

## **Independent Auditor's report**

### **To the Board of Directors of Jubilant Industries Limited ("Holding Company")**

We have performed the procedures agreed with the management of Jubilant Industries Limited with respect to the accompanying special purpose financial statements of its wholly owned subsidiary **Jubilant Industries Inc. USA** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income) for the year ended on that date, the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

These special purpose financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) which have been extracted from the trial balance prepared by the Holding Company for the transactions undertaken by the Company during the year ended March 31, 2020. Our responsibility is to issue a report based on our verification of such special purpose Financial Statements.

Our engagement was undertaken in accordance with the Standard on Related Services (SRS) 4400, "Engagements to Perform Agreed-upon Procedures regarding Financial Information", issued by the Institute of Chartered Accountants of India. The procedures were performed solely to assist the management in preparing the Consolidated Financial Statements of Jubilant Industries Limited. 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.

Because the above procedures do not constitute either an audit or a review made in accordance with the generally accepted auditing standards in India, we do not express any assurance on the financial statements as at and for the year ended March 31, 2020.

Had we performed additional procedures or had we performed an audit or review of the financial statements in accordance with the generally accepted auditing standards in India, other matters might have come to our attention that would have been reported to you.

### **Opinion**

Based on our examination as described above and according to explanations and information given to us, in our opinion, nothing has come to our attention that causes us to believe that the accompanying special purpose financial statements prepared in accordance with the Indian Accounting Standards have not been prepared in conformity with the Indian Accounting Standards generally accepted in India.

### **Responsibilities of the Management for the Special Purpose Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation of these special purpose financial statements that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued there under and other accounting principles generally accepted in India. This responsibility also includes maintenance of the adequate accounting records for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of these special purpose financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing these special purpose financial statements, the Board of Directors of the Holding Company is responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors of the Holding Company is also responsible for overseeing the financial reporting process of the Company.

**Restriction to use**

Our report is solely for the purpose set forth in the third paragraph of this report and for your information and is not to be used for any other purpose or to be distributed to any other parties.

For **BGJC & Associates LLP**

Chartered Accountants

Firm Registration Number: 003304N/N500056

Sd/-

**Pranav Jain**

Partner

Membership Number: 098308

UDIN: 20098308AAAABQ9689

Place: New Delhi

Date May 19, 2020

Jubilant Industries Inc. USA

Balance Sheet as at 31 March 2020

	Notes	USD		₹ in million	
		As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	3	1,885	490	0.13	0.03
<b>Total non-current assets</b>		<b>1,885</b>	<b>490</b>	<b>0.13</b>	<b>0.03</b>
<b>Current assets</b>					
Inventories	4	9,70,480	8,11,681	73.43	56.14
Financial assets					
(i) Trade receivables	5	5,32,019	6,80,858	40.26	47.09
(ii) Cash and cash equivalents	6	30,880	1,84,358	2.34	12.75
Current tax assets (net)		-	576	-	0.04
Other assets	7	14,250	23,917	1.08	1.65
<b>Total current assets</b>		<b>15,47,629</b>	<b>17,01,390</b>	<b>117.11</b>	<b>117.67</b>
<b>Total Assets</b>		<b>15,49,514</b>	<b>17,01,880</b>	<b>117.24</b>	<b>117.70</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
Equity share capital	8	110	110	0.01	0.01
Other equity	8 (a)	5,82,428	5,47,228	44.06	37.85
<b>Total equity</b>		<b>5,82,538</b>	<b>5,47,338</b>	<b>44.07</b>	<b>37.86</b>
<b>Liabilities</b>					
<b>Current liabilities</b>					
Financial liabilities					
(i) Trade payables	9	8,72,912	10,65,102	66.05	73.66
(ii) Other financial liabilities	10	72,167	55,031	5.46	3.80
Other liabilities	11	11,492	10,534	0.87	0.73
Current tax liabilities (net)		10,405	23,875	0.79	1.65
<b>Total current liabilities</b>		<b>9,66,976</b>	<b>11,54,542</b>	<b>73.17</b>	<b>79.84</b>
<b>Total Equity and Liabilities</b>		<b>15,49,514</b>	<b>17,01,880</b>	<b>117.24</b>	<b>117.70</b>
Corporate information and Significant accounting policies	1 & 2				
Notes to the financial statements	3 to 32				
The accompanying notes "1" to "32" form an integral part of the financial statements In terms of our report of even date.					
<b>For BGJC &amp; Associates LLP</b>		<b>For and on behalf of Board of Jubilant Industries Inc.</b>			
Chartered Accountants					
Firm Registration Number : 003304N/N500056					
Sd/-					
<b>Pranav Jain</b>		Sd/-			
Partner		<b>Manish Gupta</b>			
Membership No. 098308		Director			
Place : New Delhi		Place: USA			
Date : 19 May, 2020		Date: 19 May, 2020			

