the Company regularly interacts with current and prospective investors and capital market intermediaries (brokers) who either invest in Company stocks and/or encourage investors to do the same, directly or through bourses. Investor Relations Department responds to all requests from investors and analysts, through calls/emails, with respect to the business profile and financial performance of the Company. The published results are shared after the Board meeting by uploading on the corporate website for all interested stakeholders.

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

i) General Shareholders' Information

(i) Date, Time and Venue for 7th Annual General Meeting

Date and Time	August 27, 2013; 1.30 pm.
Venue	**Registered Office:** Bhartiagram, Gajraula - 244223 District - Amroha, U.P.

(ii) Financial Year and Financial Calendar

The Company observes April 1 to March 31 of the following year as its Financial Year. The Financial Calendar for year 2012-13 is as follows:

Item	Tentative Dates *
First Quarter Results	July 31 , 2013
Second Quarter Results	October 30, 2013
Third Quarter Results	February 5, 2014
Audited Annual Results for the year	May 7, 2014

*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 7th Annual General Meeting. Further, no dividend has been recommended for the year ended March 31, 2013.

(iv) Listing

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

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

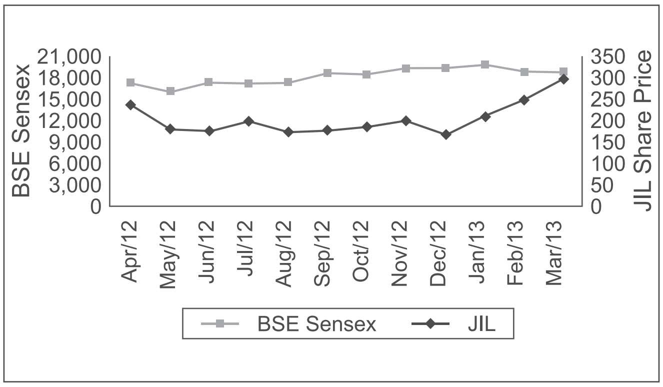
(v) Market Price Data

Monthly high/low of market price of the Company's equity shares traded on the Stock Exchanges during 2012-13 is given here under:

(Equity Shares of ₹ 10/- each)

Month	BSE		NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
Apr-12	308.00	225.95	309.00	255.25
May-12	278.00	162.60	280.00	163.00
Jun-12	180.80	149.90	176.00	160.10
Jul-12	187.35	135.75	187.00	135.00
Aug-12	143.00	127.70	141.75	127.70
Sep-12	179.40	131.40	179.70	132.20
Oct-12	179.50	156.00	179.40	150.70
Nov-12	174.80	150.60	172.00	150.50
Dec-12	194.65	156.60	199.00	130.10
Jan-13	195.00	145.00	193.90	145.05
Feb-13	157.85	120.55	150.00	122.50
Mar-13	135.00	100.75	134.00	100.30

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



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

(vii) Growth in Equity Capital

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

(viii) Compliance Officer

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

(ix) Registrar and Share Transfer Agent

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

M/s. Alankit Assignments Limited, Alankit House, 2E/21, Jhandewalan Extension, New Delhi-110055; Tel: +91-11-23541234, 42541234; E-mail: rta@alankit.com

(x) Share Transfer System

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

(xi) Distribution of shareholding as on March 31, 2013

(a) Value wise

Shareholding of nominal value (in ₹)	Shareholders		Shareholding	
	Number	% of Total	Face value of shares (₹)	% of Total
Upto 5000	19913	97.99	78,02,040	6.58
5001 to 10000	175	0.86	13,34,820	1.13
10001 to 20000	103	0.51	14,76,220	1.25
20001 to 30000	39	0.19	9,93,600	0.84
30001 to 40000	14	0.07	5,04,580	0.43
40001 to 50000	13	0.07	6,07,840	0.51
50001 to 100000	20	0.10	14,83,580	1.25
100001 and above	43	0.21	10,42,91,360	88.01
Total	**20320**	**100.00**	**11,84,94,040**	**100.00**

(b) Category wise

S. No.	Category	No. of shares	Shareholding as a percentage of total number of shares
A	Promoters & Promoter Group	76,88,874	64.89
B	Public Shareholding		
1	Financial Institutions / Banks	4,072	0.03
2	UTI/Mutual Funds	5,47,489	4.62
3	Domestic Companies	6,56,734	5.54
4	Non Resident Indians	1,84,399	1.56
5	FII / Foreign Investors	11,16,231	9.42
6	Indian Public	16,51,605	13.94
	Grand Total	**1,18,49,404**	**100.00**

(xii) Code of Conduct for Insider Trading

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

The Company Secretary is the Compliance Officer in this regard.

(xiii) Unclaimed Dividends

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

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

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

(xiv) Unclaimed Shares

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

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

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

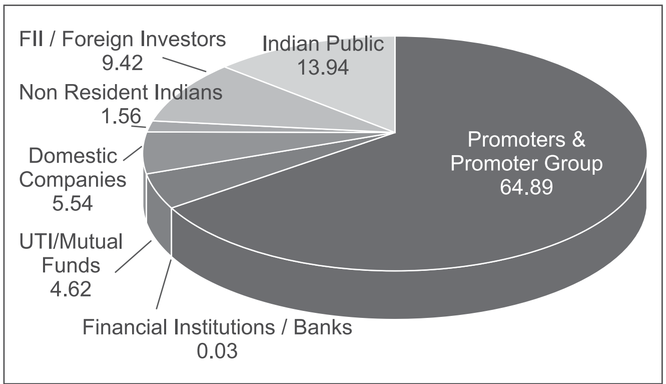
(xv) Information pursuant to Clause 49 IV (G) (i) of the Listing Agreement

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

(xvi) Compliance Certificate of the Statutory Auditors

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

(xvii) Distribution of Shareholding as on March 31, 2013



(xviii) (a) Dematerialization of Shares

The shares of the Company fall under the category of compulsory delivery in dematerialized mode by all categories of investors. The Company has signed agreements with National Securities Depository Limited (NSDL) and Central Depositories Services (India) Limited (CDSL). As on March 31, 2013, 1,16,76,608 equity shares of the Company (98.54% of the paid-up capital) were in dematerialized form.

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, 2013 stands at 1,18,49,404 equity shares of ₹ 10 each amounting to ₹ 11,84,94,040 (Rupees Eleven crores Eighty Four Lacs Ninety Four Thousand and Forty only).

(xix) Location of Plant

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

(xx) Address for Correspondence

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

(xxi) Corporate Identity Number (CIN)

L24100UP2007PLC032909

Compliance with Clause 49 of Listing Agreement

(a) Mandatory Requirements

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

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

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

1. The Board

- **Non Executive Chairman's Office**

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

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

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

2. Remuneration Committee

The Company has set up a Remuneration Committee. The composition, terms of reference and other details of the same are given in preceding pages.

3. Shareholders' Rights

Half yearly financial performance is not being sent to Shareholders.

4. Audit Qualifications

The financial statements of the Company contain no audit qualifications.

5. Training of Board Members

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

6. Mechanism for Evaluating Non-Executive Board Members

Not Adopted.

7. Whistle Blower Policy

Jubilant has a robust Whistle Blower Policy and Ombudsman Process in place to enable any full time employee to voice concerns without fear of retaliation /victimization / discrimination which is a sine qua non for an ethical organization. To further augment the corporate governance standards, an independent office of Ombudsman for the Jubilant Group was established during the year. 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' and the 'Ombudsman Process'.

Corporate Governance Voluntary Guidelines 2009

The Central Government promulgated in December 2009, a set of Corporate Governance Guidelines ('CG Guidelines') for all companies.

The Company has already complied with significant portion of the Guidelines.

Compliance with Code of Conduct

A declaration by the Chairman that all directors and senior management personnel have affirmed compliance with the Code of Conduct of the Company for the year ended March 31, 2013 is enclosed as **Annexure F**.

CEO/CFO Certification

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

Investor Services

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

- Emailing Annual Report, Corporate Sustainability Report and Notice of Annual General Meeting to shareholders, whose e-mail IDs are available.

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

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

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

ANNEXURE E

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, 2013, 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.**
Firm Registration Number: 304153E
Chartered Accountants

B.R. Goyal
Partner
Membership No. 12172

Place: Noida
Date: May 8, 2013

ANNEXURE F

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, 2013.

For **Jubilant Industries Limited**

Hari S. Bhartia
Chairman

Place : Noida
Date : May 8, 2013

ANNEXURE G

CERTIFICATE OF CEO/CFO

This is to certify that:

(a) We have reviewed financial statements and the cash flow statement for the year 2012-13 and that to the best of our knowledge and belief:

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

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

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

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

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

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

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

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

For **Jubilant Industries Limited**

Place : Noida	**Videh Kumar Jaipuriar**	**Sandeep Kumar Shaw**
Date : May 8, 2013	Managing Director	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 31st March, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information which we have signed under refrence to this report.

Management's responsibility for the Financial Statements

2. Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments; the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design the audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

(i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;

(ii) in the case of the Statement of Profit and Loss, of the Loss of the Company for the year ended on that date; and

(iii) in the case of Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

7. As required by the Companies (Auditors' Report) Order, 2003, ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order, to the extent applicable to the Company.

8. As required by section 227(3) of the Act, we report that:

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

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

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

   d. In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;

   e. On the basis of written representations received from the Directors as on 31st March, 2013 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

B. R. GOYAL
Partner
Membership No. 12172

Place : Noida
Date : 8th May, 2013

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 7 of our report of even date to the members of Jubilant Industries Limited on the financial statements for the year ended 31st March, 2013.

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

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

(c) During the year the Company has not disposed off any substantial/ major part of fixed assets except transfers by way of slump sale, of the fixed assets of its Vinyl-Pyridine Latex ("VP Latex") and Solid Poly Vinyl Acetate ("Solid PVA") into the Company's wholly owned subsidiary in terms of memeber's approval, however, the same has not affected its going concern basis.

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

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

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

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

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

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

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

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

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

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

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

ix) (a) According to the records examined by us, the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investors education and protection fund, employees state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other statutory dues wherever applicable. According to the information and explanations given to us, no undisputed arrears of statutory dues were outstanding as at 31st March, 2013 for a period of more than six months from the date they became payable.

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

x) There are no accumulated losses of the Company as at 31st March 2013. The Company has incurred cash losses during the financial year covered by our audit, however it has not incurred cash losses in the immediately preceding financial year.

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

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

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

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

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

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

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

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

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

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

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

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

B. R. GOYAL
Partner
Membership No. 12172

Place : Noida
Date : 8th May, 2013

BALANCE SHEET

(₹ in million)

As at 31st March,	Note No.	2013		2012	
I. EQUITY AND LIABILITIES					
Shareholders' funds					
Share capital	2	118.49		118.49	
Reserves & surplus	3	2,517.00		2,521.68	
			2,635.49		2,640.17
Non-current liabilities					
Long term borrowings	4	-		3.90	
Deferred tax liabilities (net)	5	1.96		44.29	
Other long term liabilities	6	-		0.45	
Long term provisions	7	0.72		27.83	
			2.68		76.47
Current liabilities					
Short term borrowings	8	-		18.42	
Trade payables	9	78.11		196.58	
Other current liabilities	10	120.84		86.94	
Short term provisions	11	24.55		210.90	
			223.50		512.84
Total			**2,861.67**		**3,229.48**
II. ASSETS					
Non-current assets					
Fixed assets					
Tangible assets	12	21.46		405.53	
Intangible assets	13	-		3.04	
Capital work-in-progress	12	-		24.65	
Non-current investments	14	2,624.12		1,649.32	
Long term loans & advances	15	1.72		3.59	
Other non-current assets	16	-		11.10	
			2,647.30		2,097.23
Current assets					
Current investments	17	0.38		0.07	
Inventories	18	33.83		335.70	
Trade receivables	19	79.33		478.59	
Cash & bank balances	20	5.11		21.46	
Short-term loans and advances	21	95.72		294.07	
Other current assets	22	-		2.36	
			214.37		1,132.25
Total			**2,861.67**		**3,229.48**
Statement of significant accounting policies & Notes to the Financial Statements	1 - 51				

In terms of our report of even date attached.

For and on behalf of the Board

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

B.R. Goyal
Partner
Membership No. 12172

Hari S. Bhartia
Chairman

Place: Noida
Date : 8th May, 2013

Deepak Gupta
Company Secretary

Sandeep Kumar Shaw
Chief Financial Officer

Videh Kumar Jaipuriar
Managing Director

STATEMENT OF PROFIT AND LOSS

(₹ in million)

For the year ended 31st March,	Note No.	2013		2012	
REVENUE					
Revenue from operations (gross)	23	377.85		2,650.46	
Less: Excise duty		149.10		219.73	
Revenue from operations (net)			228.75		2,430.73
Other income	24		0.31		16.75
Total revenue			**229.06**		**2,447.48**
EXPENSES					
Cost of materials consumed	25		77.68		1,495.10
Purchase of traded goods	26		1.50		2.44
Change in inventories of work in progress, finished goods & traded goods	27		(5.68)		2.06
Other manufacturing expenses	28		134.02		314.41
Employee benefits expense	29		10.02		122.67
Finance costs	30		-		4.04
Depreciation & amortization expenses	12 & 13		1.25		28.40
Other expenses	31		16.40		160.66
Total expenses			**235.19**		**2,129.78**
Profit/(Loss) before exceptional items and tax			(6.13)		317.70
Exceptional items	32		(1.74)		11.06
Profit/(Loss) before tax			**(4.39)**		**306.64**
Profit/(Loss) from continuing operations before tax		(4.39)		300.33	
Tax expenses:					
- Current tax		0.58		100.08	
- Deferred tax charge/(credit)		(0.29)		(53.00)	
		0.29		47.08	
Profit/(Loss) for the year from continuing operations after tax			**(4.68)**		**253.25**
Profit from discontinuing operations	42	-		6.31	
Tax expenses of discontinuing operations		-		2.05	
Profit from discontinuing operations after tax			-		4.26
Profit/(Loss) for the year			**(4.68)**		**257.51**
Basic earnings per share of ₹10 each (in ₹)	50		(0.39)		21.73
Diluted earnings per share of ₹10 each (in ₹)	50		(0.39)		21.73
Statement of significant accounting policies & Notes to the Financial Statements	1 - 51				

In terms of our report of even date attached.

