INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF JUBILANT AGRI AND CONSUMER PRODUCTS LIMITED

I. Report on the Audit of Financial Statements for the year ended 31st March, 2019

1. Opinion

A. We have audited the accompanying Financial Statements of **Jubilant Agri and Consumer Products Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), 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").

B. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

2. Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India(ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

3. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements of the current period. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to be communicated in our report.

4. Information Other than the Financial Statements and Auditor's Report thereon

A. The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Financial Statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

B. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

5. Management's Responsibility for the Financial Statements

A. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

B. In preparing the Financial Statements, management is responsible for assessing the Company's ability 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 are responsible for overseeing the Company's financial reporting process.

6. Auditor's Responsibilities for the Audit of the Financial Statements

A. Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

B. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

i) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

ii) Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls;

iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

iv) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; and

v) Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

C. Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

D. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

E. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

F. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

II. Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report to the extent applicable that:

   A. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   B. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   C. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account;

   D. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

   E. On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;

F. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure A"**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;

G. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

   In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act; and

H. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
   i) The Company has disclosed the impact of pending litigations on its financial position under Note 36 in its Financial Statements;

   ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

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

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in **"Annexure B"** a statement on the matters specified in paragraph 3 and 4 of the Order.

For **K.N. Gutgutia & Company**
Chartered Accountants
(Firm's Registration No. 304153E)

Sd/-
(B.R. GOYAL)
Partner
(Membership No.12172)

Place: Noida
Date: 16th May, 2019

ANNEXURE "A" TO THE INDEPNDEDNT AUDITOR'S REPORT

(Referred to in paragraph II point 1 F under "Report on Other Legal and Regulatory Requirements" section of our report to the members of Jubilant Agri and Consumer Products Limited of even date)

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

We have audited the internal financial controls over financial reporting of **Jubilant Agri and Consumer Products Limited** ("the Company") as of March 31, 2019 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Control over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **K.N. Gutgutia & Company**
Chartered Accountants
(Firm's Registration No. 304153E)

Sd/-

(B.R. GOYAL)
Partner
(Membership No. 12172)

Place: Noida
Date: 16th May, 2019

ANNEXURE "B" TO THE INDEPNDEDNT AUDITOR'S REPORT

(Referred to in paragraph II point 2 under "Report on Other Legal and Regulatory Requirements" section of our report to the members of Jubilant Agri and Consumer Products Limited of even date)

(i) In respect of the Company's fixed assets:

(a) The Company has maintained records showing particulars, including situation of fixed assets.

(b) The fixed assets were physically verified during the year by the Management in accordance with a regular program of verification which, in our opinion, provides for physical verification of the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) Title deeds of immovable properties of the Company are held in the name of the Company except in case of the followings:

(₹ in million)

NO of cases*	Lease hold/Freehold	Gross carrying amount	Net carrying amount	Remark
4	03 Freehold & 01 Leasehold	303.35	268.32	Under Process of transfer

*Are in the name of its holding company.

(ii) As explained to us, the inventories, except goods in transit, were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.

(iii) According to the information and explanations given to us, the Company has, during the year granted unsecured loan to its holding company covered in the Register maintained under Section 189 of the Companies Act, 2013. The loan is repayable over a period of one year. In respect of said loan, there are no overdue amounts.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and security.

(v) According to the information and explanations given to us, the Company has not accepted any deposit under Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014, as amended.

(vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, *prima facie*, the prescribed cost records have been made and maintained We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Goods and Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Goods and Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.

(c) Details of dues of Service Tax, Custom Duty Sales tax, Goods and Service Tax and Excise Duty which have not been deposited as at March 31, 2019 on account of disputes are given below:

Name of Statute	**Nature of Dues**	**Forum where Dispute is Pending**	**Period to which the Amount Relates (Financial Year)**	**Amount Involved (₹ in million)**
Sales/VAT Tax Laws	Sales Tax/ VAT	High Court, Allahabad	2010 -11	17.23
	Sales Tax/ VAT	D.C. Appeal, Ahmedabad	2012-13 & 2013-14	9.06
	Sales Tax/ VAT	Deputy Commissioner, Bangalore	2013-14 & 2014-15	0.52
Central Excise Act, 1944	Excise Duty	CESTAT, Allahabad	2008-09 to 2012-13	7.69
	Excise Duty	A.C., Hapur	2012-13 to 2014-15	0.04
Custom Act, 1962	Custom Duty	A.C. Customs, JNCH, Nhava, Sheva	2010-11	6.21
	Custom Duty	D.C. Customs, JNCH, Nhava, Sheva	2010-11	3.82
	Custom Duty	Commissioner (Appeals), New Delhi	2014-15	1.39

Central Goods and Service Tax Act, 2017	CGST	CTO, Special Circle, Sales Tax, Ranchi	2017-18	0.51

There were no dues of Income Tax which have not been deposited as at March 31, 2019 on account of disputes.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions and banks. The Company has not taken any loan or borrowing from government and has not issued any debentures.

(ix) In our opinion and according to the information and explanations given to us, money raised by way of term loans have been applied by the Company during the year for the purposes for which they were raised. The Company has not raised moneys by way of initial public offer (including debt instruments) during the year.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed vide note no 35 to the in the financial statements as required by the applicable accounting standards.

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or associate company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **K.N. Gutgutia & Company**
Chartered Accountants
(Firm's Registration No. 304153E)

Sd/-

(B.R. GOYAL)
Partner
(Membership No. 12172)

Place: Noida
Date: 16th May, 2019

Jubilant Agri and Consumer Products Limited

Balance Sheet as at 31 March 2019

(₹ in million)

	Notes	As at 31 March 2019	As at 31 March 2018
ASSETS			
Non-current assets			
Property, plant and equipment	3	1,206.94	1,239.58
Capital work-in-progress	3	50.05	59.69
Other Intangible assets	4	22.11	0.39
Intangible assets under development	4	-	1.53
Financial assets			
(i) Loans	5	0.82	0.89
(ii) Other financial assets	6	4.50	3.04
Deferred tax assets (net)	7	119.63	150.34
Other non-current assets	8	20.79	18.53
Total non-current assets		**1,424.84**	**1,473.99**
Current assets			
Inventories	9	570.02	643.52
Financial assets			
(i) Investments	10	0.37	0.36
(ii) Trade receivables	11	998.21	987.71
(iii) Cash and cash equivalents	12 (a)	15.58	61.26
(iv) Other bank balances	12 (b)	2.09	2.09
(v) Loans	5	7.62	2.06
(vi) Other financial assets	6	7.93	90.95
Income tax assets (net)		3.95	10.17
Other current assets	8	144.13	154.14
Total current assets		**1,749.90**	**1,952.26**
Total Assets		**3,174.74**	**3,426.25**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13	14.39	0.50
Other equity	13 (a)	(638.07)	(773.10)
Total equity		**(623.68)**	**(772.60)**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	14 (a)	1,815.90	2,077.44
Provisions	15	100.78	100.12
Total non-current liabilities		**1,916.68**	**2,177.56**
Current liabilities			
Financial liabilities			
(i) Borrowings	14 (b)	387.53	753.67
(ii) Trade payables:			
Total outstanding dues of micro enterprises and small enterprises	16	8.28	6.56
Total outstanding dues of creditors other than micro enterprises and small enterprises	16	816.08	674.70
(iii) Other financial liabilities	17	554.17	473.37
Other current liabilities	18	73.74	69.63
Provisions	15	41.94	43.36
Total current liabilities		**1,881.74**	**2,021.29**
Total Equity and Liabilities		**3,174.74**	**3,426.25**
Corporate information and significant accounting policies	1 & 2		
Notes to the financial statements	3 to 39		

The accompanying notes "1" to "39" form an integral part of the financial statements

In terms of our report of even date attached.

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

For and on behalf of Board

Sd/-
Priyavrat Bhartia
Director
DIN: 00020603

Sd/-
Umesh Sharma
Chief Financial Officer

Sd/-
Manu Ahuja
CEO & Whole-time Director
DIN: 05123127

Place : Noida
Date : 16th May, 2019

Jubilant Agri and Consumer Products Limited

Statement of Profit and Loss for the year ended 31 March 2019

(₹ in million)

	Notes	For the year ended 31 March 2019	For the year ended 31 March 2018
Revenue from operations	19	5,483.10	4,555.72
Other Income	20	6.55	7.55
Total income		**5,489.65**	**4,563.27**
EXPENSES			
Cost of materials consumed	21	3,089.56	2,367.97
Purchases of stock-in-trade	22	40.95	41.15
Changes in inventories of finished goods, Stock-in-trade and work-in-progress	23	64.56	(64.55)
Excise duty on sale		-	100.08
Employee benefits expense	24	682.08	669.63
Finance costs	25	307.26	313.79
Depreciation & amortization expense	26	89.63	89.66
Other expenses	27	1,228.62	1,135.85
Total expenses		**5,502.66**	**4,653.58**
Profit/(Loss) before tax		**(13.01)**	**(90.31)**
Tax Expenses:	28		
- Current Tax		-	-
- Deferred tax charge/(credit)		30.05	(18.23)
Profit/(Loss) for the year		**(43.06)**	**(72.08)**
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Changes in fair value of investments which are classified at fair value through OCI		0.01	0.08
Remeasurements of the defined benefit obligations		1.89	3.25
Income tax charge/(credit) relating to items that will not be reclassified to profit or loss	28	0.66	1.14
Other comprehensive income for the year (net of tax)		**1.24**	**2.19**
Total comprehensive income for the year		**(41.82)**	**(69.89)**
Earnings per equity share of ₹ 10.00 each			
Basic (In ₹)	39	(101.79)	(1441.64)
Diluted (In ₹)	39	(101.79)	(1441.64)
Corporate information and significant accounting policies	1 & 2		
Notes to the financial statements	3 to 39		

The accompanying notes "1" to "39" form an integral part of the financial statements

In terms of our report of even date attached.

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

For and on behalf of Board

Sd/-
Priyavrat Bhartia
Director
DIN: 00020603

Sd/-
Manu Ahuja
CEO & Whole-time Director
DIN: 05123127

Sd/-
Umesh Sharma
Chief Financial Officer

Place : Noida
Date : 16th May, 2019

Jubilant Agri and Consumer Products Limited

Statement of Changes in Equity for the year ended 31 March 2019

A. Equity share capital

(₹ in million)

Balance as at 31 March 2017	**0.50**
Changes in the equity share capital during the year	-
Balance as at 31 March 2018	**0.50**
Changes in the equity share capital during the year (Refer note 13.4)	13.89
Balance as at 31 March 2019	**14.39**

B. Other Equity

(₹ in million)

	Equity portion of preference shares	Reserve and surplus			Items of other Comprehensive Income		Total
		Security premium	Share based payment reserve	Retained earnings	Equity instruments through OCI	Remeasurement of defined benefits obligations	
As at 1 31 March 2017	**1,582.73**	-	**4.75**	**(2,290.23)**	**0.15**	**(2.98)**	**(705.58)**
Profit/(loss) for the year	-	-	-	(72.08)	-	-	(72.08)
Other comprehensive income	-	-	-	-	0.06	2.13	2.19
Total comprehensive income for the year	-	-	-	**(72.08)**	**0.06**	**2.13**	**(69.89)**
Employee stock option expense	-	-	2.37	-	-	-	2.37
As at 31 March 2018	**1582.73**	-	**7.12**	**(2,362.31)**	**0.21**	**(0.85)**	**(773.10)**
Profit/(loss) for the year	-	-	-	(43.06)	-	-	(43.06)
Other comprehensive income	-	-	-	-	0.01	1.23	1.24
Total comprehensive income for the year	-	-	-	**(43.06)**	**0.01**	**1.23**	**(41.82)**
Employee stock option expense	-		1.85	-	-	-	1.85
Issue of share capital (Refer note 13.4)	-	175.00	-	-	-	-	175.00
As at 31 March 2019	**1582.73**	**175.00**	**8.97**	**(2,405.37)**	**0.22**	**0.38**	**(638.07)**

Notes:

- **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.