Jubilant Industries Inc. USA

Statement of Profit and Loss for the year ended 31 March 2020

	Notes	USD		₹ in million	
		For the year ended 31 March 2020	For the year ended 31 March 2019	For the year ended 31 March 2020	For the year ended 31 March 2019
Revenue from operations	12	28,04,383	66,46,833	198.48	462.22
Other income	13	-	168	-	0.01
<b>Total income</b>		<b>28,04,383</b>	<b>66,47,001</b>	<b>198.48</b>	<b>462.23</b>
<b>EXPENSES</b>					
Purchases of stock-in-trade	14	25,94,880	59,65,845	183.65	414.86
Change in inventories of finished goods, Stock-in-trade and work-in-progress		-1,58,799	2,66,428	(11.24)	18.53
Employee benefits expense	15	1,37,483	91,517	9.73	6.36
Finance costs	16	10,999	47,031	0.78	3.27
Depreciation & amortisation expense	3	85	526	0.01	0.03
Other expenses	17	1,67,745	1,73,796	11.87	12.09
<b>Total expenses</b>		<b>27,52,393</b>	<b>65,45,143</b>	<b>194.80</b>	<b>455.14</b>
<b>Profit before tax</b>		<b>51,990</b>	<b>1,01,858</b>	<b>3.68</b>	<b>7.09</b>
<b>Tax expenses</b>					
- Current tax	18	16,790	16,128	1.19	1.12
<b>Profit for the year</b>		<b>35,200</b>	<b>85,730</b>	<b>2.49</b>	<b>5.97</b>
<b>Other Comprehensive Income</b>					
<i>Items that will be reclassified to profit or loss and its related income tax effects: (Net of income tax)</i>					
Exchange differences in translating the financial statements of a foreign operation		-	-	3.72	1.81
<b>Other comprehensive income for the year</b>		<b>-</b>	<b>-</b>	<b>3.72</b>	<b>1.81</b>
<b>Total comprehensive income for the year</b>		<b>35,200</b>	<b>85,730</b>	<b>6.21</b>	<b>7.78</b>
Earnings per equity share of no par value		\$	\$		
Basic	29	176	429	12,456.48	29830.16
Diluted	29	176	429	12456.48	29830.16
Corporate information and Significant accounting policies	1 & 2				
Notes to the financial statements	3 to 32				
The accompanying notes "1" to "32" form an integral part of the financial statements in terms of our report of even date.					
<b>For BGIC &amp; Associates LLP</b> Chartered Accountants Firm Registration Number : 003304N/N500056  Sd/- <b>Pranav Jain</b> Partner Membership No. 098308 Place : New Delhi Date : 19 May, 2020		For and on behalf of Board of <b>Jubilant Industries Inc.</b>   Sd/- <b>Manish Gupta</b> Director  Place: USA Date: 19 May, 2020			

Jubilant Industries Inc. USA

Statement of Changes in Equity for the year ended 31 March 2020

A. Equity share capital

Description	USD	₹ in million
Balance as at 31 March 2018	110.00	0.01
Changes in the equity share capital during the year	-	-
Balance as at 31 March 2019	110.00	0.01
Changes in the equity share capital during the year	-	-
Balance as at 31 March 2020	110.00	0.01

B. Other Equity

	Reserve and surplus				Items of other Comprehensive Income		Total	
	Security premium		Retained earnings		Foreign currency translation reserve			
	USD	₹ in million	USD	₹ in million	USD	₹ in million	USD	₹ in million
As at 31 March 2018	1,79,890	10.74	2,81,608	18.36	-	0.97	4,61,498	30.07
Profit/(loss) for the year	-	-	85,730	5.97	-	-	85,730	5.97
Other Comprehensive income	-	-	-	-	-	1.81	-	1.81
<b>Total Comprehensive income for the year</b>	-	-	<b>85,730</b>	<b>5.97</b>	-	<b>1.81</b>	<b>85,730</b>	<b>7.78</b>
As at 31 March 2019	1,79,890	10.74	3,67,338	24.33	-	2.78	5,47,228	37.85
Profit/(loss) for the year	-	-	35,200	2.49	-	-	35,200	2.49
Other Comprehensive income	-	-	-	-	-	3.72	-	3.72
<b>Total Comprehensive income for the year</b>	-	-	<b>35,200</b>	<b>2.49</b>	-	<b>3.72</b>	<b>35,200</b>	<b>6.21</b>
As at 31 March 2020	1,79,890	10.74	4,02,538	26.82	-	6.50	5,82,428	44.06

· Security premium

The unutilized accumulated excess of issue price over face value on issue of shares. This is utilized in accordance with the provision of the Act.

· Foreign currency translation reserve

Exchange differences arising on translation of its operations in to reporting currency of its holding company are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the Company dispose or partially dispose off its operation through sale, liquidation, repayment of share capital or abandonment of all, or part of, the Company.

The accompanying notes "1" to "32" form an integral part of the financial statements.

In terms of our report of even date.

**For BGJC & Associates LLP**

Chartered Accountants  
Firm Registration Number : 003304N/N500056

For and on behalf of Board of Jubilant Industries Inc.

