August 29, 2023

**BSE Limited**
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400001
**Scrip Code: 533320**

**National Stock Exchange of India Limited**
Exchange Plaza,
Bandra Kurla Complex,
Bandra (E), Mumbai – 400051
**Symbol: JUBLINDS**

**Sub: Notice convening the 17th Annual General Meeting ("AGM Notice") and Annual Report for the FY 2022-23 of Jubilant Industries Limited**

Dear Sirs,

Pursuant to the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform the following:

1. The Seventeenth Annual General Meeting ('AGM') of the Members of Jubilant Industries Limited will be held on Thursday, September 21, 2023 at 03:00 P.M. through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM') in accordance with the circular dated May 5, 2020 read with circulars dated April 8, 2020, April 13, 2020 and January 13, 2021, December 14, 2021, May 5, 2022 and December 28, 2022 issued by the Ministry of Corporate Affairs and circular dated May 12, 2020 read with circulars dated January 15, 2021, May 13, 2022 and January 5, 2023 issued by the Securities and Exchange Board of India.

2. In accordance with the aforementioned Circulars, the AGM Notice and Annual Report for the Financial Year 2022-23 have been dispatched to all the members whose email addresses are registered with the Company, Registrar and Transfer Agent, or Depository Participant(s).

3. The Company has provided its members with the facility to cast their votes through electronic means (both remote e-voting and e-voting at the AGM) for all the business items mentioned in the AGM Notice. The members who hold shares as of the Cut-off date, i.e., Thursday, September 14, 2023, shall be entitled to vote/attend the meeting. The remote evoting will commence at 9:00 A.M. (IST) on Monday, September 18, 2023, and will conclude at 5:00 P.M. (IST) on Wednesday, September 20, 2023. Detailed instructions for email address registration and voting/attendance at the AGM have been provided in the AGM Notice.

4. We also enclose the following documents for your record:

   a) Notice convening the 17th AGM of the Company to transact the business mentioned therein; and

   b) Annual Report of the Company for the Financial Year 2022-23.


**Jubilant Industries Limited**
Plot No. 15, Knowledge Park II,
Greater Noida, Distt. Gautam
Budh Nagar - 201 306, UP, India
Tel: +91 120 7186000
Fax: +91 120 7186140
www.jubilantindustries.com

Regd Office:
Bhartiagram, Gajraula
Distt. Amroha-244 223
UP, India
CIN: L24100UP2007PLC032909

*investorsjil@jubl.com*

This is for your information and record.

Thanking you,

Yours faithfully,
For **Jubilant Industries Limited**

BRIJESH KUMAR Digitally signed by BRIJESH KUMAR Date: 2023.08.29 19:31:37 +05'30'

**Brijesh Kumar**
**Company Secretary & Compliance Officer**

***Encl.: a/a***

**JUBILANT INDUSTRIES LIMITED**
**(CIN: L24100UP2007PLC032909)**
Registered Office: Bhartiagram, Gajraula,
District Amroha - 244 223,
Uttar Pradesh, India
E-mail: investorsjil@jubl.com
Website: www.jubilantindustries.com
Phone: +91-5924-267437

# NOTICE

NOTICE is hereby given that the Seventeenth Annual General Meeting of Members of Jubilant Industries Limited will be held on Thursday, September 21, 2023 at 3:00 PM (IST) through Video Conferencing ('VC')/Other Audio Visual Means ('OAVM') to transact the following business:

## ORDINARY BUSINESS

**1.** To consider and adopt:

a) the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2023, the Reports of the Board of Directors and Auditors thereon; and

b) the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2023 and Report of the Auditors thereon.

**2.** To appoint a Director in place of Mr. Shamit Bhartia (DIN: 00020623), who retires by rotation and being eligible offers himself for re-appointment.

## SPECIAL BUSINESS

**3. Modification to the JIL Employees Stock Option Scheme 2013:**

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

"**RESOLVED THAT** in partial modification of the special resolutions passed by the members of the Company; (i) through postal ballot results of which were declared on March 01, 2013; (ii) in the Annual General Meeting held on September 24, 2021; and (iii) through postal ballot on December 26, 2021 and pursuant to the applicable provisions of the Companies Act, 2013 read with the rules framed thereunder, SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("**SEBI ESOP Regulations**"), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, other relevant circulars and guidelines issued by the Securities and Exchange Board of India ("**SEBI**"), the Foreign Exchange Management Act, 1999, the Articles of Association of the Company and other applicable regulations, rules and circulars/ guidelines in force and directions issued by any authority, from time to time (including any statutory modification or re-enactment thereof for the time being in force) and such other approvals, permissions and sanctions as may be required and such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions and subject to acceptance of such condition(s) or modification(s) by the Board of Directors of the Company (hereinafter referred to as the 'Board', which term shall include the Nomination, Remuneration and Compensation Committee constituted by the Board or any other committee which the Board may constitute to act as the 'Compensation Committee' under the SEBI ESOP Regulations or their delegated authorized person(s) and to exercise its powers, including the powers conferred by this resolution), consent of the members be and is hereby accorded for amending the existing clause 7.3 of the JIL Employees Stock Option Scheme 2013, (hereinafter referred to as the "Scheme 2013") by enhancing the per participant limit of maximum number of Options and consequent shares to be issued and/or transferred upon exercise of such Options from 1,50,000 (One Lakh Fifty Thousand Only) to 3,00,000 (Three Lakh only), in aggregate, subject to applicable laws and other terms and conditions of the scheme.

**RESOLVED FURTHER THAT** such equity shares as are issued by the Company in the manner aforesaid shall rank pari-passu in all respects with the then existing fully paid-up equity shares of the Company.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to take necessary steps for listing of the equity shares allotted under the Scheme 2013 on the stock exchanges, where the equity shares of the Company are listed as per the provisions of the listing regulations with the concerned stock exchanges and other applicable guidelines, rules and regulations.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to bring into effect the Scheme 2013 as per the terms approved in this resolution and at any time to modify, change, vary, alter, amend, suspend or terminate the Scheme 2013 subject to compliance with the applicable laws and regulations and to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit, for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard without being required to seek any further consent or approval of the members of the Company and further to execute all such documents, writings and to give such directions and/or instructions as may be necessary or expedient to give effect to such modification, change, variation, alteration, amendment, suspension or termination of the Scheme 2013 and do all other things incidental to and ancillary thereof.

**RESOLVED FURTHER THAT** Board is hereby authorized to finalise, execute and make the necessary filings, writings and documents with the SEBI and the stock exchanges and other authorities, wherever applicable, in connection with the above amendments and to appoint such advisors and intermediaries, if required, on such terms and conditions including fees, as may be deemed expedient from time to time, to give effect to the above and to take all such steps and do all such acts as may be incidental or ancillary thereto, including delegating the aforesaid power and authority to any other person, in its absolute discretion."

**4. Grant of options to the employees of Holding and/or Subsidiary Company (ies), under the amended JIL Employees Stock Option Scheme 2013:**

To consider, and if thought fit, to pass the following resolution as a **Special Resolution**:

**"RESOLVED THAT** in partial modification of the special resolutions passed by the members of the Company through postal ballot results of which were declared on March 01, 2013 and in the Annual General Meeting held on September 24, 2021 and pursuant to the applicable provisions of the Companies Act, 2013 read with the rules framed thereunder, the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("**SEBI ESOP Regulations**"), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, other relevant circulars and guidelines issued by the Securities and Exchange Board of India ("**SEBI**"), the Foreign Exchange Management Act, 1999, the Articles of Association of the Company and other applicable regulations, rules and circulars/ guidelines in force and directions issued by any statutory authority, from time to time (including any statutory modification or re-enactment thereof for the time being in force) and such other approvals, permissions and sanctions as may be required and such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions and subject to acceptance of such condition(s) or modification(s) by the Board of Directors of the Company (hereinafter referred to as the 'Board', which term shall include the Nomination, Remuneration and Compensation Committee constituted by the Board or any other committee which the Board may constitute to act as the 'Compensation Committee' under the SEBI ESOP Regulations or their delegated authorized person(s) and to exercise its powers, including the powers conferred by this resolution), consent of the members be and is hereby accorded for adoption and implementation of JIL Employees Stock Option Scheme 2013 ('Scheme 2013') for the benefit of employees of the Holding and/or Subsidiary Compan(ies) in terms of Scheme 2013 and for enhancing the per participant limit of maximum number of Options and consequent shares to be issued and/or transferred upon exercise of such Options from 1,50,000 (One Lakh Fifty Thousand Only) to 3,00,000 (Three Lakh only), in aggregate, subject to applicable laws and other terms and conditions of the scheme."

**5. Modification to the JIL Employees Stock Option Scheme 2018:**

To consider, and if thought fit, to pass the following resolution as a **Special Resolution**:

**"RESOLVED THAT** in partial modification of the special resolutions passed by the Members in their Annual General Meeting held on September 26, 2018 and through Postal Ballot on December 26, 2021 and pursuant to the applicable provisions of the Companies Act, 2013 read with the rules framed thereunder, the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("**SEBI ESOP Regulations**"), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, other relevant circulars issued by the Securities and Exchange Board of India ("**SEBI**"), the Foreign Exchange Management Act, 1999, the Articles of Association of the Company and other applicable laws, regulations, rules and circulars / guidelines in force and directions issued by any authority, from time to time (including any statutory modification or re-enactment thereof for the time being in force) and such other approvals, permissions and sanctions as may be required and such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions and subject to acceptance of such condition(s) or modification(s) by the Board of Directors of the Company (hereinafter referred to as the 'Board', which term shall include the Nomination, Remuneration and Compensation Committee constituted by the Board or any other committee which the Board may constitute to act as the 'Compensation Committee' under the SEBI ESOP Regulations or their delegated authorized person(s) and to exercise its powers, including the powers conferred by this resolution), approval of the members of the Company be and is hereby accorded to amend the clause 3.51 of the JIL Employees Stock Option Scheme 2018, as amended ("Scheme 2018") as per the following:

3.51 "**Vesting Schedule**" shall mean the following schedule of Vesting of the Options Granted to the Participant under the Scheme:

**a)** First 20% (twenty percent) of the total Options Granted shall vest on the 1st (first) anniversary of the Grant Date;

**b)** Subsequent 30% (thirty percent) of the total Options Granted shall vest on the 2nd (second) anniversary of the Grant Date; and

**c)** Balance 50% (fifty percent) of the total Options Granted shall vest on the 3rd (third) anniversary of the Grant Date.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to bring into effect the Scheme 2018 as per the amendments approved in this resolution and at any time to modify, change, vary, alter, amend, suspend or terminate the Scheme 2018 subject to compliance with the applicable laws and regulations and to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit, for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard without being required to seek any further consent or approval of the members of the Company and further to execute all such documents, writings and to give such directions and/or instructions as may be necessary or expedient to give effect to such modification, change, variation, alteration, amendment, suspension or termination of the Scheme 2018 and do all other things incidental to and ancillary thereof.

**RESOLVED FURTHER THAT** Board is hereby authorized to finalise, execute and make the necessary filings, writings and documents with the SEBI and the stock exchanges and other authorities, wherever applicable, in connection with the above amendments and to appoint such advisors and intermediaries, if required, on such terms and conditions including fees, as may be deemed expedient from time to time, to give effect to the above and to take all such steps and do all such acts as may be incidental or ancillary thereto, including delegating the aforesaid power and authority to any other person, in its absolute discretion."

6. **Grant of options to the employees of Holding and/or Subsidiary Company (ies), under the amended JIL Employees Stock Option Scheme 2018:**

To consider, and if thought fit, to pass the following resolution as a **Special Resolution**:

**"RESOLVED THAT** in partial modification of the special resolution passed by the Members in their Annual General Meeting held on September 26, 2018 and pursuant to the applicable provisions of the Companies Act, 2013 read with the rules framed thereunder, the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("**SEBI ESOP Regulations**"), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, other relevant circulars and guidelines issued by the Securities and Exchange Board of India ("**SEBI**"), the Foreign Exchange Management Act, 1999, the Articles of Association of the Company and other applicable regulations, rules and circulars/ guidelines in force and directions issued by any statutory authority, from time to time (including any statutory modification or re-enactment thereof for the time being in force) and such other approvals, permissions and sanctions as may be required and such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions and subject to acceptance of such condition(s) or modification(s) by the Board of Directors of the Company (hereinafter referred to as the 'Board', which term shall include the Nomination, Remuneration and Compensation Committee constituted by the Board or any other committee which the Board may constitute to act as the 'Compensation Committee' under the SEBI ESOP Regulations or their delegated authorized person(s) and to exercise its powers, including the powers conferred by this resolution), consent of the members be and is hereby accorded for adoption and implementation of JIL Employees Stock Option Scheme 2018 ('Scheme 2018') for the benefit of employees of the Holding and/or Subsidiary Compan(ies) in terms of Scheme 2018 post amendment of clause 3.51 of the said Scheme, i.e. definition of Vesting Schedule as per the following:

3.51 **"Vesting Schedule"** shall mean the following schedule of Vesting of the Options Granted to the Participant under the Scheme:

a) First 20% (twenty percent) of the total Options Granted shall vest on the 1st (first) anniversary of the Grant Date;

b) Subsequent 30% (thirty percent) of the total Options Granted shall vest on the 2nd (second) anniversary of the Grant Date; and

c) Balance 50% (fifty percent) of the total Options Granted shall vest on the 3rd (third) anniversary of the Grant Date."