For and on behalf of the Board

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

B.R. Goyal
Partner
Membership No. 12172

Hari S. Bhartia
Chairman

Place: Noida
Date : 8th May, 2013

Deepak Gupta
Company Secretary

Sandeep Kumar Shaw
Chief Financial Officer

Videh Kumar Jaipuriar
Managing Director

CASH FLOW STATEMENT

(₹ in million)

For the year ended 31st March,	2013	2012
A. Cash flow arising from operating activities:		
Net profit/ loss before tax	(4.39)	306.64
Adjustments for:		
Depreciation & amortisation expenses	1.25	28.40
Loss/(Profit) on sale of fixed assets (net)	-	(0.16)
Finance costs	-	4.04
Provision for employee benefits	0.18	4.73
Bad debts/irrecoverable advances written-off (net of write-in)	(0.04)	1.69
Unrealised (gain)/ loss on foreign exchange-net	-	(3.46)
Profit on sale of current investments	(0.31)	(5.31)
Non-cash exceptional item	(1.74)	-
	(0.66)	29.93
Operating profit before working capital changes	**(5.05)**	**336.57**
Adjustments for:		
(Increase)/Decrease in trade and other receivables	(76.78)	(164.92)
(Increase)/Decrease in inventories	(1.20)	(3.70)
(Increase)/Decrease in other current assets	-	(2.36)
Increase/(Decrease) in trade and other payables	178.81	33.22
Cash generated from operations	**95.78**	**198.81**
Direct taxes paid (net of refunds)	(101.92)	(152.84)
Net cash inflow/(outflow) in course of operating activities	**(6.14)**	**45.97**
B. Cash flow arising from investing activities:		
Acquisition/Purchase of fixed assets	(0.05)	(39.54)
Sale proceeds of fixed assets	-	0.33
(Purchase)/Sale of investments (net)	-	5.24
Interest income	-	7.17
Net cash inflow/(outflow) in course of investing activities	**(0.05)**	**(26.80)**
C. Cash flow arising from financing activities:		
Proceeds from/(Repayment) of long term borrowings (net)	-	3.90
Proceeds from/(Repayment) of short term borrowings (net)	-	(22.31)
Finance costs	-	(8.17)
Dividend paid (including dividend distribution tax)	-	(27.70)
Net cash inflow/(outflow) in course of financing activities	**-**	**(54.28)**
Net increase/(decrease) in cash & cash equivalents (A+B+C)	**(6.19)**	**(35.11)**
Add : Cash & cash equivalent at the beginning of year (including balance in dividend account)	21.46	61.94
Adjustment: Cash & cash equivalents on account of Business Transfer Agreement (Previous Year: Scheme of Arrangement)	(10.16)	(5.37)
Cash & cash equivalents at the close of the year (including balance in dividend account)	**5.11**	**21.46**

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

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

iii) Cash Flow Statement has been prepared after giving effect of the Business Transfer Agreement (BTA) for sale of undertakings vide slump sale to the opening balance sheet from appointed date i.e. 1st April, 2012 and does not include non cash adjustments to give effect of the said BTA.

iv) Cash generated from operations include ₹ Nil (Previous Year ₹6.31 million) as net cash inflow attributable to discontinuing operations. (refer note 42)

v) 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.
Firm Registration Number : 304153E
Chartered Accountants

B.R. Goyal
Partner
Membership No. 12172

Hari S. Bhartia
Chairman

Place: Noida
Date : 8th May, 2013

Deepak Gupta
Company Secretary

Sandeep Kumar Shaw
Chief Financial Officer

Videh Kumar Jaipuriar
Managing Director

NOTES TO THE FINANCIAL STATEMENTS

1. Statement of Significant Accounting Policies

A. Basis of Preparation & Presentation of Financial Statements

The accounts of the Company are prepared primarily 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 mandatory accounting standards notified under the Companies (Accounting Standards) Rules, 2006 as amended and with the relevant provisions of the Companies Act, 1956. The Financial Statements are presented in Indian rupees rounded off to the nearest million.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and 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 retirement benefit plans, income taxes, useful life of fixed assets and 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. 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 in the period in which such results are known/ materialized. Effect of such material changes is disclosed in the notes to the financial statements.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule VI to the Companies Act, 1956. 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 classifying current or non-current assets and liabilities.

B. Tangible and Intangible Fixed Assets

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

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

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

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

C. Depreciation and Amortization

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

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

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

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

c. Motor Vehicles: Five Years.

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

Leasehold land is amortized over the lease period.

NOTES TO THE FINANCIAL STATEMENTS

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

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

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

D. Leases

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

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

E. Valuation of Inventories

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

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

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

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

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

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 non-current investments. Current Investments are carried at cost or fair value, whichever is lower. Non-current 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, charge or credit are included in the determination of the results for the period.

Current Tax

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

Deferred Tax

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

H. Foreign Currency Transactions and Translations

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

NOTES TO THE FINANCIAL STATEMENTS

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

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

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

I. Provisions, Contingent Liabilities and Contingent Assets

The Company recognizes a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. Contingent liabilities are disclosed in respect of possible obligations that may arise from past events but their existence is confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent Assets are not recognized/ disclosed. Provisions, Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet Date.

J. Employee Benefits

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

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

- **Gratuity and Leave Encashment**

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

- **Superannuation**

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

- **Provident Fund**

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

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

(III) Other Long Term Employee Benefits:

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

K. Borrowings Cost

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

L. Revenue Recognition

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

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

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 method.

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

M. Segment Reporting

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

N. Earnings Per Share

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

O. Impairment of Fixed Assets

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

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

P. Employee Stock Option Scheme

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

NOTES TO THE FINANCIAL STATEMENTS

(₹ in million)

As at 31st March,	2013	2012
2. SHARE CAPITAL		
Authorised		
1,50,00,000 Equity shares of ₹10 each (Previous Year: 1,50,00,000 Equity shares of ₹10 each)	150.00	150.00
	150.00	**150.00**
Issued, subscribed & paid-up		
1,18,49,404 Equity shares of ₹10 each (refer note 2.1) (Previous Year: 1,18,49,404 Equity shares of ₹10 each)	118.49	118.49
	118.49	**118.49**

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

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

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

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

Name of the shareholder	As at 31st March, 2013		As at 31st March, 2012	
	No. of shares	% held	No. of shares	% held
Jubilant Stock Holding Private Limited	9,84,840	8.31	9,84,840	8.31
Jubilant Capital Private Limited	11,66,600	9.85	11,66,600	9.85
Jubilant Enpro Private Limited	35,96,837	30.35	35,96,837	30.35
Jubilant Securities Private Limited	10,51,075	8.87	10,51,075	8.87
Samena Special Situations Mauritius	6,90,555	5.83	6,90,555	5.83

2.3 The reconciliation of the number of shares outstanding as at 31st March, 2013 and 31st March, 2012 is set out below:

Particulars	As at 31st March, 2013		As at 31st March, 2012	
	No. of shares	₹ in million	No. of shares	₹ in million
Number of shares at the beginning of the year	1,18,49,404	118.49	80,14,056	80.14
Add: Shares allotted pursuant to Scheme of Arrangement (refer note 2.1)	-	-	38,35,348	38.35
Numbers of shares at the end of the year	**1,18,49,404**	**118.49**	**1,18,49,404**	**118.49**

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

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

(₹ in million)

As at 31st March,	2013	2012
3. RESERVES AND SURPLUS		
Capital Reserve		
As per last Balance Sheet	-	24.62
Less: Adjustments on account of Scheme of Arrangement (refer note 3.1)	-	24.62
	-	-
Securities Premium Account		
As per last Balance Sheet	823.45	837.18
Less: Adjustments on account of Scheme of Arrangement (refer note 3.1)	-	13.73
	823.45	823.45
General Reserve		
As per last Balance Sheet	227.78	645.58
Less: Adjustments on account of Scheme of Arrangement	-	417.80
	227.78	227.78
Surplus		
As per last Balance Sheet	1,470.45	1,212.94
Add: Net profit/(loss) after tax as per Statement of Profit and Loss for the year	(4.68)	257.51
	1,465.77	1,470.45
TOTAL	**2,517.00**	**2,521.68**

3.1 The deduction was due to issue of 38,35,348 Equity shares of ₹10 each pursuant to the Scheme of Arrangement with Jubilant Agri and Consumer Products Limited and Enpro Oil Private Limited during the FY 2011-12.

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

(₹ in million)

As at 31st March,	2013	2012
4. LONG TERM BORROWINGS		
Long term maturities of finance lease obligation		
- Finance lease obligations (secured)	-	3.90
	-	**3.90**

4.1 Finance lease obligations (Previous Year: ₹3.90 million) were secured by hypothecation of specific assets taken under such lease arrangements and are repayable as per the terms of agreement with the lessor and the same have been transferred to Jubilant Agri and Consumer Products Limited pursuant to Business Transfer Agreement w.e.f 1st April, 2012

(₹ in million)

As at 31st March,	2013	2012
5. DEFERRED TAX LIABILITIES (NET)		
Deferred tax liabilities on account of:		
Accelerated depreciation/amortization	2.01	57.18
	2.01	57.18
Deferred tax assets on account of:		
Provision for leave encashment and gratuity	0.05	8.43
Others	-	4.46
	0.05	12.89
Deferred tax liabilities (net)	**1.96**	**44.29**

NOTES TO THE FINANCIAL STATEMENTS

(₹ in million)

As at 31st March,	2013	2012
6. OTHER LONG TERM LIABILITIES		
Security deposits	-	0.45
	-	**0.45**

(₹ in million)

As at 31st March,	2013	2012
7. LONG TERM PROVISIONS		
Employee benefits	0.72	27.83
	0.72	**27.83**

(₹ in million)

As at 31st March,	2013	2012
8. SHORT TERM BORROWINGS		
Loans repayable on demand		
-From banks:		
Cash credit/working capital demand loans (secured)	-	18.42
	-	**18.42**

8.1 Working capital facilities (Previous Year: ₹18.42 million) sanctioned/limits availed by Corporation Bank Ltd and ING Vysya Bank Ltd under multiple banking arrangement were secured by a first charge by way of hypothecation ranking pari passu inter-se banks of the entire book debts, receivables, inventories and current assets both present and future of the Company where ever the same may be or be held. The amount availed under these facilities have been transferred to Jubilant Agri and Consumer Products Limited pursuant to Buisness Transfer Agreement.

(₹ in million)

As at 31st March,	2013	2012
9. TRADE PAYABLES		
- Due to micro, small & medium enterprises under MSMED Act, 2006 (refer note 35)	-	1.31
- Others	78.11	195.27
	78.11	**196.58**

(₹ in million)

As at 31st March,	2013	2012
10. OTHER CURRENT LIABILITIES		
Current maturities of finance lease obligations	-	1.59
Employee benefits payable	0.44	9.79
Trade deposits & advances	10.34	15.44
Creditors for capital supplies and services	-	20.33
Unpaid dividend	0.24	0.24
Due to related parties	98.98	21.08
Others	10.84	18.47
	120.84	**86.94**

(₹ in million)

As at 31st March,	2013	2012
11. SHORT TERM PROVISIONS		
Employee benefits	0.24	9.22
Income tax	1.08	107.93
Excise duty	3.58	14.10
Others	19.65	79.65
	24.55	**210.90**

12. TANGIBLE FIXED ASSETS

(₹ in million)

Description	GROSS BLOCK - COST/BOOK VALUE					DEPRECIATION / AMORTISATION / IMPAIRMENT					NET BLOCK	
	Total as at 31st March, 2012	Deductions/ adjustments on account of Business Transfer Agreement*	Additions/ adjustments during the year	Deductions/ adjustments during the year	Total as at 31st March, 2013	Total as at 31st March, 2012	Deductions/ adjustments on account of Business Transfer Agreement*	Provided for the year	Deductions/ adjustments during the Year	Total as at 31st March, 2013	As at 31st March, 2013	As at 31st March, 2012
Land (Freehold)	8.10	1.87**	-	-	6.23	-	-	-	-	-	6.23	8.10
Buildings												
(a) Factory	69.03	59.91**	-	-	9.12	11.95	9.47	0.30	-	2.78	6.34	57.08
(b) Others	10.05	10.05 **	-	-	-	0.07	0.07	-	-	-	-	9.98
Plant & machinery	617.73	601.53	-	-	16.20	298.83	292.08	0.84	-	7.59	8.61	318.90
Furniture & fixtures	6.78	6.56	-	-	0.22	4.00	3.90	0.01	-	0.11	0.11	2.78
Office equipments	9.81	9.49	0.05	-	0.37	6.66	6.56	0.10	-	0.20	0.17	3.15
Vehicles (Leased)	6.55	6.55	-	-	-	1.01	1.01	-	-	-	-	5.54
TOTAL	**728.05**	**695.96**	**0.05**	**-**	**32.14**	**322.52**	**313.09**	**1.25**	**-**	**10.68**	**21.46**	**405.53**
Previous Year	1,601.58	948.69	75.51	0.35	728.05	553.15	258.37	27.92	0.18	322.52	405.53	1,048.43
Capital work in progress											-	24.65

* Previous Year: Deductions/Adjustments were on account of Scheme of Arrangements.