- **Share based payment reserve**

The fair value of the equity settled share based payment transactions with employees is recognised in Statement of Profit and Loss with corresponding credit to Share based payment reserve. Balance of a share based payment reserve is transferred to general reserve/security premium reserve upon expiry of grants or upon exercise of stock options by an employee.

- **Equity instrument through OCI**

The Company has elected to recognize changes in fair value of certain investment in equity securities through other comprehensive income. These changes are accumulated within the equity instrument through OCI within equity. The Company transfers amount therefrom to retained earnings when the relevant securities are derecognized.

- **Remeasurement of defined benefit obligation**

Re-measurement of defined benefits obligation comprises actuarial gains and losses and return on plan assets.

The accompanying notes "1" to "39" form an integral part of the financial statements.

In terms of our report of even date.
For K.N Gutgutia & Co.
Chartered Accountants
Firm Registration Number: 304153E

Sd/-

B.R. Goyal
Partner
Membership No. 12172

For and on behalf of Board

Sd/-

Priyavrat Bhartia
Director
DIN: 00020603

Sd/-

Manu Ahuja
CEO & Whole-time Director
DIN: 05123127

Sd/-

Umesh Sharma
Chief Financial Officer

Place: Noida
Date: 16th May, 2019

Jubilant Agri and Consumer Products Limited

Statement of Cash Flows for the year ended 31 March 2019

(₹ in million)

	For the year ended 31 March 2019	For the year ended 31 March 2018
A. Cash flow from operating activities:		
Net profit/(loss) before tax	**(13.01)**	**(90.31)**
Adjustments for:		
Depreciation & amortization expense	89.63	89.66
(Gain)/Loss on sale/disposal/discard of property, plant and equipment (net)	(0.07)	0.21
Finance costs	307.26	313.79
Employee share-based payment expense	1.85	2.37
Unrealized (gain)/loss on foreign exchange (net)	(0.20)	1.61
Interest Income	(4.34)	(4.70)
	394.13	402.94
Operating cash flow before working capital changes	**381.12**	**312.63**
Adjustments for:		
(Increase)/Decrease in trade receivables, loans, other financial assets and other assets	79.44	167.75
(Increase)/Decrease in inventories	73.50	(124.55)
Increase/(Decrease) in trade payables, other financial liabilities, other liabilities and provisions	194.39	51.06
Cash generated from operations	**728.45**	**406.89**
Direct taxes (paid)/refund (net)	7.27	8.41
Net cash generated from operating activities	**735.72**	**415.30**
B. Cash flow from investing activities:		
Purchase of property, plant and equipment & other intangible assets (including capital work-in-progress and intangible assets under development)	(71.34)	(63.38)
Sale of property, plant and equipment	3.26	2.55
Inter-corporate loan given to related party (Refer note 35)	(6.50)	-
Interest received	2.99	2.79
Net cash generated/(used) in investing activities	**(71.59)**	**(58.04)**
C. Cash flow arising from financing activities:		
Proceeds from issue of shares (Refer note 13.4)	188.89	-
Proceeds from long term borrowings	-	1,814.68
Repayment of long term borrowings	(212.30)	(1,496.00)
Proceeds from / (Repayment) of short term borrowings (net)	(316.14)	(76.19)
Proceeds from inter-corporate borrowings from related parties (Refer note 35)	150.00	200.00
Repayment of inter-corporate borrowings from related parties (Refer note 35)	(280.22)	(490.83)
Finance costs paid	(240.04)	(273.19)
Net cash inflow/(outflow) in course of financing activities	**(709.81)**	**(321.53)**
Net increase/(decrease) in cash & cash equivalents (A+B+C)	(45.68)	35.73
Add: Cash & cash equivalents at the beginning of the year	61.26	25.53
Cash & cash equivalents at the close of the year	**15.58**	**61.26**

Jubilant Agri and Consumer Products Limited

(₹ in million)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Components of cash and cash equivalents		
Balance With Banks		
- On current accounts	5.62	50.68
Cash in hand	0.14	0.12
Cheques/Drafts on hand	9.82	0.02
Others		
- Gift/Meal vouchers in hand	-	0.01
- Funds in transit	-	10.43
	15.58	**61.26**

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".

ii) Acquisition/Purchase of property, plant and equipment/ other intangible assets includes movement of capital work-in-progress, intangible assets under development and capital advances/payables during the year.

In terms of our report of even date attached.

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

for and on behalf of the board

Sd/-
Priyavrat Bhartia
Director
DIN: 00020603

Sd/-
Manu Ahuja
CEO & Whole-time Director
DIN: 05123127

Sd/-
Umesh Sharma
Chief Financial Officer

Place: Noida
Date : 16th May, 2019

Notes to the financial statements for the year ended 31 March 2019

1. Corporate Information

Jubilant Agri and Consumer Products Limited (the Company) is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is wholly owned subsidiary of Jubilant Industries Limited and presently engaged in the business of manufacturing and sale of agri, industrial polymers and consumer products. The Company caters to both domestic and international market. The registered office of the Company is situated at Bharttiagram, Gajraula District Amroha-244 223.
These financial statements were authorised for issuance by the Board of Directors of the Company in their meeting held on May 16, 2019.

2. 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 of the Company are presented in Indian Rupee and all values are rounded to the nearest million, except as stated otherwise.

(ii) Historical cost convention

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

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments);
- Defined benefit plans and other long-term employee benefits;
- Share-based payment transactions;
- Investment in equity instruments.

(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 (PPE) and intangible assets

(i) Property, plant and equipment

Freehold land is carried at cost. All other items of property, plant and equipment are stated at cost, which includes capitalized finance costs, less accumulated depreciation and any accumulated impairment loss. Cost includes expenditure that is directly attributable to the acquisition of the items. The cost of an item of a PPE comprises its purchase price including import duty, and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition of its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Expenditure incurred on start-up and commissioning of the project and/ or substantial expansion, including the expenditure incurred on trial runs (net of trial run receipts, if any) up to the date of commencement of commercial production are capitalised. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as the appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Advances paid towards acquisition of property, plant and equipment outstanding at each Balance Sheet date, are shown under other non-current assets and cost of assets not ready for intended use before the year end, are shown as capital work-in-progress.

(ii) Intangible assets

Intangible assets that are acquired (including implementation of software system) and in process research and development are measured initially at cost.

After initial recognition, an intangible asset is carried at its cost less accumulated amortisation and any accumulated impairment loss. Subsequent expenditure is capitalized only when it increases the future economic benefits from the specific asset to which it related.

Expenditure on intangible assets eligible for capitalisation are carried as Intangible assets under development where such assets are not yet ready for their intended use.

(iii) Depreciation and amortisation methods, estimated useful lives and residual value

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, except for the following classes of fixed assets which are depreciated based on the internal technical assessment of the management as under:

Category of assets	Management estimate of useful life	Useful life as per Schedule II
Motor Vehicles under finance lease	Tenure of lease or 5 years whichever is shorter	8 years
Employee perquisite related assets (included in office equipment)	5 years being the period of perquisite scheme	10 years

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

Leasehold lands, which qualify as finance lease is amortised over the lease period on straight line basis.

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

Depreciation and amortisation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted, if appropriate.

(iv) De-recognition

A property, plant and equipment and intangible assets is derecognised on disposal or when no future economic benefits are expected from its use and disposal. Losses arising from retirement and gains or losses arising from disposal of a tangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss.

(d) Non-current assets held for sale

Non-current assets are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.
Such assets are generally measured at the lower of their carrying amount and fair value less cost to sell. Losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognised in the Statement of Profit and Loss.
Once classified as held-for sale, property, plant and equipment and intangible assets are no longer depreciated or amortised.

(e) Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. The Company's non-financial assets other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs) represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs. The recoverable amount of a CGU is the higher of its value in use and its fair value less cost to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

An impairment loss in respect of assets for which impairment loss has been recognised in prior periods, the Company reviews at reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognised.

(f) Financial instrument

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.

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)

Debt instruments at amortised cost

A "debt instrument" is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
b) Contractual terms of the asset give rise on specific dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking in to account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables.

Debt instrument at FVOCI

A 'debt instrument' is classified as at the FVOCI in both of the following criteria are met:
a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
b) The asset's contractual cash flows represent SPPI.

Debt instruments included with in the FVOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified to the Statement of Profit and Loss. Interest earned whilst holding FVOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVPL

FVPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVOCI, is classified as at FVPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortised cost or FVOCI criteria, as at FVPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

Equity investments

For the purpose of subsequent measurement, equity instruments are classified in two categories:

- Equity instruments at fair value through profit or loss (FVPL)
- Equity instruments at fair value through other comprehensive income (FVOCI)

All equity investments in scope of Ind AS 109 are measured at fair value. The Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVOCI then all fair value changes on the instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

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 do 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.

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.

Compound financial instruments

The liability component of a compound financial instrument is recognised initially at fair value of a similar liability that does not have an equity component. The equity component is recognised initially as the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and the equity components, if material, in proportion to their initial carrying amounts.

Subsequent to the initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest rate method. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition except on conversion or expiry.

Derivative financial instruments

The Company uses various types of derivative financial instruments to hedge its currency and interest risks etc. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Offsetting

Financial assets and financial liabilities are off set and the net amount presented in Balance Sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and is intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Notes to the financial statements for the year ended 31 March 2019

(g) 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	Weighted average method
Fuel and Packing materials etc	Weighted average method
Goods-in-transit	Cost of purchases

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 any tax wherever applicable.

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

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

(h) Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand and short term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

(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 assets and liabilities

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) Revenue recognition

Revenue from sale of products is recognised when the property in the goods or all significant risks and rewards of ownership of the products have been transferred to the buyer, and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of products as well as regarding its collection. Revenues include excise duty and are shown net of sales tax, value added tax, goods and service tax and applicable discounts, rebates and allowances, if any.

Revenue includes only those sales for which the Company has acted as a principal in the transaction, takes title to the products, and has the risks and rewards of ownership, including the risk of loss for collection, delivery and returns. Any sales for which Company has acted as an agent or broker without assuming the risks and rewards of ownership have been reported on a net basis.

Goods sold on consignment are recorded as inventory until goods are sold by the consignee to the end customer.

Subsidy in respect of fertilizer being disbursed by the Central Government of India is included in turnover and the same is recognized based upon the latest notified rates and only to the extent that the realization is reasonably assured.

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 entitlements are recognized as income when the right to receive credit as per the terms of the scheme is established in respect of exports made, and where no significant uncertainty regarding the ultimate collection of the relevant export proceeds exists.