7. **Re-appointment of Mr. Radhey Shyam Sharma (DIN: 00013208) as an Independent Director for a second term of 5 (five) consecutive years:**

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act"), the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV of the Act, Regulation 16(1)(b) and other applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (including any statutory modification(s) or re-enactment thereof, for the time being in force) and the Appointment and Remuneration Policy of the Company and based on the recommendation of the Nomination, Remuneration and Compensation Committee of the Company and approval of the Board of Directors, Mr. Radhey Shyam Sharma (DIN: 00013208), who was appointed as an Independent Director of the Company for a term upto October 24, 2023 and is eligible for being re-appointed as an Independent Director, and in respect of whom the Company has received a notice in writing under Section 160 of the Act and who has also submitted a declaration that he meets the criteria for independence as provided under the Act and Listing Regulations, be and is hereby re-appointed as an Independent Director to hold office for a second term of 5 (Five) consecutive years with effect from October 25, 2023 to October 24, 2028 and that approval of members be and is hereby also accorded pursuant to Regulation 17(1A) of Listing Regulations, as amended, for continuation of his appointment as an Independent Director after he attains the age of 75 years during his tenure as Independent Director."

By **Order of the Board of Directors**
Jubilant Industries Limited

Gurugram
August 7, 2023

**Brijesh Kumar**
Company Secretary

**NOTES**:

1. Information pursuant to the provisions of Secretarial Standard-2 and Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as the 'Listing Regulations') for item no. 2 and item no. 7, is attached as **Annexure** to this notice.

   The Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013 (the "Act"), relating to the special business to be transacted at the 17th Annual General Meeting (AGM), is annexed.

2. The Ministry of Corporate Affairs ('MCA') has vide its General Circular Nos. 14/2020, 17/2020, 20/2020, 02/2021, 21/2021, 2/2022 and 10/2022 dated April 8, 2020, April 13, 2020, May 5, 2020, January 13, 2021, December 14, 2021, May 5, 2022 and December 28, 2022, respectively (collectively referred to as 'MCA Circulars') and Securities

and Exchange Board of India ('SEBI') vide its Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79, SEBI/HO/CFD/CMD2/CIR/P/2021/11, SEBI/HO/CFD/CMD2/CIR/P/2022/62 and SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated May 12, 2020, January 15, 2021, May 13, 2022 and January 5, 2023 respectively (collectively referred to as 'SEBI Circulars'), permitted the Listed Companies for holding of its AGM through VC/OAVM, without physical presence of the Members at a common venue. In compliance with the provisions of Companies Act, 2013 ("Act"), Listing Regulations, MCA Circular and SEBI Circular, the 17th AGM of the Company is being held through VC/OAVM. The Registered Office of the Company shall be deemed to be the venue for the AGM.

3. **Since this AGM is being held through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxy by the Members under Section 105 of the Act will not be available for the AGM and hence the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice.**

   However, in pursuance of Section 112 and Section 113 of the Act, Corporate Members are entitled to appoint their authorized representatives to attend the AGM through VC/OAVM on their behalf and to vote through electronic means.

4. Members attending the AGM through VC / OAVM facility shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

5. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.

6. In compliance with the aforesaid MCA Circulars and SEBI Circulars, Notice, inter-alia, explaining the manner of attending AGM through VC/ OAVM and electronic voting (e-voting before the AGM and e-voting at the AGM) along with the Annual Report for the Financial Year 2022-23 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company or Depository Participants or Alankit Assignments Limited, Registrar and Transfer Agents ('RTA') of the Company. Members may note that the Notice and Annual Report 2022-23 will also be available on Company's website www.jubilantindustries.com, websites of the stock exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com, respectively and on the website of National Securities Depository Limited ('NSDL') at www.evoting.nsdl.com.

7. The Notice of AGM and Annual Report will be sent to those Members / beneficial owners whose name will appear in the Register of Members / list of Beneficial Owners received from the Depositories as on Friday, August 25, 2023.

8. **Change of Address or Other Particulars**

   Members are requested to intimate change, if any, in their address (with PIN Code), E-mail ID, nominations, bank details, mandate instructions, National Electronic Clearing Service ('NECS') mandates, etc. under the signature of the registered holder(s) to:

   - The Registrar and Transfer Agent ('RTA') of the Company in respect of shares held in physical form; and
   - The Depository Participants in respect of shares held in electronic form.

9. As mandated by SEBI Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 03, 2021 read with SEBI Circular No. SEBI/HO/MIRSD_RTAMB/P/CIR/2021/687 dated December 14, 2021 and SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023, the Company had requested all Shareholders including joint holders holding shares in physical form in the Company, to furnish their KYC including email id, nomination and other details in the prescribed Forms (ISR-1, ISR-2, ISR-3, SH-13 and SH-14), to the Registrar and Share Transfer Agent (RTA) of the Company. The aforesaid forms are available on the website of the Company at www.jubilantindustries.com. Members, who have not submitted the required details are requested to send these details to RTA, i.e., Alankit Assignment Limited at its Office at 205-208 Anarkali Complex, Jhandewalan Extension, New Delhi-110055, India or email to rta@alankit.com.

   SEBI vide its Circulars dated January 25, 2022 and May 18, 2022, has mandated that while processing service requests the listed companies shall issue securities in dematerialized form only, viz., Issue of duplicate securities certificate; renewal/exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/ folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR-4/ ISR-5, as the case may be. The said forms can be downloaded from Company's website, i.e. www.jubilantindustries.com.

   Pursuant to Section 72 of the Companies Act, 2013, individual Members holding Equity Shares of the Company either singly or jointly may nominate an individual to whom all the rights in the Shares of the Company shall vest in the event of death of the sole/all joint Members. Members holding shares in physical form, may send their nomination in the prescribed Form SH-13, duly filled in, to the Company or its RTA. If a Member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/she may submit the same in Form ISR-3 or Form SH-14 as the case may be.

10. The Company has transferred the unclaimed dividend for financial year 2010-11, to the Investor Education and Protection Fund (IEPF) established by the Central Government and the same can be accessed through the link: https://www.jubilantindustries.com/unclaimed-dividend-and-shares.html. The said details have also been uploaded on the website of the IEPF Authority and the same can be accessed through the link: www.iepf.gov.in.

    In addition to above, pursuant to the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has transferred 62,381 equity shares to the IEPF Authority on October 24, 2018, in respect of which dividend had remained unpaid or unclaimed for seven consecutive years or more as on due date of transfer, i.e., September 24, 2018. Details of shares so far transferred to the IEPF Authority are available on the website of the Company on https://www.jubilantindustries.com/unclaimed-dividend-and-shares.html and on the website of the IEPF Authority on www.iepf.gov.in.

No claims shall lie against the Company for the unpaid/ unclaimed dividends and shares transferred as above. Shareholders may note that shares as well as unpaid/ unclaimed dividends transferred to the IEPF Authority can be claimed back from the IEPF Authority.

The concerned shareholders are advised to visit the weblink of the IEPF Authority (http://www.iepf.gov.in/IEPF/refund.html) or may contact Company's Registrar and Share Transfer Agent, i.e., Alankit Assignments Limited for detailed procedure to lodge the claim with the IEPF Authority. Mr. Brijesh Kumar, Company Secretary of the Company is the Nodal Officer for the purpose of verification of claims and co-ordination with IEPF Authority.

**11.** The Company has a dedicated E-mail address investorsjil@jubl.com for members to mail their queries, if any. We will endeavor to reply to your queries at the earliest.

The Company's website www.jubilantindustries.com has a dedicated section on Investors. It also answers your Frequently Asked Questions (FAQs) on dematerialisation of shares.

**12.** SEBI vide its notifications dated June 8, 2018, November 30, 2018 and January 24, 2022, mandated that securities of listed companies can be transferred only in dematerialized form effective from April 1, 2019. Members are, therefore, requested to dematerialise their shareholding, if not already done, to avoid inconvenience in future.

**13.** Pursuant to Clause 5A of the erstwhile Listing Agreement with the Stock Exchanges, members who had not claimed share certificates had been sent three reminder letters to claim their equity shares. Thereafter, in terms of the Listing Agreement, the equity shares, which remained unclaimed, were transferred during the year 2012-13 to JIL-Unclaimed Suspense Account. As on March 31, 2023, 3,858 Equity Shares pertaining to 119 shareholders are lying in this account. The voting rights on the said shares will remain frozen till the rightful owners of such shares claim the shares. Members may approach the Alankit Assignments Limited, the Registrar and Share Transfer Agent of the Company to get their shares released from this Account.

**14.** All share and dividend related correspondence may be sent to RTA at the following address:

**Alankit Assignments Limited**
(Unit: Jubilant Industries Limited)
205-208 Anarkali Complex, Jhandewalan Extension,
New Delhi-110055, India
Phone: +91-11-2354 1234/ 4254 1234
E-mail: rta@alankit.com

In all correspondence, please quote your DP ID & Client ID or Folio Number.

**15.** All the documents referred to in the Notice shall be available for inspection through electronic mode, basis the request being sent on investorsjil@jubl.com.

**16.** During the AGM, Members may access the scanned copy of Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act and the Register of Contracts and Arrangements in which Directors are interested, maintained under Section 189 of the Act and other relevant documents, upon log-in to NSDL e-voting system at https://www.evoting.nsdl.com.

**17. Procedure for remote e-voting and e-voting at the AGM**

(i) Pursuant to Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time, Regulation 44 of the Listing Regulations and in terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020, the Company is pleased to provide to its Members, the facility to exercise their right to vote on resolutions proposed to be considered at the 17th AGM by electronic means and has engaged the services of NSDL to provide the facility of casting the votes by the Members using an electronic voting system from a place other than venue of the AGM ('remote e-voting') as well as e-voting during the proceedings of the AGM through VC/OAVM ('e-voting at the AGM').

(ii) The remote e-voting period commences on Monday, September 18, 2023 (9:00 AM IST) and ends on Wednesday, September 20, 2023 (5:00 PM IST). The remote e-voting module shall be disabled by NSDL for voting thereafter.

(iii) Members holding shares either in physical form or in dematerialized form, as on the close of business hours on Thursday, September 14, 2023, being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date. Any person who is not a Member as on the cut-off date should treat this Notice for information purpose only.

(iv) Any person, who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice and holding shares as on cut-off date, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or rta@alankit.com. However, if he/she is already registered with NSDL for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.

(v) The instructions for remote e-voting are as under:

**Step 1: Access to NSDL e-Voting system**

A. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode:**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email id in their demat accounts in order to access e-Voting facility.

Login method for individual shareholders holding securities in demat mode is given below:

| Type of shareholders | Login Method |
|---|---|
| Individual shareholders holding securities in demat mode with NSDL | **A. NSDL IDeAS facility**<br>If you are already registered, follow the below steps:<br>1. Visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com/ either on a Personal Computer or on a mobile.<br>2. Once the home page of e-Services is launched, click on the **"Beneficial Owner"** icon under **"Login"** which is available under **"IDeAS"** section.<br>3. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services.<br>4. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page.<br>5. Click on options available against company name **or e-Voting service provider** - **NSDL** and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.<br>**If you are not registered for IDeAS e-Services, follow the below steps:**<br>1. Option to register is available at https://eservices.nsdl.com.<br>2. Select **"Register Online for IDeAS"** Portal or click at<br>https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp<br>3. Please follow steps given in points 1-5 above.<br>**B. e-voting website of NSDL**<br>1. Visit the e-voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.<br>2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section.<br>3. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen.<br>4. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page. Click on options available against company name or e-voting service provider - NSDL and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting.<br>Shareholders/Members can also download NSDL Mobile App 'NSDL Speede' facility by scanning the QR code mentioned below for seamless voting experience.<br>NSDL Mobile App is available on<br>App Store Google Play |

| Type of shareholders | Login Method |
|---|---|
| Individual shareholders holding securities in demat mode with CDSL | 1. Existing users who have opted for Easi/Easiest, they can login through their user id and password. Option will be made available to reach e-voting page without any further authentication. The URL for users to login to Easi/Easiest are https://web.cdslindia.com/myeasinew/home/login or www.cdslindia.com and click on New System Myeasi.<br>2. After successful login to Easi/Easiest the user will be able to see the E-voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote.<br>3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasinew/Registration/EasiRegistration<br>4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective e-Voting service provider ('ESP') i.e. **NSDL** where the e-voting is in progress |
| Individual shareholders (holding securities in demat mode) login through their depository participants | 1. You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-voting facility.<br>2. Once login, you will be able to see e-voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature.<br>3. Click on options available against company name or ESP - NSDL and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting. |

**Important Note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for individual shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL**

| Login Type | Helpdesk details |
|---|---|
| **Individual shareholders holding securities in demat mode with NSDL** | Please contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at 022-4886 7000 or 022-2499 7000 |
| **Individual shareholders holding securities in demat mode with CDSL** | Please contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23023333 |

B. Login Method for shareholders other than individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

1. Open web browser by typing the following URL: https://www.evoting.nsdl.com/.

2. Once the home page of e-voting system is launched, click on the icon 'Login' which is available under 'Shareholders/Member' Section.