** Transfer formalities in the name of Jubilant Agri and Consumer Products Limited are in the process.

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 FIXED ASSETS

(₹ in million)

Description	GROSS BLOCK - COST / BOOK VALUE					DEPRECIATION / AMORTISATION / IMPAIRMENT					NET BLOCK	
	Total as at 31st March, 2012	Deductions/ adjustments on account of Business Transfer Agreement	Additions/ adjustments during the year	Deductions/ adjustments during the year	Total as at 31st March, 2013	Total as at 31st March, 2012	Deductions/ adjustments on account of Business Transfer Agreement	Provided for the year	Deductions/ adjustments during the Year	Total as at 31st March, 2013	As at 31st March, 2013	As at 31st March, 2012
Software	3.52	3.52	-	-	-	0.48	0.48	-	-	-	-	3.04
TOTAL	**3.52**	**3.52**	**-**	**-**	**-**	**0.48**	**0.48**	**-**	**-**	**-**	**-**	**3.04**
Previous Year	-	-	3.52	-	3.52	-	-	0.48	-	0.48	3.04	-

NOTES TO THE FINANCIAL STATEMENTS

(₹ in million)

As at 31st March,			2013	2012
14. NON-CURRENT INVESTMENTS				
(at cost)				
Number	Face value per unit			
		Trade investments (long term) (unquoted)		
		In subsidiary company		
		Jubilant Agri and Consumer Products Limited:		
50,000	₹ 10	Fully paid-up equity shares	0.50	0.50
(50,000)	(₹ 10)			
16,48,817	₹ 10	10% Optionally convertible non-cumulative redeemable preference shares	1,648.82	1,648.82
(16,48,817)	(₹ 10)			
974800	₹ 10	10% Non-cumulative redeemable preference shares (14.2)	974.80	-
(Nil)				
			2,624.12	**1,649.32**
		Aggregate amount of unquoted investments	2,624.12	1,649.32

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

14.2 9,74,800 10% Non-cumulative redeemable preference shares of ₹10 each were allotted in favour of the Company pursuant to the Business Transfer Agreement between the Company and Jubilant Agri and Consumer Products Limited.

(₹ in million)

As at 31st March,	2013	2012
15. LONG TERM LOANS & ADVANCES (Unsecured, considered good)		
Capital advances	-	0.30
Security deposits	1.31	2.88
Others	0.41	0.41
	1.72	**3.59**

(₹ in million)

As at 31st March,	2013	2012
16. OTHER NON-CURRENT ASSETS		
(Unsecured, considered good)		
Others recoverable	-	11.10
	-	**11.10**

(₹ in million)

As at 31st March,			2013	2012
17. CURRENT INVESTMENTS				
(at cost)				
Number	Face value per unit	All unquoted unless otherwise specified		
		Investments in mutual fund		
178	₹ 1000	LIC MF liquid fund-growth plan*	0.38	0.07
(3,712)	(₹ 10)			
			0.38	**0.07**
		Aggregate NAV of current investments	0.38	0.07

*Face value is changed from ₹10 to ₹1,000 w.e.f. 21st January, 2013.

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

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

1,01,98,994.28 units (Previous Year: 2,03,47,978.28 units) of LIC mutual fund - liquid fund - growth plan at cost of ₹200 million. (Previous year ₹190 million).

NOTES TO THE FINANCIAL STATEMENTS

(₹ in million)

As at 31st March,	2013	2012
18. INVENTORIES		
Raw materials [including in transit ₹ Nil (Previous Year: ₹ 89.04 million)]	0.97	206.44
Work-in-progress	2.02	27.79
Finished goods	15.96	71.51
Stores, spares and others	1.30	9.62
Others-fuels and packing materials	13.58	20.34
	33.83	**335.70**

For method of valuation refer note 1E.

(₹ in million)

As at 31st March,	2013	2012
19. TRADE RECEIVABLES		
(Unsecured, considered good)		
Outstanding for period exceeding six months from the date they are due for payment	0.93	0.58
Outstanding for period less than six months from the date they are due for payment	78.40	478.01
	79.33	**478.59**

(₹ in million)

As at 31st March,	2013	2012
20. CASH AND BANK BALANCES		
Cash and cash equivalents		
Balances with banks		
- On current accounts	4.83	21.06
- On dividend account	0.24	0.24
Cash in hand	0.02	0.11
Others		
- Gift/Meal vouchers in hand	0.02	0.05
	5.11	**21.46**

(₹ in million)

As at 31st March,	2013	2012
21. SHORT TERM LOANS & ADVANCES		
Deposits/Balances with government authorities	1.86	120.82
Advance payment of income tax	84.64	90.15
Employee loans and advances	0.01	0.65
Advances recoverable in cash or in kind or for value to be received:		
- Related parties	-	30.24
- Others - Export incentives and others recoverable	9.21	52.21
	95.72	**294.07**

(₹ in million)

As at 31st March,	2013	2012
22. OTHER CURRENT ASSETS		
Others	-	2.36
	-	2.36

NOTES TO THE FINANCIAL STATEMENTS

(₹ in million)

For the year ended 31st March,	2013	2012
23. REVENUE FROM OPERATIONS		
Sale of products	376.74	2,639.74
Sales of services	-	6.43
Other operating income	1.11	4.29
Revenue from operations (gross)	377.85	2,650.46
Less: Excise duty	149.10	219.73
Revenue from operations (net)	**228.75**	**2,430.73**

(₹ in million)

For the year ended 31st March,	2013	2012
23.1 PARTICULARS OF SALE OF PRODUCTS		
Solid PVA	-	1,005.89
VP Latex	-	1,220.99
IMFL	376.74	412.86
	376.74	**2,639.74**

(₹ in million)

For the year ended 31st March,	2013	2012
23.2 PARTICULARS OF SALE OF SERVICES		
Contract manufacturing services	-	2.75
Other services	-	3.68
	-	**6.43**

(₹ in million)

For the year ended 31st March,	2013	2012
24. OTHER INCOME		
Profit on sale of current investments	0.31	5.31
Profit on sale of fixed assets	-	0.16
Miscellaneous receipts	-	11.28
	0.31	**16.75**

(₹ in million)

For the year ended 31st March,	2013	2012
25. COST OF MATERIAL CONSUMED		
Raw & process materials consumed	77.68	1,495.10
	77.68	**1,495.10**

(₹ in million)

For the year ended 31st March,	2013	2012
25.1 PARTICULARS OF RAW MATERIALS CONSUMED		
Process chemicals	77.68	117.39
Butadiene	-	446.03
VP Monomer	-	240.77
Vinyl Acetate Monomer	-	559.57
Others	-	131.34
	77.68	**1,495.10**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March,	2013		2012	
	%	₹ in million	%	₹ in million
25.2 PARTICULARS OF IMPORTED AND INDIGENOUS RAW MATERIALS CONSUMED				
Imported	-	-	42.49	635.22
Indigenous	100 .00	77.68	57.51	859.88
	100 .00	**77.68**	**100 .00**	**1,495.10**

(₹ in million)

For the year ended 31st March,	2013	2012
26. PURCHASE OF TRADED GOODS	1.50	2.44
Purchase of traded goods	**1.50**	**2.44**

(₹ in million)

For the year ended 31st March,	2013	2012
27. CHANGES IN INVENTORIES OF WORK-IN-PROGRESS FINISHED GOODS AND TRADED GOODS		
Stock at commencement-Work-in-progress	27.79	186.63
Stock at commencement-Finished goods	82.61	278.01
Stock at commencement-Trade goods	-	19.57
	110.40	484.21
Stock at close-Work-in-progress	2.02	27.79
Stock at close-Finished goods	15.96	82.61
	17.98	110.40
Decrease/(Increase) in stocks	92.42	373.81
Less: Adjustment on account of Business Transfer Agreement (Previous Year: Scheme of Arrangement)	98.10	368.44
Less: Write down of inventory	-	3.31
Net Decrease/(Increase) in stocks	**(5.68)**	**2.06**

(₹ in million)

For the year ended 31st March,	2013	2012
27.1 PARTICULARS OF INVENTORIES		
Details of work-in-progress		
Solid PVA	-	1.43
VP Latex	-	24.22
IMFL	2.02	2.14
	2.02	**27.79**
Details of finished goods		
Solid PVA	-	48.28
VP Latex	-	24.17
IMFL	15.96	10.16
	15.96	**82.61**

NOTES TO THE FINANCIAL STATEMENTS

(₹ in million)

For the year ended 31st March,	2013	2012
28. OTHER MANUFACTURING EXPENSES		
Power and fuel	1.72	41.58
Stores, spares & packing materials consumed	128.41	246.23
Repairs to plant & machinery	0.31	20.17
Repairs to factory buildings	-	1.37
Excise duty (refer note 36)	3.58	5.06
	134.02	**314.41**

For the year ended 31st March,	2013		2012	
	%	₹ in million	%	₹ in million
28.1 PARTICULARS OF IMPORTED AND INDIGENOUS STORES & SPARES CONSUMED				
Imported	-	-	0.74	1.81
Indigenous	100.00	128.41	99.26	244.42
	100 .00	**128.41**	**100.00**	**246.23**

(₹ in million)

For the year ended 31st March,	2013	2012
29. EMPLOYEE BENEFITS EXPENSE		
Salaries, wages, bonus, gratuity & allowances	9.61	108.92
Contribution to provident & superannuation funds	0.31	6.65
Staff welfare expenses	0.10	7.10
	10.02	**122.67**

(₹ in million)

For the year ended 31st March,	2013	2012
30. FINANCE COSTS		
Interest expense	-	9.47
Others borrowing cost	-	1.74
	-	11.21
Less: Interest income (on fixed and other deposits)	-	7.17
	-	**4.04**

NOTES TO THE FINANCIAL STATEMENTS

(₹ in million)

For the year ended 31st March,		2013	2012
31. OTHER EXPENSES			
Rent		0.18	14.89
Rates & taxes		6.16	14.88
Insurance		0.16	4.10
Advertisement, publicity & sales promotion		1.19	2.52
Travelling & other incidental expenses		0.40	11.20
Repair & maintenance - others		0.54	5.10
Vehicle running & maintenance		0.01	1.06
Printing & stationery		1.39	1.20
Communication expenses		1.29	2.37
Staff recruitment & training		-	1.82
Auditors remuneration	- As auditors	0.10	0.40
	- For taxation matters	0.02	0.08
	- For certifications etc.	0.27	0.96
	- Out of pocket expenses	-	0.19
Legal, professional and consultancy charges		1.41	12.40
Donations		-	3.93
Directors' sitting fees		0.46	0.47
Directors' commission		-	1.61
Bank charges		0.10	5.77
Miscellaneous expenses		0.04	1.56
Foreign exchange fluctuation loss/(gain) - (net)		-	(9.51)
Freight & forwarding (including ocean freight)		0.98	66.10
Discounts, claims to customers and other selling expenses		1.74	10.93
Bad debts/ irrecoverable advances & receivables written off (net)		(0.04)	1.69
Commission on sales		-	5.86
Loss/(Gain) on sale of raw materials		-	(0.92)
		16.40	**160.66**

(₹ in million)

For the year ended 31st March,	2013	2012
32. EXCEPTIONAL ITEMS		
Business restructuring expenses on Scheme of Arrangement	-	4.92
Inventory write down	-	6.14
Surplus on slump sale pursuant to BTA (refer note 33)	(1.74)	-
	(1.74)	**11.06**

33. The Board approved a Business Transfer Agreement (BTA) between the Company and Jubilant Agri and Consumer Products Limited (JACPL), a wholly owned subsidiary of the Company. The BTA became effective on 1st March, 2013 upon receipt of consent of the members of the Company.

Pursuant to the said BTA, the Company has transfered its Vinyl-Pyridine Latex ("VP Latex") and Solid Poly Vinyl Acetate ("Solid PVA") business to JACPL on a going concern basis by way of slump sale, with effect from commencement of business hours of 1st April, 2012. JACPL has discharged the purchase consideration amounting to ₹974.80 million by issuing 10% Non-cumulative redeemable preference shares.

The results for the year ended 31st March, 2013 are after giving the effect of the BTA and accordingly, not comparable with previous year.

The effect of the transaction on the accounts of the Company as at 1st April, 2012 is set out below:

NOTES TO THE FINANCIAL STATEMENTS

Increase/(Decrease) in:

(₹ in million)

Particulars	Amount
Assets:-	
- Fixed assets	
Tangible assets	(382.87)
Intangible assets	(3.04)
Capital work-in-progress	(24.65)
- Investment in subsidiary (slump sale consideration)	974.80
- Long term loans & advances	(3.58)
- Other non-current assets	(11.10)
- Inventories	(303.07)
- Trade receivables	(478.59)
- Cash & bank balances	(10.16)
- Short term loans & advances	(188.64)
- Other current assets	(2.36)
Liabilities:-	
- Long term borrowings	(3.90)
- Deferred tax liabilities (net)*	(42.04)
- Other long term liabilities	(0.45)
- Long term provisions	(27.30)
- Short term borrowings	(18.42)
- Trade payables	(252.11)
- Other current liabilities	(73.35)
- Short term provisions	(17.43)
Shareholders'Funds:-	
- Credited to Statement of Profit and Loss as exceptional item	1.74

* The deferred tax liability in respect of fixed assets of the undertakings referred to in BTA has also been moved to the subsidiary pursuant to the slump sale as the written down value for tax purposees shall continue to be the same in the books of the wholly owned subsidiary.

34. 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 on account of:

(₹ in million)

As at 31st March	2013	2012
Customs	-	5.35
Sales tax	-	11.79

*Excluding demands in respect of business transferred to Jubilant Agri and Consumer Products Limited in terms of the Business Transfer Agreement (Previous Year: Scheme of Arrangement) though the demands may be continuing in the name of the Company.

II) Guarantees:

a) 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, 2013 are as under:

i) To Axis Bank Limited of ₹700.00 million for working capital facility and effective guarantee is ₹47.32 million.
ii) To Yes Bank Limited of ₹400.00 million for working capital facility and effective guarantee is ₹76.21 million.
iii) To IDBI Bank Limited of ₹750.00 million for working capital facility and effective guarantee is ₹70.18 million.
iv) To Yes Bank Limited of ₹1200.00 million for working capital facility and effective guarantee is ₹1200.00 million.
v) To Ratnakar Bank Limited of ₹1200.00 million for working capital facility and effective guarantee is ₹800.00 million.

b) Outstanding guarantees furnished by banks on behalf of the Company/by the Company including in respect of Letters of Credit is ₹ Nil (Previous Year: ₹319.81 million).

c) **Others:**

Liability in respect of bills discounted with banks is ₹ Nil (Previous Year: ₹41.79 million).