Sd/-

**Pranav Jain**

Partner  
Membership No. 098308

Sd/-

**Manish Gupta**

Director

Place : New Delhi

Date : 19 May, 2020

Place: USA

Date: 19 May, 2020

Jubilant Industries Inc. USA

Statement of Cash Flows for the year ended 31 March 2020

	USD		₹ in million	
	For the year ended 31 March 2020	For the year ended 31 March 2019	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>A. Cash flow from operating activities:</b>				
<b>Net profit before tax</b>	51,990	1,01,858	3.68	7.09
<b>Adjustments for:</b>				
Depreciation & amortisation expense	85	526	0.01	0.03
Finance costs	10,999	47,031	0.78	3.27
<b>Operating cash flow before working capital changes</b>	11,084	47,557	0.79	3.30
<b>Adjustments for:</b>				
(Increase)/Decrease in trade receivables, loans, other financial assets and other assets	1,58,506	1,55,974	7.40	7.36
(Increase)/Decrease in inventories	(1,58,799)	2,66,428	(17.29)	14.12
Increase/(Decrease) in trade payables, other financial liabilities, other liabilities and provisions	(1,74,096)	(4,17,212)	(5.81)	(22.69)
<b>Cash generated from operations</b>	(1,11,315)	1,54,605	(11.23)	9.18
Direct taxes (paid)/refund (net)	(29,684)	(12,543)	(2.01)	(0.79)
<b>Net cash generated from operating activities</b>	(1,40,999)	1,42,062	(13.24)	8.39
<b>B. Cash flow from investing activities:</b>				
Purchases of property, plant and equipment	(1,480.00)	-	(0.11)	-
<b>Net cash generated/(used) in investing activities</b>	(1,480.00)	-	(0.11)	-
<b>C. Cash flow arising from financing activities:</b>				
Finance costs paid	(10,999)	(47,031)	(0.78)	(3.27)
<b>Net cash inflow/(outflow) in course of financing activities</b>	(10,999)	(47,031)	(0.78)	(3.27)
<b>D. Foreign currency translation difference</b>	-	-		
Exchange difference in translating the financial statements			3.72	1.81
<b>Net increase/(decrease) in cash &amp; cash equivalents (A+B+C+D)</b>	(1,53,478)	95,031	(10.41)	6.93
Add: Cash & cash equivalents at the beginning of the year	1,84,358	89,327	12.75	5.82
<b>Cash &amp; cash equivalents at the close of the year</b>	30,880	1,84,358	2.34	12.75

**Jubilant Industries Inc. USA**

**Statement of Cash Flows for the year ended 31 March 2020**

	USD		₹ in million	
	For the year ended 31 March 2020	For the year ended 31 March 2019	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>Components of cash and cash equivalents</b>				
Balance With Banks on current account	30,880	1,84,358	2.34	12.75
	<b>30,880</b>	<b>1,84,358</b>	<b>2.34</b>	<b>12.75</b>

**Notes:**  
i) Statement of Cash Flow has been prepared under the Indirect Method as set out in the Ind AS 7 "Statement of Cash Flows".

In terms of our report of even date.

**For BGJC & Associates LLP**  
Chartered Accountants  
Firm Registration Number : 003304N/N500056  
Sd/-  
**Pranav Jain**  
Partner  
Membership No. 098308

for and on behalf of the board of **Jubilant Industries Inc.**

Sd/-  
**Manish Gupta**  
Director

Place : New Delhi  
Date : 19 May, 2020

Place : USA  
Date : 19 May, 2020

# Jubilant Industries Inc. USA

## Notes to the Financial Statements for the year ended 31 March 2020

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### 1. Corporate information

Jubilant Industries (USA) Inc. (the Company) is a company incorporated in United States of America (USA) in April, 2014. The Company is wholly owned subsidiary of Jubilant Industries Limited (the parent company), a company incorporated in India. The Company is engaged in marketing and distribution of SPVA & Latex produced by its fellow subsidiary namely, Jubilant Agri and Consumer Products Limited to customers based in the Americas.

### 2. Statement of Significant Accounting Policies

This note provides significant accounting policies adopted and applied in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### (A) Basis of preparation

##### (i) *Statement of compliance*

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013 ("the Act") and other relevant provisions of the Act.

The financial statements are presented in Indian Rupees and all values are rounded to the nearest million, except as stated otherwise, which is the holding company's functional and presentation currency, however, functional currency of the Company is USD.

For the purpose of conversion of financial statements year to date average rate of currency has been taken for revenue items and closing rate has been taken for balance sheet items, except equity share capital and other equity which are carried at historical exchange rate. The next exchange difference on account of conversion of financial statements is taken to foreign currency translation reserve through other comprehensive income.

##### (ii) *Historical cost convention*

The financial statements have been prepared on a historical cost convention on accrual basis except for the material items those have been measured at fair value as required by relevant Ind AS.

For the purpose of conversion of financial statements year to date average rate of currency has been taken for revenue items and closing rate has been taken for balance sheet items, except equity share capital and other equity which are carried at historical exchange rate. The next exchange difference on account of conversion of financial statements is taken to foreign currency translation reserve through other comprehensive income.



## Jubilant Industries Inc. USA

### Notes to the Financial Statements for the year ended 31 March 2020

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#### **(B) Current versus non-current classification**

The Company presents assets and liabilities in the Balance Sheet based on current/ non-current classification. An asset is treated as current when:

- It is expected to be realised or intended to be sold or consumed in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is expected to be realised within twelve months after the reporting period; or
- It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Company classifies all other assets as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities, respectively.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle for the purpose of current-non-current classification of assets and liabilities.

#### **(C) Property, plant and equipment**

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 freight and other incidental expenses related to the acquisition, installation of the respective assets.

#### **(D) Depreciation and amortization**

Depreciation is provided on straight line basis on the original cost/ acquisition cost of assets or other amounts substituted for cost of fixed assets as per the useful life specified in Part 'C' of Schedule II of the Act, read with notification dated 29 August 2014 of the Ministry of Corporate Affairs.