3. A new screen will open. Kindly enter your User ID, your Password and the Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL e-services i.e. IDEAS, you may log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL e-services after using your log-in credentials, click on e-voting and you may proceed to Step 2 i.e. cast your vote electronically.

4. User ID details are given below:

| Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical | Your User ID is: |
|---|---|
| **a) For Members who hold shares in demat account with NSDL.** | 8 Character DP ID followed by 8 Digit Client ID<br>For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300** *12* * ** * * |
| **b) For Members who hold shares in demat account with CDSL.** | 16 Digit Beneficiary ID<br>For example if your Beneficiary ID is 12* * ** ** * ** * ** * * then your user ID is 12* ** ** * ** ** * * * * |
| **c) For Members holding shares in Physical Form.** | EVEN (E-voting Event Number) followed by Folio Number registered with the Company<br>For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001*** |

5. Password details are given below:

   a) If you are already registered for e-voting, then you can use your existing password to login and cast your vote.

   b) If you are using NSDL e-voting system for the first time, kindly retrieve the 'initial password' which was communicated to you. Upon retrieval of your 'initial password', you need to enter the 'initial password' and the system will prompt you to change your password.

   c) How to retrieve your 'initial password'?

      (i) If your e-mail ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your e-mail ID. Kindly trace the e-mail sent to you from NSDL. Open the e-mail and open the attachment i.e. a .pdf file. The password to open the .pdf file is your 8 digit Client ID for NSDL account, last 8 digits of Client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

      (ii) If your e-mail ID is not registered, please follow steps mentioned below in Process for those shareholders whose email id is not registered.

6. If you are unable to retrieve or have not received the 'initial password' or have forgotten your password:

   a) Click on 'Forgot User Details/Password?' (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

   b) Click on 'Physical User Reset Password?' (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

   c) If you are still unable to retrieve the password by aforesaid two options, kindly send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN no., your name and your registered address.

   d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-voting system of NSDL.

7. After entering your password, kindly tick on Agree to 'Terms and Conditions' by selecting the check box.

8. Thereafter, kindly click on 'Login' button upon which the e-Voting home page will open.

**Step 2: Casting your vote electronically and join the AGM on NSDL e-voting system:**

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.

2. Select 'EVEN' of the Company for which you wish to cast your vote during the remote e-voting period and casting your vote during the AGM. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".

3. Now you are ready for e-Voting as the Voting page opens.

4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on 'Submit' and also 'Confirm' when prompted.

5. Upon confirmation, the message 'Vote cast successfully' will be displayed.

6. You may also print the details of the votes cast by you by clicking on the print option on the confirmation page.

7. Once you confirm your vote on the Resolution, you will not be allowed to modify your vote.

**18. General Guidelines for Shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to sanjaygrover7@gmail.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution/ Authority Letter" displayed under "e-Voting" tab in their login.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call at 022-4886 7000 and 022-2499 7000 or send a request to Mr. Amit Vishal, Senior Manager at evoting@nsdl.co.in.

**19. Process for those shareholders whose email id is not registered with the depositories for procuring user id**

**and password and registration of e-mail id for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide folio no., name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by sending e-mail at investorsjil@jubl.com or rta@alankit.com.

2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16-digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to investorsjil@jubl.com or rta@alankit.com.

   If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**

3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.

**20. THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM ARE AS UNDER: -**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system during the AGM.

3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

**21. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. The Members will be allowed to join the AGM through VC/ OAVM facility, thirty (30) minutes before the scheduled time of commencement of the AGM and shall be kept open throughout the proceedings of the AGM. The facility of participation at the AGM through VC/OAVM will be made available for first 1000 members on first come first serve basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination, Remuneration and Compensation Committee and Stakeholders Relationship Committee, Auditors, etc. who are allowed to attend the AGM without restriction on account of first come first serve basis.

2. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under **"Join meeting"** menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/ Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

3. Members are encouraged to join the Meeting through Laptops for better experience.

4. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

5. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

6. Members who would like to express their views or ask questions during the AGM may register themselves as speakers by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at investorsjil@jubl.com from Thursday, September 14, 2023 (9:00 AM IST) to Saturday, September 16, 2023 (5:00 PM IST). A Member who has registered as a speaker will only be allowed to express views/ask questions during the AGM. The Company reserves the right to restrict the number of questions and number of speakers, as appropriate for smooth conduct of the AGM.

7. Shareholders who would like to express their views/ have questions may send their questions in advance mentioning their name, demat account number/folio number, email id, mobile number at investorsjil@jubl.com. The same will be replied by the company suitably.

8. Members who need assistance before or during the AGM, can contact NSDL on evoting@nsdl.co.in /022-4886 7000 and 022-2499 7000 or contact Mr. Amit Vishal, Senior Manager - NSDL at evoting@nsdl.co.in

**22. Other Instructions**

1. The Board of Directors have appointed Mr. Kapil Dev Taneja (FCS No. 4019, C.P. No.: 22944), Partner or failing him Mr. Neeraj Arora (FCS No. 10781, C.P. No.: 16186), Partner of M/s. Sanjay Grover & Associates, Company Secretaries, New Delhi, as 'Scrutinizer' to scrutinize the process of e-voting during the AGM

and remote e-voting held before the AGM in a fair and transparent manner.

2. The Scrutinizer shall, immediately after the conclusion of e-voting at the AGM, unblock the votes cast through remote e-voting and e-vote cast during AGM and will make, not later than 2 working days from the conclusion of the AGM, a consolidated Scrutinizer's Report of the total e-votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same and declare the result of the voting forthwith.

3. The results of voting will be declared within 2 working days from the conclusion of the AGM and the result declared along with the report of the Scrutinizer shall be placed on the website of the Company and on the website of NSDL immediately after declaration of result by the Chairman or a person authorised by him and the result shall also be communicated to the Stock Exchanges.

4. The recorded transcript of the AGM shall be placed on the Company's website www.jubilantindustries.com in the Investors Section, as soon as possible after conclusion of AGM.

5. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed at the AGM scheduled to be held on Thursday, September 21, 2023.

**Explanatory statement**

Explanatory statement to the Item No. 3 to 7 pursuant to Section 102 of the Companies Act, 2013 forming part of this notice.

**Item No: 3 & 4**

To attract, reward and motivate the employees for high level of individual performance and to foster among them a spirit of ownership and an entrepreneurial mindset, the Company had implemented JIL Employees Stock Options Scheme 2013 ("Scheme 2013")

Scheme 2013 was initially approved by the Shareholders through Postal Ballot, results of which were declared on March 01, 2013, in accordance with the provisions of erstwhile Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, as amended ("**Guidelines**").

Post implementation of Scheme 2013, following changes have been made:

1. To align the Scheme 2013 with the Securities and Exchange Board of India (Share Based Employees Benefits) Regulations, 2014 ("**ESOP Regulations 2014**") and to enhance the maximum number of Options for each participant under the Scheme to 1,00,000 (One Lakh Only) per financial year and 1,50,000 (One Lakh and Fifty Thousand Only), in aggregate, the Scheme 2013 was amended by the Board of Directors and Members in their meeting held on June 18, 2021 and September 24, 2021, respectively.

2. The ESOP Regulations 2014 were replaced and repealed by the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("**SEBI ESOP Regulations**")**.** In this regard, the Scheme 2013 was aligned with the SEBI ESOP Regulations pursuant to the approval of the Board of Directors vide their resolution dated October 21, 2021 in terms of Regulation 7 of the SEBI ESOP Regulations.

3. Further, in view of the fluctuations in the market prices of shares of the Company and to make the Scheme 2013 more flexible, the Board of Directors and the members vide their resolutions dated November 26, 2021 and December 26, 2021, respectively, amended the provisions of Scheme 2013 w.r.t. the eligibility conditions for participation under the Scheme 2013, definition of 'employees' and authorisation was given to the Nomination, Remuneration and Compensation Committee to determine the exercise price and vary the exercise period.

Now considering the future prospects, the Company may be required to grant an increased number of options to its employees to attract and retain critical talent. Therefore, the Board of Directors, in their meeting held on August 7, 2023 have accorded their consent, subject to the approval of shareholders to enhance the maximum number of Options and consequent shares issued and/or transferred upon exercise of such Options for each Participant under the Scheme from 1,50,000 (One Lakh and Fifty Thousand Only) to 3,00,000 (Three Lakh Only), in aggregate. The said enhanced limit shall also apply to the employees of the subsidiary(ies) / holding company(ies) of the Company.

Therefore, the Board of Directors of the Company has proposed to seek the approval of the members to amend the Scheme. The Board is of the view that the proposed variations are not prejudicial to the interest of the employees.

**Information pursuant to the SEBI ESOP Regulations is stated below:**

**(a) Brief description of the Scheme 2013**

The Company proposes to revise the Scheme to attract, reward and retain talented and key eligible employees of the Company in the competitive environment and encourage them to align individual performance with the organisational goals. The Company views employee stock options as instruments that would enable the employees to share the value they would create and contribute to the Company in the years to come.

**(b) The total number of Options to be offered and granted**

A maximum of 5,90,000 (Five Lakhs Ninety thousand only) Options convertible into 5,90,000 (Five Lakhs Ninety thousand only) equity shares of the face value of Rs.10/- each of the Company, which will be granted to the eligible employees as may be decided by the Committee from time to time on such terms and conditions as may be determined by it in accordance with the Scheme 2013 and the SEBI ESOP Regulations. This ceiling will be adjusted for any future bonus issue of equity shares or stock splits or consolidation of equity shares and also may further be adjusted at the discretion of the Committee for any corporate action(s).

The Options which do not vest or not exercised, would be available for being re-granted at a future date. The Committee is authorized to re-grant such Options as per the provisions of Scheme 2013, within the overall limit stated above, subject to the SEBI ESOP Regulations.

**(c) Identification of classes of Employees entitled to participate in the Scheme and be beneficiaries in the scheme**

Pursuant to the proposed amendments, the following persons shall be eligible for participating in Scheme 2013 (the "Eligible Employees"):

(i) An employee of the Company as may from time to time be allowed under Applicable Laws and as may be decided by the Committee who is exclusively working in India or outside India;

(ii) A Director of the Company, including Whole-time Director(s), Managing Director(s) of the Company, as the case may be, but not an independent director;

(iii) Employees/Directors as enumerated in sub clauses (i) and/or (ii) above, of the existing and/or future Subsidiary Company(ies) and/or Holding Company(ies) of the Company, whether working in India or outside India; and

(iv) Such other persons, as may from time to time be allowed under Applicable Laws and as may be decided by the Committee.

A Nominee Director can also participate in the scheme 2013 subject to fulfilling the condition provided for in SEBI ESOP Regulations, from time to time.

Following persons are not entitled to participate in the Scheme 2013:

a. an employee / director who is a promoter or a person belonging to the promoter group; and

b. a director who either by himself or through his relative(s) or through any body corporate, directly or indirectly, holds more than 10% of the outstanding equity shares of the Company.

The selection of employees to be granted Options (as well as the number of Options to be granted) under the Scheme 2013 from amongst the above eligible employees shall be done by the Committee.

**(d) Requirements of Vesting and period of Vesting and Maximum period within which the Options shall be vested**

The Committee may, at its discretion, lay down certain performance matrix on the achievement of which such Options can vest, the detailed terms and conditions relating to such performance-based vesting, and the proportion in which Options granted can vest, subject to the minimum vesting period of one year between grant of Options and vesting of Options. Subject to the terms and conditions laid out in Scheme 2013 and as may be decided by the Committee at its absolute discretion, the Options shall vest with the Eligible Employees in the following tranches: a) First 20% of the total Options shall vest on the first anniversary of the Grant date; b) Subsequent 30% of the total Options shall vest on the second anniversary of the Grant date; and c) Balance 50% of the total Options shall vest on the third anniversary of the Grant date.

The Options granted under the Scheme 2013 will vest not earlier than 1 (one) year from the date of grant of such Options. The maximum time within which the Options shall be vested in the Eligible Employees is 3 (three) years in the manner mentioned in the vesting schedule hereinabove from the date of grant of the Options. Further, subject to applicable laws, the Vesting period may be varied at the discretion of the Committee.

**(e) Exercise price or pricing formula**

Subject to the SEBI ESOP Regulations, the exercise price shall be fixed by the Committee at its discretion.

**(f) Exercise period and process of exercise**

Exercise period shall be 8 (Eight) years from the date of grant within which the Vested Options can be exercised or as may be decided by the Committee from time to time, subject to compliance with the applicable laws. The Eligible Employees can exercise all or part of the Vested Options. Upon exercise, the Eligible Employees shall make full payment of the exercise price along with applicable taxes, if any to the Company / Trust; and the Company / Trust shall allot/ transfer him the requisite number of Shares of the Company in terms of the Scheme 2013.

**(g) Appraisal Process for determining the eligibility of the employees for the Scheme 2013**

The Eligible Employees of the Company/Group shall be eligible to participate in the Scheme 2013. The Committee, based on parameters evolved/ decided by it from time to time in its absolute discretion and in terms of the Scheme 2013, will decide which Eligible Employees should be granted Options under the Scheme 2013.