II) **Commitments**

a) Capital Commitments

Estimated amount of contracts remaining to be executed on capital account (net of advances) ₹ Nil (Previous Year: ₹6.54 million) [Advances ₹ Nil (Previous Year: ₹0.30 million)].

b) For lease commitment refer note 38.

35. 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, 2013. The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) has been determined to the extent such parties have been identified on the basis of information available with the Company.

(₹ in million)

Particulars		As at 31 March, 2013	As at 31 March, 2012
(i)	Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	1.31
(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.

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

37. **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 Company has not granted any option to its directors or employees upto 31st March, 2013.

Certain employees of the Company, who were previously employed with Jubilant Life Sciences Limited and whose service were transferred to this Company in term of the Scheme of Amalgamation & Demerger (2010) and were granted Stock Options under Jubilant Employee Stock Option Scheme (ESOP) 2005 of Jubilant Life Sciences Limited, are entitled to certain number of shares of the Company which shall be transferred by the “Jubilant Employee Welfare Trust” (the Trust) as per the said Scheme. Such transfer of shares by the Trust has no financial implications in the financial books of the Company.

NOTES TO THE FINANCIAL STATEMENTS

38. 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, 2013 are as follows:

(₹ in million)

Particulars	Minimum lease payments	Present value of minimum lease payments	Future interest
Not later than one year	-	-	-
	(2.21)	(1.59)	(0.62)
Later than one year but not later than five years	-	-	-
	(4.61)	(3.90)	(0.71)
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.

39. The bottling unit of the Company situated at Nira holds a potable liquor license for Indian Made Foreign Liquor (IMFL) and the same is bottling IMFL on the order of another company for bottling fee.

The turnover of IMFL Business, which was accounted for on net economic benefit principle earlier, has now been accounted for on gross basis. However, there is no financial impact due to this change.

40. 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 bad and doubtful debts
1	Balance as at 1st April, 2012	14.10	-
		(13.01)	(-)
2	Additional provision during 2012-2013	3.58	-
		(11.85)	(-)
3	Provision used during 2012-13	5.64	-
		(6.65)	(-)
4	Less: Adjustment on account of Business Transfer Agreement (Previous Year: Scheme of Arrangement)	8.46	-
		(4.11)	(-)
5	Balance as at 31st March, 2013	3.58	-
		(14.10)	(-)

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.

41. Derivatives

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

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

As at 31st March,	Buy/Sell	Amount (foreign currency in million)			
		2013		2012	
USD/INR	Sold	-	-	USD	10.80

b) Foreign currency exposures not hedged by derivative instrument:

As at 31st March,	Amount (foreign currency in million)			
	2013		2012	
Amount receivable on account of sale of goods & services	-	-	USD	1.91
	-	-	EURO	0.22
Amount payable on account of purchase of goods	-	-	USD	2.68
	-	-	EURO	0.34

42. Discontinuing operations

The Board of Directors of the Company had decided to discontinue its operation relating to Application Polymer Division (APD) in February, 2011 and to realize the assets and pay off its liabilities in due course.

However consequent to Business Transfer Agreement the opening assets and liabilities of discontinuing operations have been transferred to Jubilant Agri and Consumer Products Limited, a wholly owned subsidiary of the Company.

Statement showing the revenue and expenses of continuing and discontinuing operations:

(₹ in million)

For the year ended 31st March,	2013			2012		
Particulars	Continuing operations	Discontinuing operations (APD)	Total	Continuing operations	Discontinuing operations (APD)	Total
Revenue						
Sales/ Income from operations	228.75	-	228.75	2430.73	-	2430.73
Other income	0.31	-	0.31	5.51	11.24	16.75
Total revenue	**229.06**	**-**	**229.06**	**2436.24**	**11.24**	**2447.48**
Operating expenses	233.45	-	233.45	2131.87	4.93	2136.80
Profit/ (Loss) before finance costs & tax	**(4.39)**	**-**	**(4.39)**	**304.37**	**6.31**	**310.68**
Finance costs	-	-	-	4.04	-	4.04
Tax expenses/ (Tax credit)	0.29	-	0.29	47.08	2.05	49.13
Profit/ (Loss) for the year	**(4.68)**	**-**	**(4.68)**	**253.25**	**4.26**	**257.51**

43. 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,	2013	2012
Employer's contribution to provident fund	0.10	0.69
Employer's contribution to employee pension scheme, 1995	0.03	0.93
Employer's contribution to superannuation fund	0.08	1.13

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

NOTES TO THE FINANCIAL STATEMENTS

c) State plans

During the year the Company has contributed following amounts to:

(₹ in million)

For the year ended 31st March,	2013	2012
Employer's contribution to employee state insurance	-	0.07

(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	
	2013	2012	2013	2012
Present value of obligation at the beginning of the year	19.54	49.73	10.65	23.81
Less: Adjustment on account of Business Transfer Agreement [Previous Year : Scheme of Arrangement] (net)	(19.24)	(25.16)	(10.37)	(11.85)
Current service cost	0.07	1.87	0.07	2.28
Interest cost	0.02	2.04	0.02	0.99
Actuarial (gain)/loss	(0.01)	(3.07)	(0.05)	0.22
Benefits paid	-	(5.87)	-	(4.80)
Present value of obligation at the end of the year	0.38	19.54	0.32	10.65

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

(₹ in million)

	Gratuity		Leave encashment	
	2013	2012	2013	2012
Present value of obligation at the end of the year	0.38	19.54	0.32	10.65
Fair value of plan assets at end of the year	-	-	-	-
Assets/(Liabilities) recognized in the Balance Sheet	(0.38)	(19.54)	(0.32)	(10.65)

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

(₹ in million)

	Gratuity		Leave encashment	
	2013	2012	2013	2012
Current service cost	0.07	1.87	0.07	2.28
Interest cost	0.02	2.04	0.02	0.99
Actuarial (gain)/loss	(0.01)	(3.07)	(0.05)	0.22
Net cost recognized during the year	0.08	0.84	0.04	3.49

Experience adjustment:

(₹ in million)

	Gratuity		Leave encashment	
	2013	2012	2013	2012
Defined benefit obligation	0.38	19.54	0.32	10.65
Plan assets	-	-	-	-
Surplus/(Deficit)	(0.38)	(19.54)	(0.32)	(10.65)
Experience adjustment of plan liabilities- (loss)/gain	0.01	3.07	0.05	(0.22)
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 ₹9.67 million (Previous Year: ₹8.04 million) likely to arise towards interest guarantee. The Trust is managing common corpus of some of the group companies. The total liability of ₹9.67 million (Previous Year: ₹8.04 million) as worked out by the actuary has been allocated to each entity based on the corpus value of each entity as on 31st March 2013. Accordingly,liability of ₹ Nil (Previous Year: ₹(0.06) million) has been allocated to the Company and ₹ Nil (Previous Year: ₹(0.06) million) has been charged to Statement of Profit and Loss during the year. The Company has contributed ₹0.09 million (Previous Year: ₹3.87 million) to provident fund for the year.

(C) **Other long term benefits**

(₹ in million)

	2013	2012
Present value of obligation at the end of the year	0.01	0.57

Consequent to Business Transfer Agreement (BTA) obligation at the beginning of the year of ₹0.56 million has been transferred to Jubilant Agri and Consumer Products Limited

44. Segment reporting

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

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

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

iii) Secondary segments (geographical segments):

(₹ in million)

For the year ended/ As at 31st March,	2013	2012
a) Sales revenue by geographical location of customers (net of excise duty)		
Within India	227.64	1218.53
Outside India	-	1207.91
Total	**227.64**	**2426.44**
b) Carrying amount of segment assets		
Within India	2861.67	3229.48
Outside India	-	-
Total	**2861.67**	**3229.48**
c) Capital expenditure		
Within India	0.05	79.03
Outside India	-	-
Total	**0.05**	**79.03**
d) Sales revenue by geographical market		
India	227.64	1218.53
Americas & Europe	-	793.71
China	-	148.62
Asia & others	-	265.58
Total	**227.64**	**2426.44**

NOTES TO THE FINANCIAL STATEMENTS

45. Related party disclosures

1) Related parties where control exists:

Subsidiaries:

Jubilant Agri And Consumer Products Limited.

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

a) **Key management personnel:** Mr. Videh Kumar Jaipuriar (Managing Director).

b) **Enterprise over which directors and major shareholders of the Company have substantial influence:** Jubilant Life Sciences Limited, Jubilant Life Sciences (Shanghai) Ltd. China, Jubilant Life Sciences (USA) Inc. USA., Jubilant Enpro Private Limited, Enpro Oil (P) Limited

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

3) Details of related party transactions during the year:

(₹ in million)

	Particulars	Subsidiaries	Key management person	Enterprise over which directors and major shareholders of the Company have substantial influence	Others
i)	Purchase of goods, utilities & services (b)			-	
				(408.35)	
ii)	Sale of goods, utilities & services (c)	-		-	
		(18.07)		(287.43)	
iii)	Investment in 10% Optionally convertible non-cumulative redeemable preference share capital (d)	-			
		(1648.82)			
iv)	Investment in 10% Non-cumulative redeemable preference share capital (e)	974.80			
		(-)			
v)	Payment of rent to (f)			0.18	
				(38.41)	
vi)	Contribution towards provident fund (g)				0.09
					(12.38)
vii)	Contribution towards superannuation fund (h)				0.08
					(3.56)
viii)	Receipt of rent from (i)	-			
		(0.53)			
ix)	Remuneration and related expenses		-		
			(13.36)		
x)	Donation (j)				-
					(3.90)
Balance as at 31st March, 2013					
xi)	Current account debit/credit (-) balance (k)	-81.89		-17.09	
		(28.45)		(-19.29)	
xii)	Outstanding payables (l)			-	
				(35.39)	
xiii)	Outstanding receivables (m)			-	
				(200.09)	
xiv)	Outstanding investment in equity share capital (n)	0.50			
		(0.50)			
xv)	Outstanding investments in 10% Optionally convertible non-cumulative redeemable preference share capital (o)	1648.82			
		(1648.82)			
xvi)	Outstanding investments in 10% Non-cumulative redeemable preference share capital (p)	974.80			
		(-)			
xvii)	Financial guarantee given on behalf of subsidiary and outstanding at the end of the year	4250.00			
		(-)			

NOTES TO THE FINANCIAL STATEMENTS

a) Previous year figures are given in parenthesis.

Details of related party transactions individually:

(₹ in million)

For the year ended/As at 31st March,		2013	2012
b)	**Purchase of goods, utilities & services:**		
	Enterprise over which directors and major shareholders of the Company have substantial influence:-		
	Jubilant Life Sciences Limited	-	408.35
c)	**Sale of goods, utilities & services:**		
	Subsidiaries:-		
	Jubilant Agri and Consumer Products Limited	-	18.07
	Enterprise over which directors and major shareholders of the Company have substantial influence:-		
	Jubilant Life Sciences (USA) Inc. USA	-	277.85
	Jubilant Life Sciences Limited	-	9.58
d)	**Investment in 10% Optionally convertible non-cumulative redeemable preference share capital:**		
	Subsidiaries:-		
	Jubilant Agri and Consumer Products Limited	-	1648.82
e)	**Investment in 10% Non-cumulative redeemable preference share capital:**		
	Subsidiaries:-		
	Jubilant Agri and Consumer Products Limited	974.80	-
f)	**Payment of rent to:**		
	Enterprise over which directors and major shareholders of the Company have substantial influence:-		
	Jubilant Life Sciences Limited	0.18	38.41
g)	**Contribution towards provident fund:**		
	Others:-		
	VAM Employees Provident Fund Trust	0.09	12.38
h)	**Contribution towards superannuation fund:**		
	Others:-		
	Pace Marketing Specialities Limited Officer's Superannuation Trust	0.08	3.56
i)	**Receipt of rent from:**		
	Subsidiaries:-		
	Jubilant Agri and Consumer Products Limited	-	0.53
j)	**Donation:**		
	Others:-		
	Jubilant Bhartia Foundation	-	3.90
k)	**Current account debit/(credit) balances:**		
	Subsidiaries:-		
	Jubilant Agri and Consumer Products Limited	(81.89)	28.45
	Enterprise over which directors and major shareholders of the Company have substantial influence:-		
	Jubilant Life Sciences Limited	(17.09)	(21.08)
	Enpro Oil Private Limited	-	1.79
l)	**Outstanding payables:**		
	Enterprise over which directors and major shareholders of the Company have substantial influence:-		
	Jubilant Life Sciences Limited	-	35.39
m)	**Outstanding receivables:**		
	Enterprise over which directors and major shareholders of the Company have substantial influence:-		
	Jubilant Life Sciences Limited	-	1.91
	Jubilant Life Sciences (USA) Inc. USA	-	198.18
n)	**Outstanding investment in equity share capital:**		
	Subsidiaries:-		
	Jubilant Agri and Consumer Products Limited	0.50	0.50

NOTES TO THE FINANCIAL STATEMENTS

(₹ in million)

For the year ended/As at 31st March,		2013	2012
o)	**Outstanding investment in 10% Optionally convertible non-cumulative redeemable preference share capital:**		
	Subsidiaries:-		
	Jubilant Agri and Consumer Products Limited	1,648.82	1,648.82
p)	**Outstanding investment in 10% Non-cumulative redeemable preference share capital:**		
	Subsidiaries:-		
	Jubilant Agri and Consumer Products Limited	974.80	-

For transactions under & pursuant to Business Transfer Agreement (refer note 33).

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

46. Value of imports calculated on CIF basis:

(₹ in million)

For the year ended 31st March,	2013	2012
Raw materials	-	704.21

Excluding transaction for Jubilant Agri and Consumer Products Limited (JACPL) during the period where business was run by the Company on behalf of JACPL as Trust as per Business Transfer Agreement (Previous Year: Scheme of Arrangement).