Other income recognition:

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

(l) Employee benefits

(i) ***Short-term employee benefits:*** All employee benefits falling due within twelve months of the end of the period in which the employees render the related services are classified as short-term employee benefits, which include benefits like salaries, wages, short term compensated absences, performance incentives, etc. And are recognised 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 benefits plans and defined contribution plans as under:

a) Gratuity

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount based on the respective employee's salary and the tenure of employment. The liability in respect of gratuity is recognized in the books of accounts based on actuarial valuation by an independent actuary. The gratuity liability for certain employees of the one of the units of the Company is funded with Life Insurance Corporation of India.

b) 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 during the year is charged to Statement of Profit and Loss.

c) Provident Fund

(i) The Company makes contributions to the recognized provident fund – "VAM EMPLOYEES PROVIDENT FUND TRUST" (a multiemployer trust) for most of its employees in India, 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.
For other employees in India, provident fund is deposited with Regional Provident Fund Commissioner. This is treated as defined contribution plan.

(ii) Company's contribution to the provident fund is charged to Statement of Profit and Loss.

(iii) ***Other long-term employee benefits:***

Compensated absences

As per the Company's policy, eligible leaves can be accumulated by the employees and carried forward to future periods to either be utilised during the service, or encashed. Encashment can be made during service, on early retirement, on withdrawal of scheme, at resignation and upon death of employee. Accumulated compensated absences are treated as other long-term employee benefits. The Company's liability in respect of other long-term employee benefits is recognized in the books of accounts based on actuarial valuation using projected unit credit method as at Balance Sheet date by and independent actuary. Actuarial losses/gains are recognised in the Statement of Profit and Loss in the year in which they arise.

Actuarial Valuation

The liability in respect of all defined benefit plans is accrued in the books of accounts on the basis of actuarial valuation carried out by an independent actuary using the Project Unit Credit Method, which recognizes each year of service as giving rise to additional unit of employees benefit entitlement and measure each unit separately to build up the final obligation. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the Balance Sheet date, having maturity periods approximating to the terms of related obligation.
Re-measurement gains and losses in respect of all defined benefit plans arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the Statement of Changes in the Equity and in the Balance Sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost. Gains or losses on the curtailment or settlement of any defined benefit plan are recognized when the curtailment or settlement occurs. Any differential between the plan assets (for a funded defined benefit plan) and the defined benefit obligation as per actuarial valuation is recognised as a liability if it is a deficit or as an asset if it is a surplus (to the extent of the lower of present value of any economic benefits available in the form of refunds from the plan or reduction in future contribution to the plan).

Past service cost is recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits are already vested immediately following the introduction of, or changes to, a defined benefit plan, the past service cost is recognised immediately in the Statement of Profit and Loss. Past service cost may be either positive (where benefits are introduced or improved) or negative (where existing benefits are reduced).

(m) Share based payments

The grant date fair value of options granted (net of estimated forfeiture) to employees of the Company is recognized as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the options. The expense is recorded for separately each vesting portion of the award as if the award was, in substance, multiple awards. The increase in equity recognized in connection with share based payment transaction is presented as a separate component in equity under "share based payment reserve". The amount recognized as an expense is adjusted to reflect the actual number of stock options that vest. For the option awards, grant date fair value is determined under the option-pricing model (Black-Scholes-Model). Forfeitures are estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures materially differ from those estimates.

(n) Finance costs

Finance costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Finance cost also includes exchange differences to the extent regarded as an adjustment to the finance costs. Finance costs that are directly attributable to the construction or production or development of a qualifying asset are capitalized as part of the cost of that asset. Qualifying assets are assets that are necessarily take a substantial period of time to get ready for their intended use or sale. All other finance costs are expensed in the period in which they occur.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the finance costs eligible for capitalization.

Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the effective interest method. Ancillary costs incurred in connection with the arrangement of borrowings are amortised over the period of such borrowings.

(o) Income tax

Income tax expense comprises current and deferred tax. It is recognised in Statement of Profit and Loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

- **Current tax**

  Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received after considering uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantially enacted at the reporting date in the countries where the Company operates and generates taxable income.

  Current tax assets and liabilities are offset only if there is a 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.

- **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.

Deferred income tax is not provided on the undistributed earnings of the subsidiaries where it is expected that the earnings of the subsidiary will not be distributed in the foreseeable future.

(p) Leases

At the inception of each lease, the lease arrangement is classified as either a finance lease or an operating lease, based on the substance of the lease arrangement.

Finance 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. A finance lease is recognised as an asset and a liability at the commencement of lease, at the lower of the fair value of the asset and the present value of the minimum lease payments. Minimum lease payments made under finance leases are apportioned between the finance expenses and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Operating leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

(q) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The CEO and Whole-time Director of the 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.

(r) Foreign currency translation

(i) Functional and presentation currency

The functional currency of the Company is the Indian rupee. These financial statements are presented in Indian rupee.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at Balance Sheet date exchange rate are generally recognised in Statement of Profit and Loss.

(s) Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply all attached conditions.

Government grants relating to income are deferred and recognised in the Statement of Profit and Loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to Statement of Profit and Loss on a straight-line basis over the expected lives of the related assets and presented within other income.

(t) Royalty

The liability for payment of royalty is provided in terms of the agreement on accrual basis calculated at net sale value of the product (covered under the agreement) sold.

(u) Earnings per share

(i) Basic earnings per share

Basic earnings per share, is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

(ii) Diluted earnings per share

Diluted earnings per share, adjusts the figures used in the determination of basic earnings per share to take into account:

- The after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

(v) 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.

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.

(w) Critical estimates and judgements

The preparation of Financial Statements requires management to make judgements, 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 judgements 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 28.
- Estimated impairment of financial assets and non-financial assets- Note 2(e), 2(f).
- Assessment of useful life of property, plant and equipment and intangible asset- Note 2('c).
- Estimation of assets and obligations relating to employee benefits- Note 30.
- Valuation of inventories- Note 2(g).
- Recognition of revenue and related accruals- Note 2(k).
- Recognition and measurement of contingency: Key assumption about the likelihood and magnitude of an outflow of resources- Note 36.
- Lease classification- Note 37 (b).
- Fair value measurements- Note 2(v).

Notes to the financial statements for the year ended 31 March 2019

(x) Recent accounting pronouncements issued but not yet effective up to date of issuance of financial statements

On 30th March 2019, the Ministry of Corporate Affairs (MCA) has notified Ind AS 116 Leases, under Companies (Indian Accounting Standards) Amendment Rules, 2019 which is applicable from 1st April, 2019.

Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e. the lessee and the lessor. Ind AS 116 introduces as single lease accounting model for lessee and requires the lessee to recognize right of use assets and lease liabilities for all leases with a term of more than twelve months, unless the underlying asset is low value in nature. Currently, operating lease expense are charged to the statement of profit and loss. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

As per Ind AS 116, the lessee needs to recognise depreciation on rights of use assets and finance costs on lease liabilities in the statement of profit and loss. The lease payments made by the lessee under the lease arrangement will be adjusted against the lease liabilities.

The Company is currently evaluating the impact on account of implementation of Ind AS 116 which might have not significant impact on financials.

Notes to the financial statements for the year ended 31 March 2019

(₹ in million)

	Description	Land Free hold	Land Leasehold	Building Factory	Building Other	Plant and Equipment	Furniture and Fixtures	Office Equipments	Vehicles Owned	Vehicles Leased	Total
3.	**Property, plant and equipment and Capital work-in-progress**										
	Gross carrying amount as at 31 March 2017	**49.81**	**18.15**	**206.06**	**36.57**	**1053.97**	**4.26**	**20.42**	**0.01**	**7.68**	**1396.93**
	Additions/adjustments	-	-	7.50	-	8.41	-	4.90	-	2.18	**22.99**
	Deductions/adjustments	-	-	(0.23)	-	(0.32)	(0.05)	(2.04)	-	(2.48)	**(5.12)**
	Gross carrying amount as at 31 March 2018	**49.81**	**18.15**	**213.33**	**36.57**	**1062.06**	**4.21**	**23.28**	**0.01**	**7.38**	**1414.80**
	Accumulated depreciation as at 31 March 2017	-	**0.26**	**12.09**	**0.70**	**66.34**	**0.88**	**5.82**	-	**2.27**	**88.36**
	Depreciation charge for the year	-	0.29	12.52	0.76	67.20	0.85	5.39	-	2.21	**89.22**
	Deductions/adjustments	-	-	(0.01)	-	(0.24)	(0.03)	(0.80)	-	(1.28)	**(2.36)**
	Accumulated depreciation as at 31 March 2018	-	**0.55**	**24.60**	**1.46**	**133.30**	**1.70**	**10.41**	-	**3.20**	**175.22**
	Net carrying amount as at 31 March 2018	**49.81**	**17.60**	**188.73**	**35.11**	**928.76**	**2.51**	**12.87**	**0.01**	**4.18**	**1239.58**
	Capital work-in-progress										**59.69**

(₹ in million)

Description	Land Free hold	Land Leasehold	Building Factory	Building Other	Plant and Equipment	Furniture and Fixtures	Office Equipments	Vehicles Owned	Vehicles Leased	Total
Gross carrying amount as at 31 March 2018	**49.81**	**18.15**	**213.33**	**36.57**	**1062.06**	**4.21**	**23.28**	**0.01**	**7.38**	**1414.80**
Additions/adjustments	2.39	-	4.89	0.58	43.51	-	8.38	-	-	**59.75**
Deductions/adjustments	-	-	-	-	-	(0.02)	(1.77)	-	(4.09)	**(5.88)**
Gross carrying amount as at 31 March 2019	**52.20**	**18.15**	**218.22**	**37.15**	**1105.57**	**4.19**	**29.89**	**0.01**	**3.29**	**1468.67**
Accumulated depreciation as at 31 March 2018	-	**0.55**	**24.60**	**1.46**	**133.30**	**1.70**	**10.41**	-	**3.20**	**175.22**
Depreciation charge for the year	-	0.30	12.07	0.78	69.10	0.58	5.34	-	1.03	**89.20**
Deductions/adjustments	-	-	-	-	-	(0.01)	(0.85)	-	(1.83)	**(2.69)**
Accumulated depreciation as at 31 March 2019	-	**0.85**	**36.67**	**2.24**	**202.40**	**2.27**	**14.90**	-	**2.40**	**261.73**
Net carrying amount as at 31 March 2019	**52.20**	**17.30**	**181.55**	**34.91**	**903.17**	**1.92**	**14.99**	**0.01**	**0.89**	**1206.94**
Capital work-in-progress										**50.05**

Notes to the financial statements for the year ended 31 March 2019

(₹ in million)

	Description	Softwares	License	Total
4.	**Other intangible assets and intangible assets under development**			
	Gross carrying amount as at 31 March 2017	**1.95**	-	**1.95**
	Additions/adjustments	-	-	-
	Deductions/adjustments	-	-	-
	Gross carrying amount as at 31 March 2018	**1.95**	-	**1.95**
	Accumulated amortization as at 31 March 2017	**1.12**	-	**1.12**
	Amortization for the year	0.44	-	0.44
	Deductions/adjustments	-	-	-
	Accumulated amortization as at 31 March 2018	**1.56**	-	**1.56**
	Net carrying amount as at 31 March 2018	**0.39**	-	**0.39**
	Intangible assets under development			**1.53**

(₹ in million)