Where group means existing and/or future Subsidiary Company(ies) and/or Holding Company(ies) of the Company.

**(h) Maximum number of Options to be offered and issued per employee and in aggregate**

The number of Options to be issued to an Eligible Employee under Scheme 2013 can be decided by the Committee. The maximum number of Options in aggregate that may be issued under Scheme 2013 shall not exceed 5,90,000 (Five Lakh Ninety Thousand only) exercisable into an equitable number of shares. The maximum number of Options (and consequent shares) that may be granted to an Eligible Employee under the Scheme shall not exceed 1,00,000 (One Lakh Only) during any financial year and 3,00,000 (Three Lakh Only), in aggregate.

**(i) Maximum quantum of benefits to be provided per employee under the scheme**

The maximum quantum of benefits underlying the Options granted to an Eligible Employee shall be equal to the appreciation in the value of the Company's equity shares determined as on the date of exercise of Options, on the basis of difference between the Option Exercise Price and the market price of the equity shares on the exercise date.

**(j) Whether the Scheme 2013 is to be implemented and administered directly by the company or through a trust**

Currently, the Scheme 2013 is administered directly by the Company. However, the scheme also contains the enabling provisions to administer the scheme through a trust. The Company has not created any Trust.

**(k) Whether the Scheme 2013 involves new issue of shares by the company or secondary acquisition by the trust or both**

Currently, the Company issue fresh equity shares to the participants.

The Scheme also contains enabling provisions for trust to undertake secondary acquisition. Further, the Company has not set up any trust as of now.

**(l) The amount of loan to be provided for implementation of the scheme(s) by the company to the trust, its tenure, utilization, repayment terms, etc.**

Not applicable, as no Trust has been set up.

**(m) Maximum percentage of secondary acquisition that can be made by the trust for the purposes of the Scheme 2013**

Not applicable.

**(n) A statement to the effect that the company shall conform to the accounting policies specified in regulation 15 of SEBI ESOP Regulations**

The Company shall comply with the accounting policies issued by the ICAI from time to time as well as the disclosure policies as prescribed under the SEBI ESOP Regulations, in connection with Grant and Exercise of Options.

**(o) Method of valuation of Options**

The Company shall use the Intrinsic Value method or such other method, viz. Fair Value etc., as may be prescribed under the regulation issued by the SEBI from time to time, to calculate the employee compensation cost.

In case the company opts for expensing of share based employee benefits using the intrinsic value, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value, shall be disclosed in the Directors' report and the impact of this difference on profits and on earnings per share (the '**EPS**') of the company shall also be disclosed in the Directors' report.

**(p) Period of lock-in**

Currently, no lock-in period has been prescribed under the Scheme 2013. However, the Committee has the power to provide for such provisions.

**(q) Terms and conditions for buyback, if any, of specified securities covered under these regulations**

Currently, there are no terms and conditions for buyback in Scheme 2013. However, the Committee has the power to provide for such provisions.

The Options to be granted under the Scheme shall not be treated as an offer or invitation made to public for subscription of securities of the Company. The Scheme confirm to the SEBI ESOP Regulations.

Directors/Key Managerial Personnel of the Company / their relatives who may be granted Options under the Schemes may be deemed to be concerned or interested in these Special Resolutions. Save as aforesaid, none of the Directors/ Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise.

The Board recommends the Special Resolutions set out at Item No. 3 & 4 of the Notice, for the approval of the Members.

**Item No: 5 & 6**

The Company offers stock options to select employees to foster a spirit of ownership and an entrepreneurial mindset. Because of their nature, stock options help to build a holistic, long term view of the business and a sustainability focus in the senior management team. Stock options are granted to employees in managerial and leadership positions upon achieving defined thresholds of performance and leadership behaviour. This has contributed to the active involvement of the leadership who are motivated to ensure long term success of the Company.

JIL Employees Stock Option Scheme, 2018 ("Scheme 2018") was initially approved by the members in their Annual General Meeting held on September 26, 2018, in accordance with the provisions of Securities and Exchange Board of India (Share Based Employees Benefits) Regulations, 2014.

Post implementation of Scheme 2018, following changes have been made:

1. The ESOP Regulations 2014 were replaced and repealed by the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("**SEBI ESOP Regulations**")**.** In this regard, the Scheme 2018 was aligned with the SEBI ESOP Regulations pursuant to the approval of the Board of Directors vide their resolution dated October 21, 2021 in terms of Regulation 7 of the SEBI ESOP Regulations.
2. Further, in view of the fluctuations in the market prices of shares of the Company and to make the Scheme 2018 more flexible, the Board of Directors and the members vide their resolutions dated November 26, 2021 and December 26, 2021, respectively, amended the provisions of Scheme 2018 w.r.t. the eligibility conditions for participation under the Scheme 2018, definition of 'employees' and authorisation was given to the Nomination, Remuneration and Compensation Committee to determine the exercise price and vary the exercise period.

   The Company has been granting stock options under the JIL Employees Stock Option Scheme, 2013 ("Scheme 2013") and Scheme 2018.

   As per Scheme 2013, Vesting Schedule shall mean the following schedule of Vesting of the Options Granted to the Participant(s) under the Scheme:

   a) First 20% (twenty percent) of the total Options Granted shall vest on the 1st (first) anniversary of the Grant date;

   b) Subsequent 30% (thirty percent) of the total Options Granted shall vest on the 2nd (second) anniversary of the Grant date; and

   c) Balance 50% (fifty percent) of the total Options Granted shall vest on the 3rd (third) anniversary of the Grant date.

However, as per the vesting schedule of Scheme 2018, the options granted to participant under the scheme shall vest at the end of third year from the date of grant.

Now, it is proposed to amend the definition of Vesting Schedule given under Clause 3.51 of the Scheme 2018, to align the same with the definition of Vesting Schedule given under Scheme 2013 as per the following:

| Clause No. | Existing Clause of the Scheme 2018 | Proposed Clause of the Scheme 2018 |
|---|---|---|
| 3.51 | Vesting Schedule shall mean the options granted to participant under the scheme shall vest at the end of third year from the date of grant. | Vesting Schedule shall mean the following schedule of Vesting of the Options Granted to the Participant under the Scheme:<br>• First 20% (twenty percent) of the total Options Granted shall vest on the 1st (first) anniversary of the Grant date;<br>• Subsequent 30% (thirty percent) of the total Options Granted shall vest on the 2nd (second) anniversary of the Grant date; and<br>• Balance 50% (fifty percent) of the total Options Granted shall vest on the 3rd (third) anniversary of the Grant date. |

The Board of Directors, in their meeting held on August 7, 2023 have accorded their consent, subject to the approval of shareholders to amend the definition of Vesting Schedule as mentioned above.

The Board is of the view that the proposed variations are not prejudicial to the interest of the employees.

**Information pursuant to the SEBI ESOP Regulations is stated below:**

**(a) Brief description of the Scheme 2018**

The Company proposes to revise the Scheme to attract, reward and retain talented and key eligible employees of the Company in the competitive environment and encourage them to align individual performance with the organisational goals. The Company views employee stock options as instruments that would enable the employees to share the value they would create and contribute to the Company in the years to come.

**(b) The total number of Options to be offered and granted**

A maximum of 5,00,000 (Five Lakhs only) Options convertible into 5,00,000 (Five Lakhs only) equity shares of the face value of Rs.10/- each of the Company, which will be granted to the eligible employees as may be decided by the Committee from time to time on such terms and conditions as may be determined by it in accordance with the Scheme 2018 and the SEBI ESOP Regulations. This ceiling will be adjusted for any future bonus issue of equity shares or stock splits or consolidation of equity shares and also may further be adjusted at the discretion of the Committee for any corporate action(s).

The Options which do not vest or not exercised, would be available for being re-granted at a future date. The Committee is authorized to re-grant such Options as per the provisions of Scheme 2018, within the overall limit stated above, subject to the SEBI ESOP Regulations.

**(c) Identification of classes of Employees entitled to participate in the Scheme and be beneficiaries in the scheme**

Pursuant to the proposed amendments, the following persons shall be eligible for participating in Scheme 2018 (the "Eligible Employees"):

(i) An employee of the Company as may from time to time be allowed under Applicable Laws and as may be decided by the Committee who is exclusively working in India or outside India;

(ii) A Director of the Company, including Whole-time Director(s), Managing Director(s) of the Company, as the case may be, but not an independent director;

(iii) Employees/Directors as enumerated in sub clauses (a) and/or (b) above, of the existing and/or future Subsidiary Company(ies) and/or Holding Company(ies) of the Company, whether working in India or outside India; and

(iv) Such other persons, as may from time to time be allowed under Applicable Laws and as may be decided by the Committee.

A Nominee Director can also participate in the Scheme 2018 subject to fulfilling the condition provided for in SEBI ESOP Regulations, from time to time.

Following persons are not entitled to participate in the Scheme 2018:

a. an employee / director who is a promoter or a person belonging to the promoter group; and

b. a director who either by himself or through his relative(s) or through any body corporate, directly or indirectly, holds more than 10% of the outstanding equity shares of the Company.

The selection of employees to be granted Options (as well as the number of Options to be granted) under the Scheme 2018 from amongst the above eligible employees shall be done by the Committee.

**(d) Requirements of Vesting and period of Vesting and Maximum period within which the Options shall be vested**

The Committee may, at its discretion, lay down certain performance matrix on the achievement of which such Options can vest, the detailed terms and conditions relating to such performance-based vesting, and the proportion in which Options granted can vest, subject to the minimum vesting period of one year between grant of Options and vesting of Options. Subject to the terms and conditions laid out in Scheme 2018 and as may be decided by the Committee at its absolute discretion, the Options shall vest with the Eligible Employees in the following tranches: a) First 20% of the total Options shall vest on the first anniversary of the Grant date; b) Subsequent 30% of the total Options shall vest on the second anniversary of the Grant date; and c) Balance 50% of the total Options shall vest on the third anniversary of the Grant date.

The Options granted under the Scheme 2018 will vest not earlier than 1 (one) year from the date of grant of such Options. The maximum time within which the Options shall be vested in the Eligible Employees is 3 (three) years in the manner mentioned in the vesting schedule hereinabove from the date of grant of the Options. Further, subject to applicable laws, the Vesting period may be varied at the discretion of the Committee.

**(e) Exercise price or pricing formula**

Subject to the SEBI ESOP Regulations, the exercise price shall be fixed by the Committee at its discretion.

**(f) Exercise period and process of exercise**

Exercise period shall be 8 (Eight) years from the date of grant within which the Vested Options can be exercised or as may be decided by the Committee from time to time, subject to compliance with the applicable laws. The Eligible Employees can exercise all or part of the Vested Options. Upon exercise, the Eligible Employees shall make full payment of the exercise price along with applicable taxes, if any to the Company / Trust; and the Company / Trust shall allot/ transfer him the requisite number of Shares of the Company in terms of the Scheme 2018.

**(g) Appraisal Process for determining the eligibility of the employees for the Scheme 2018**

The Eligible Employees of the Company/Group shall be eligible to participate in the Scheme 2018. The Committee, based on parameters evolved/ decided by it from time to time in its absolute discretion and in terms of the Scheme 2018, will decide which Eligible Employees should be granted Options under the Scheme 2018.

Where group means existing and/or future Subsidiary Company(ies) and/or Holding Company(ies) of the Company.

**(h) Maximum number of Options to be offered and issued per employee and in aggregate**

The number of Options to be issued to an Eligible Employee under Scheme 2018 can be decided by the Committee. The maximum number of Options in aggregate that may be issued under Scheme 2018 shall not exceed 5,00,000 (Five Lakh only) exercisable into an equitable number of shares. The maximum number of Options (and consequent shares) that may be granted to an Eligible Employee under the Scheme shall not exceed 1,00,000 (One Lakh only) during any financial year and 1,50,000 (One Lakh Fifty Thousand only), in aggregate.

**(i) Maximum quantum of benefits to be provided per employee under the scheme**

The maximum quantum of benefits underlying the Options granted to an Eligible Employee shall be equal to the appreciation in the value of the Company's equity shares determined as on the date of exercise of Options, on the basis of difference between the Option Exercise Price and the market price of the equity shares on the exercise date.

**(j) Whether the Scheme 2018 is to be implemented and administered directly by the company or through a trust**

Currently, the Scheme 2018 is administered directly by the Company. However, the scheme also contains the enabling provisions to administer the scheme through a trust. The Company has not created any Trust.

**(k) Whether the Scheme 2018 involves new issue of shares by the company or secondary acquisition by the trust or both**

Currently, the Company issue fresh equity shares to the participants.

The Scheme also contains enabling provisions for trust to undertake secondary acquisition. Further, the Company has not set up any trust as of now.

**(l) The amount of loan to be provided for implementation of the scheme(s) by the company to the trust, its tenure, utilization, repayment terms, etc.**

Not applicable, as no Trust has been set up.

**(m) Maximum percentage of secondary acquisition that can be made by the trust for the purposes of the Scheme 2018**

Not applicable.