47. Expenditure in foreign currency

(₹ in million)

For the year ended 31st March,	2013	2012
Travel/Entertainment expenses	-	1.21
Commission on export sales	-	5.43
Others	-	1.90

Excluding transaction for Jubilant Agri and Consumer Products Limited (JACPL) during the period where business was run by the Company on behalf of JACPL as Trust as per Business Transfer Agreement (Previous Year: Scheme of Arrangement).

48. Earnings in foreign exchange

(₹ in million)

For the year ended 31st March,	2013	2012
- Export of goods (FOB value)	-	1207.91

Excluding transaction for Jubilant Agri and Consumer Products Limited (JACPL) during the period where business was run by the Company on behalf of JACPL as Trust as per Business Transfer Agreement (Previous Year: Scheme of Arrangement).

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

For the year ended 31st March,		2013	2012
Amount of dividend remitted	(₹ in million)	-	0.84
Number of non-resident shareholders**	Nos	-	3
Number of equity shares held by non-resident shareholders**	Nos	-	278522
The year to which the dividend related		-	2010-11

** Excluding where dividend has been paid in Indian currency.

NOTES TO THE FINANCIAL STATEMENTS

50. Earnings per share (EPS)

	For the year ended 31st March,		2013	2012
I	**Profit computation for basic & diluted earnings per share of ₹10/- each**			
	Net profit/(loss) as per Statement of Profit & Loss available for equity shareholders	₹ in million	(4.68)	257.51
II	**Weighted average number of equity shares for earnings per share computation**			
	(A) For basic earnings per share	Nos	1,18,49,404	1,18,49,404*
	(B) For diluted earnings per share	Nos	1,18,49,404	1,18,49,404*
III	**Earnings per share (weighted average)**			
	Basic	₹	(0.39)	21.73
	Diluted	₹	(0.39)	21.73

* Includes:-

38,35,348 equity shares of ₹ 10 each allotted and issued in pursuant to Scheme of Arrangement for consideration other than cash on 9th March, 2012. Since the economic benefit under the Scheme of Arrangement have accrued w.e.f. 1st April, 2011 being the appointed date, the equity shares issued pursuant to the Scheme have also been considered from appointed date for the purpose of calculation of earning per share.

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

Signatures to Notes "1" to "51" 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.
Firm Registration Number : 304153E
Chartered Accountants

B.R. Goyal
Partner
Membership No. 12172

Hari S. Bhartia
Chairman

Place: Noida
Date : 8th May, 2013

Deepak Gupta
Company Secretary

Sandeep Kumar Shaw
Chief Financial Officer

Videh Kumar Jaipuriar
Managing Director

INDEPENDENT AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF JUBILANT INDUSTRIES LIMITED

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of **JUBILANT INDUSTRIES LIMITED** ("the Company") and its subsidiary (herein after refered to as "Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2013, and the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information which we have signed under refrence to this report.

Management's Responsibility for the Consolidated Financial Statements

2. Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the accounting principals generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments; the auditor considers internal control relevant to the Group's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design the audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

6. We report that the Consolidated Financial Statements have been prepared by the company's Management in accordance with the requirements of Accounting Standard (AS) 21- Consolidated Financial Statements, referred to in sub-section (3C) of section 211 of the Companies Act, 1956.

7. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the our reports on the financial statements of the subsidiary, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

(i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2013;

(ii) in the case of the Consolidated Statement of Profit and Loss, of the Loss of the Group for the year ended on that date; and

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

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

B. R. GOYAL
Partner
Membership No. 12172

Place : Noida
Date : 8th May, 2013

CONSOLIDATED BALANCE SHEET

(₹ in million)

As at 31st March,	Note No.	2013		2012	
I. EQUITY AND LIABILITIES					
Shareholders' funds					
Share capital	2	118.49		118.49	
Reserves & surplus	3	1,346.87		1,697.14	
			1,465.36		1,815.63
Non-current liabilities					
Long term borrowings	4	1,963.20		1,575.39	
Deferred tax liabilities (net)	5	44.00		44.29	
Other long term liabilities	6	1,367.40		1,249.93	
Long term provisions	7	89.41		100.82	
			3,464.01		2,970.43
Current liabilities					
Short term borrowings	8	257.31		488.79	
Trade payables	9	1,772.57		789.02	
Other current liabilities	10	393.94		485.53	
Short term provisions	11	284.54		433.91	
			2,708.36		2,197.25
Total			**7,637.73**		**6,983.31**
II. ASSETS					
Non-current assets					
Fixed assets					
Tangible assets	12	2,038.58		2,045.85	
Intangible assets	13	1,010.94		1,117.09	
Capital work-in-progress	12	405.31		53.67	
Long term loans & advances	14	378.02		374.68	
Other non-current assets	15	-		11.10	
			3,832.85		3,602.39
Current assets					
Current investments	16	0.46		0.15	
Inventories	17	1,427.94		1,280.74	
Trade receivables	18	1,606.20		1,479.06	
Cash & bank balances	19	365.55		237.37	
Short-term loans and advances	20	399.74		380.95	
Other current assets	21	4.99		2.65	
			3,804.88		3,380.92
Total			**7,637.73**		**6,983.31**
Statement of significant accounting policies & Notes to the Consolidated Financial Statements	1 - 48				

In terms of our report of even date attached.

For and on behalf of the Board

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

B.R. Goyal
Partner
Membership No. 12172

Hari S. Bhartia
Chairman

Place: Noida
Date : 8th May, 2013

Deepak Gupta
Company Secretary

Sandeep Kumar Shaw
Chief Financial Officer

Videh Kumar Jaipuriar
Managing Director

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(₹ in million)

For the year ended 31st March,	Note No.	2013		2012	
REVENUE					
Revenue from operations (gross)	22	10,450.73		10,611.17	
Less: Excise duty		459.50		384.91	
Revenue from operations (net)			9,991.23		10,226.26
Other income	23		80.37		75.33
Total revenue			**10,071.60**		**10,301.59**
EXPENSES					
Cost of materials consumed	24		3,711.68		3,715.20
Purchase of traded goods	25		3,027.39		2,912.37
Change in inventories of work in progress, finished goods & traded goods	26		(83.44)		175.50
Other manufacturing expenses	27		713.84		763.29
Employee benefits expense	28		822.89		812.18
Finance costs	29		276.52		247.42
Depreciation & amortisation expenses	12 & 13		314.54		293.10
Other expenses	30		1,638.16		1,730.06
Total expenses			**10,421.58**		**10,649.12**
Profit/(Loss) before exceptional Items and tax			(349.98)		(347.53)
Exceptional items	31		-		157.04
Profit/(Loss) before tax			**(349.98)**		**(504.57)**
Profit/(Loss) from continuing operations before tax		(351.53)		(510.88)	
Tax expenses:					
- Current tax		0.58		100.08	
- Deferred tax charge/(credit)		(0.29)		(39.70)	
		0.29		60.38	
Profit/(Loss) for the year from continuing operations after tax			**(351.82)**		**(571.26)**
Profit from discontinuing operations	43	1.55		6.31	
Tax expenses of discontinuing operations		-		2.05	
Profit from discontinuing operations after tax			**1.55**		**4.26**
Profit/(Loss) for the year			**(350.27)**		**(567.00)**
Basic earnings per share of ₹10 each (in ₹)	47		(29.56)		(47.85)
Diluted earnings per share of ₹10 each (in ₹)	47		(29.56)		(47.85)
Statement of significant accounting policies & Notes to the Consolidated Financial Statements	1 - 48				

In terms of our report of even date attached.

For and on behalf of the Board

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

B.R. Goyal
Partner
Membership No. 12172

Hari S. Bhartia
Chairman

Place: Noida
Date : 8th May, 2013

Deepak Gupta
Company Secretary

Sandeep Kumar Shaw
Chief Financial Officer

Videh Kumar Jaipuriar
Managing Director

CONSOLIDATED CASH FLOW STATEMENT

(₹ in million)

For the year ended 31st March,	2013	2012
A. Cash flow arising from operating activities:		
Net profit/(loss) before tax	**(349.98)**	**(504.57)**
Adjustments for:		
Depreciation & amortisation expenses	314.54	293.10
Loss/(Profit) on sale of fixed assets (net)	-	0.62
Non cash exceptional item	-	61.78
Finance costs	276.52	247.42
Lease rent equalisation charges	150.53	141.39
Provision for employee benefits	(5.55)	26.51
Bad debts/irrecoverable advances written-off (net of write-in)	(2.47)	15.63
Unrealised (gain)/loss on foreign exchange-net	(3.16)	(3.90)
Profit on sale of current investments	(0.31)	(5.43)
	730.10	777.12
Operating profit before working capital changes	**380.12**	**272.55**
Adjustments for:		
(Increase)/Decrease in trade and other receivables	(145.02)	(613.27)
(Increase)/Decrease in inventories	(136.11)	57.27
(Increase)/Decrease in other current assets	(2.34)	(2.65)
Increase/(Decrease) in trade and other payables	960.17	(150.36)
Cash generated from operations	**1056.82**	**(436.46)**
Direct taxes paid (net of refunds)	(101.92)	(152.84)
Net cash inflow/(outflow) in course of operating activities	**954.90**	**(589.30)**
B. Cash flow arising from investing activities:		
Inter corporate loans	-	411.45
Acquisition/Purchase of fixed assets	(521.05)	(169.80)
Movement in other bank balances	(37.55)	(125.19)
Sale proceeds of fixed assets	2.94	1.18
(Purchase)/Sale of investments (net)	-	7.00
Interest income	15.12	71.05
Net cash inflow/(outflow) in course of investing activities	**(540.54)**	**195.69**
C. Cash flow arising from financing activities:		
Proceeds from/(Repayment) of long term borrowings (net)	199.38	20.73
Proceeds from/(Repayment) of short term borrowings (net)	(231.48)	448.06
Finance costs	(291.64)	(315.43)
Dividend paid (including dividend distribution tax)	-	(27.70)
Net cash inflow/(outflow) in course of financing activities	**(323.74)**	**125.66**
Net increase/(decrease) in cash & cash equivalents (A+B+C)	**90.62**	**(267.95)**
Add : Cash & cash equivalent at the beginning of the year (including balance in dividend account)	112.18	62.42
Adjustment: Cash & cash equivalents on account of Scheme of Arrangement	-	317.71
Cash & cash equivalents at the close of the year (including balance in dividend account)	**202.80**	**112.18**

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

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

iii) Cash Flow Statement has been prepared after giving effect of the Business Transfer Agreement (BTA) into the opening balance sheet from appointed date i.e.1st April, 2012 and does not include non-cash adjustments to give effect of the said BTA.

iv) Cash generated from operations include ₹1.55 million (Previous Year: ₹6.31 million) as net cash inflow attributable to discontinuing operations. (refer note 43)

v) 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.
Firm Registration Number : 304153E
Chartered Accountants

B.R. Goyal
Partner
Membership No. 12172
Place: Noida
Date : 8th May, 2013

Hari S. Bhartia
Chairman

Deepak Gupta
Company Secretary

Sandeep Kumar Shaw
Chief Financial Officer

Videh Kumar Jaipuriar
Managing Director

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Statement of Significant Accounting Policies

A. Basis of Preparation & Presentation of Financial Statements

The accounts of the Group are prepared primarily 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 mandatory accounting standards notified under the Companies (Accounting Standards) Rules, 2006 as amended and with the relevant provisions of the Companies Act, 1956. The Consolidated Financial Statements are presented in Indian rupees rounded off to the nearest million.

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and 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 retirement benefit plans, income taxes, useful life of fixed assets and 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. 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 in the period in which such results are known/ materialized. Effect of such material changes is disclosed in the notes to the consolidated financial statements.

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Schedule VI to the Companies Act, 1956. 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 classifying current or non-current assets and liabilities.

B. Principles of Consolidation

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

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

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

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

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

C. Tangible and Intangible Fixed Assets

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

D. Depreciation and Amortization

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

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

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

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

c. Motor Vehicles: Five Years.

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

Leasehold land is amortized over the lease period.

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

Goodwill is amortized over ten years on straight-line basis.

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

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

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

E. Leases

i) Where the Group is Lessee

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

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

ii) Where the Group is lessor

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

F. Valuation of Inventories

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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.

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. Current investments are carried at cost or fair value, whichever is lower. Non-current 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, charge or credit are included in the determination of the results for the period.

Current Tax

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

Deferred Tax

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

I. Foreign Currency Transactions and Translations

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

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

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

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

J. Provisions, Contingent Liabilities and Contingent Assets

The Group recognizes a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. Contingent liabilities are disclosed in respect of possible obligations that may arise from past events but their existence is confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Contingent Assets are not recognized/ disclosed. Provisions, Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet Date.

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 recognized in the Consolidated Statement of Profit and Loss as income or expense. The gratuity liability for certain employees of one of the units of the Group is funded with Life Insurance Corporation of India.