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

## Jubilant Industries Inc. USA

### Notes to the Financial Statements for the year ended 31 March 2020

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#### **(E) Leases**

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### **Company as a lessee**

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

#### **Right-of-use assets**

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term.

#### **Lease Liability**

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable. Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if

## Jubilant Industries Inc. USA

### Notes to the Financial Statements for the year ended 31 March 2020

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there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

#### **Short-term leases and leases of low-value assets**

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

#### **(F) Inventories**

Inventories are valued at lower of cost and net realizable value.

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

Finished goods (traded)	Cost of Purchase*
Goods-in-transit	Cost of Purchase

\*Cost includes all direct costs and such other costs incurred as to bring the inventory to its present location and condition.

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

#### **(G) Income Tax**

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

#### **Current Tax**

Current tax expense is based on the provisions of Local Tax Laws of United States of America 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

## Jubilant Industries Inc. USA

### Notes to the Financial Statements for the year ended 31 March 2020

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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 is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting not taxable profit or loss at the time of the transaction;
- temporary differences related to freehold land and investment in subsidiaries to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future;
- taxable temporary differences arising on the initial recognition of goodwill

Deferred tax assets (DTA) include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India which is likely to give future economic benefits in the form of availability of set off against future income tax liability.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used. Deferred tax is measured at the tax rates that are expected to be apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if there is legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis simultaneously.

#### **(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.

## Jubilant Industries Inc. USA

### Notes to the Financial Statements for the year ended 31 March 2020

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- 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.

#### **(I) Provisions**

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the future cash flows at a pre-tax rate that effects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

#### **(J) Contingent liabilities and assets**

Contingent liabilities are disclosed in respect of possible obligations that may arise from past events but their existence is confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent Assets are neither recognized nor disclosed in the financial statements. However, contingent assets are assessed continuously and if it is virtually certain that an inflow of economic benefits will arise, the assets and related income are recognized in the period in which the change occurs.

#### **(K) Employee Benefits**

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 and contribution to 401 (k) plan as it prevalent in USA, etc. and are recognized as expenses in the period in which the employee renders the related service and measured accordingly.

## Jubilant Industries Inc. USA

### Notes to the Financial Statements for the year ended 31 March 2020

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#### **(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.

#### **(M) Segment Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The CEO and Managing Director of the Parent company is responsible for allocating resources and assessing performance of the operating segments and accordingly identified as the chief operating decision maker. Revenues, 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 “un-allocable revenue/ expenses/ assets/ liabilities”, as the case may be. However, there is no reportable business segment for the year under report.

#### **(N) Earnings Per Share**

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

#### **(O) Cash and cash equivalents**

Cash and cash equivalents comprise cash balances on hand, cash balance with bank, and highly liquid investments with original maturities, at the date of purchase/investment, of three months or less.

#### **(P) Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### ***Financial assets***

#### ***Initial recognition and measurement***

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e. the date the Company commits to purchase or sale the asset.

## Jubilant Industries Inc. USA

### Notes to the Financial Statements for the year ended 31 March 2020

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#### ***Subsequent measurement***

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVOCI)
- Debts instruments, derivatives and equity instruments at fair value through profit or loss (FVPL)
- Equity instruments measured at fair value through other comprehensive income (FVOCI)

#### ***Impairment of Financial assets***

The Company recognises loss allowance using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount to lifetime ECL. For all financial assets with contractual cash flows other than trade receivable, ECLs are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of ECLs (or reversal), that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised as an impairment gain or loss in the Statement of Profit and Loss.

#### ***De-recognition***

A financial asset (or, where applicable, a part of a financial asset or part of Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's Balance Sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass through' arrangement and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

## Jubilant Industries Inc. USA

### Notes to the Financial Statements for the year ended 31 March 2020

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#### ***Financial liabilities***

Financial liabilities are classified as measured at amortised cost or FVPL. A financial liability is classified as at FVPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVPL are measured at fair value and net gains and losses, including any interest expense, are recognised in Statement of Profit and Loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in Statement of Profit and Loss. Any gain or loss on de-recognition is also recognised in Statement of Profit and Loss.

#### ***De-recognition***

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statements of Profit and Loss.

#### **(Q) Measurement of fair values**

A number of the accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities.

Fair values are categorised into different level in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability, those are not based on observable market data (unobservable data).

The Company has an established control framework with respect to the measurement of fair values. This includes a finance team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values.

The finance team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, is used to measure fair values, then the finance team assesses the evidence obtained from the third parties to support the conclusion that these valuations met the requirement of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.



## Jubilant Industries Inc. USA

### Notes to the Financial Statements for the year ended 31 March 2020

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When measuring the fair values of an asset or a liability, the Company uses observable market data as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values used in preparing these financial statements is included in the respective notes.

#### **(R) Critical estimates and judgments**

The preparation of Financial Statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future period affected. In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the Financial Statements is included in the following notes.

- Recognition and estimation of tax expense including deferred tax – Note 18.
- Assessment of useful life of property, plant and equipment and intangible asset- Note 2 ( C ) and 2 (D).
- Valuation of inventories- Note 2 (F).
- Recognition of revenue and related accruals- Note 2 (L).
- Recognition and measurement of contingency: Key assumption about the likelihood and magnitude of an outflow of resources- Note 21.
- Fair value measurements- Note 2 (Q).