**(n) A statement to the effect that the company shall conform to the accounting policies specified in regulation 15 of SEBI ESOP Regulations**

The Company shall comply with the accounting policies issued by the ICAI from time to time as well as the disclosure policies as prescribed under the SEBI ESOP Regulations, in connection with Grant and Exercise of Options.

**(o) Method of valuation of Options**

The Company shall use the Fair Value method or such other method, as may be prescribed by SEBI, for valuation of the Options granted to calculate the employee compensation cost.

In case the company opts for expensing of share based employee benefits using the intrinsic value, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value, shall be disclosed in the Directors' report and the impact of this difference on profits and on earnings per share (the "EPS") of the company shall also be disclosed in the Directors' report.

**(p) Period of lock-in**

50% of shares allotted pursuant to exercise of option granted to participant shall remain in lock-in for 3 (three) years from the date of exercise.

**(q) Terms and conditions for buyback, if any, of specified securities covered under these regulations**

Currently, there are no terms and conditions for buyback in Scheme 2018. However, the Committee has the power to provide for such provisions.

The Options to be granted under the Scheme shall not be treated as an offer or invitation made to public for subscription of securities of the Company. The Scheme confirm to the SEBI ESOP Regulations.

Directors/Key Managerial Personnel of the Company / their relatives who may be granted Options under the Schemes may be deemed to be concerned or interested in these Special Resolutions. Save as aforesaid, none of the Directors/ Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise.

The Board recommends the Special Resolutions set out at Item No. 5 & 6 of the Notice, for the approval of the Members.

**Item No: 7**

Pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (the 'Act'), the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV to the Act and applicable provisions of the Listing Regulations (including any statutory modification or re-enactment thereof for the time being in force), Mr. Radhey Shyam Sharma (DIN: 00013208), was appointed as Independent Director of the Company to hold office upto October 24, 2023.

Based on the reports of performance evaluation, Mr. Sharma, has effectively and efficiently discharged his duties, roles and responsibilities during his tenure as Independent Director of the Company. Accordingly, Nomination, Remuneration and Compensation Committee (the 'Committee'), after taking into account his knowledge, acumen, expertise, experience and substantial contribution and time commitment, has recommended the re-appointment of Mr. Sharma, as Independent Director of the Company for a second term of 5 (five) consecutive years starting from October 25, 2023 to October 24, 2028, to the Board of Directors. The Committee has considered his diverse skills, leadership capabilities, expertise in governance, finance, risk management, tax & regulatory, business, and vast business experience, among others, as being key requirements for this role.

After taking into account the recommendations of the Committee and on the basis of the specialization, expertise and experience of Mr. Sharma, the Board of Directors is of the opinion that his continued association as Independent Director will immensely benefit the Company and would enable the board to discharge its functions and duties effectively.

In the opinion of Board of Directors, Mr. Sharma, fulfil the conditions for re-appointment as Independent Director as specified in the Act, the rules made thereunder and the Listing Regulations and is independent of the Management.

Mr. Sharma is also qualified and registered with the Indian Institute of Corporate Affairs, Govt. of India, to act as an Independent Director.

Further, Mr. Radhey Shyam Sharma is currently 72 years of age and during his 2nd tenure of 5 years from October 25, 2023 to October 24, 2028, he will be attaining the age of 75 years. As per Regulation 17(1A) of Listing Regulations, no listed entity shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of 75 years unless a special resolution is passed to that effect. Since, Mr. Radhey Shyam Sharma will cross the age of 75 years during 2nd tenure of his directorship, approval of the members through special resolution is also sought under Regulation 17(1A) of Listing Regulations.

The Company has received notice in writing pursuant to Section 160 of the Act, proposing the reappointment of Mr. Sharma for the office of independent director under the provisions of Section 149 of the Act. The Company has also received all statutory disclosures / declarations from him, including:

(i) Consent in writing to act as director in Form DIR-2, pursuant to Rule 8 of the Appointment Rules;

(ii) Intimation in Form DIR-8 to the effect that he is not disqualified under sub-section (2) of Section 164 of the Act; and

(iii) A declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Act.

The disclosures including brief resume and other details prescribed under Regulation 26(4) and 36(3) of the Listing Regulations read with the provisions of the Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India ('SS-2') are provided in Annexure to this Notice.

Copy of Appointment Letter setting out terms and conditions of his appointment is available for inspection by Members at the Registered Office as well as at Corporate Office of the Company on all working days during normal business hours upto the date of AGM. The terms and conditions of his appointment, being Independent Director are also posted on the Company's website www.jubilantindustries.com.

None of the Directors or Key Managerial Personnel or their relatives except Mr. Sharma, the proposed appointee, are concerned or interested, financially or otherwise, in this Special Resolution.

The Board of Directors recommends the Special Resolution set out at Item No. 7 of the Notice, for approval of the members.

## ANNEXURE TO THIS NOTICE

### ADDITIONAL INFORMATION OF DIRECTORS SEEKING RE-APPOINTMENT / RETIRING BY ROTATION AT THE ANNUAL GENERAL MEETING

(Information as per Regulation 36(3) of Listing Regulations and Secretarial Standard (SS–2) on "General Meetings")

| **Name** | Mr. Radhey Shyam Sharma | Mr. Shamit Bhartia |
|---|---|---|
| **DIN** | 00013208 | 00020623 |
| **Date of Birth** | February 1, 1951 | April 27, 1979 |
| **Age** | 72 | 44 |
| **Date of first appointment on the Board** | October 25, 2018 | January 14, 2012 |
| **Qualifications** | He holds Bachelor's Degree in Commerce from Delhi University. He is a fellow member of the Institute of Cost Accountant of India and an Associate Member of the Indian Institute of Bankers (CAIIB). | He holds Bachelors' degree in Economics from Dartmouth College (USA) |
| **Brief resume including experience, expertise in specific functional areas** | Mr. Radhey Shyam Sharma has joined the Company as an Additional Director (Independent) w.e.f October 25, 2018.<br>Mr. Sharma has over four decades of rich experience and expertise in Banking, Financial Appraisal, Project Appraisals, Finance & Treasury in India and abroad.<br>Prior to joining the Company, he had joined Union Bank of India in 1972 with experience in branch banking and specialization in Credit Appraisal. Also, he was the member of middle level finance team of another PSU engaged in construction in roads and bridges in foreign countries, including functioning as Regional Head of Finance for Iraq region for 4 years. He had joined Oil and Natural Gas Corporation Limited (ONGC) in 1988 and then appointed as Director - Finance of ONGC and also headed the additional position of Director - Finance of ONGC Videsh Limited and rose to the position of Chairman & Managing Director of ONGC in May, 2006. | Mr. Shamit Bhartia was appointed as Director w.e.f January 14, 2012.<br>He has worked in the Corporate Finance and M&A Group, Lazard Frere, New York, from July 2001 till August 2002. His functional areas of expertise is Business Financial Analysis and Planning. |
| **Terms and Conditions of Re-Appointment** | As an Independent Director of the Company to hold office for a second term of 5 (five) consecutive years starting from October 25, 2023 to October 24, 2028 and shall not be liable to retire by rotation. | Mr. Shamit Bhartia is liable to retire by rotation. |
| **Existing and Proposed Remuneration (including sitting fees, if any)** | Currently, no remuneration is being paid to him except the sitting fee for attending meetings of the Board & its Committees | Mr. Shamit Bhartia has opted not to take any remuneration. |
| **Attendance in the Board meetings during the financial year** | Disclosed in the Corporate Governance Report forming part of Annual Report. | Disclosed in the Corporate Governance Report forming part of Annual Report. |
| **Relationship with other Directors and KMPs** | None | Brother of Mr. Priyavrat Bhartia (Chairman). |

<table>
<tr><td>Other Directorships</td><td>Listed Companies<br>• Polycab India Limited.<br>Unlisted Companies<br>• Hinduja Leyland Finance Limited.<br>• Sembcorp Green Infra Limited.<br>• Independent Energy Policy Institute.<br>• Jubilant Agri and Consumer Products Limited.<br>• Corevalues Consulting Private Limited.<br>• SEIL Energy India Limited</td><td>Listed Companies<br>• HT Media Limited<br>• Jubilant Foodworks Limited<br>• Hindustan Media Ventures Limited<br>Unlisted Companies<br>• The Hindustan Times Limited<br>• Jubilant Agri and Consumer Products Limited<br>• Jubilant Motorworks Private Limited<br>• Goldmerry Investment & Trading Company Limited<br>• Indian Country Homes Private Limited<br>• SSB Trustee Company Private Limited<br>• Earthstone Holding (Two) Private Limited<br>• Shobhana Trustee Company Private Limited<br>• SS Trustee Company Private Limited<br>• SBS Trustee Company Private Limited</td></tr>
<tr><td>Chairmanship/ Membership of the committee(s) of the Board of Directors of other Companies in which he/she is director</td><td>Jubilant Industries Limited<br>• Audit Committee<br>• Stakeholders' Relationship Committee<br>Jubilant Agri and Consumer Products Limited<br>• Audit Committee<br>Hinduja Leyland Finance Limited<br>• Audit Committee<br>Sembcorp Energy India Limited<br>• Audit Committee<br>• Stakeholders' Relationship Committee<br>Polycab India Limited<br>• Audit Committee<br>Indian Gas Exchange Limited<br>• Audit Committee<br>Sembcorp Green Infra Limited<br>• Audit Committee</td><td>Jubilant Industries Limited<br>• Finance Committee<br>• Restructuring Committee<br>Jubilant Agri and Consumer Products Limited<br>• Finance Committee<br>• Restructuring Committee<br>The Hindustan Times Limited<br>• Corporate Social Responsibility Committee<br>• Nomination Committee<br>Hindustan Media Ventures Limited<br>• Risk Management Committee<br>Jubilant Foodworks Limited<br>• Sustainability and Corporate Social Responsibility Committee<br>• Audit Committee<br>• Risk Management Committee<br>• Stakeholders' Relationship Committee<br>Earthstone Holding (Two) Private Limited<br>• Corporate Social Responsibility Committee<br>• Audit Committee<br>• Nomination Committee<br>• Risk Management Committee</td></tr>
<tr><td>Shareholding in the Company</td><td>Nil</td><td>6,561 shares</td></tr>
</table>

| | | |
|---|---|---|
| **Skills and Capabilities required for the role and the manner in which the proposed Independent Director meets such requirements** | Mr. Sharma meets the following skills and capabilities required for the role as an Independent Director, as have been identified by the Nomination, Remuneration and Compensation Committee and Board of Directors and of the Company:<br>• Mr. Sharma holds Bachelor's Degree in Commerce from Delhi University. He is a fellow member of the Institute of Cost Accountant of India and an Associate Member of the Indian Institute of Bankers.<br>• Mr. Sharma has over four decades of rich experience and expertise in Banking, Financial Appraisal, Project Appraisals, Finance & Treasury in India and abroad.<br>• He also meets the skill/experience/ competency as mentioned in the explanatory statement to Item No. 7 of this Notice and Corporate Governance Report forming part of the Annual Report of the Company for the F.Y. 2022-23 | Not Applicable |

***Note: Mr. Radhey Shyam Sharma and Mr. Shamit Bhartia have not resigned from any listed entity during last 3 financial years.***

JUBILANT INDUSTRIES

# ANNUAL REPORT 2022-23

# Corporate INFORMATION

## REGISTERED OFFICE

Bhartiagram, Gajraula
District Amroha - 244 223
Uttar Pradesh, India
Tel: +91-5924-267437
Email: investorsjil@jubl.com
Website: www.jubilantindustries.com

## CORPORATE IDENTITY NUMBER (CIN)

L24100UP2007PLC032909

## CORPORATE OFFICE

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

## STATUTORY AUDITORS

BGJC & Associates, LLP
Chartered Accountants
Raj Tower - 1, G - 1,
Alaknanda Community Center,
New Delhi - 110019, India

## SECRETARIAL AUDITOR

M/s. Sanjay Grover & Associates
Company Secretaries
B-88, Ist Floor, Defence Colony
New Delhi - 110024

## INTERNAL AUDITORS

Ernst & Young LLP
Plot no. 67, Sector 44,
Gurugram, Haryana, 122003

## COMPANY SECRETARY

Abhishek Kamra

## REGISTRAR AND SHARE TRANSFER AGENT

Alankit Assignments Limited
205-208 Anarkali Complex,
Jhandewalan Extension,
New Delhi-110055
Tel.: +91-11-23541234, 42541234
Email: rta@alankit.com

## BANKERS

Axis Bank Limited
RBL Bank Limited
Yes Bank Limited
IDFC First Bank Limited
ICICI Bank Limited
HDFC Bank Limited

# Table of CONTENTS

## Introduction



## Compliance Reports



## Financial Reports

# Corporate INTRODUCTION

Jubilant Industries Limited is a well-diversified Public Listed Company engaged in Manufacturing of Agri Products and Performance Polymers through its wholly owned subsidiary Jubilant Agri and Consumer Products Limited (JACPL). The Agri Products comprises of Single Super Phosphate (SSP) and Crop Growth & Performance Polymers comprises of Consumer Products such as Wood Adhesives and Wood Finishes and Specialty Polymers such as Vinyl Pyridine (VP) Latex and Food Polymers. The Company has a broad product portfolio, covering large range of products for both B2C and B2B customers.