Description	Softwares	License	Total
Gross carrying amount as at 31 March 2018	**1.95**	-	**1.95**
Additions/adjustments	-	22.15	22.15
Deductions/adjustments	-	-	-
Gross carrying amount as at 31 March 2019	**1.95**	**22.15**	**24.10**
Accumulated amortization as at 31 March 2018	**1.56**	-	**1.56**
Amortization for the year	0.07	0.36	0.43
Deductions/adjustments	-	-	-
Accumulated amortization as at 31 March 2019	**1.63**	**0.36**	**1.99**
Net carrying amount as at 31 March 2019	**0.32**	**21.79**	**22.11**
Intangible assets under development			-

Notes to the financial statements for the year ended 31 March 2019

(₹ in million)

	As at 31 March 2019		As at 31 March 2018	
	Non-current	Current	Non-current	Current
5. Loans				
Loan receivable considered good - Secured	-	-	-	-
Loan receivable considered good - Unsecured:				
- Loan to employees	0.82	1.12	0.89	2.06
Inter-corporate loan to related party (Refer note 35)	-	6.50	-	-
Loan receivable which have significant increase in credit risk	-	-	-	-
Loan receivable - Credit impaired	-	-	-	-
Total loans	**0.82**	**7.62**	**0.89**	**2.06**
6. Other financial assets				
Interest receivable	-	1.30	-	1.01
Security deposits	2.72	6.57	2.71	3.81
Recoverable from related parties (Refer note 35)	-	0.06	-	86.13
Others	1.78	-	0.33	-
Total other financial assets	**4.50**	**7.93**	**3.04**	**90.95**

7. Deferred tax

Deferred income tax reflect the net tax effects of temporary difference between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant component of the Company's net deferred income tax are as follows:

Deferred tax assets:

(₹ in million)

	Provision for compensated absences and gratuity	Expenditure allowed on actual payment basis	Tax losses carried forward	Unabsorbed depreciation	Depreciation, amortization and other temporary differences	Total
As at 31 March 2017	**40.91**	**17.80**	**348.39**	**523.71**	**(18.50)**	**912.31**
Credited/(Charged)						
- to statement of profit and loss	(1.72)	(0.14)	(17.89)	44.75	(24.24)	0.76
- to other comprehensive income	-	-	-	-	-	-
As at 31 March 2018	**39.19**	**17.66**	**330.50**	**568.46**	**(42.74)**	**913.07**
Charged/(Credited)						
- to statement of profit and loss	(1.74)	7.50	(34.73)	(0.66)	(20.15)	(49.78)
- to other comprehensive income	-	-	-	-	-	-
As at 31 March 2019	**37.45**	**25.16**	**295.77**	**567.80**	**(62.89)**	**863.29**

Deferred tax liabilities:

(₹ in million)

	Compound Financial Instruments	Others	Total
As at 31 March 2017	**780.59**	**(1.53)**	**779.06**
Credited/(Charged)			
- to statement of profit and loss	(17.41)	(0.06)	(17.47)
- to other comprehensive income	-	1.14	1.14
As at 31 March 2018	**763.18**	**(0.45)**	**762.73**
Charged/(Credited)			
- to statement of profit and loss	(19.73)	-	(19.73)
- to other comprehensive income	-	0.66	0.66
As at 31 March 2019	**743.45**	**0.21**	**743.66**

Net deferred tax assets:

(₹ in million)

Particulars	**As at 31 March 2019**	**As at 31 March 2018**
Deferred tax assets	863.29	913.07
Deferred tax liabilities	743.66	762.73
Deferred tax assets (net)	**119.63**	**150.34**

Notes to the financial statements for the year ended 31 March 2019

Reconciliation of deferred tax assets (net):

(₹ in million)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Balance as at the commencement of the year	150.34	133.25
Credit/(Expense) recognized in profit and loss during the year	(30.05)	18.23
Credit/(Expense) recognized in other comprehensive income during the year	(0.66)	(1.14)
Balance as at the end of the year	**119.63**	**150.34**

Deferred tax assets not recognized in respect of the Company:

(₹ in million)

Particulars	As at 31 March 2019	
	Amount of temporary differences	Amount of deferred tax on temporary differences
Deductible temporary differences - Tax losses carried forward	256.22	89.53
Net unrecognized temporary differences	**256.22**	**89.53**

(₹ in million)

Particulars	As at 31 March 2018	
	Amount of temporary differences	Amount of deferred tax on temporary differences
Deductible temporary differences - Tax losses carried forward	507.20	177.24
Net unrecognized temporary differences	**507.20**	**177.24**

Expiry period of unused tax losses:

Company has unused tax losses and unabsorbed depreciation amounting to ₹ 1,102.64 million (Previous Year: ₹1,453.01 million) and ₹ 1,624.91 million (Previous Year: ₹ 1,626.79 million), respectively as at year end, available to reduce future income taxes. If not used, the unused tax losses will expire in the tax year 2019-2027 (Previous Year: 2018-2026) and unabsorbed depreciation can be carried forward for an indefinite period.

(₹ in million)

	As at 31 March 2019		As at 31 March 2018	
	Non-current	Current	Non-current	Current
8. Other assets				
Advance to suppliers	-	27.11	-	28.02
Capital advances	2.14	-	3.39	-
Security deposits	12.75	-	12.33	-
Prepaid expenses	5.90	13.97	2.81	13.47
Recoverable from/balances with government authorities	-	89.45	-	100.97
Others	-	13.60	-	11.68
Total other assets	**20.79**	**144.13**	**18.53**	**154.14**

Jubilant Agri and Consumer Products Limited

Notes to the financial statements for the year ended 31 March 2019

(₹ in million)

		As at 31 March 2019	As at 31 March 2018
9.	**Inventories**		
	Raw materials	254.39	259.31
	[including goods-in-transit ₹ 92.23 million (Previous Year: ₹ 109.78 million)]		
	Work-in-progress	47.44	74.43
	Finished goods	186.73	225.39
	Stock-in-trade	11.55	10.46
	Stores and spares	44.98	48.47
	[including goods-in-transit ₹ 0.16 million (Previous Year: ₹ Nil)]		
	Fuel and packing materials	24.93	25.46
	Total inventories	**570.02**	**643.52**
10.	**Current investments**		
I.	**Quoted investment in equity shares (at fair value through other comprehensive income)**		
	448 (Previous Year: 448) equity shares of ₹ 10 each		
	Voith Paper Fabrics India Limited	0.37	0.36
II.	**Unquoted investment in equity shares (at cost)**		
	530 (Previous Year: 530) equity shares of ₹ 10 each		
	Minerva Holding Limited (1)	-	-
	132 (Previous Year: 132) equity shares of ₹ 10 each		
	Kashipur Holdings Limited (1)	-	-
	Total current investments	**0.37**	**0.36**

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

(₹ in million)

		As at 31 March 2019	As at 31 March 2018
11.	**Trade receivables**		
	(Current)		
	Trade receivable considered good - Secured	-	-
	Trade receivable considered good - Unsecured	998.21	987.71
	Trade receivable which have significant increase in credit risk	-	-
	Trade receivable-credit impaired	28.17	7.69
		1,026.38	**995.40**
	Less: Provision/Allowance for doubtful debts	28.17	7.69
	Total receivables	**998.21**	**987.71**

11.1 Trade receivable includes subsidy receivable ₹ 197.25 million (Previous Year: ₹ 132.85 million).

(₹ in million)

		As at 31 March 2019	As at 31 March 2018
12(a).	**Cash and cash equivalents**		
	Balance With Banks		
	- On current accounts	5.62	50.68
	Cash in hand	0.14	0.12
	Cheques/Drafts on hand	9.82	0.02
	Others		
	- Gift/Meal vouchers in hand	-	0.01
	- Funds in transit	-	10.43
	Total cash and cash equivalents	**15.58**	**61.26**
12(b).	**Other bank balances**		
	Margin money with bank (1)	2.09	2.09
	Total other bank balances	**2.09**	**2.09**

(1) For bank guarantees in favour of government authorities

Notes to the financial statements for the year ended 31 March 2019

(₹ in million)

		As at 31 March 2019	As at 31 March 2018
13.	**Equity share capital**		
	Authorized		
	32,00,000 (Previous Year: 1,00,000) equity shares of ₹ 10 each	32.00	1.00
		32.00	**1.00**
	Issued, subscribed and paid-up		
	14,39,435 (Previous Year: 50,000) equity shares of ₹ 10 each	14.39	0.50
	Total equity share capital	**14.39**	**0.50**

13.1 Movement in equity share capital:

	As at 31 March 2019		As at 31 March 2018	
	No. of shares	₹ in million	No. of shares	₹ in million
At the commencement of the year	50,000	0.50	50,000	0.50
Add: Issued during the year (Refer note 13.4)	1,389,435	13.89	-	-
At the end of the year	**1,439,435**	**14.39**	**50,000**	**0.50**

13.2 The Company has only one class of shares referred to as equity shares having par value of ₹ 10 each. 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.

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

	As at 31 March 2019		As at 31 March 2018	
	No. of shares	% held	No. of shares	% held
Jubilant Industries Limited* and its nominees (Equity shares)	1,439,435	100.00	50,000	100.00

* Holding Company

13.4 The Company has issued 13,89,435 equity shares of ₹ 10 each at a premium of ₹ 125.95 per share at an aggregate value of ₹ 188.89 million for cash to the existing shareholders (Right Issue) of the Company.

(₹ in million)

		As at 31 March 2019	As at 31 March 2018
13 (a).	**Other equity**		
	Equity portion of preference shares	1582.73	1582.73
	Reserve and surplus:		
	Security premium (Refer note 13.4)	175.00	-
	Share based payment reserve	8.97	7.12
	Retained earnings	(2,405.37)	(2,362.31)
	Items of other comprehensive income:		
	Equity instruments through OCI	0.22	0.21
	Re-measurement of defined benefits obligations	0.38	(0.85)
	Total other equity	**(638.07)**	**(773.10)**

Jubilant Agri and Consumer Products Limited

Notes to the financial statements for the year ended 31 March 2019

(₹ in million)

	As at 31 March 2019	As at 31 March 2018
14(a). Non-current borrowings		
Term loans from banks		
- Indian rupee loans (secured)	1,281.90	1,536.61
Long term maturities of finance lease obligation		
- Finance lease obligations (secured)	0.21	2.44
Term loan from others		
Loans from related party (unsecured) (Refer note 35)	58.20	120.00
Financial liability portion of preference share capital		
- Optionally convertible preference shares (unsecured)	288.67	252.29
- Redeemable preference shares (unsecured)	186.92	166.10
Total non-current borrowings	**1,815.90**	**2,077.44**
Add: Current maturities of non-current borrowings (Refer note 17)	265.00	208.75
Add: Current maturities of finance lease obligations (Refer note 17)	0.79	2.12
Total non-current borrowings (including current maturities)	**2,081.69**	**2,288.31**
14(b). Current borrowings		
Loans repayable on demand		
From Banks		
Secured	237.53	376.87
Unsecured	-	176.80
From Others		
Unsecured-from related party (Refer note 35)	150.00	200.00
Total current borrowings	**387.53**	**753.67**

14.1 Nature of security of non-current borrowings and other terms of repayment

14.1.1 Term loan I availed from Ratnakar Bank Limited amounting to ₹ 427.73 million (Previous Year: ₹ 467.03 million) including current maturities of ₹ 40.00 million (Previous Year: ₹ 40.00 million) is secured by first pari passu charge on all fixed assets (both present and future) of the Company and as well as of Jubilant Industries Limited (the holding company) and unconditional and irrevocable corporate guarantee of its holding company.