**Jubilant Industries Inc. USA**

**Notes to the financial statements for the year ended 31 March 2020**

**3. Propert, plant and equipment**

Description	GROSS BLOCK-COST/BOOK VALUE				DEPRECIATION / AMORTISATION/IMPAIRMENT				NET BLOCK
	As at 31 March 2019	Additions/ adjustments during the year	Deductions/ adjustments during the year	As at 31 March 2020	As at 31 March 2019	Provided for the year	Deductions/ adjustments during the year	As at 31 March 2020	As at 31 March 2020
Furniture & fixtures:									
USD	484	-	-	484	168	53	-	221	263
` in million	0.03	-	-	0.03	0.01	-	-	0.01	0.02
Office equipments:									
USD	1,626	1,480	-	3,106	1,452	32	-	1,484	1,622
` in million	0.10	0.11	-	0.21	0.09	0.0	-	0.10	0.11
<b>Total:</b>									
USD	<b>2,110</b>	<b>1,480</b>	<b>-</b>	<b>3,590</b>	<b>1,620</b>	<b>85</b>	<b>-</b>	<b>1,705</b>	<b>1,885</b>
` in million	<b>0.13</b>	<b>0.11</b>	<b>-</b>	<b>0.24</b>	<b>0.10</b>	<b>0.01</b>	<b>-</b>	<b>0.11</b>	<b>0.13</b>

Description	GROSS BLOCK-COST/BOOK VALUE				DEPRECIATION / AMORTISATION/IMPAIRMENT				NET BLOCK
	As at 31 March 2018	Additions/ adjustments during the year	Deductions/ adjustments during the year	As at 31 March 2019	As at 31 March 2018	Provided for the year	Deductions/ adjustments during the year	As at 31 March 2019	As at 31 March 2019
Furniture & fixtures:									
USD	484	-	-	484	112	56	-	168	316
` in million	0.03	-	-	0.03	0.01	-	-	0.01	0.02
Office equipments:									
USD	1,626	-	-	1,626	982	470	-	1,452	174
` in million	0.10	-	-	0.10	0.06	0.03	-	0.09	0.01
<b>Total:</b>									
USD	<b>2,110</b>	<b>-</b>	<b>-</b>	<b>2,110</b>	<b>1,094</b>	<b>526</b>	<b>-</b>	<b>1,620</b>	<b>490</b>
` in million	<b>0.13</b>	<b>-</b>	<b>-</b>	<b>0.13</b>	<b>0.07</b>	<b>0.03</b>	<b>-</b>	<b>0.10</b>	<b>0.03</b>

Jubilant Industries Inc. USA

Notes to the financial statements for the year ended 31 March 2020

	USD		₹ in million	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
<b>4. Inventories</b>				
Stock-in-trade	9,70,480	8,11,681	73.43	56.14
<b>Total inventories</b>	<b>9,70,480</b>	<b>8,11,681</b>	<b>73.43</b>	<b>56.14</b>
<b>5. Trade receivables</b>				
<b>Unsecured and current</b>				
Considered good	5,32,019	6,80,858	40.26	47.09
<b>Total receivables</b>	<b>5,32,019</b>	<b>6,80,858</b>	<b>40.26</b>	<b>47.09</b>
<b>6. Cash and cash equivalents</b>				
Balance With Banks on current account	30,880	1,84,358	2.34	12.75
<b>Total cash and cash equivalents</b>	<b>30,880</b>	<b>1,84,358</b>	<b>2.34</b>	<b>12.75</b>
<b>7. Other assets</b>				
<b>Current</b>				
Prepaid expenses	823	763	0.06	0.05
Advances to employees	-	-	-	-
Advance for supply of goods and services	13,427	23,154	1.02	1.60
<b>Total other assets</b>	<b>14,250</b>	<b>23,917</b>	<b>1.08</b>	<b>1.65</b>

**Jubilant Industries Inc. USA**

**Notes to the financial statements for the year ended 31 March 2020**

	USD		₹ in million			
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019		
<b>8. Equity share capital</b>						
<b>Authorised</b>						
3,000 (Previous Year: 3,000) common stock with no par value	-	-	-	-		
	-	-	-	-		
<b>Issued, subscribed and paid-up</b>						
200 (Previous Year: 200) common stock with no par value	110	110	0.01	0.01		
<b>Total equity share capital</b>	<b>110</b>	<b>110</b>	<b>0.01</b>	<b>0.01</b>		
8.1 Movement in equity share capital:						
	As at 31 March 2020			As at 31 March 2019		
	No. of shares	USD	₹ in million	No. of shares	USD	₹ in million
At the commencement and at the end of the year	200	110	0.01	200	110	0.01
8.2 The Company has only one class of shares referred to as equity shares having no par value. Holder of each equity share is entitled to one vote per share. 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 amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.						
8.3 Details of shareholders holding more than 5% of the aggregate shares in the Company:						
	As at 31 March 2020		As at 31 March 2019			
	No. of shares	% held	No. of shares	% held		
Jubilant Industries Limited, India*	200	100	200	100		
* Holding company						
	USD		₹ in million			
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019		
<b>8 (a). Other equity</b>						
Security premium reserve	179890	179890	10.74	10.74		
Retained earnings	402538	367338	26.82	24.33		
<b>Items of other comprehensive income:</b>						
Foreign currency translation reserve	-	-	6.50	2.78		
<b>Total other equity</b>	<b>5,82,428</b>	<b>5,47,228</b>	<b>44.06</b>	<b>37.85</b>		