The equity shares of the Company are listed on the National Stock Exchange of India Limited and BSE Limited.

## Business Segments

The Company operates in two business segments:

**Agri Products:** The Company is among the top domestic players in Single Super Phosphate (SSP). With a strong brand 'Ramban', we are the leading SSP supplier in Uttar Pradesh. The contribution of this segment to total revenue from operations is 37%.

**Performance Polymers & Chemical Business:** The business under performance polymers segment includes Consumer Products like Wood Adhesives and Wood Finishes; and Specialty polymers like VP Latex and Food Polymers. The contribution of this segment to total revenue from operations is 63%.

## OUR BRANDS

JIVANJOR
NAYA YUG. NAYA JOD

CHARMWOOD

ULTRA ITALIA

रामबाण®
सफल किसान की पहचान...

VAMIPOL

ENCORD
VP Latex for Tyres

## Manufacturing Facilities

The Company along with its subsidiary has four manufacturing facilities across the country. Two in the state of UttarPradesh (Gajraula and Sahibabad), one in Rajasthan (Kapasan, Chitorgarh) and one in Gujarat (Savli, Vadodara).

# Board of DIRECTORS

Mr. Priyavrat Bhartia
Chairman

Mr. Shamit Bhartia
Director

Ms. Shivpriya Nanda
Director

Mr. Manu Ahuja
CEO & Managing Director

Mr. Radhey Shyam Sharma
Director

Mr. Ravinder Pal Sharma
Director

Chairman's
# MESSAGE

The persistent uncertainties stemming from lockdowns in China, coupled with disruptions in America and Europe, only underscored the vulnerabilities of the market. However, our ability to adapt, innovate, and persevere was truly commendable. I extend my deepest appreciation to our dedicated employees.

Priyavrat Bhartia
Chairman

*Dear Fellow Shareholders,*

I hope you and your families are safe and well and I thank you all for your enduring trust in Jubilant Industries Ltd. As we reflect on the past year, I am immensely pleased to share with you the remarkable achievements that have defined our journey despite the challenging landscape we navigated.

Over the past year, we have once again demonstrated our unwavering commitment to excellence and resilience in the face of adversity. Despite the formidable challenges posed by rising energy costs, shifting global market dynamics, and geopolitical tensions on a global scale, we have triumphed and emerged stronger than ever.

The persistent uncertainties stemming from lockdowns in China, coupled with disruptions in America and Europe, only underscored the vulnerabilities of the market. However, our organization's ability to adapt, innovate, and persevere was truly commendable. I extend my deepest appreciation to our dedicated employees who embraced these challenges head-on and displayed remarkable perseverance.

I am delighted to announce that we have achieved substantial growth and progress in the fiscal year under review. Our steadfast commitment to excellence has yielded a remarkable 26% increase in revenue, serving as a testament to the dedication and hard work of our entire team. Despite the intricate web of challenges we encountered, this achievement reflects our unwavering determination to drive sustainable success. We proudly report a 26% growth in revenues during FY2023, which amounted to ₹ 14,729 million compared to ₹ 11,658 million in FY2022. Furthermore, our EBITDA for FY2023 reached ₹ 1,058 million, a positive shift from ₹ 1,007 million.

Net Profit after tax during FY2023 stood at ₹ 528 million.

### Agri Products

Agri business has recorded revenue of ₹ 5,421 million in the FY 2023 as against ₹ 4,842 million in the previous year. This growth was mainly on account of expansion and increased in Raw Material.

## Performance Polymers & Chemicals Business:

Performance Polymer & Chemicals business has recorded revenue of ₹ 9,308 million in FY 2023, as against ₹ 6,816 million in the previous year. This growth was mainly on account of increased in market share and increased in Raw material prices.

## Outlook

As we embark on a new chapter, I am pleased to report that we remain committed to our strategic goals. Our focus remains unwavering in ensuring the operational and financial sustainability of our organization. Despite the prevailing headwinds of rising inflation, supply chain disruptions, and energy price fluctuations resulting from geopolitical dynamics, we are resolutely dedicated to maintaining our market leadership and driving growth across our diverse business segments.

## Conclusion

I extend my heartfelt gratitude to all our stakeholders - our customers, vendors, lenders, bankers, shareholders, and the entire Jubilant family - for their continued support and trust. I am immensely proud of our employees for their dedication, and I express my sincere wishes for the well-being of all our stakeholders and their loved ones.

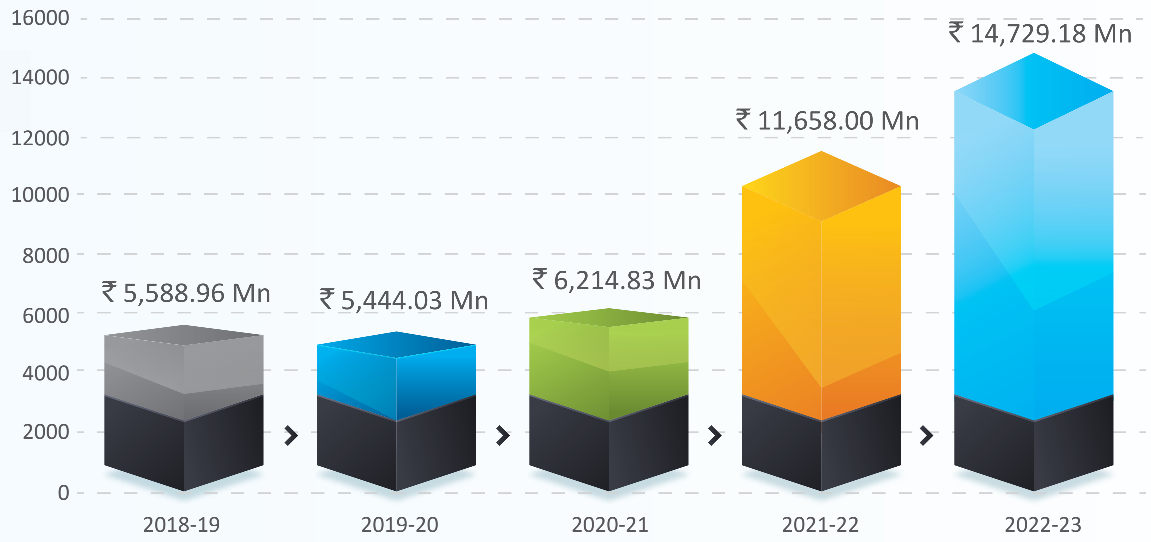
As we stand on the threshold of another promising year, I look forward to your continued encouragement and support as we embark on this exciting journey ahead. Together, we shall continue to achieve greatness.

May the coming year be successful for all of us!

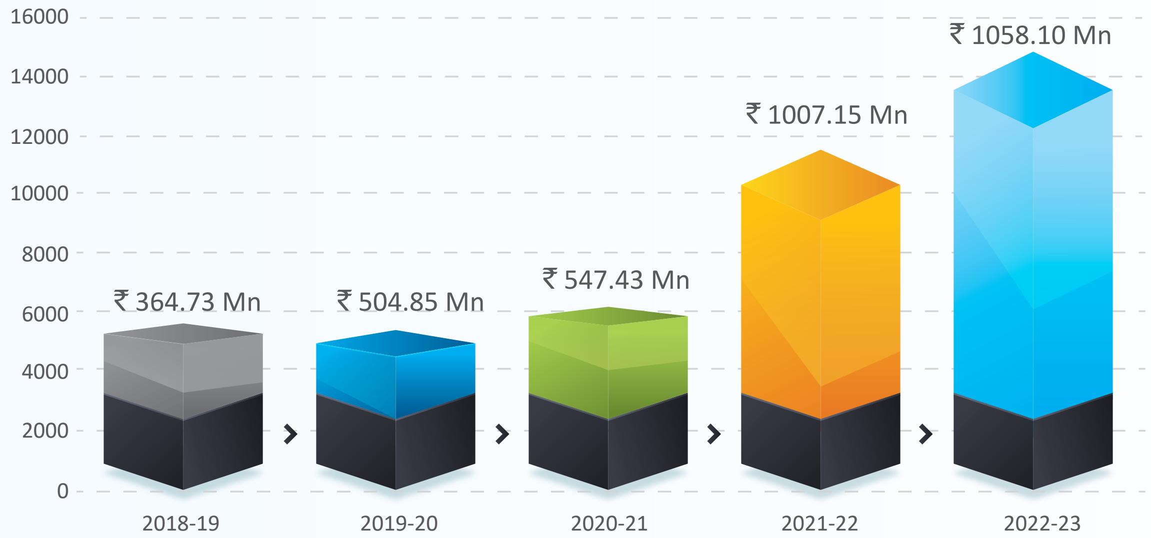
Priyavrat Bhartia
Chairman

Financial
# HIGHLIGHTS
## Consolidated Financial Performance

### Revenue from Operations




### EBITDA



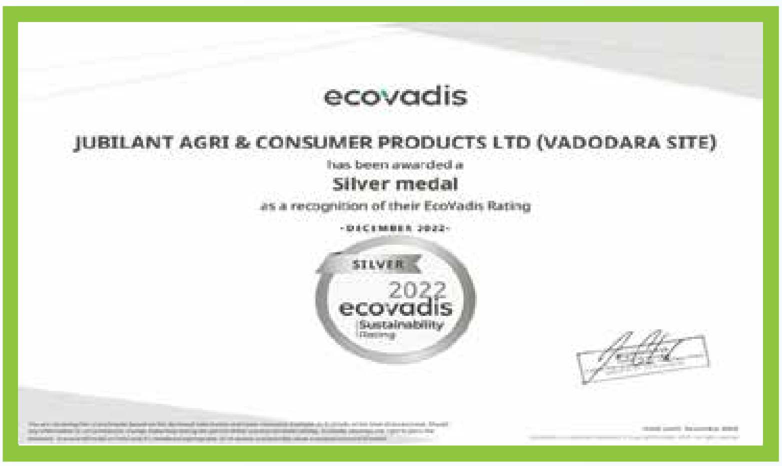
Awards &

# ACCOLADES

JACPL Gajraula Plant has received **PLATINUM AWARD** for outstanding achievement in Environment Management in India's Prestigious **"GROW CARE INDIA Award - 2022**



JACPL Gajraula Plant has Awarded **RATING -3** for the award of **VZ-RSI** for outstanding achievement in **"VISION ZERO APPROCH FOR SAFETY, HEALTH AND WELLBEING FOR SUSTAINABLE BUSINESS GROWTH"**


ecovadis

JUBILANT AGRI & CONSUMER PRODUCTS LTD (VADODARA SITE)

has been awarded a

Silver medal

as a recognition of their EcoVadis Rating

- DECEMBER 2022 -

SILVER 2022 ecovadis Sustainability Rating

JACPL Savli Plant has been Awarded **SILVER RATING** for the **SUSTAINABLE PERFORMANCE**, by **ECOVADIS**

Management
# DISCUSSION AND ANALYSIS




## Cautionary Statement

Statements in the Annual Report, particularly those, which relate to Management Discussion & Analysis, describing the Company's objectives, projections, estimates and expectations, may constitute forward-looking statements within the meaning of applicable laws and regulations. Although the expectations are based on reasonable assumptions, the actual results might differ significantly.

## Key Economic and Industry Trends

### Global Economy

In a world driven by interconnected markets and boundless opportunities, understanding the intricate dynamics of the global economy has become paramount for every industry. In this section, we shed light on the forces shaping our industry while providing a comprehensive outlook on the challenges and opportunities that lie ahead.

The global economy in FY 2023 is expected to grow at a slower pace with a de-growth from 3.4% in 2022 to 2.8% in 2023, followed by a stabilisation at 3.0% in 2024. Any additional strain on the financial sector will further decrease global growth to approximately 2.5% in 2023, with advanced economies witnessing growth below 1%.

Europe, Latin America, and the United States are expected to grow at a modest rate compared to Asian countries which are slated to drive global economic growth in 2023. Globally, advanced economies will experience a significant deceleration in growth, dropping from 2.7% in 2022 to 1.3% in 2023.

Inflation is at a multi-decade high in many countries and central banks are raising interest rates as a countermeasure, impacting economic growth. And even though global headline inflation is projected to decrease to 7.0% in 2023 from 8.7% in 2022, underlying (core) inflation will exhibit a slower decline and achieving most inflation targets will be unlikely before 2025.

### The Spectre of Geopolitical Conflicts

The headwinds of global socio-political conflicts are also impeding economic growth. The war in Ukraine has caused energy prices to rise, disrupted trade and investment, leading the World Trade Organisation (WTO) to revise its global trade forecasts. According to the WTO's April forecast, there is a 3.0% growth in merchandise trade volume for 2022, against the previous projection of 4.7% made in the previous October. This suggests a growth rate of 3.4% for overall trade in 2023, although these projections are highly contingent upon the unfolding developments of the conflict.

### Challenges and Uncertainties in Manufacturing

During the fourth quarter of 2022, global manufacturing output growth experienced a significant deceleration, slowing down to a rate of 1.5%. This deceleration can be attributed to several ongoing challenges faced by the global manufacturing sector, including high energy prices, rising global interest rates, and persistent disruptions in the supply chain of raw materials and intermediate goods. As a result, confidence among manufacturers has weakened and uncertainty has mounted. This has led to a challenging and uncertain outlook for manufacturing activity in various economies, particularly in industrial economies across Europe.