- **Superannuation**

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

- **Provident Fund**

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

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

(iii) Other Long Term Employee Benefits:

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

L. Borrowings Cost

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

M. Revenue Recognition

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

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

N. Segment Reporting

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

O. Earnings Per Share

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

P. Impairment of Fixed Assets

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

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

Q. Employee Stock Option Scheme

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

(₹ in million)

As at 31st March,	2013	2012
2. SHARE CAPITAL		
Authorised		
1,50,00,000 Equity shares of ₹10 each (Previous Year: 1,50,00,000 Equity shares of ₹10 each)	150.00	150.00
	150.00	**150.00**
Issued, subscribed & paid-up		
1,18,49,404 Equity shares of ₹10 each (refer note 2.1) (Previous Year: 1,18,49,404 Equity Shares of ₹10 each)	118.49	118.49
	118.49	**118.49**

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

Name of the shareholder	As at 31st March, 2013		As at 31st March, 2012	
	No. of shares	% held	No. of shares	% held
Jubilant Stock Holding Private Limited	9,84,840	8.31	9,84,840	8.31
Jubilant Capital Private Limited	11,66,600	9.85	11,66,600	9.85
Jubilant Enpro Private Limited	35,96,837	30.35	35,96,837	30.35
Jubilant Securities Private Limited	10,51,075	8.87	10,51,075	8.87
Samena Special Situations Mauritius	6,90,555	5.83	6,90,555	5.83

2.3 The reconciliation of the number of shares outstanding as at 31st March, 2013 and 31st March, 2012 is set out below:

Particulars	As at 31st March, 2013		As at 31st March, 2012	
	No. of shares	₹ in million	No. of shares	₹ in million
Number of shares at the beginning of the year	1,18,49,404	118.49	80,14,056	80.14
Add: Shares allotted pursuant to Scheme of Arrangement (refer note 2.1)	-	-	38,35,348	38.35
Numbers of shares at the end of the year	**1,18,49,404**	**118.49**	**1,18,49,404**	**118.49**

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

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

(₹ in million)

As at 31st March,	2013	2012
3. RESERVES AND SURPLUS		
Capital Reserve		
As per last Balance Sheet	-	24.62
Less: Adjustments on account of Scheme of Arrangement (refer note 3.1)	-	24.62
	-	-
Securities Premium Account		
As per last Balance Sheet	823.45	837.18
Less: Adjustments on account of Scheme of Arrangement (refer note 3.1)	-	13.73
	823.45	823.45
General Reserve		
As per last Balance Sheet	227.78	645.58
Less: Adjustments on account of Scheme of Arrangement	-	417.80
	227.78	227.78
Surplus		
As per last Balance Sheet	645.91	1,212.91
Add: Net profit/(loss) after tax as per Consolidated Statement of Profit & Loss for the year	(350.27)	(567.00)
	295.64	645.91
	1,346.87	**1,697.14**

3.1 The deduction was due to issue of 38,35,348 equity shares of ₹10 each pursuant to Scheme of Arrangement with Jubilant Agri and Consumer Products Limited and Enpro Oil Private Limited during the FY 2011-12.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in million)

As at 31st March,	2013	2012
4. **LONG TERM BORROWINGS**		
Term loans from banks		
- Indian rupee loans (secured)	1,960.00	1,571.49
Long term maturities of finance lease obligation		
- Finance lease obligations (secured)	3.20	3.90
	1,963.20	**1,575.39**

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

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

4.3 Term loan availed from Yes Bank Limited amounting to ₹1,200 million is repayable in fourteen equal quarterly instalments commencing from March, 2015 to June, 2018.

4.4 Term loan availed from The Ratnakar Bank Limited amounting to ₹800 million is repayable in seventeen structured quarterly instalments commencing from December, 2013 to December, 2017.

4.5 Finance lease obligations are secured by hypothecation of specific assets taken under such lease arrangements and the same are repayable as per the terms of agreement with the lessor.

(₹ in million)

As at 31st March,	2013	2012
5. **DEFERRED TAX LIABILITIES (NET)**		
Deferred tax liabilities on account of		
Accelerated depreciation/amortization	56.94	57.18
	56.94	57.18
Deferred tax assets on account of		
Provision for leave encashment and gratuity	8.48	8.43
Others	4.46	4.46
	12.94	12.89
Deferred tax liabilities (net)	**44.00**	**44.29**

(₹ in million)

As at 31st March,	2013	2012
6. **OTHER LONG TERM LIABILITIES**		
Trade deposits & advances	43.32	41.25
Lease rent equalisation charges	1,290.97	1,140.97
Security deposits	33.11	67.71
	1,367.40	**1,249.93**

(₹ in million)

As at 31st March,	2013	2012
7. **LONG TERM PROVISIONS**		
Employee benefits	89.41	100.82
	89.41	**100.82**

(₹ in million)

As at 31st March,	2013	2012
8. SHORT TERM BORROWINGS		
Loan repayable on demand		
From banks:		
Cash credit/working capital demand loans (secured)	257.31	230.73
From others:		
Loans from related parties repayable on demand (unsecured)	-	258.06
[including ₹ Nil (Previous Year: ₹ 68.06 million) interest free]		
(refer note 46)		
	257.31	**488.79**

8.1 Working capital facilities sanctioned by banks namely, Axis Bank Limited, Corporation Bank Limited, Yes Bank Limited and IDBI Bank Limited are secured individually by:

(i) a first charge by way of hypothecation, of the entire book debts, receivables and inventories both present and future, of Jubilant Agri and Consumer Products Limited wherever the same may be or be held, and

(ii) unconditional and irrevocable coprporate guarantee of Company in favour of Axis Bank Limited, Yes Bank Limited and IDBI Bank Limited.

8.2 In pursuant to Business transfer agreement working capital facilities sanctioned/limits availed by Corporation Bank Limited and ING Vysya Bank Limited under multiple banking arrangement to the Company were transferred to Jubilant Agri and Consumer Products Limited.

(₹ in million)

As at 31st March,	2013	2012
9. TRADE PAYABLES		
Due to micro, small & medium enterprises under MSMED Act, 2006	7.00	6.34
Others	1,022.24	782.68
Acceptances	743.33	-
	1,772.57	**789.02**

(₹ in million)

As at 31st March,	2013	2012
10. OTHER CURRENT LIABILITIES		
Current maturities of long term debts	40.00	226.85
Current maturities of finance lease obligations	1.61	1.59
Interest accrued but not due	1.45	16.30
Employee benefits payable	65.67	57.41
Trade deposits & advances	46.28	39.44
Interest accrued and due	12.23	3.72
Creditors for capital supplies and services	66.95	31.57
Unpaid dividends	0.24	0.24
Due to related parties	81.07	36.34
Others	78.44	72.07
	393.94	**485.53**

(₹ in million)

As at 31st March,	2013	2012
11. SHORT TERM PROVISIONS		
Employee benefits	22.96	17.10
Income tax	1.08	107.93
Excise duty	9.53	16.57
Others	250.97	292.31
	284.54	**433.91**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

12. TANGIBLE FIXED ASSETS

(₹ in million)

Description	GROSS BLOCK - COST/BOOK VALUE					DEPRECIATION / AMORTISATION / IMPAIRMENT					NET BLOCK	
	Total as at 31st March, 2012	Adjustments on account of Scheme of Arrangement	Additions/ adjustments during the year	Deductions / adjustments during theyear	Total as at 31st March, 2013	Total as at 31st March, 2012	Adjustments on account of Scheme of Arrangement	Provided for the year	Deductions / adjustments during the year	Total As at 31st March, 2013	Total As at 31st March, 2013	Total As at 31st March, 2012
Land												
(a) Freehold	24.77	-	-	-	24.77	-	-	-	-	-	24.77	24.77
(b) Leasehold	5.81	-	9.54	-	15.35	1.64	-	0.21	-	1.85	13.50	4.17
Leasehold improvements	1,174.13	-	42.14	-	1,216.27	301.67	-	82.45	-	384.12	832.15	872.46
Buildings												
(a) Factory	144.71	-	-	-	144.71	14.36	-	4.60	-	18.96	125.75	130.35
(b) Others	42.56	-	0.55	-	43.11	0.63	-	0.73	-	1.36	41.75	41.93
Plant & machinery	1,105.88	-	81.29	0.70	1186.47	369.23	-	53.86	0.31	422.78	763.69	736.65
Furniture & fixtures	253.10	-	27.95	-	281.05	70.44	-	29.45	-	99.89	181.16	182.66
Office equipments	100.18	-	17.16	0.02	117.32	52.90	-	13.85	0.01	66.74	50.58	47.28
Vehicles												
(a) Leased	6.55	-	3.30	3.17	6.68	1.01	-	1.11	0.63	1.49	5.19	5.54
(b) Others	0.04	-	-	-	0.04	-	-	-	-	-	0.04	0.04
TOTAL	**2,857.73**	**-**	**181.93**	**3.89**	**3,035.77**	**811.88**	-	**186.26**	**0.95**	**997.19**	**2,038.58**	**2,045.85**
Previous Year	1,601.58	987.47	348.23	79.55	2,857.73	553.15	106.27	168.43	15.97	811.88	2,045.85	1,048.43
Capital work in progress											405.31	53.67

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

13. INTANGIBLE FIXED ASSETS

(₹ in million)

Description	GROSS BLOCK - COST/BOOK VALUE					DEPRECIATION / AMORTISATION / IMPAIRMENT					NET BLOCK	
	Total as at 31st March, 2012	Adjustments on account of Scheme of Arrangement	Additions/ adjustments during the year	Deductions / adjustments during the year	Total as at 31st March, 2013	Total as at 31st March, 2012	Adjustments on account of Scheme of Arrangement	Provided for the year	Deductions / adjustments during the Year	Total As at 31st March, 2013	Total As at 31st March, 2013	Total As at 31st March, 2012
Goodwill	1,237.74	-	-	-	1,237.74	123.77	-	123.85	-	247.62	990.12	1,113.97
Trade Marks	0.09	-	-	-	0.09	0.09	-	-	-	0.09	-	-
Software	15.72	-	22.13	-	37.85	12.60	-	4.43	-	17.03	20.82	3.12
TOTAL	**1,253.55**	**-**	**22.13**	-	**1,275.68**	**136.46**	**-**	**128.28**	**-**	**264.74**	**1,010.94**	**1,117.09**
Previous Year	-	1249.61	3.94	-	1253.55	-	11.79	124.67	-	136.46	1,117.09	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in million)

As at 31st March,	2013	2012
14. LONG TERM LOANS & ADVANCES		
(Unsecured, considered good)		
Capital advances	0.72	12.23
Security deposits	352.10	339.49
Others	25.20	22.96
	378.02	**374.68**

(₹ in million)

As at 31st March,	2013	2012
15. OTHER NON-CURRENT ASSETS		
(Unsecured, considered good)		
Others recoverable	-	11.10
	-	**11.10**

(₹ in million)

As at 31st March,			2013	2012
16. CURRENT INVESTMENTS				
(at cost)				
Number	Face value per unit	**All unquoted unless otherwise specified**		
		Non trade investments		
448	₹10	Voith Paper Fabrics India Limited - Equity share fully paid-up (quoted)	0.08	0.08
(448)	(₹10)			
530	₹10	Minerva Holding Limited - Equity share fully paid up (16.2)	-	-
(530)	(₹10)			
132	₹100	Kashipur Holdings Limited - Equity share fully paid up (16.2)	-	-
(132)	(₹100)			
		Investments in mutual fund		
178	₹1000	LIC MF liquid fund-growth plan*	0.38	0.07
(3,712)	(₹10)			
			0.46	**0.15**
		Aggregate NAV of current investments	0.38	0.07
		Aggregate amount of quoted investments		
		- Cost	0.08	0.08
		- Market value	0.11	0.13

* Face value is changed from ₹10 to ₹1000 w.e.f. 21st January, 2013.

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

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

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

1,01,98,994.28 units (Previous Year: 2,03,47,978.28 units) of LIC mutual fund-liquid fund-growth plan at cost of ₹200 million (Previous Year: ₹190 million).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in million)

As at 31st March,	2013	2012
17. INVENTORIES		
Raw materials [in transit ₹294.09 million (Previous Year: ₹170.96 million)]	589.38	543.39
Work-in-progress	179.04	115.96
Finished goods	203.52	193.84
Traded goods	375.73	353.95
Stores & spares and others	45.81	39.35
Others-fuels and packing materials	34.46	34.25
	1,427.94	**1,280.74**

(₹ in million)

As at 31st March,	2013	2012
18. TRADE RECEIVABLES		
(Unsecured, considered good)		
Outstanding for period exceeding six months from the date they are due for payment	13.75	25.31
Outstanding for period less than six months from the date they are due for payment	1,592.45	1,453.75
	1,606.20	**1,479.06**

18.1 Trade receivable includes subsidy receivable ₹443 million (Previous Year: ₹675 million).

(₹ in million)

As at 31st March,	2013	2012
19. CASH AND BANK BALANCES		
Cash and cash equivalents		
Balances with banks		
- On current accounts	185.83	98.74
- On dividend account	0.24	0.24
Cash in hand	7.08	10.60
Others		
- Gift/Meal vouchers in hand	0.71	0.21
- Funds in transit	8.94	2.39
	202.80	112.18
Other bank balances		
Margin money with bank*	42.71	5.09
On deposit accounts**	120.04	120.10
	162.75	125.19
	365.55	**237.37**

* For bank guarantees in favour of government authorities.