14.1.2 Term loan II availed from Ratnakar Bank Limited amounting to ₹ 1,119.17 million (Previous Year: ₹ 1,278.33 million) including current maturities of ₹ 225.00 million (Previous Year: ₹ 168.75 million) is secured by first pari passu charge on all fixed assets (both present and future) of the Company and as well as of Jubilant Industries Limited (the holding company) and unconditional and irrevocable corporate guarantee of its holding company.

14.1.3 Term loan I availed from Ratnakar Bank Limited is repayable in remaining nineteen structured quarterly installments, payable up to December 2023.

14.1.4 Term loan II availed from Ratnakar Bank Limited is repayable in remaining nineteen structured quarterly installments, payable up to October 2023.

14.1.5 Finance lease obligations ₹ 1.00 million (Previous Year: ₹ 4.56 million) including current maturities of ₹ 0.79 million (Previous Year: ₹ 2.12 million) 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.

14.1.6 Term loans availed from the related party namely Jubilant Enpro (P) Limited are repayable at the end of three years from the date of respective disbursement.

14.2 Nature of security of current borrowings and other terms of repayment

14.2.1 Working capital facilities (including cash credit) sanctioned by Consortium of banks are secured by a first charge by way of hypothecation, of the entire book debts, inventories and current assets both present and future of the Company wherever the same may be held and unconditional and irrevocable corporate guarantee of its holding company in favour of bankers. Short term borrowings from banks are availed in Indian rupees and in foreign currency.

14.2.2 Short term borrowings from related party are repayable as per terms of agreement within one year.

Jubilant Agri and Consumer Products Limited

Notes to the financial statements for the year ended 31 March 2019

(₹ in million)

	As at 31 March 2019		As at 31 March 2018	
	Non-current	Current	Non-current	Current
15. Provisions				
(Unsecured considered good)				
Provisions for employee benefits	100.78	41.77	100.12	43.08
Other provisions	-	0.17	-	0.28
Total provisions	**100.78**	**41.94**	**100.12**	**43.36**

(₹ in million)

	As at 31 March 2019	As at 31 March 2018
16. Trade payables		
(Current)		
Total outstanding dues of micro enterprises and small enterprises (Refer note 29)	8.28	6.56
Total outstanding dues of creditors other than micro enterprises and small enterprises	816.08	674.70
Total trade payables	**824.36**	**681.26**
17. Other financial liabilities		
(Current)		
Current maturities of long term debts [Refer note 14(a)]	265.00	208.75
Current maturities of finance lease obligations [Refer note 14(a)]	0.79	2.12
Capital creditors	5.64	7.51
Employee benefits payable	56.71	26.24
Security deposit	33.91	37.63
Interest accrued and due on borrowings	-	18.42
Interest accrued but not due on borrowings	1.39	1.08
Due to related parties	26.14	9.06
Other payables	164.59	162.56
Total other financial liabilities	**554.17**	**473.37**
18. Other liabilities		
Current		
Advance from customers	31.46	36.72
Statutory dues payables	42.28	32.91
Total other liabilities	**73.74**	**69.63**

Jubilant Agri and Consumer Products Limited

Notes to the financial statements for the year ended 31 March 2019

(₹ in million)

	For the year ended 31 March 2019	For the year ended 31 March 2018
19. Revenue from operations		
Sale of products [including ₹ 428.86 million (Previous Year: ₹ 274.52 million) subsidy on fertilizers]*	5,451.55	4,536.45
Sale of services	4.04	4.15
Other operating revenue	27.51	15.12
Total revenue from operations	**5,483.10**	**4,555.72**
* Including excise duty up to 30 June 2017 but excluding Goods and Service Tax w.e.f. 1 July 2017.		
20. Other income		
Interest income [including interest on income tax refund of ₹ 1.05 million (Previous Year: ₹ 1.73 million)]	4.34	4.70
Insurance claim	1.83	2.40
Net gain on sale/disposal of property, plant and equipment	0.07	-
Other non-operating income	0.31	0.45
Total other income	**6.55**	**7.55**
21. Cost of materials consumed		
Raw & process materials consumed	3,089.56	2,367.97
Total cost of materials consumed	**3,089.56**	**2,367.97**
22. Purchases of stock-in-trade		
Purchases of stock-in-trade	40.95	41.15
Total purchases of stock-in-trade	**40.95**	**41.15**
23. Changes in inventories of finished goods, stock-in-trade and work-in-progress		
Opening balance		
Work-in-progress	74.43	37.95
Finished goods	225.39	196.94
Stock-in-trade	10.46	10.84
Total opening balance	**310.28**	**245.73**
Closing balance		
Work-in-progress	47.44	74.43
Finished goods	186.73	225.39
Stock-in-trade	11.55	10.46
Total closing balance	**245.72**	**310.28**
Changes in inventories of finished goods, stock-in-trade and work-in-progress	**64.56**	**(64.55)**
24. Employee benefits expense		
Salaries, wages, bonus, gratuity and allowances	620.04	604.17
Contribution to provident and other funds	27.81	28.47
Employee share based payment expense	1.85	2.37
Staff welfare expenses	32.38	34.62
Total employee benefits expense	**682.08**	**669.63**
25. Finance costs		
Interest expense	281.25	296.93
Other finance costs	23.00	24.01
Exchange difference to the extent considered as an adjustment to finance costs	3.01	(7.15)
Total finance costs	**307.26**	**313.79**

Notes to the financial statements for the year ended 31 March 2019

(₹ in million)

		For the year ended 31 March 2019	For the year ended 31 March 2018
26.	**Depreciation and amortization expense**		
	Depreciation of property, plant and equipment	89.20	89.22
	Amortization of intangible assets	0.43	0.44
	Total depreciation and amortization expense	**89.63**	**89.66**
27.	**Other expenses**		
	Power and fuel	166.68	151.21
	Stores, spares and packing materials consumed	286.34	274.67
	Job work charges	0.53	-
	Repairs and maintenance:		
	Plant and machineries	56.86	42.16
	Buildings	2.86	3.58
	Others	42.99	38.86
	Excise duty on increase/(decrease) in inventory	-	(24.48)
	Rent	41.48	42.75
	Rates & taxes	4.62	3.36
	Insurance	7.39	8.93
	Advertisement, publicity & sales promotion	112.45	131.13
	Travelling & other incidental expenses	59.06	72.37
	Vehicle running & maintenance	6.44	7.85
	Printing & stationery	3.08	2.78
	Communication expenses	4.89	6.70
	Staff recruitment & training	12.21	15.05
	Auditors remuneration - As auditors	1.12	1.09
	- For limited review	0.23	0.21
	- For taxation matters	0.25	0.23
	- For certifications etc	0.68	0.54
	- Out of pocket expenses	0.15	0.15
	Legal, professional and consultancy charges	57.49	47.18
	Donations	-	0.04
	Directors' sitting fees	1.43	1.34
	Bank charges	0.33	2.24
	Miscellaneous expenses	4.26	2.64
	Foreign exchange fluctuation loss/(gain) -net	9.71	(0.64)
	Freight & forwarding	261.75	233.72
	Commission on Sales	16.45	21.52
	Discounts, claims to customers and other selling expenses	38.40	43.96
	Bad Debts/ irrecoverable advances & receivables written off (net)	28.13	4.44
	Net loss on sale/disposal of property, plant and equipment	-	0.21
	Royalty	0.36	0.06
	Total other expenses	**1,228.62**	**1,135.85**

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

Notes to the financial statements for the year ended 31 March 2019

28. Income tax

The major components of income tax expense are:

Profit or loss section

(₹ in million)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Current income tax:		
Current income tax charge for the year	-	-
Adjustments in respect of current income tax of previous years	-	-
	-	-
Deferred tax:		
Deferred tax on profits for the year	30.05	(18.23)
Adjustments in respect of deferred tax of previous years	-	-
	30.05	(18.23)
Income tax expense reported in the Statement of profit and loss	**30.05**	**(18.23)**

OCI section

(₹ in million)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Tax related to items that will not be reclassified to profit or loss	0.66	1.14
Income tax charged to OCI	**0.66**	**1.14**

Reconciliation between average effective rate and applicable tax rate:

(₹ in million)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Accounting profit before income tax	(13.01)	(90.31)
At India's statutory income tax rate 34.944% (Previous Year: 34.608%)	(4.55)	(31.26)
- Effect of non deductible expenses and exempt income	-	0.01
- Effect of transaction cost amortization	-	(0.76)
- Unrecognized deferred tax	34.28	21.73
- Change in statutory tax rate	-	(7.65)
- Others	0.32	(0.30)
Income tax expense reported in the Statement of profit and loss	**30.05**	**(18.23)**

Notes to the financial statements for the year ended 31 March 2019

29. Micro, small and medium enterprises

There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at the end of the year. The information as required to be disclosed in relation to Micro, Small and Medium Enterprises 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 2019	As at 31 March 2018
The principal amount remaining unpaid to any supplier as at the end of the year	8.28	6.56
The interest due on principal amount remaining unpaid to any supplier as at the end of the year	-	-
The amount of interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (MEMED Act), along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	-	-
The amount of interest accrued and remaining unpaid at the end of the year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under the MSMED Act	-	-

30. Employee benefits in respect of the Company have been calculated as under:

A. Defined Contribution Plans

The Company has certain defined contribution plan such as provident fund (1), employee state insurance, employee pension scheme, employee superannuation fund wherein specified percentage is contributed to them. During the year, the Company has contributed following amounts to:

(₹ in million)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Employer's contribution to provident fund	0.85	0.93
Employer's contribution to employee's pension scheme 1995	7.21	7.67
Employer's contribution to superannuation fund	1.54	1.79
Employer's contribution to employee state insurance	0.12	0.28

(1) For certain employees where provident fund is deposited with government authority e.g. Regional Provident Fund Commissioner.

Notes to the financial statements for the year ended 31 March 2019

B. Defined Benefits Plans

i. Gratuity

In accordance with Ind AS 19 "Employee Benefits", an actuarial valuation has been carried out in respect of gratuity. The discount rate assumed is 7.65% p.a. (Previous Year: 7.70% p.a.) 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 (Previous Year: 58 years) and mortality table is as per IALM (2006-08) [Previous Year: IALM (2006-08)].

The estimates of future salary increases, considered in actuarial valuation is 9% p.a. for first three years and 5% p.a. thereafter (Previous Year: 9% p.a. for first three years and 5% p.a. thereafter), taking into account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The plan assets are maintained with Life Insurance Corporation of India in respect of gratuity scheme for certain employees of one unit of the Company. The details of investments maintained by Life Insurance Corporation of India are not available with the Company, hence not disclosed. The expected rate of return on plan assets is 7.50% p.a. (Previous Year: 7.50% p.a.).