### Positive Indicators for 2024 and Beyond

Overall, the global economic outlook is one of uncertainty, fuelled largely by the factors mentioned previously. However, there are some positive signs for the global economy as well. The labour market is strong in many countries and consumer spending is showing strong signs. Additionally, the global economy is still growing, albeit at a slower pace. The International Monetary Fund (IMF) expects that global growth will pick up in 2024, but it is too early to say to what extent.

### Shifting focus to the Indian Economy

Global economic slump notwithstanding, the Indian economy is showing strong resilience and remains one of the fastest growing across the world. According to Ministry of Finance, Government of India, the 'large domestic market' and lesser integration in global value chains and trade flows' have managed to insulate the economy from extraneous factors.

Even though there were signs of moderation in the final quarter of 2022-23 (down to 6% from 6.6% in the previous financial year), the first three quarters were characterised by robust growth with a 7.7% rise in real national GDP. This growth was driven by spiralling private consumption and the government's capital expenditure (capex) push that resulted in strong investment activity across the country.

According to the Press Information Bureau, the overall growth was characterised by modest 3.5% rise in the agricultural sector and a 4.1% rise the industrial sector. This was further bolstered by rapid growth in the services sector that bested its already high previous year numbers by clocking 9.1% in FY 2023 against 8.4% in FY 2022.

Despite these improvements, inflation remained high as well and averaged around 6.7% throughout the financial year. However, it was somewhat reigned-in with the easing of global commodity prices and strong service export growth that contributed to the narrowing of the current-account deficit in the third quarter.

Due to the macroeconomic situation and its outlook, in February 2023, the Reserve Bank of India (RBI) predicted that the GDP growth for 2024 would be 6.4%. Contributing factors to this growth include the resurgence of private consumption, stimulated by increased production activity and higher capex and the near-complete coverage of vaccination campaigns which empowered people to confidently spend on contact-based services. Further, the return of migrant workers to urban areas, specifically to work on construction projects, has resulted in a notable reduction in housing market inventory. Consequently, the RBI readjusted its growth forecast to 6.5% in April of 2023.

As we conclude our analysis of the Indian economy, it is evident that the nation's remarkable resilience and commitment to growth have positioned it as a powerhouse in the global marketplace. The Indian economy's vibrant sectors, expanding middle class and progressive reforms continue to attract investments and create new avenues for business expansion. However, amidst the opportunities, we acknowledge the presence of challenges that demand our unwavering attention and adaptability.

## Agriculture Overview

India is one of the major players in the agriculture sector worldwide and it is the primary source of livelihood for 55% of India's population. India has the world's largest area planted to wheat, rice, and cotton, and is the largest producer of milk, pulses, and spices in the world. It is the second-largest producer of fruit, vegetables, tea, farmed fish, sugarcane. Agriculture sector in India holds the record for second-largest agricultural land in the world generating employment for about half of the country's population. Thus, farmers become an integral part of the sector to provide us with means of sustenance.

The Indian food industry is poised for huge growth, increasing its contribution to world food trade every year due to its immense potential for value addition, particularly within the food processing industry. The Indian food processing industry accounts for 32% of the country's total food market, one of the largest industries in India and is ranked fifth in terms of production, consumption, export and expected growth.

Under various GOI Policies and Yojna to support for Agriculture sector growth like PM-Kisan which is an income support scheme to farmers providing ₹ 6000 per year in 3 equal installments.

Pradhan Mantri Fasal BimaYojana (PMFBY) addressing problems of high premium rates for farmers and reduction in sum insured due to capping.

To promote organic farming by Paramparagat Krishi Vikas Yojana (PKVY) in the country, 0934 clusters were formed and an area of 6.19 lakh ha was covered benefitting 15.47 lakh farmers which increased to 32384 clusters and an area of 6.53 lakh ha has been covered benefitting 16.19 lakh farmers in December, 2022.

Government also proposes to promote sustainable natural farming systems through the scheme Bhartiya Prakratik Krishi Padhati (BPKP). The proposed scheme aims at cutting down cost of cultivation, enhancing farmer's income and ensuring resource conservation and, safe and healthy soils, environment and food.

### Industry Scenario

We operate in diverse sectors ranging from fertilizer; food polymers; performance polymers; wood-working adhesive and wood finish. Our performance is not only an indicator of the strategies we have adopted but it also depends upon the behavior of different sectors to which we cater.

Agri Products: In FY 2023, Phosphatic fertilizers sales registered de-growth of 6% and SSP sales also has registered de-growth sales of 12% in India in comparison of FY 2023.

SSP Sales has recorded growth of 7% in Uttar Pradesh & Uttarakhand whereas shown de-growth of 23% in Rajasthan, 6% in Haryana, 23% in Punjab and 11% in Madhya Pradesh respectively in FY 2023 as compared to FY 2022.

Consumer Products Division: In FY 2022-23, the year following the initial impact of COVID-19, witnessed notable surges in input cost, particularly in the first half, compounded by additional inflationary elements. The escalation in input costs led to adjustments in pricing, impacting domestic demand dynamics. Input prices have normalized in the second half of last year. Anticipated cost stability prevails for the current year, barring unexpected events.

In Latex Business: Global tyre manufacturers benefited from a strong revival in demand in many markets due to catch-up effects from the previous year. Conversely, this led to some demand suppression resulting from a shortage of semiconductor chips, thus limiting demand in the OEM market segment. However, the global demand for the replacement market segment witnessed double-digit growth.

In Food Polymers: our products serve the chewing gum and bubble gum industry. The Chewing/Bubble Gum industry somewhat recovered in FY 23, following a sharp decline in FY22 due to the pandemic. However, the industry's performance is still below its pre-pandemic levels. While there was a slight recovery, the industry faced significant challenges due to an exorbitant increase in the costs of raw materials and transportation. These cost increases also impacted on the margins of our Food Polymers business, although we managed to pass on some of these cost increases to our customers in the second half of the year. Overall, the Food Polymers business experienced growth this year, driven by market share gains, the acquisition of new customers, and expansion into new geographic markets.

## Financials

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

| Consolidated Profit and Loss | FY 2022 (₹ in millions) | FY 2023 (₹ in millions) |
|---|---|---|
| **Revenue from Operations** | **11,658** | **14729** |
| Other Income | 10 | 29 |
| Total Revenue | 11,668 | 14758 |
| Expenses | | |
| Cost of Materials Consumed | 7,228 | 9485 |
| Purchase of Stock-in-trade | 249 | 281 |
| Change in Inventories of Finished Goods, Work-in-progress and Stock-in trade | (381) | (227) |
| Employee Expense | 963 | 1064 |
| Other Expenses | 2,602 | 3097 |
| Total Expenses | 10,661 | 13700 |
| **EBITDA** | **1,007** | **1058** |
| Depreciation and Amortisation Expenses | 127 | 142 |
| Finance Cost | 146 | 194 |
| Tax Expenses | 188 | 194 |
| **Net Profit After Tax** | **546** | **528** |

Revenue: The Consolidated Revenue from Operations during FY 2023 stands at ₹ 14729 million against ₹ 11658 million in FY 2022, resulting in a growth of 26%.

Total Expenditure: Total Expenditure stands at ₹ 13700 million in FY 2023 as against ₹ 10661 million in FY 2022. Major expense heads for the Company include Raw Material costs, Manufacturing costs, Employee benefits expenses and Selling General and Administrative expenses.

EBITDA: In FY 2023, the Company's EBITDA stood at ₹ 1058 million, compared to ₹ 1007 million in FY 2022.

## Business Segments

Business Segment wise consolidated revenue from operations:

(₹ in millions)

| Composition of Sales | FY 2022 | FY 2023 |
|---|---|---|
| Performance Polymers & Chemical | 6816 | 9308 |
| Agri Products | 4842 | 5421 |

## Agri Business

**Business Profile** – In the Agribusiness , we offer a diverse range of Agri-input products within the Crop Nutrition category under the distinguished brand "Ramban". This brand has earned a robust reputation in regions such as Uttar Pradesh, Uttarakhand, Bihar, and has a prominent presence in Rajasthan as well. Our company is dedicated to the manufacturing of Single Super Phosphate (SSP) in both powder and granulated forms, fortified with essential elements like Boron and Zinc, in accordance with the specifications outlined by the Fertilizer Control Order (FCO). In addition to this, we are also engaged in the production and sale of Shakti-Zyme, Bio-Poshan, and Sulphuric Acid.

**We hold the highest market share in Uttar Pradesh. Among the farming community, the RAMBAN brand is highly preferred.**


**New Product Launch**

### Bento-Sulph (Sulpur 90% Granular):

Bentonite Sulphur is straight Sulphatic fertilizer containing 90% Sulphur and 10% Bentonite clay. This is the highest among other category of Sulphated fertilizers. It makes Bentonite

Sulphur more effective in terms of supplying Sulphur to Crops. It helps plant in oil synthesis and improves the quality of Fruits.

Dosage: 10-12 kg/ Acre

Pack Size: 10 kg bag

### Sahaj Potash:


Potash Derived from Molasses (PDM) is a potassium rich fertilizer derived from molasses contains potash 14.5% (WS). It has been launched in 2023. PDM plays a major role in both the vegetative growth phase of plants as well as in the productive phase. It enhances the Potash uptake in plants leading to higher productivity. It also Improves the fertilization of Soil.

Dosage: Depends on crop and soil requirement, generally 120 – 150 Kg/ Acre.

Pack Size: 50 kg bag

Crops: All crops including fruits and vegetables

**Marketing Activities**

The company has undertaken various marketing activities to raise awareness about the benefits of our products and to establish the Ramban brand.

### Group Campaign

### Farmer Meeting


### Farmer Exhibition

### Big Farmer Meeting

Spot Farmer Meeting

## Industry Overview

Fertilizers have played a crucial role in agricultural production, supplying essential nutrients for crops and experiencing growing demand over the years. In India, an agrarian country with a substantial number of small and marginal farmers, issues like low productivity and suboptimal quality persist. Crops are predominantly rain-fed and cultivated on the same plots over time, leading to declining soil fertility in many regions. Consequently, there has been an increased reliance on nitrogen fertilizers in the country. In response, the Indian government has initiated economic reforms and ensured the availability of fertilizers at affordable prices to enhance productivity. Due to subsidy eligibility on notified fertilizers, the Indian fertilizer industry has been able to provide enhanced food security for the country. While agriculture is heavily dependent on the use of fertilizers, the government has met almost all demand for chemical fertilizers.

The most used phosphatic fertilizers are Diammonium Phosphate (DAP), NPKs and SSP. Urea stands as the most highly consumed fertilizer among nitrogeneous fertilizers.

SSP is a multi-nutrient fertilizer containing 'Phosphate' as primary nutrient and 'Sulphur' and 'Calcium' as secondary nutrients. SSP is also fortified with Boron and Zinc as the deficiency of micro nutrients in Indian soils is gradually increasing. Hence, fortified SSP will be handy to the farmer to address the deficiencies of Boron, Zinc, Sulphur and Calcium etc.

DAP is the world's most widely used phosphorus fertilizer. It is popular due to its relatively high nutrient content and its excellent physical properties. DAP is a source of phosphorus (P) and nitrogen (N) for plant nutrition.

NPKs, also called compound fertilizers, are fertilizers which contain all three nutrients, nitrogen, phosphorus, and potassium in different proportions. There are many types of NPK products in the market based on different nutrient recipes.

Nano Urea Liquid, is the only Nano Fertilizer approved by the Government of India and included in the Fertilizer Control Over (FCO). It is developed and patented by IFFCO. It is nanotechnology based revolutionary Agri-input which provide nitrogen to plants, save soil and increase the production. It's objective is to reduce the consumption of traditional Urea.

The government of India is willing to strengthen SSP industry. For this, with the guidance of DoF, FAI has constituted a Task Force (TF) to improve the quality of SSP and to promote it as an alternative of DAP.

In India, SSP contributes 11% of the total Phosphatic segment (DAP, NP/NPK and SSP) in FY 2022-23

In Uttar Pradesh and Uttarakhand, the SSP sales has recorded growth of 6% in FY 23 over FY 22. The sales trend other Phosphatic fertilizers is mentioned below:

(in Lakhs MT)

| Fertilizers | 2017-18 | 2019-20 | 2019-20 | 2020-21 | 2021-22 | 2022-23 |
|---|---|---|---|---|---|---|
| DAP | 18.32 | 19.97 | 24.15 | 22.49 | 19.91 | 24.91 |
| NPK | 5.50 | 6.90 | 5.91 | 6.16 | 5.52 | 5.30 |
| SSP | 3.78 | 3.97 | 4.43 | 5.25 | 5.36 | 5.68 |

## Business Performance

The company's expansion into new states has driven remarkable business growth, bolstered by a heightened focus on innovation that has led to an enriched and diversified product portfolio.

## Business Strategy

The company's strategy involves expanding into Gujarat, Maharashtra, Chhattisgarh, and West Bengal, while simultaneously aiming to strengthen its dealer network in Bihar, Rajasthan, Madhya Pradesh, Haryana, and Punjab through value-added products like Fortified SSP with Zinc & Boron (Super Formula), Shaktizyme, and Bio Poshan, ultimately resulting in increased crop yields.