Jubilant Industries Inc. USA

Notes to the financial statements for the year ended 31 March 2020

	USD		₹ in million	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
<b>9. Trade payables</b>				
<b>Current</b>				
Payable to Others	8,72,912	10,65,102	66.05	73.66
<b>Total trade payables</b>	<b>8,72,912</b>	<b>10,65,102</b>	<b>66.05</b>	<b>73.66</b>
<b>10. Other financial liabilities</b>				
<b>Current</b>				
Employee benefits payable	3,408	-	0.26	-
Other payables	68,759	55,031	5.20	3.80
<b>Total other financial liabilities</b>	<b>72,167</b>	<b>55,031</b>	<b>5.46</b>	<b>3.80</b>
<b>11. Other liabilities</b>				
<b>Current</b>				
Statutory dues payables	11,492	10,534	0.87	0.73
<b>Total other liabilities</b>	<b>11,492</b>	<b>10,534</b>	<b>0.87</b>	<b>0.73</b>

Jubilant Industries Inc. USA

Notes to the financial statements for the year ended 31 March 2020

	USD		₹ in million	
	For the year ended 31 March 2020	For the year ended 31 March 2019	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>12. Revenue from operations</b>				
Sale of products	28,04,383	66,46,833	198.48	462.22
<b>Total revenue from operations</b>	<b>28,04,383</b>	<b>66,46,833</b>	<b>198.48</b>	<b>462.22</b>
<b>13. Other income</b>				
Interest income on income tax refund	-	168	-	0.01
<b>Total other income</b>	<b>-</b>	<b>168</b>	<b>-</b>	<b>0.01</b>
<b>14. Purchases of stock-in-trade</b>				
Purchases of stock-in-trade	25,94,880	59,65,845	183.65	414.86
<b>Total purchases of stock-in-trade</b>	<b>25,94,880</b>	<b>59,65,845</b>	<b>183.65</b>	<b>414.86</b>
<b>15. Employee benefits expense</b>				
Salaries, wages, bonus, gratuity and allowances	85,615	83,841	6.06	5.83
Contribution to provident and other funds	1,644	2,332	0.12	0.16
Staff welfare expenses	50,224	5,344	3.55	0.37
<b>Total employee benefits expense</b>	<b>1,37,483</b>	<b>91,517</b>	<b>9.73</b>	<b>6.36</b>
<b>16. Finance costs</b>				
Interest expense	10,999	47,031	0.78	3.27
<b>Total finance costs</b>	<b>10,999</b>	<b>47,031</b>	<b>0.78</b>	<b>3.27</b>

**Jubilant Industries Inc. USA**

**Notes to the financial statements for the year ended 31 March 2020**

	USD		₹ in million	
	For the year ended 31 March 2020	For the year ended 31 March 2019	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>17. Other expenses</b>				
Rates & taxes	19,751	646	1.40	0.05
Insurance	9,106	9,965	0.64	0.69
Advertisement, publicity and sales promotion	326	435	0.02	0.03
Travelling & other incidental expenses	1,824	976	0.13	0.07
Printing & stationery	-	174	-	0.01
Communication expenses	1,045	2,020	0.07	0.14
Legal, professional and consultancy charges	37,288.00	34,037	2.64	2.37
Bank charges	1,887.00	1,180	0.13	0.08
Freight & forwarding	69,168	86,667	4.90	6.03
Discounts, claims to customers and other selling expenses	27,350	39,867	1.94	2.77
Bad debts/irrecoverable advances & receivables written in (net)	-	-2,955	-	-0.20
Miscellaneous expenses	-	784	-	0.05
<b>Total other expenses</b>	<b>1,67,745</b>	<b>1,73,796</b>	<b>11.87</b>	<b>12.09</b>

**Jubilant Industries Inc. USA**

**Notes to the financial statements for the year ended 31 March 2020**

<b>18. Income tax</b>				
The major components of income tax expense are:				
<i>Profit or loss section</i>				
(₹ in million)				
	USD		₹ in million	
	For the year ended	For the year ended	For the year ended	For the year ended
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
<b>Current income tax:</b>				
Current income tax charge for the year	16824	23875	1.19	1.66
Adjustments in respect of current income tax of previous years	(34)	(7,747)	-	(0.54)
<b>Income tax expense reported in the Statement of profit and loss</b>	<b>16790</b>	<b>16128</b>	<b>1.19</b>	<b>1.12</b>
<b>Reconciliation between average effective rate and applicable tax rate:</b>				
(₹ in million)				
	USD		₹ in million	
	For the year ended	For the year ended	For the year ended	For the year ended
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Accounting profit before income tax	51990	101858	3.68	7.09
At US statutory income tax rate 21.00% (Previous Year: 30.75%)	10918	21390	0.77	1.49
- Effect of non deductible expenses and exempt income	216	156	0.02	0.02
- Adjustment of earlier years	(34)	(7,747)	-	(0.54)
- Unrecognised deferred tax	4204	1666	0.30	0.12
- Others	1486	663	0.10	0.03
<b>Income tax expense reported in the Statement of profit and loss</b>	<b>16790</b>	<b>16128</b>	<b>1.19</b>	<b>1.12</b>