Reconciliation of opening and closing balances of the present value of the defined benefit obligation:

(₹ in million)

Particulars	As at 31 March 2019	As at 31 March 2018
Present vale of obligation at the beginning of the year	81.87	83.86
Current service cost	7.09	7.39
Interest cost	6.31	6.18
Past service cost	-	0.16
Actuarial (gain)/loss	(1.88)	(3.21)
Benefits paid	(13.01)	(12.51)
Present vale of obligation at the end of the year	80.38	81.87

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

(₹ in million)

Particulars	As at 31 March 2019	As at 31 March 2018
Present vale of obligation at the end of the year	80.38	81.87
Fair value of plan assets at the end of the year	9.26	8.59
Net liabilities recognized in the Balance Sheet	71.12	73.28

Fair value of plan assets*:

(₹ in million)

Particulars	As at 31 March 2019	As at 31 March 2018
Plan assets at the beginning of the year	8.59	7.97
Expected return on plan assets	0.66	0.58
Actuarial gain/(loss)	0.01	0.04
Plan assets at the end of the year	9.26	8.59

* In respect of one unit of the Company, the plan assets were invested in insurer managed funds.

Company's best estimate of contribution during next year is ₹ 13.80 million (Previous Year: ₹ 14.16 million).

Expense recognized in the Statement of Profit and Loss under employee benefits expense:

(₹ in million)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Total service cost	7.09	7.55
Net interest cost	5.65	5.60
Expenses recognized in the Statement of Profit and Loss	**12.74**	**13.15**

Notes to the financial statements for the year ended 31 March 2019

Amount recognized in other comprehensive income:

(₹ in million)

Particulars	As at 31 March 2019	As at 31 March 2018
Actuarial gain/(loss) due to financial assumption change	1.88	3.21
Actuarial gain/(loss) on plan assets	0.01	0.04
Amount recognized in the Other Comprehensive Income	**1.89**	**3.25**

Sensitivity analysis:

(₹ in million)

Particulars	31 March 2019			
Assumptions	Discount rate		Future salary increase	
Sensitivity level	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Impact on defined benefit obligation	(2.83)	3.01	3.05	(2.90)

(₹ in million)

Particulars	31 March 2018			
Assumptions	Discount rate		Future salary increase	
Sensitivity level	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Impact on defined benefit obligation	(2.79)	2.97	3.01	(2.86)

The sensitivity analysis above have been determined based on reasonable possible changes of the respective assumptions occurring at the end of the year and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant.

ii. Provident Fund:

The Company makes monthly contributions to provident fund managed by trust for qualifying employees. Under the scheme, the Company is required to contribute a specific percentage of the payroll costs to fund the benefits. As per Ind AS 19 on "Employee Benefits", employer established provident fund trusts are treated as defined benefit plans, since the Company is obliged to meet interest shortfall, if any, with respect to covered employees. The total liability of ₹ Nil (Previous Year: ₹ Nil) has been allocated to Company and ₹ Nil (Previous Year: ₹ Nil) has been charged to Statement of Profit and Loss during the year.

Actuarial assumptions made to determine interest rate guarantee on exempt provident fund liabilities are as follows:

Particulars	As at 31 March 2019	As at 31 March 2018
Discount rate	7.65%	7.70%
Guaranteed rate of return	8.65%	8.55%

The Company has contributed ₹ 17.35 million to provident fund (Previous Year: ₹ 17.35 million) for the year.

C. Other long term benefits (compensated absences)

(₹ in million)

Particulars	As at 31 March 2019	As at 31 March 2018
Present value of obligation at the end of the year	36.04	39.14

Notes to the financial statements for the year ended 31 March 2019

31. Fair value measurement

(₹ in million)

	Note	Level of hierarchy	31 March 2019			31 March 2018		
			FVPL	FVOCI	Amortized Cost	FVPL	FVOCI	Amortized Cost
Financial assets								
Investments in quoted equity instruments	(d)	1	-	0.37	-	-	0.36	-
Trade receivables	(a)		-	-	998.21	-	-	987.71
Loans	(a, b)		-	-	8.44	-	-	2.95
Cash and cash equivalents	(a)		-	-	15.58	-	-	61.26
Other bank balances	(a)		-	-	2.09	-	-	2.09
Other financial assets	(a, b)		-	-	12.43	-	-	93.99
Total financial assets			**-**	**0.37**	**1036.75**	**-**	**0.36**	**1148.00**
Financial liabilities								
Non-current borrowings (including other current maturities)	(c)	3	-	-	2081.69	-	-	2288.31
Current borrowings	(a)		-	-	387.53	-	-	753.67
Trade payables	(a)		-	-	824.36	-	-	681.26
Other financial liabilities	(a)		-	-	288.38	-	-	262.50
Total financial liabilities			**-**	**-**	**3581.96**	**-**	**-**	**3985.74**

Note:

(a) 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.

(b) Fair value of non-current financial assets and liabilities has not been disclosed as there is no significant differences between carrying value and fair value.

Notes to the financial statements for the year ended 31 March 2019

(c) Fair value of non-current borrowings as below:

(₹ in million)

		Level	Fair value	
			31 March 2019	31 March 2018
Liability component of compound financial instruments		3	475.59	418.39
Borrowings (including other current maturities)*		3	1632.95	1907.06
			2108.54	**2325.45**

* The fair value of other borrowings is based upon a discounted cash flow analysis that used the aggregate cash flows from principal and finance costs over the life of the debt and current market interest rates.

(d) The fair value is determined by using the valuation model/technique with observable/non-observable inputs and assumptions.

There are no transfers between Level 1, Level 2 and Level 3 during the years ended 31 March 2019 and 31 March 2018.

Reconciliation of Level 1 fair value measurement:

(₹ in million)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Opening balance	0.36	0.28
Additional investments	-	-
Gain recognized in other comprehensive income	0.01	0.08
Sale of investments	-	-
Closing balance	**0.37**	**0.36**

Notes to the financial statements for the year ended 31 March 2019

32. Financial risk management

Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company, through three layers of defense namely policies and procedures, review mechanism and assurance aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations. The Audit committee of the Board with top management oversee the formulation and implementation of the risk management policies. The risk are identified at business unit level and mitigation plan are identified, deliberated and reviewed at appropriate forums.

The Company has exposure to the following risks arising from financial instruments:

- credit risk [see(i)];
- liquidity risk [see(ii)]; and
- market risk [see(iii)].

i. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counter-party to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, loans and investments.

The carrying amount of financial assets represents the maximum credit exposure.

Trade receivables and other financial assets

The Company has established a credit policy under which new customer is analyzed individually for credit worthiness before the payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, financial statements, credit agency information, industry information and business intelligence. Sale limits are established for each customer and reviewed annually. Any sales exceeding those limits require approval from the appropriate authority as per policy.

In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or a legal entity, whether they are institutional, dealers or end-user customer, their geographic location, industry, trade history with the Company and existence of previous financial difficulties.

Expected credit loss for trade receivables:

Based on internal assessment which is driven by the historical experience/ current facts available in relation to default and delays in collection thereof, the credit risk for trade receivables is considered low. The Company estimates its allowance for trade receivable using lifetime expected credit loss. The balance past due for more than 6 months (net of expected credit loss allowance) is ₹ 68.76 million (Previous Year: ₹ 95.08 million).

Movement in the Provision/Allowance for doubtful debts is as follows:

(₹ in million)

	31 March 2019	31 March 2018
Balance at the beginning of the year	7.69	11.32
Add: Provided during the year (net of reversal)	21.95	6.43
Less Amount written off/adjusted	1.47	10.06
Balance at the end of the year	28.17	7.69

Expected credit loss on financial assets other than trade receivables:

With regard to all financial assets with contractual cash flows, other than trade receivables, management believes these to be high quality assets with negligible credit risk. The management believes that the parties from which these financial assets are recoverable, have strong capacity to meet the obligations and where the risk of default is negligible and accordingly no provision for excepted loss has been provided on these financial assets. Break up of financial assets other than trade receivables have been disclosed on Balance Sheet.

Notes to the financial statements for the year ended 31 March 2019

ii. Liquidity risk

Liquidity risk is the risk that 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 managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company's treasury department is responsible for managing the short-term and long-term liquidity requirements. Short term liquidity situation is reviewed daily by the Treasury. Longer term liquidity position is reviewed on a regular basis by the Company's Board of Directors and appropriate decisions are taken according to the situation.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements.

(₹ in million)

As at 31 March 2019		Contractual cash flows		
	Carrying amount	Total	Within 1 year	More than 1 year
Non-derivative financial liabilities				
Borrowings (1)	2469.22	2496.07	653.32	1842.75
Trade payables	824.36	824.36	824.36	-
Other financial liabilities	288.38	288.38	288.38	-

(₹ in million)

As at 31 March 2018		Contractual cash flows		
	Carrying amount	Total	Within 1 year	More than 1 year
Non-derivative financial liabilities				
Borrowings (1)	3041.98	3079.12	964.54	2114.58
Trade payables	681.26	681.26	681.26	-
Other financial liabilities	262.50	262.50	262.50	-

(1) Carrying amount presented as net of unamortized transaction cost.

iii. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Currency risk

Foreign currency is the risk that the fair value of future cash flows of an exposure will flucate because of changes in foreign exchange rates. The Company has obtained foreign currency borrowing and has foreign currency trade payable and trade receivable and is therefore, exposed to foreign currency risk.

Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk as reported to the management of the Company is as follows:

(₹ in million)

	31 March 2019		31 March 2018	
	USD	EUR	USD	EUR
Trade receivable	183.49	41.70	156.34	48.59
Trade payables	(230.69)	(0.34)	(170.50)	(8.75)
Borrowings	(129.76)	-	(244.41)	-
Net exposure	**(176.96)**	**41.36**	**(258.57)**	**39.84**

Notes to the financial statements for the year ended 31 March 2019

Sensitivity analysis

A reasonable possible strengthening/ weakening of the EUR, USD currencies at year end would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

(₹ in million)

	Profit or loss (before tax)	
	Strengthening	**Weakening**
31 March 2019		
USD (1% movement)	(1.77)	1.77
EUR (1% movement)	0.41	(0.41)
31 March 2018		
USD (1% movement)	(2.59)	2.59
EUR (1% movement)	0.04	(0.04)

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings of the Company are principally denominated in INR and USD with a mix of fixed and floating rates of interest. The Company has exposure to interest rate risk, arising principally on changes in base lending rate and LIBOR rates. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings.

Exposure to interest rate risk

The interest rate profile of the Company's interest bearing financial instruments as reported to the management of the Company is as follows:

The following table provides a break-up of the Company's fixed and floating rate borrowings:

(₹ in million)

	As at 31 March 2019	As at 31 March 2018
Fixed-rate borrowings	208.20	320.00
Floating rate borrowings	2287.87	2759.12
Total borrowings (gross of transaction costs)	**2496.07**	**3079.12**

The sensitivity analysis below have been determined based on the exposure to interest rates for floating rate liabilities assuming the amount of the liability outstanding at the year-end was outstanding for the whole year.

If interest rates had been 25 basis points higher/ lower and all other variables were held constant, the Company's profit for the year ended 31 March 2019 would decrease / increase by ₹ 5.72 million (Previous Year: ₹ 6.90 million). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

33. 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:

(₹ in million)

Particulars	As at 31 March 2019	As at 31 March 2018
Net debt (Net off cash & cash equivalents and other bank balances)	2451.55	2978.63
Total equity	(623.68)	(772.60)
Net debt to equity ratio	*	*

* As the total equity is negative, hence, ratio not calculated

Notes to the financial statements for the year ended 31 March 2019

34. Segment information

Business Segment

The CEO and Whole-time Director of the Company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108 "Operating Segments". Operating Segments have been defined and presented based on the regular review by the CODM to assess the performance of each segment and to make decision about allocation of resources. Accordingly, the Company has determined reportable segments by the nature of its products and services, which are as follows:

a. **Performance Polymers:** Adhesives & Wood Finishes, Food Polymer (Solid PVA) and Latex
b. **Agri Products:** Single Super Phosphate, Sulphuric Acid and Agro Chemicals for Crop Products

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

No operating segments have been aggregated to from the above reportable operating segments.