** The fixed deposit for ₹120 million (Previous Year: ₹120 million) has been kept under lien of bank against the term loan availed in the year 2011-12 for ₹1,200 million from a bank. (refer note 4.1)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in million)

As at 31st March,	2013	2012
20. SHORT TERM LOANS & ADVANCES		
Deposits	1.50	3.32
Deposits/Balances with government authorities	137.41	161.02
Advance payment of income tax	98.74	94.65
Employee loans and advances	7.15	3.26
Advances recoverable in cash or in kind or for value to be received:		
- Related parties	-	1.79
- Others - export Incentives and others recoverable	154.94	116.91
	399.74	**380.95**

(₹ in million)

As at 31st March,	2013	2012
21. OTHER CURRENT ASSETS		
Others	4.99	2.65
	4.99	**2.65**

(₹ in million)

For the year ended 31st March,	2013	2012
22. REVENUE FROM OPERATIONS		
Sale of products	10,323.29	10,438.68
Sales of services	112.33	161.74
Other operating income	15.11	10.75
Revenue from operations (gross)	10,450.73	10,611.17
Less: Excise duty	459.50	384.91
Revenue from operations (net)	**9,991.23**	**10,226.26**

(₹ in million)

For the year ended 31st March,	2013	2012
23. OTHER INCOME		
Display charges and kiosk rentals	72.67	54.65
Profit on sale of current investments	0.31	5.43
Profit on sale of fixed assets	-	0.16
Miscellaneous receipts	7.39	15.09
	80.37	**75.33**

(₹ in million)

For the year ended 31st March,	2013	2012
24. COST OF MATERIALS CONSUMED		
Raw & process materials consumed	3,711.68	3,715.20
	3,711.68	**3,715.20**

(₹ in million)

For the year ended 31st March,	2013	2012
25. PURCHASE OF TRADED GOODS		
Purchase of traded goods	3,027.39	2,912.37
	3,027.39	**2,912.37**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in million)

For the year ended 31st March,	2013	2012
26. CHANGES IN INVENTORIES OF WORK-IN-PROGRESS, FINISHED GOODS & TRADED GOODS		
Stock at commencement - work-in-progress	115.96	340.63
Stock at commencement - finished goods	204.94	472.88
Stock at commencement - traded goods	353.95	427.07
	674.85	1,240.58
Stock at close - work-in-progress	179.04	115.96
Stock at close -finished goods	203.52	204.94
Stock at close -traded goods	375.73	353.95
	758.29	674.85
Decrease/(Increase) in stocks	(83.44)	565.73
Less: Adjustment on account of Scheme of Arrangement	-	368.44
Less: Inventory write down	-	21.79
Net Decrease/(Increase) in stocks	**(83.44)**	**175.50**

(₹ in million)

For the year ended 31st March,	2013	2012
27. OTHER MANUFACTURING EXPENSES		
Power and fuel	171.33	176.82
Stores, spares & packing materials consumed	466.24	503.70
Processing charges	0.07	0.10
Repairs to plant & machinery	70.08	74.01
Repairs to factory buildings	5.03	5.24
Excise duty (refer note 34)	1.09	3.42
	713.84	**763.29**

(₹ in million)

For the year ended 31st March,	2013	2012
28. EMPLOYEE BENEFITS EXPENSE		
Salaries, wages, bonus, gratuity & allowances	739.78	734.33
Contribution to provident & superannuation funds	46.51	45.51
Staff welfare expenses	36.60	32.34
	822.89	**812.18**

(₹ in million)

For the year ended 31st March,	2013	2012
29. FINANCE COSTS		
Interest expense	263.34	312.37
Others borrowing cost	28.30	6.10
	291.64	318.47
Less: Interest income (on fixed and other deposits)	15.12	71.05
	276.52	**247.42**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in million)

For the year ended 31st March,		2013	2012
30. OTHER EXPENSES			
Rent (including lease rent equalisation charges)		639.74	687.45
Rates & taxes		25.63	27.22
Insurance		17.33	14.88
Advertisement, publicity & sales promotion		112.76	130.70
Travelling & other incidental expenses		90.43	76.69
Repair & maintenance - others		177.57	165.23
Vehicle running & maintenance		3.71	2.27
Printing & stationery		10.94	8.28
Communication expenses		17.15	14.12
Staff recruitment & training		4.41	10.43
Auditors remuneration	- As auditors	1.18	1.00
	- For taxation matters	0.23	0.23
	- For certifications etc.	1.38	1.25
	- Out of pocket expenses	0.56	0.30
Legal, professional and consultancy charges		78.01	53.83
Donations		8.39	4.28
Directors' sitting fees		0.52	0.47
Directors' commission		-	1.61
Bank charges		56.97	53.50
Miscellaneous expenses		4.37	4.09
Foreign exchange fluctuation loss/(gain) - (net)		0.58	9.64
Freight & forwarding (including ocean freight)		325.36	372.11
Discounts, claims to customers and other selling expenses		30.02	43.08
Bad debts / irrecoverable advances & receivables written off (net)		(2.47)	15.63
Commission on sales		33.39	31.91
Loss on sale/disposal of fixed assets		-	0.78
Loss/(Gain) on sale of raw materials		-	(0.92)
		1,638.16	**1,730.06**

(₹ in million)

For the year ended 31st March,	2013	2012
31. EXCEPTIONAL ITEMS		
Business restructuring expenses on Scheme of Arrangement	-	6.71
Inventory write down	-	24.62
Capital expenditure & lease advances written off	-	125.71
	-	**157.04**

32. The Boards of the Comapany & Jubilant Agri and Consumer Products Limited (JACPL), a wholly owned subsidiary of the Company approved a Business Transfer Agreement (BTA) between the Company and JACPL. The BTA became effective on 1st March, 2013 upon receipt of consent of members of the Company.

Pursuant to BTA, the Company has been transferred its Vinyl- Pyridine Latex ("VP Latex") and Solid Poly Vinyl Acetate ("Solid PVA") business undertakings on a going concern basis to JACPL by means of a slump sale, with effect from commencement of business hours of 1st April, 2012. JACPL has discharged the purchase consideration of ₹974.80 million by issuing 10% Non-cumulative redeemable preference shares.

The said transaction in pursuant to BTA between the Company and JACPL does not have any effect on the consolidated accounts.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

I) Claims against Group not acknowledged as debt:

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

i)

(₹ in million)

As at 31st March	2013	2012
Central excise	25.84	16.80
Customs	6.45	5.79
Sales tax	14.57	20.66
Service tax	-	32.19
Others	6.04	10.37

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

b) **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, 2013 are as under:

i) To Axis Bank Limited of ₹700.00 million for working capital facility and effective guarantee is ₹47.32 million.
ii) To Yes Bank Limited of ₹400.00 million for working capital facility and effective guarantee is ₹76.21 million.
iii) To IDBI Bank Limited of ₹750.00 million for working capital facility and effective guarantee is ₹70.18 million.
iv) To Yes Bank Limited of ₹1200.00 million for term loan facility and effective guarantee is ₹1200.00 million.
v) To Ratnakar Bank Limited of ₹1200.00 million for term loan facility and effective guarantee is ₹800.00 million.

c) Outstanding guarantees furnished by banks on behalf of the Group/by the Group including in respect of letters of credit is ₹49.88 million (Previous Year: ₹486.57 million).

d) **Others:**

Liability in respect of bills discounted with banks is ₹110.83 million (Previous Year: ₹41.79 million).

II) Commitments

a) Capital Commitments

Estimated amount of contracts remaining to be executed on capital account (net of advances) ₹73.40 million (Previous Year: ₹110.00 million) [Advances ₹0.72 million (Previous Year: ₹12.23 million)].

b) For lease commitment refer note 36.

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

35. Employee Stock Option Scheme

In terms of approval of members accorded and in accordance with SEBI (ESOP & ESPS) Guidelines, 1999, the Company constituted "JIL Employees Stock Option Scheme, 2013 (Scheme 2013) for specified categories of employees and directors of the Company, its subsidiaries and holding companies. Under the Scheme 2013, up to 590000 stock options can be issued to eligible directors (other than promoter directors, independent directors and nominee directors of the Company/subsidiaries/ holding companies) and other specified categories of employees of the Company/subsidiaries/holding companies. The options are to be granted at market price. As per SEBI Guidelines, the market price is taken as the closing price on the day preceding the date of grant of options, on the stock exchange where the trading volume is the highest.

Each option, upon vesting, shall entitle the holder to subscribe 1 (one) fully paid equity share of ₹10 of the Company. 20% of the options shall vest on first anniversary of the grant date, subsequent 30% shall vest on second anniversary and balance 50% of the options shall vest on the third anniversary of the grant date.

The Company has constituted a Compensation Committee, comprising of a majority of independent directors. This Committee is fully empowered to administer the Scheme 2013.

The Company has not granted any option to its directors or employees upto 31st March, 2013.

Certain employees of the Company, who were previously employed with Jubilant Life Sciences Limited and whose service were transferred to this Company in term of the Scheme of Amalgamation & Demerger (2010) and were granted Stock Options under Jubilant Employee Stock Option Scheme (ESOP) 2005 of Jubilant Life Sciences Limited, are entitled to certain number of shares of the Company which shall be transferred by the "Jubilant Employee Welfare Trust" (the Trust) as per the said Scheme. Such transfer of shares by the Trust has no financial implications in the financial books of the Company.

36. Disclosures of leasing arrangements

I) Operating lease: 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.

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 ₹150.53 million for the year (Previous Year: ₹141.39 million) and till 31st March, 2013, ₹1,291.50 million (Previous Year: ₹1,140.97 million) is credited to lease rent equalization charges and is classified under other long term liabilities.

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

(₹ in million)

As at 31st March	2013	2012
Not later than one year	442.02	426.65
Later than one year but not later than five years	1,944.30	1,863.56
Later than five years	8,389.63	8,865.25

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, 2013 are as follows:

Particulars	Minimum lease payments	Present value of minimum lease payments	Future interest
Not later than one year	2.14	1.61	0.53
	(2.21)	(1.59)	(0.62)
Later than one year but not later than five years	3.84	3.20	0.64
	(4.61)	(3.90)	(0.71)
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.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

38. The Group has recognized income towards freight subsidy amounting to ₹ Nil (Previous Year: ₹62.90 million), in accordance with the Office Memorandum dated 5th July, 2011, issued by the Department of Fertilizers, Ministry of Chemicals and Fertilizers of Government of India. However, a provision for expenses amounting to ₹ Nil (Previous Year: ₹48.40 million) was made to the extent of un-realised freight subsidy in view of the Office Memorandum dated 12th October, 2011. Adjustments, if any, to the said provision shall be made upon determination/ resolution of the matter.

39. During the current year the Department vide their Letter No. 23011/1/2010-MPR dated 22nd August, 2012 has conveyed that the matter regarding mopping up of subsidy increase in respect of carried over quantities of raw materials of SSP as on 31st March, 2011 has been reconsidered and it has been decided not to effect recovery on carried over quantities various raw materials as on 31st March, 2011 pending the formulation of policy. Consequent to this Group has recognised an income of ₹87.40 million during the current year in respect of realised subsidy pertaining to raw materials lying as on 31st March, 2011.

40. The bottling unit of the Company situated at Nira holds a potable liquor license for Indian Made Foreign Liquor (IMFL) and the same is bottling IMFL on the order of another company for bottling fee.

The turnover of IMFL Business, which was accounted for on net economic benefit principle earlier, has now been accounted for on gross basis. However, there is no financial impact due to this change.

41. 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 bad and doubtful debts
1 Balance as at 1st April, 2012	16.57	-
	(13.01)	(0.69)
2 Additional provision during 2012-13	9.53	-
	(14.32)	(-)
3 Provision used during 2012-13	16.57	-
	(10.76)	(0.69)
4 Balance as at 31st March, 2013	9.53	-
	(16.57)	(-)

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.

42. Derivatives

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

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

As at 31st March,	Buy/Sell	Amount (foreign currency in million)			
		2013		2012	
USD/INR	Sold	-	-	USD	10.80
USD/INR	Bought	USD	12.59	-	-
EURO/INR	Bought	EURO	0.81	-	-

b) Foreign currency exposures not hedged by derivative instrument:

As at 31st March,	Amount (foreign currency in million)			
	2013		2012	
Amount receivable on account of sale of goods & services	USD	0.09	USD	1.97
	-	-	EURO	0.22
Amount payable on account of purchase of goods	USD	5.98	USD	3.53
	EURO	0.21	EURO	0.34

43. Discontinuing Operations

The Board of Directors of the Company had decided to discontinue its operation relating to Application Polymer Division (APD) in February, 2011 and to realize the assets and pay off its liabilities in due course.

During the year, Assets and Liabilities pertaining to Closed APD Business have been realised/settled. Certain deposits with government (sales tax) of ₹6.93 million and fixed assets (plant & machinery) of ₹21.84 million have been re-allocated to continuing operations for future alternate use. Accordingly, the discontinuing process has been treated as complete.

Statement showing the revenue and expenses of continuing and discontinuing operations:

(₹ in million)

For the year ended 31st March,	2013			2012		
Particulars	Continuing operations	Discontinuing operations (APD)	Total	Continuing operations	Discontinuing operations (APD)	Total
Revenue						
Sales/ Income from operations	9,991.23	-	9,991.23	10,226.26	-	10,226.26
Other income	78.82	1.55	80.37	64.09	11.24	75.33
Total revenue	**10,070.05**	**1.55**	**10,071.60**	**10,290.35**	**11.24**	**10,301.59**
Operating expenses	10,145.06	-	10,145.06	10,553.81	4.93	10,558.74
Profit/(Loss) before finanace costs & tax	**(75.01)**	**1.55**	**(73.46)**	**(263.46)**	**6.31**	**(257.15)**
Finance costs	276.52	-	276.52	247.42	-	247.42
Tax expenses	0.29		0.29	60.38	2.05	62.43
Profit/(Loss) for the year	**(351.82)**	**1.55**	**(350.27)**	**(571.26)**	**4.26**	**(567.00)**

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

(A) Defined contribution plans

a) Provident fund*

b) Superannuation fund

During the year the Group has contributed following amounts to:

(₹ in million)

For the year ended 31st March,	2013	2012
Employer's contribution to provident fund	8.02	9.70
Employer's contribution to employee pension scheme, 1995	11.71	9.50
Employer's contribution to superannuation fund	2.74	2.70

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

c) State plans

During the year the Group has contributed following amounts to:

(₹ in million)

For the year ended 31st March,	2013	2012
Employer's contribution to employee state insurance	6.09	7.73

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(B) Defined benefit plans

a) Compensated absences and gratuity

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

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

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

(₹ in million)

	Gratuity*		Leave encashment	
	2013	2012	2013	2012
Present value of obligation at the beginning of the year	58.66	49.73	36.86	23.81
Add: Adjustment on account of Scheme of Arrangement (net)	-	8.30	-	9.79
Current service cost	7.62	7.75	7.89	9.74
Interest cost	4.68	4.82	2.95	2.79
Actuarial (gain)/loss	(6.33)	(4.74)	(8.72)	(0.72)
Benefits paid	(3.48)	(7.20)	(5.71)	(8.55)
Present value of obligation at the end of the year	61.15	58.66	33.27	36.86

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

(₹ in million)

	Gratuity*		Leave encashment	
	2013	2012	2013	2012
Present value of obligation at the end of the year	61.15	58.66	33.27	36.86
Fair value of plan assets at end of the year	-	-	-	-
Assets/(Liabilities) recognized in the Consolidated Balance Sheet	(61.15)	(58.66)	(33.27)	(36.86)

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

(₹ in million)

	Gratuity*		Leave encashment	
	2013	2012	2013	2012
Current service cost	7.62	7.75	7.89	9.74
Interest cost	4.68	4.82	2.95	2.79
Actuarial (gain)/loss	(6.33)	(4.74)	(8.72)	(0.72)
Net cost recognized during the year	5.97	7.83	2.12	11.81

*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	
	2013	2012
Present value of obligation at the beginning of the year	4.71	3.96
Current service cost	0.37	0.38
Interest cost	0.38	0.33
Actuarial (gain)/loss	(0.45)	0.22
Benefits paid	-	(0.18)
Present value of obligation at the end of the year	5.01	4.71

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

(₹ in million)

	Gratuity	
	2013	2012
Present value of obligation at the end of the year	5.01	4.71
Fair value of plan assets at end of the year	5.68	5.21
Funded status excess of actual over estimated	-	0.01
Assets/(Liabilities) recognized in the Consolidated Balance Sheet	0.67	0.50

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

(₹ in million)

	Gratuity	
	2013	2012
Current service cost	0.37	0.38
Interest cost	0.38	0.33
Actuarial (gain)/loss	(0.45)	0.21
Expected return on plan assets	(0.48)	(0.40)
Net cost recognized during the year	(0.18)	0.52

** In respect of certain employees of Sahibabad unit.

Experince Adjustment:

(₹ in million)

	Gratuity		Leave encashment	
	2013	2012	2013	2012
Defined benefit obligation	66.16	63.37	33.27	36.86
Plan assets	5.68	5.21	-	-
Surplus/(Deficit)	(60.48)	(58.16)	(33.27)	(36.86)
Experience adjustment of plan liabilities-(loss)/gain	6.82	4.52	8.74	0.71
Experience adjustment of plan assets-(loss)/gain	(0.01)	0.02	-	-

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 ₹9.67 million (Previous Year: ₹8.04 million) likely to arise towards interest guarantee. The Trust is managing common corpus of some of the group companies. The total liability of ₹9.67 million (Previous Year: ₹8.04 million) as worked out by the actuary has been allocated to each entity based on the corpus value of each entity as on 31st March 2013. Accordingly, liability of ₹1.26 million (Previous Year: ₹(0.03) million) has been allocated to the Group and ₹0.37 million (Previous Year: ₹(0.03) million) has been charged to Consolidated Statement of Profit and Loss during the year. The Group has contributed ₹15.74 million (Previous Year: ₹13.87 million) to provident fund for the year.