## Jubilant Industries Inc. USA

### Notes to the Financial Statements for the year ended 31 March 2020

- 19.** Accounts of the Company (a wholly owned subsidiary of Jubilant Industries Limited, India, a company incorporated in India), incorporated in USA have been made out as per the requirements of Companies Act, 2013 of India ("the Act"), in due adherence of provisions of the Act. This entailed drawing up the Balance Sheet, Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash Flows (including Auditor's Report thereon) of the subsidiary in a manner so as to make it appear conforming to requirements of the Act for the purpose of annexing the particulars of the Company with its holding company and for the preparation of the consolidated accounts of the group pursuant to the provisions of the Act and consolidating the Financial Statements of this company with the parent holding company in terms of Ind AS 110 in respect of Consolidation of Accounts as required under Ind AS 110 notified by the Ministry of Corporate Affairs and in pursuant of the provisions of the Act and this exercise also related to translation of treatment of various heads of accounts in terms of accounting standards referred to in the Act, read with the accounting policy of parent company and presentation of accounts in terms of Schedule III of the Act, including disclosure of necessary information as laid down under the said Act and Rules made there under.
- 20.** The outbreak of Coronavirus (COVID-19) pandemic globally and in India and subsequent lockdown by the Government of India has impacted business operation of the Company, by way of interruption in production, supply chain disruption, unavailability of personnel, closure / lock down of production facilities etc. In assessing the recoverability of Company's assets such as trade receivable, inventories etc., the Company has considered internal and external information up to the date of approval of these financial statements and expects to recover the carrying amount of the assets. Operations have been resumed in a phased manner at various locations taking cognizance of the Governments' views around resuming manufacturing activities with controlled entry and exit facilities, and after obtaining necessary permissions in this behalf.
- 21. Contingent liabilities not provided for : Nil**
- 22. Capital commitments as at year end: Nil**
- 23. Financial risk management**  
The Company's activities are exposed to a variety of financial risks from its operations. The key financial risks include market risk, credit risk, and liquidity risk. The Company's overall risk management policy seeks to minimize potential adverse effects on Company's financial performance.
- \* Market risk:**  
Market risk is the risk that the fair value of future cash flow of financial instruments will fluctuate because of change in market prices.  
The Company has all transactions in home currency and is therefore , not exposed to foreign exchange risk.  
The Company is affected by the price volatility of commodities. Its operating activities require the purchase of material therefore, requires a continuous supply of certain materials. To mitigate the commodity price risk, the Company has majority purchased materials from its holding company at competitive prices for the commodities and to assess the market to manage the cost without any compromise on quality.

## Jubilant Industries Inc. USA

### Notes to the Financial Statements for the year ended 31 March 2020

**\* Credit risk:**

Credit risk refers to risk that a counter party will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises primarily from financial assets such as trade receivables. The Company's exposure to credit risk is disclosed in note 5. The Company has closely monitor trade receivables and if necessary will make allowance and provisions.

**\* Liquidity risk:**

Liquidity risk is the risk, where the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due.

**24. Fair value techniques**

The Company maintains polices and procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

(₹ in million)

	AS at 31 March 2020		As at 31 March 2019	
	FVPL	Amortized Cost	FVPL	Amortized Cost
<b>Financial assets</b>				
Trade receivables	-	40.26	-	47.09
Cash and cash equivalents	-	2.34	-	12.75
<b>Total financial assets</b>	-	<b>42.60</b>	-	<b>59.84</b>
<b>Financial liabilities</b>				
Trade payables	-	66.05	-	73.66
Other financial liabilities	-	5.46	-	3.80
<b>Total financial liabilities</b>	-	<b>71.51</b>	-	<b>77.46</b>

Fair valuation of financial assets and liabilities with short term maturities is considered as approximate to respective carrying amount due to the short term maturities of these instruments.

Jubilant Agri and Consumer Products Limited

Notes to the financial statements for the year ended 31 March 2020

**25. Capital management**

**Risk management**

The Company's objectives when managing capital are to:

- safeguarding their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Company monitors capital on the basis of the following gearing ratio:

'Net Debt' (total borrowings net of cash and cash equivalents and other bank balances) divided by 'Total Equity' (as shown in the Balance sheet).

The gearing ratios were as follows:

Particulars	(₹ in million)	
	As at 31 March 2020	As at 31 March 2019
Net debt (Net off cash & cash equivalents and other bank balances)	(2.34)	(12.75)
Total equity	44.07	37.86
<b>Net debt to equity ratio</b>	<b>(0.05)</b>	<b>(0.34)</b>

## Jubilant Industries Inc. USA

### Notes to the Financial Statements for the year ended 31 March 2020

#### 26. Employee benefits:

The Company has a 401 (k) plan, where in the regular, full time and part-time employees are eligible to participate in the defined contribution plan after completion of one month of continuous service. Participants may voluntarily contribute eligible pre-tax and post-tax compensation in 1% increments of up to 90% of their annual compensation in accordance with the annual limits as determined by the Internal Revenue Service. Eligible employees receive a 50% match of their contributions up to 6% of their eligible compensation. Employees above the age 50 years may choose to contribute "catch-up" contributions in accordance with the Internal Revenue Service limits and are matched the same up to the maximum Company contributions of 3% of eligible compensation. The Company's matching contributions vest 100% after three years of service. The company has contributed ` 0.12 million (USD-1644) to 401 for the year [Previous Year: ` 0.16 million (USD-2332)].