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and not allocable to segments on reasonable basis have been included under 'unallocable revenue/ expenses/ assets/ liabilities'.

Finance costs and fair value gains and losses on financial assets are not allocated to individual segments as the underlying instruments are managed on a Company basis.

Borrowings, current taxes, deferred taxes and certain financial assets and liabilities are not allocated to those segments as they are also managed on a Company basis.

(₹ in million)

	For the year ended 31 March 2019			For the year ended 31 March 2018		
	Total segment revenue	Inter-segment revenue	Revenue from external customers	Total segment revenue	Inter-segment revenue	Revenue from external customers
REVENUE						
Performance Polymers	3609.67	-	3609.67	3145.20	-	3145.20
Agri Products	1873.43	-	1873.43	1410.52	-	1410.52
Total segment revenue	**5483.10**	-	**5483.10**	**4555.72**	-	**4555.72**

(₹ in million)

	For the year ended 31 March 2019	For the year ended 31 March 2018
RESULT		
Performance Polymers	126.13	140.62
Agri Products	306.44	183.81
Total Segment	**432.57**	**324.43**
Un-allocated corporate expenses (net of un-allocable income)	138.32	100.95
Finance costs	307.26	313.79
Profit/(Loss) before tax	**(13.01)**	**(90.31)**
Tax expense	30.05	(18.23)
Profit/(Loss) for the year	**(43.06)**	**(72.08)**

Notes to the financial statements for the year ended 31 March 2019

(₹ in million)

	Segment Assets		Segment Liabilities	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Performance Polymers	1756.23	1875.08	861.33	779.67
Agri Products	1190.15	1178.06	379.49	284.42
Segment Total	**2946.38**	**3053.14**	**1240.82**	**1064.09**
Un-allocated corporate assets/ liabilities	108.73	222.77	88.38	92.78
Total	**3055.11**	**3275.91**	**1329.20**	**1156.87**
Deferred tax asset/ liabilities	119.63	150.34	-	-
Borrowings (including other current maturities	-	-	2469.22	3041.98
Total assets/ liabilities	**3174.74**	**3426.25**	**3798.42**	**4198.85**

Other information

(₹ in million)

	Capital Expenditure		Depreciation/ amortization	
	For the year ended 31 March 2019	For the year ended 31 March 2018	For the year ended 31 March 2019	For the year ended 31 March 2018
Performance Polymers	31.02	48.67	41.96	38.88
Agri Products	27.74	2.78	40.77	43.07
Un-allocated	11.97	2.14	6.90	7.71
Total	**70.73**	**53.59**	**89.63**	**89.66**

Notes to the financial statements for the year ended 31 March 2019

35. Related party disclosures

1. **Holding company and Fellow subsidiary company**

   Holding Company: Jubilant Industries Limited

   Fellow Subsidiary Company: Jubilant Industries Inc. USA

2. **Key management personnel (KMP) and other related entities**

   Mr. Manu Ahuja (CEO and Whole- time Director) (w.e.f. 10 May 2018), Mr. Videh Jaipuriar (Whole-time Director) (Up to 11 December 2017, Mr. Sandeep Kumar Shaw (Chief Financial Officer) (Up to 28 April 2017), Mr. Umesh Sharma*, Mr. Priyavrat Bhartia (Director), Mr. Shamit Bhartia (Director), Mr. Ghanshyam Dass (Director) (up to 26 February 2018), Mr. Ramanathan Bupathy (Director), Mr. Sushil Kumar Roongta (Director), Ms. Shivpriya Nanda (Director) and Mr. Radhey Shyam Sharma (Director) (w.e.f. 25 October 2018).

   *He was appointed as Chief Financial Officer (CFO) effective from 24 May 2017 and subsequently resigned from the position of CFO w.e.f. 15 December 2017 and appointed as Whole-time Director (WTD) effective from 15 December 2017. Further, he resigned from the position of WTD w.e.f. 10 May 2018 and again appointed as CFO effective from 10 May 2018.

   Jubilant Life Sciences Limited, Jubilant Life Sciences (USA) Inc. USA, Jubilant Generics Limited, Jubilant Enpro (P) Limited, Jubilant Motor Works (P) Limited, JOGPL (P) Limited (formerly, known as Jubilant Oil and Gas (P) Limited), Jubilant Consumer (P) Limited.

3. **Others:**

   Pace Marketing Specialties Limited Officer's Superannuation Scheme (Trust), VAM Employees Provident Fund Trust, Jubilant Bhartia Foundation.

4. **Details of related party transactions:**

31 March 2019 (₹ in million)

Sr. No.	Particulars	Holding company	Fellow subsidiary company	Enterprises in which certain key management personnel are interested	Key management personnel	Others	Total
1	**Sale of goods, utilities and services:**						
	Jubilant Life Sciences Limited	-	-	165.84	-	-	165.84
	Jubilant Industries Inc. USA	-	402.73	-	-	-	402.73
	JOGPL (P) Limited	-	-	0.30	-	-	0.30
	Jubilant Generics Limited	-	-	0.34	-	-	0.34
		-	**402.73**	**166.48**	**-**	**-**	**569.21**
2	**Purchase of goods, utilities and services:**						
	Jubilant Life Sciences Limited	-	-	181.58	-	-	181.58
	Jubilant Generics Limited	-	-	4.93	-	-	4.93
		-	**-**	**186.51**	**-**	**-**	**186.51**
3	**Rent expenses:**						
	Jubilant Life Sciences Limited	-	-	30.15	-	-	30.15
	Jubilant Enpro (P) Limited	-	-	0.86	-	-	0.86
		-	**-**	**31.01**	**-**	**-**	**31.01**
4	**Interest expenses on inter-corporate loan:**						
	Jubilant Enpro (P) Limited	-	-	8.63	-	-	8.63
	Jubilant Consumer (P) Limited	-	-	0.59	-	-	0.59
		-	**-**	**9.22**	**-**	**-**	**9.22**
5	**Remuneration (including perquisites):**						
	Manu Ahuja (Whole-time Director)	-	-	-	40.75	-	40.75
	Umesh Sharma (Chief Financial Officer)	-	-	-	9.52	-	9.52
	Umesh Sharma (Whole-time Director)	-	-	-	1.06	-	1.06
		-	**-**	**-**	**51.33**	**-**	**51.33**
6	**Sitting fees:**						
	R. Bupathy (Director)	-	-	-	0.50	-	0.50
	S.K. Roongta (Director)	-	-	-	0.48	-	0.48
	Shivpriya Nanda (Director)	-	-	-	0.30	-	0.30
	Radhey Shyam Sharma (Director)	-	-	-	0.15	-	0.15
		-	**-**	**-**	**1.43**	**-**	**1.43**
7	**Interest income on inter-corporate loan:**						
	Jubilant Industries Limited	0.03	-	-	-	-	0.03
		0.03	**-**	**-**	**-**	**-**	**0.03**

Notes to the financial statements for the year ended 31 March 2019

31 March 2019 (₹ in million)

Sr. No.	Particulars	Holding company	Fellow subsidiary company	Enterprises in which certain key management personnel are interested	Key management personnel	Others	Total
8	**Contribution towards provident fund:**						
	VAM Employees Provident Fund Trust	-	-	-	-	46.04	46.04
		-	**-**	**-**	**-**	**46.04**	**46.04**
9	**Contribution towards superannuation fund:**						
	Pace Marketing Specialties Limited Officer's Superannuation Scheme Trust	-	-	-	-	1.54	1.54
		-	**-**	**-**	**-**	**1.54**	**1.54**
10	**Interest converted in to loan taken:**						
	Jubilant Enpro (P) Limited	-	-	18.20	-	-	18.20
	Jubilant Consumer (P) Limited	-	-	0.22	-	-	0.22
		-	**-**	**18.42**	**-**	**-**	**18.42**
11	**Repayment of interest converted in to loan taken:**						
	Jubilant Consumer (P) Limited	-	-	0.22	-	-	0.22
		-	**-**	**0.22**	**-**	**-**	**0.22**
12	**Repayment of inter-corporate loan taken:**						
	Jubilant Enpro (P) Limited	-	-	80.00	-	-	80.00
	Jubilant Consumer (P) Limited	-	-	200.00	-	-	200.00
		-	**-**	**280.00**	**-**	**-**	**280.00**
13	**Inter-corporate loan taken:**						
	Jubilant Enpro (P) Limited	-	-	150.00	-	-	150.00
		-	**-**	**150.00**	**-**	**-**	**150.00**
14	**Inter-corporate loan given:**						
	Jubilant Industries Limited	6.50	-	-	-	-	6.50
		6.50	**-**	**-**	**-**	**-**	**6.50**
15	**Trade payables:**						
	Jubilant Life Sciences Limited	-	-	94.85	-	-	94.85
		-	**-**	**94.85**	**-**	**-**	**94.85**
16	**Loan payable:**						
	Jubilant Enpro (P) Limited	-	-	208.20	-	-	208.20
		-	**-**	**208.20**	**-**	**-**	**208.20**
17	**Other payables:**						
	Jubilant Life Sciences Limited	-	-	26.14	-	-	26.14
		-	**-**	**26.14**	**-**	**-**	**26.14**
18	**Trade receivables:**						
	Jubilant Life Sciences Limited	-	-	12.29	-	-	12.29
	Jubilant Industries Inc. USA	-	73.22	-	-	-	73.22
		-	**73.22**	**12.29**	**-**	**-**	**85.51**
19	**Other receivables:**						
	Jubilant Industries Limited	0.06	-	-	-	-	0.06
		0.06	**-**	**-**	**-**	**-**	**0.06**
20	**Inter corporate loan receivable:**						
	Jubilant Industries Limited	6.50	-	-	-	-	6.50
		6.50	**-**	**-**	**-**	**-**	**6.50**
21	**Interest receivable:**						
	Jubilant Industries Limited	0.03	-	-	-	-	0.03
		0.03	**-**	**-**	**-**	**-**	**0.03**
22	**Equity share capital held by:**						
	Jubilant Industries Limited	14.39	-	-	-	-	14.39
		14.39	**-**	**-**	**-**	**-**	**14.39**

Notes to the financial statements for the year ended 31 March 2019

31 March 2019 (₹ in million)

Sr. No.	Particulars	Holding company	Fellow subsidiary company	Enterprises in which certain key management personnel are interested	Key management personnel	Others	Total
23	**10% Optionally convertible non-cumulative redeemable preference share held by:**						
	Jubilant Industries Limited (Equity and financial liability portion)	1293.98	-	-	-	-	1293.98
		1293.98	-	-	-	-	**1293.98**
24	**10% Non-cumulative redeemable preference share held by:**						
	Jubilant Industries Limited (Equity and financial liability portion)	764.34	-	-	-	-	764.34
		764.34	-	-	-	-	**764.34**
25	**Financial guarantee received from and outstanding at the end of the year:**						
	Jubilant Industries Limited	2321.56	-	-	-	-	2321.56
		2321.56	-	-	-	-	**2321.56**