(C) Other long term benefits

(₹ in million)

	2013	2012
Present value of obligation at the end of the year	3.15	12.10

Consequent to change of sick leave policy in one of the division of the Group, value of obligation at the end of the year has been worked out ₹ Nil (Previous Year: ₹10.16 million).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

45. 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 & 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.

d. **Discontinuing Operation:** Application Polymer Products

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

a. With in India, and

b. Outside India.

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

(₹ in million)

	For the year ended/ As at 31st March,	Performance polymers		Agri products		Retail		Discontinuing operation		Total	
		2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
1)	**Revenue**	4,080.37	3,945.72	2,777.34	3,063.49	3,577.91	3,591.21	-	-	10,435.62	10,600.42
	Less: Excise duty on sales	434.37	363.11	25.13	21.80	-	-	-	-	459.50	384.91
	Net sales	**3,646.00**	**3,582.61**	**2,752.21**	**3,041.69**	**3,577.91**	**3,591.21**	**-**	**-**	**9,976.12**	**10,215.51**
2)	**Segments result**	532.16	452.55	263.15	374.41	(740.29)	(985.93)	1.55	6.31	56.57	(152.66)
	Less : Interest (net)									276.52	247.42
	Other un-allocable expenditure (net of un-allocable income)									130.03	104.49
	Total profit/(loss) before tax	**532.16**	**452.55**	**263.15**	**374.41**	**(740.29)**	**(985.93)**	**1.55**	**6.31**	**(349.98)**	**(504.57)**
3)	**Capital employed**										
	(segment assets-segment liabilities)										
	Segment assets	1,786.60	1,725.89	2,256.86	1,596.97	3,303.40	3,373.57	-	72.09	7,346.86	6,768.52
	Add: Common assets									290.87	214.79
	Total assets	**1,786.60**	**1,725.89**	**2,256.86**	**1,596.97**	**3,303.40**	**3,373.57**	**-**	**72.09**	**7,637.73**	**6,983.31**
	Segment liabilities	799.68	694.38	1,124.48	344.44	1,834.70	1,629.97	-	38.17	3,758.86	2,706.96
	Add: Common liabilities									151.39	168.10
	Total liabilities	**799.68**	**694.38**	**1,124.48**	**344.44**	**1,834.70**	**1,629.97**	**-**	**38.17**	**3,910.25**	**2,875.06**
	Segment capital employed	986.92	1,031.51	1,132.38	1,252.53	1,468.70	1,743.60	-	33.92	3,588.00	4,061.56
	Add: Common capital employed									139.48	46.69
	Total capital employed	**986.92**	**1,031.51**	**1,132.38**	**1,252.53**	**1,468.70**	**1,743.60**	**-**	**33.92**	**3,727.48**	**4,108.25**
4)	**Segment capital expenditure**	27.62	69.80	24.79	84.56	128.33	185.33	-	-	180.74	339.69
	Add: Common capital expenditure									23.32	12.48
	Total capital expenditure	**27.62**	**69.80**	**24.79**	**84.56**	**128.33**	**185.33**	**-**	**-**	**204.06**	**352.17**
5)	**Depreciation & amortization**	29.95	27.44	13.80	10.89	265.09	249.75	-	-	308.84	288.08
	Add: Common depreciation									5.70	5.02
	Total depreciation & amortization	**29.95**	**27.44**	**13.80**	**10.89**	**265.09**	**249.75**	**-**	**-**	**314.54**	**293.10**

IV) **Secondary segments (geographical segments):**

(₹ in million)

For the year ended/As at 31st March,		2013	2012
a)	**Sales revenue by geographical location of customers (net of excise duty)**		
	Within India	8,688.17	8,991.65
	Outside India	1,287.95	1,223.86
	Total	**9,976.12**	**10,215.51**
b)	**Carrying amount of segment assets**		
	Within India	7,637.73	6,983.31
	Outside India	-	-
	Total	**7,637.73**	**6,983.31**
c)	**Capital expenditure**		
	Within India	204.06	352.17
	Outside India	-	-
	Total	**204.06**	**352.17**
d)	**Sales revenue by geographical market**		
	India	8,688.17	8,991.65
	Americas & Europe	856.62	793.71
	China	146.97	148.62
	Asia & Others	284.36	281.53
	Total	**9,976.12**	**10,215.51**

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.

46. Related party disclosures

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

a) Key management personnel: Mr. Videh Kumar Jaipuriar (Managing Director of the Company and Whole Time Director of Jubilant Agri and Consumer Products Limited), Mr. Raman Mangalorkar (Whole Time Director of Jubilant Agri and Consumer Products Limited)

b) Enterprise over which directors and major shareholders of the Group have substantial influence: Jubilant Life Sciences Limited, Jubilant Life Sciences (Shanghai) Ltd. China, Jubilant Life Sciences (USA) Inc. USA., Jubilant Enpro Private Limited, Enpro Oil Private Limited.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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)		454.98	
		(426.29)	
ii) Sale of goods, utilities & services (c)		556.10	
		(361.69)	
iii) Payment of rent to (d)		41.02	
		(42.23)	
iv) Contribution towards provident fund (e)			36.41
			(22.40)
v) Contribution towards superannuation fund (f)			2.74
			(5.12)
vi) Remuneration and related expenses	13.39		
	(16.10)		
vii) Donation (g)			5.33
			(3.90)
viii) Repayment of inter-corporate loans including interest (h)		275.62	
		(-)	
Balance as at 31st March, 2013			
ix) Current account debit/(credit (-) balance (i)		-81.07	
		(-34.55)	
x) Outstanding payables (j)		47.05	
		(44.42)	
xi) Outstanding receivables (k)		200.15	
		(213.49)	
xii) Inter-corporate loans taken (l)		-	
		(258.06)	

a) Previous year figures are given in parenthesis.

Details of related party transactions individually:

(₹ in million)

For the year ended/As at 31st March,		2013	2012
b)	**Purchase of goods, utilities & services:**		
	Enterprise over which directors and major shareholders of the Company have substantial influence:-		
	Jubilant Life Sciences Limited	454.98	426.29
c)	**Sale of goods, utilities & services:**		
	Enterprise over which directors and major shareholders of the Company have substantial influence:-		
	Jubilant Life Sciences (USA) Inc. USA	461.23	277.85
	Jubilant Life Sciences Limited	94.87	83.84
d)	**Payment of rent to:**		
	Enterprise over which directors and major shareholders of the Company have substantial influence:-		
	Jubilant Life Sciences Limited	41.02	42.23
e)	**Contribution towards provident fund:**		
	Others:-		
	VAM employees provident fund	36.41	22.40
f)	**Contribution towards superannuation fund:**		
	Others:-		
	Pace Marketing Specialities Limited Officer's Superannuation Scheme	2.74	5.12
g)	**Donation:**		
	Others:-		
	Jubilant Bhartia Foundation	5.33	3.90
h)	**Repayment of Inter-Corporate Loans including interest:**		
	Enterprise over which directors and major shareholders of the Company have substantial influence:-		
	Jubilant Enpro Private Limited (including interest)	207.56	-
	Enpro Oil Private Limited (interest free)	68.06	-
i)	**Current account debit/(credit) balances:**		
	Enterprise over which directors and major shareholders of the Company have substantial influence:-		
	Jubilant Life Sciences Limited	(81.07)	(36.34)
	Enpro Oil Private Limited	-	1.79
j)	**Outstanding payables:**		
	Enterprise over which directors and major shareholders of the Company have substantial influence:-		
	Jubilant Life Sciences Limited	47.05	44.42
k)	**Outstanding receivables:**		
	Enterprise over which directors and major shareholders of the Company have substantial influence:-		
	Jubilant Life Sciences Limited	21.29	15.31
	Jubilant Life Sciences (USA) Inc. USA	178.86	198.18
l)	**Inter-corporate loans taken & oustanding:**		
	Enterprise over which directors and major shareholders of the Company have substantial influence:-		
	Jubilant Enpro Private Limited	-	190.00
	Enpro Oil Private Limited (interest free)	-	68.06

For transactions under & pursuant to Business Transfer Agreement (refer note 32).

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

47. Earnings per share (EPS)

(₹ in million)

For the year ended at 31st March,			2013	2012
I	**Profit computation for basic & diluted earnings per share of ₹10/- each**			
	Net profit/(loss) as per Consolidated Statement of Profit & Loss available for equity shareholders	₹ in million	(350.27)	(567.00)
II	**Weighted average number of equity shares for earnings per share computation**			
	(A) For basic earnings per share	Nos	1,18,49,404	1,18,49,404*
	(B) For diluted earnings per share	Nos	1,18,49,404	1,18,49,404*
III	**Earnings per share (weighted average)**			
	Basic	₹	(29.56)	(47.85)
	Diluted	₹	(29.56)	(47.85)

*Includes:-

38,35,348 equity shares of ₹10 each allotted and issued in pursuant to Scheme of Arrangement for consideration other than cash on 09.03.2012. Since the economic benefit under the Scheme of Arrangement have accrued w.e.f. 1st April, 2011 being the appointed date, the equity shares issued pursuant to the Scheme have also been considered from appointed date for the purpose of calculation of earning per share.

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

Signatures to Notes "1" to "48" 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.
Firm Registration Number : 304153E
Chartered Accountants

B.R. Goyal
Partner
Membership No. 12172

Hari S. Bhartia
Chairman

Place: Noida
Date : 8th May, 2013

Deepak Gupta
Company Secretary

Sandeep Kumar Shaw
Chief Financial Officer

Videh Kumar Jaipuriar
Managing Director

DETAILS OF SUBSIDIARY COMPANY (2012-13)

(₹ in million)

		Jubilant Agri and Consumer Products Limited
a)	Capital	26.74
b)	Reserve & Surplus	1428.81
c)	Total Assets (Non-current Assets + Current Assets)	7483.55
d)	Total Liabilities (Non-current Liabilities + Current Liabilities)	6028.08
e)	Details of Investments (except in case of investment in subsidiaries)	0.08
f)	Turnover (including Other Income)	9842.54
g)	Profit/(Loss) before Taxation	(344.03)
h)	Provision for Taxation	-
i)	Profit/(Loss) after Taxation	(344.03)
j)	Dividend	-

i) As resolved by the Board of Directors vide their resolution dated 08th May, 2013, and in conformity with general circular no. 2/2011 dated 8th February, 2011 issued by Ministry of Corporate Affairs, the Balance Sheet, Statement of Profit and Loss, Directors' Report and Independent Auditors' Report of the Jubilant Agri and Consumer Products Limited, the subsidiary company and other documents required to be attached as per Section 212(1) of the Companies Act, 1956 are not being attached to the accounts of the Company.

ii) The annual accounts of the subsidiary will also be kept open for inspection by an investor in the Company's Registered Office and that of the subsidiary concerned.

CORPORATE INFORMATION

Registered Office
Bhartiagram, Gajraula - 244 223
District - Amroha
Uttar Pradesh, India
Tel.: +91-5924-252351-60

Corporate Office
1A, Sector 16A,
Noida - 201 301
Uttar Pradesh, India
Tel.: +91-120-2516601-11
Fax: +91-120-4223876

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

Cost Auditors
J K Kabra & Co.
552/1B, Arjun Street,
Main Vishwas Road,
Vishwas Nagar,
Delhi - 110 032, India

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

Company Secretary
Deepak Gupta

Registrar and Share Transfer Agent
Alankit Assignments Limited
Alankit House,
2E/21, Jhandewalan Extension,
New Delhi - 110 055, India
Tel.: +91-11-23541234, 42541234
Email: rta alankit.com

Bankers
Axis Bank Limited
Corporation Bank
IDBI Bank Limited
Yes Bank Limited
The Ratanakar Bank Limited

Jubilant Industries Limited

Registered Office: Bhartiagram, Gajraula, District - Amroha - 244223, Uttar Pradesh, India
Corporate Office : Plot No. 1A, Sector 16A, Noida - 201301, Uttar Pradesh, India

www.jubilantindustries.com