#### 27. Segment reporting:

The Company 's operation comprises of SPVA and Latex trading business only. As such, there are no separate reportable business segments in terms of Ind AS-108 "Operating Segments".

#### 28. Related Party Disclosures:

1) **Holding Company:** Jubilant Industries Limited, India

2) **Fellow Subsidiary Company:** Jubilant Agri and Consumer Products Limited, India

3) **Key management personnel (KMP):** Mr. Manish Gupta (Director), Mr. D Scott Mace (Chairman).

4) **Enterprises in which certain key management personnel are interested:** Jubilant Life Sciences (USA) Inc., USA, Jubilant HollisterStier LLC, USA.

**Jubilant Industries Inc. USA**

**Notes to the Financial Statements for the year ended 31 March 2020**

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

**31 March 2020:**

	Holding company		Fellow subsidiary company		Enterprises in which key management personnel are interested	
	USD	` in million	USD	` in million	USD	` in million
<b>1) Purchase of goods, utilities &amp; services:</b>						
Jubilant Agri and Consumer Products Limited, India	-	-	24,94,225	176.53	-	-
	-	-	<b>24,94,225</b>	<b>176.53</b>	-	-
<b>2) Reimbursement of expenses</b>						
Jubilant Life Sciences (USA) Inc., USA	-	-	-	-	24,000	1.70
Jubilant HollisterStier LLC, USA	-	-	-	-	52,775	3.74
	-	-	-	-	<b>76,775</b>	<b>5.44</b>
<b>3) Equity stocks held by:</b>						
Jubilant Industries Limited, India	1,80,000	10.75	-	-	-	-
	<b>1,80,000</b>	<b>10.75</b>	-	-	-	-
<b>4) Amount payable:</b>						
Jubilant Agri and Consumer Products Limited, India	-	-	8,13,302	61.54	-	-
Jubilant HollisterStier LLC, USA	-	-	-	-	53,885.00	4.08
Jubilant Life Sciences (USA) Inc., USA	-	-	-	-	6,000	0.45
	-	-	<b>8,13,302</b>	<b>61.54</b>	<b>59,885</b>	<b>4.53</b>

**Jubilant Industries Inc. USA**

**31 March 2019:**

	Holding company		Fellow subsidiary company		Enterprises in which key management personnel are interested	
	USD	` in million	USD	` in million	USD	` in million
<b>1) Purchase of goods, utilities &amp; services:</b>						
Jubilant Agri and Consumer Products Limited, India	-	-	57,87,907	402.49	-	-
	-	-	<b>57,87,907</b>	<b>402.49</b>	-	-
<b>2) Reimbursement of expenses</b>						
Jubilant Life Sciences (USA) Inc., USA	-	-	-	-	26,092	1.81
Jubilant HollisterStier LLC, USA	-	-	-	-	9,355	0.65
	-	-	-	-	<b>35,447</b>	<b>2.46</b>
<b>3) Equity stocks held by:</b>						
Jubilant Industries Limited, India	1,80,000	10.75	-	-	-	-
	<b>1,80,000</b>	<b>10.75</b>	-	-	-	-
<b>4) Amount payable:</b>						
Jubilant Agri and Consumer Products Limited, India	-	-	10,58,771	73.22	-	-
Jubilant HollisterStier LLC, USA	-	-	-	-	960	0.07
	-	-	<b>10,58,771</b>	<b>73.22</b>	<b>960</b>	<b>0.07</b>

**Jubilant Industries Inc. USA**

**Notes to the Financial Statements for the year ended 31 March 2020**

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

		USD		` in million	
		For the year ended 31 March 2020	For the year ended 31 March 2019	For the year ended 31 March 2020	For the year ended 31 March 2019
Net profit/(loss) as per Statement of profit & loss		35,200	85,730	2.49	5.97
Number of equity shares		200	200	200	200
Basic earning per share:	\$ / `	176	429	12456.48	29830.16
Diluted earnings per share:	\$ / `	176	429	12456.48	29830.16

**30.** For the purpose of conversion of accounts in to Indian Currency, following rates are applied:

For the year ended/As at 31 March	2020	2019
Average rate for the year	1 USD = ` 70.78	1 USD = ` 69.54
Closing rate	1 USD = ` 75.67	1 USD = ` 69.16

**31.** Previous year figures have been re-grouped and re-arranged wherever necessary to conform current year's classification.

**32.** Figures in USD have been given only for conversion purpose.

**The accompanying notes "1" to "32" form an integral part of the financial statements**

In terms of our report of even date.

**For BGJC & Associates LLP**

Chartered Accountants

Firm Registration Number : 003304N/N500056

Sd/-

**Pranav Jain**

Partner

Membership No. 098308

Place : New Delhi

Date : 19 May, 2020

For and on behalf of Board of **Jubilant Industries Inc.**

Sd/-  
**Manish Gupta**  
Director

Place: USA

Date: 19 May, 2020