31 March 2018 (₹ in million)

Sr. No.	Particulars	Holding company	Fellow subsidiary company	Enterprises in which certain key management personnel are interested	Key management personnel	Others	Total
1	**Sale of goods, utilities and services:**						
	Jubilant Life Sciences Limited	-	-	143.55	-	-	143.55
	Jubilant Industries Inc. USA	-	168.45	-	-	-	168.45
	JOGPL (P) Limited	-	-	0.33	-	-	0.33
		-	**168.45**	**143.88**	-	-	**312.33**
2	**Purchase of goods, utilities and services:**						
	Jubilant Life Sciences Limited	-	-	172.10	-	-	172.10
	Jubilant Generics Limited	-	-	4.56	-	-	4.56
		-	-	**176.66**	-	-	**176.66**
3	**Rent expenses:**						
	Jubilant Life Sciences Limited	-	-	30.96	-	-	30.96
		-	-	**30.96**	-	-	**30.96**
4	**Interest expenses on inter-corporate loan:**						
	Jubilant Enpro (P) Limited	-	-	18.29	-	-	18.29
	Jubilant Motor Works (P) Limited	-	-	8.66	-	-	8.66
	Jubilant Consumer (P) Limited	-	-	0.24	-	-	0.24
		-	-	**27.19**	-	-	**27.19**
5	**Remuneration (including perquisites):**						
	Videh Kumar Jaipuriar (Whole Time Director)	-	-	-	25.48	-	25.48
	Sandeep Kumar Shaw (Chief Financial Officer)	-	-	-	3.44	-	3.44
	Umesh Sharma (Chief Financial Officer)	-	-	-	4.33	-	4.33
	Umesh Sharma (Whole-time Director)	-	-	-	2.38	-	2.38
		-	-	-	**35.63**	-	**35.63**
6	**Sitting fees:**						
	Ghanshyam Dass (Director)	-	-	-	0.10		0.10
	R. Bupathy (Director)	-	-	-	0.51		0.51
	S.K. Roongta (Director)	-	-	-	0.48		0.48
	Shivpriya Nanda (Director)	-	-	-	0.25		0.25
		-	-	-	**1.34**	-	**1.34**
7	**Recovery of expenses:**						
	Jubilant Industries Limited	5.47	-	-	-	-	5.47
		5.47	-	-	-	-	**5.47**

Notes to the financial statements for the year ended 31 March 2019

31 March 2018 (₹ in million)

Sr. No.	Particulars	Holding company	Fellow subsidiary company	Enterprises in which certain key management personnel are interested	Key management personnel	Others	Total
8	**Reimbursement of expenses:**						
	Jubilant Life Sciences Limited	-	-	0.50	-	-	0.50
		-	**-**	**0.50**	**-**	**-**	**0.50**
9	**Contribution towards provident fund:**						
	VAM Employees Provident Fund Trust	-	-	-	-	46.03	46.03
		-	**-**	**-**	**-**	**46.03**	**46.03**
10	**Contribution towards superannuation fund:**						
	Pace Marketing Specialties Limited Officer's Superannuation Scheme Trust	-	-	-	-	1.79	1.79
		-	**-**	**-**	**-**	**1.79**	**1.79**
11	**Interest converted in to loan taken:**						
	Jubilant Enpro (P) Limited	-	-	30.33	-	-	30.33
	Jubilant Motor Works (P) Limited	-	-	25.50	-	-	25.50
		-	**-**	**55.83**	**-**	**-**	**55.83**
12	**Repayment of interest converted in to loan taken:**						
	Jubilant Enpro (P) Limited	-	-	30.33	-	-	30.33
	Jubilant Motor Works (P) Limited	-	-	25.50	-	-	25.50
		-	**-**	**55.83**	**-**	**-**	**55.83**
13	**Repayment of inter-corporate loan taken:**						
	Jubilant Enpro (P) Limited	-	-	120.00	-	-	120.00
	Jubilant Motor Works (P) Limited	-	-	315.00	-	-	315.00
		-	**-**	**435.00**	**-**	**-**	**435.00**
14	**Inter-corporate loan taken:**						
	Jubilant Consumer (P) Limited	-	-	200.00	-	-	200.00
		-	**-**	**200.00**	**-**	**-**	**200.00**
15	**Trade payables:**						
	Jubilant Life Sciences Limited	-	-	71.67	-	-	71.67
	Jubilant Life Sciences (USA) Inc. USA	-	-	0.59	-	-	0.59
		-	**-**	**72.26**	**-**	**-**	**72.26**
16	**Loan payable:**						
	Jubilant Enpro (P) Limited	-	-	120.00	-	-	120.00
	Jubilant Consumer (P) Limited	-	-	200.00	-	-	200.00
		-	**-**	**320.00**	**-**	**-**	**320.00**
17	**Interest payable on loan:**						
	Jubilant Enpro (P) Limited	-	-	18.20	-	-	18.20
	Jubilant Consumer (P) Limited	-	-	0.22	-	-	0.22
		-	**-**	**18.42**	**-**	**-**	**18.42**
18	**Other payables:**						
	Jubilant Life Sciences Limited	-	-	8.01	-	-	8.01
	Jubilant Generices Limited	-	-	1.05	-	-	1.05
		-	**-**	**9.06**	**-**	**-**	**9.06**
19	**Trade receivables:**						
	Jubilant Life Sciences Limited	-	-	22.62	-	-	22.62
	Jubilant Industries Inc. USA	-	88.36	-	-	-	88.36
		-	**88.36**	**22.62**	**-**	**-**	**110.98**
20	**Other receivables:**						
	Jubilant Industries Limited	86.13	-	-	-	-	86.13
		86.13	**-**	**-**	**-**	**-**	**86.13**
21	**Equity share capital held by:**						
	Jubilant Industries Limited	0.50	-	-	-	-	0.50
		0.50	**-**	**-**	**-**	**-**	**0.50**

Notes to the financial statements for the year ended 31 March 2019

31 March 2018 (₹ in million)

Sr. No.	Particulars	Holding company	Fellow subsidiary company	Enterprises in which certain key management personnel are interested	Key management personnel	Others	Total
22	**10% Optionally convertible non-cumulative redeemable preference share held by:**						
	Jubilant Industries Limited (Equity and financial liability portion)	1257.60	-	-	-	-	1257.60
		1257.60	-	-	-	-	**1257.60**
23	**10% Non-cumulative redeemable preference share held by:**						
	Jubilant Industries Limited (Equity and financial liability portion)	743.52	-	-	-	-	743.52
		743.52	-	-	-	-	**743.52**
24	**Financial guarantee received from and outstanding at the end of the year:**						
	Jubilant Industries Limited	2574.76	-	-	-	-	2574.76
		2574.76	-	-	-	-	**2574.76**

Notes to the financial statements for the year ended 31 March 2019

36. Contingent Liabilities & Commitments (to the extent not provided for)

A) Guarantees:

Outstanding guarantees furnished by banks on behalf of the Company/by the Company including in respect of letters of credit is ₹ 569.62 million (Previous Year: ₹ 498.73 million).

B) 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:

i)

(₹ in million)

	As at 31 March 2019	As at 31 March 2018
Central excise	8.80	24.37
Customs	12.55	10.49
Sales tax	9.67	639.19
GST	0.55	0.51
Others	60.52	60.52

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

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

iii) A civil suit (OS No. 5549/2013) has been filed by Kids Kemp (the lessor) against Food Express Stores and the Company, and the same is pending before the City Civil Court Bangalore. Part of the claims were settled by means of a compromise petition between the parties and the remaining claims amounting to ₹ 23.10 million (Previous Year: ₹ 23.10 million) relate to claims for past periods. The company has filed detailed statement of objections and is strongly contesting the claims on a number of grounds, including that a significant part of the claims is barred by the law of limitation. The Company is reasonably confident that its position will be upheld by the court. Hence, no liability is acknowledged. This relates to the Retail business which has been sold out.

iv) Another suit (OS No. 5561/2014) is pending before the City Civil Court, Bangalore and has been filed against the company by Shivashakti Builders (the lessor) amounting to ₹ 218.86 million (Previous Year: ₹ 218.86 million). The matter relates to damages allegedly suffered by the plaintiff due to the termination of a lease arrangement by the Company. The Company has filed detailed objections to the plaint and has explained the reasons as to why it terminated the lease arrangement. The matter is pending in trial and the company is reasonably confident of its chances of success in this matter. This relates to Retail business which has been sold out.

37. Commitments as at year end

a) Capital Commitments:

Estimated amount of contracts remaining to be executed on capital account (net of advances) ₹ 56.19 million (Previous Year: ₹ 12.64 million) [Advances ₹ 2.14 million (Previous Year: ₹ 3.39 million)].

b) Leases

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

ii) The Company has operating lease arrangements in respect of vehicles which are cancellable, range between 2 years and 5 years. The aggregate lease rentals payable are charged as expenses. Rental expenses recognized under such leases amounting to ₹ 1.78 million (Previous Year: ₹ 2.19 million) has been included under vehicle running and maintenance expense in note 27.

iii) Assets acquired under finance lease:

Future minimum lease payments and their present values under finance leases in respect of vehicles are as follows:

(₹ in million)

Particulars	Minimum lease payments		Present value of minimum lease payments		Future interest	
	As at 31 March 19	As at 31 March 18	As at 31 March 19	As at 31 March 18	As at 31 March 19	As at 31 March 18
Not later than one year	0.87	2.61	0.79	2.12	0.08	0.49
Later than one year but not later than five years	0.23	2.93	0.22	2.44	0.01	0.49
Later than five years	-	-	-	-	-	-

There is no element of contingent rent or sub lease payments. The 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.

c) Other commitments

Export obligation under Advance License Scheme on duty free import of raw materials, remaining outstanding ₹ 79.82 million (Previous Year: ₹ 22.08 million)

38. The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under sections 92-92F of the Income-tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company is in the process of updating the documentation for the specified domestic transactions entered into with the specified persons and the international transactions entered into with the associated enterprises during the financial year and expects such records to be in existence before the due date of filing of income tax return. The management is of the opinion that its specified domestic transactions and international transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

Jubilant Agri And Consumer Products Limited

Notes to the financial statements for the year ended 31 March 2019

39. Earnings per share (EPS)

			For the year ended 31 March 2019	For the year ended 31 March 2018
I	**Profit computation for basic & diluted earnings per share of ₹ 10/- each**			
	Net (loss) as per Statement of Profit & Loss available for equity shareholders	₹ in million	(43.06)	(72.08)
II	**Weighted average number of equity shares for earnings per share computation**			
	(A) For basic earnings per share*	Nos	423,054	50,000
	(B) For diluted earnings per share*	Nos	423,054	50,000
III	**Earnings per share (weighted average)**			
	Basic	₹	(101.79)	(1441.64)
	Diluted	₹	(101.79)	(1441.64)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Number of Shares at the beginning of the year	50,000	50,000
Add: 1,389,435 equity shares issued on 24 December 2018 (1,389,435/365*98) [Previous Year: Nil]	373,054	-
Weighted average number of equity shares	**423,054**	**50,000**

The accompanying notes "1" to "39" form an integral part of the financial statements.

In terms of our report of even date attached.

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

For and on behalf of the Board

Sd/-

Priyavrat Bhartia
Director
DIN: 00020603

Sd/-

Sd/-

Umesh Sharma
Chief Financial Officer

Manu Ahuja
CEO & Whole-time Director
DIN: 05123127

Place: Noida
Date: 16th May 2019