# Performance Polymers

## Consumer Products

Business Profile – Our Consumer Products division specializes in Wood Working Adhesives and Wood Finishes.

- 'Jivanjor' stands out as a prominent name in the wood working adhesives sector. Our water-based adhesives are known for their quick setting time at room temperature and superior bond strength, which significantly enhance the durability of furniture and fixtures. Our product portfolio also encompasses a variety of specialty adhesives that cater to diverse requirements within the water-based category. Additionally, we offer contact adhesives that are synthetic rubber-based, providing rapid drying and excellent performance in vertical lamination applications.

- Under our Wood Finishes brands 'Charmwood' and Ultra Italia PU, we offer a comprehensive wood finishing system, as well as stains and ancillary products for the decoration and protection of wooden furniture. Our wood finishing system comprises Gloss and Matt variants of Melamine finish, Nitrocellulose finish, and PU Alkyd finish. These systems exhibit remarkable fast drying properties and offer resistance against stains and scratches. Moreover, our wide range of Wood stains allows for the creation of unique colors that cater to various consumer preferences. To ensure successful application, we also provide ancillaries such as sealers and thinners. Furthermore, we have ventured into the premium wood-finish market with our exclusive Ultra-Italia range of PU products.

With a nationwide distribution network, our brands 'Jivanjor', 'Charmwood' and "Ultra Italia" are major players in their respective segments.

## Wood Working Adhesive Portfolio


All purpose adhesive Hybrid polymer technology


Heat & water proof adhesive

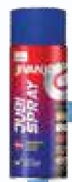

Water proof adhesive


D3 certified, waterproof Fast drying (1 hour*)


Anti bubble vertical lamination


Super fast bonding, benzene free, setting time (5 min*)


Specialist adhesive for PVC, Acrlyic



Aerosol spray for wood working industry

## Maintenance Division: Product Portfolio

Multipurpose epoxy adhesive

General purpose cyanoacrylate

Cyanoacrylate for flex, PVC and plastic bonding

Cyanoacrylate for wood Filling application using saw dust


Maintenance spray for rust removal and corrosion protection

Cyanoacrylate in gel form for electronic and auto industry


Epoxy putty for sealing leakage


Silicon sealant for Gap filling and pasting

Glue stick for art and craft

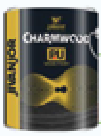
## Wood Finish Portfolio


Ultra Italia PU

Fast drying luxury wood coating

Water Based PU

Low Odour water based interior PU



Charmwood PU

BEST PU FOR INTERIOR

Melamine

Fast drying Melamine

NC

NC all range product


Wood stain

Makes wood tone natural


Woody PU

Easy to use brushable PU

THINNER

Thinner for NC melamine and PU

A few key strategic Brand Initiatives were rolled out in FY 2023:

Strengthened the New Visual Identity System for Jivanjor

Jivanjor's new brand design and logo were effectively conveyed through like in-shop branding and Dealer boards, creating a distinct presence in the trade sector and garnering positive feedback.

The new VIS and its adaptation to the Jivanjor range of products is as follows:


Continued on Enhanced Visibility in Trade

## Launched New Product in Maintenance Range


One of the Key Initiative was to foray in the Maintenance space catering to market needs in this segment.

## Higher visibility in Digital

## New Products


The company's unwavering focus on innovation is reflected in its delivery of distinct offerings to customers and channel partners. We also strengthened the Jivanjor portfolio with a series of new products launches.

## Wood Finish

**ULTRA ITALIA**

New Product Launches in Imported PU range


The company maintains a constant emphasis on innovation and delivers unique offerings to its customers and channel partners. The company collaborated closely with both its R&D team and Verin Legno (our Italian Partner) team, strategically enhancing our product range to bolster competitiveness and appeal across the market spectrum. A comprehensive approach to innovation was undertaken, considering various stakeholders such as architects, contractors, dealers, and the sales team, recognizing the diverse and distinct requirements. The introduction of Water Base and Special Effects addresses these unique needs, catering to architects' preferences for distinctive and less common options in the market.

In the previous year, the company successfully introduced innovative products such as Polyester, Acrylic PU, water-based PU, Floor Coating, and Special Effects.

## PU Colour Machine

In the PU segment, the PU colours segments is growing at much faster pace compared to the clear segment. Ultra Italia is committed to giving colour solutions on wood to our dealers so that they can provide the same to their end users.


## Branding Activity


**Architect & Contractor Mass Meetings**


CHARMWOOD

**New pack having Jivanjor strip**

This is our innovative new packing which came into existence after getting market insight. We can get advantage from our renowned JIVANJOR brand, which is an esteemed brand for Adhesive in India.


**Visibility Dive**

**Demand generation Activity.**

## Food Polymers

**Business Profile** – Jubilant is one of the leading supplier of Polyvinyl Acetate (PVAc) to the chewing gum industry. PVAc is the major raw material for making gum base for chewing gum and bubble gum. Our brand names under this category are 'Vamipol 5', 'Vamipol 14', 'Vamipol 15', 'Vamipol 17', 'Vamipol 30', 'Vamipol 60' and 'Vamipol 100'. The customer profile of the Company in this business includes the market leaders in chewing gum industry worldwide.

**Industry Overview** – The gum industry is consolidated with top two companies' together accounting for around 60% market share. The global market shares for the top five chewing gum companies are estimated to be around 83%.

The chewing gum market is projected to register a CAGR of 4.39% over the coming five years.

Sugared chewing gum sales are declining due to consumers' preference for sugar-free confectionery. However, Sugar free gums, which attract health-conscious consumers, and which also provide additional benefits of dental care, and also functional gums like 'energy gums', 'caffeine gums' are expected to see a stronger growth rate albeit with a lower base.

Chewing gum has several direct substitutes such as mints, mouth-freshening sprays, and bubble gum. Apart from the direct substitutes, there are some indirect ones, like candies and toffee. The preference for mints over chewing gum is likely to affect the demand for gums in the coming times.

**Business Performance** - Despite substantial challenges this year, the SPVA business achieved improved profitability, attributed to enhanced cost management strategies and improved customer realizations.

**Business Strategy** – The business strategy revolves around two key pivots – New customers, and New product/ application development. During FY 2022-23, the business has worked around these pivots and has been able to include some new customers in Europe & South America. We also increased our global market share through our regular customers, which helped with the volume increase this year. The business continues to have strong plans for new customer's acquisition in international markets and share gain plans in the food applications space.

## Latex Business

**Business Profile** – Jubilant ranks No. 1 in India and No. 2 globally, for manufacturing VP Latex (Vinyl Pyridine Latex) used in dipping of automobile tyre cord and conveyor belt fabric. The Company also produces SBR and NBR Latex. The Company is bulk supplier of these lattices to global automobile tyre manufactures and dippers. The products under this category are 'Encord VP Latex' and 'Encord SBR Latex'. Another product 'Encord NBR Latex' is used in automotive gasket jointing.

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

Latex Industries achieved growth in domestic and export markets, defying global slowdown signals in the second half of the year. Significant raw material price hikes in the first half of FY23, resulting in higher final product costs, the second half saw a decline in raw material prices, prompting corresponding adjustments in finished goods prices. The Indian tire industry effectively sustained growth momentum in both domestic and export sectors throughout FY23.

**Business Performance** – In FY23 Latex Business maintained a dominant market share in Domestic Market and continued to increase its market share & geographic presence in Exports Market.

**Business Strategy** – In FY 2024, business development activities in the international market continue to be a focus area while maintaining domestic share and margins. At the same time to explore potential opportunities to enter into other lattices segments.

## Research and Development Initiatives

Our commitment to Research and Development (R&D) and cutting-edge Technology forms the foundation of our success. With state-of-the-art R&D and Technology centres that adhere to international standards. Research and Development plays an important role in innovation and developing new technologies and new infrastructure that can be leveraged for seamless scale up of new products. R&D inputs to six sigma, play a vital role to foster the implementation of new technologies and enhance the efficiency of our manufacturing plants.

Jubilant has successfully developed launched many products in Consumer business.

R&D is fully involved in innovation and development of new technology & products and recipe optimizations, which provide better customer satisfaction and edge over competition in Consumer business. Jubilant has successfully developed new technology platforms in latex business, relevant to unmet customer needs. Collaborative product development with the end user has been put in place.

## Manufacturing

We practice world-class manufacturing processes in our day to day operations, assuring our customers with unmatched quality and timely delivery of products through innovation and cutting-edge technology. Transforming manufacturing for operational excellence and sustainability with "zero tolerance to any non-compliance" is our core focus.

Sustainable growth has also been supported by proactive approach to regulatory compliance. During the year many initiatives have been taken up in areas like energy conservation, water conservation, cycle time reduction, cost optimization and improving machine up-time through sustainable engineering practices etc. at all manufacturing plants

Use of agro waste like Rice Husk, started at Kapasan plant, for replacing non-renewable fuel (coal) for hot air generators. At Gajraula it has already being implemented and is continuing. To embed continuous improvement into the company's DNA, and to further enhance its People, Process and System capabilities, various transformation methodologies Greenbelt methodology and 5-S, have been deployed across the manufacturing function. Many other initiatives have been taken across plants to strengthen EHS (Environment, Health and Safety) systems. Various measures to control fugitive emission at fertilizer plant at Gajraula have been taken.

We have continued emphasis on compliance to regulations, GMP (Good Manufacturing Practices) through continuous assessment and review of quality systems with industry guidelines and regulatory standards.

We have formulated Environment, Health and Safety (EHS) Policy, applicable to all locations irrespective of the type of operations and geographies. The policy outlines the fundamental ideology of not only complying with the regulatory standards but also excelling in improving its EHS performance through continual improvement approach. The EHS policy acts as a guiding principle for identifying, addressing and eliminating or mitigating any impacts/risks arising from resource utilization, processes, unsafe working conditions, waste, effluent generation or emissions. We value health and safety of the people above all and the need for preventing Pollution. EHS management systems have been one of the integral part of our business at all manufacturing locations.

Our Gajraula plant received below awards during the year.

- PLATINUM AWARD from GROW CARE, for outstanding achievement in Environment Management system.
- RATING -3 from VZ-RSI (VISION ZERO RATING SYSTEM) for outstanding achievement in Safety Health and Wellbeing for Sustainable business growth.

Our Savli plant received below award during the year

- SILVER RATING from ECOVADIS for Sustainable Performance

## Supply Chain Management

In line with our unwavering commitment to excellence, we are proud to highlight our robust and strategic approach to supply chain management. The company upholds a resolute collaborative partnership with our valued suppliers, a partnership founded on transparency, trust, and shared success. Our supply chain management strategy is meticulously engineered to not only meet but exceed the expectations of our customers. We are proactive in identifying and mitigating potential supply chain risks, ensuring an uninterrupted flow of high-quality materials and components. By fortifying these measures, we ensure a stable and sustainable source, safeguarding the reliability of our products and services.

Throughout the year, global Supply Chain networks navigated persistent volatility and unpredictability. While many value chains rebounded from COVID-19's disruptions, uncertainty arose due to two factors: the European armed conflict and China's unwavering commitment to COVID-19 containment, only easing towards year-end.

In FY 2023, the company took major initiatives to reduce costs by better inventory management and alternate vendor development. The business planning cycle was strengthened through S&OP (sales and operations planning) and S2F process improvements.

The finished goods, logistics and distribution structure of the Company's consumer products business was also remodeled this year for lower inventory yet not compromising on product availability and OTIF dispatches. Few geographically closer warehouses were merged so that the overall inventory got reduced.

Going forwards, we shall continue focus to develop alternate suppliers for key Raw Materials, packing materials we shall continue to target and achieve higher levels of efficiency across categories with a primary focus in the area of raw material and logistics while ensuring delivery of value to our end customer.

## Human Resources – "Our Key Differentiator"

At Jubilant Agri and Consumer Products, our employees have always been at the core of our strategy. This year was a consolidation year wherein the strides and initiatives taken during the last year spanning across all the businesses were critically reviewed on the stage gated success milestones.

Our teams across business were pivotal in driving the initiatives and were ably supported by adequacy of resource alignment to ensure each of our employees succeeded in their respective accountabilities. Our People processes, starting from the Organization design, Talent acquisition, Onboarding, engagement, and capability building were tightly aligned to the business strategy thereby acting as a catalyst.

At Jubilant Industries, we ensure an ethically compliant workplace, work ethos and a high level of corporate governance for our employees. We review our policies and people processes to make sure we are competitive across the relevant markets. We are confident in our strides, we assess and evaluate our hits and misses, we learn from both to fuel our journey of continual improvement.

"Caring, Sharing and Growing" are our core guiding principles, which are radiated through our integrated Talent Management initiatives, which is closely knit to the business strategy. This defines who we are and what we stand for.

Workforce planning is a live action agenda that we undertake. The markets and the customer needs are dynamic and so are our organization structure where each region, each product line and each customer is adequately touched through the dynamic and resilient organization plan that we create and sustain. Our people structures reflect a high level of customer centricity. New requirements stemming out of these structures are met through internal talent or infusing the right talent from the market.

Succession planning and internal talent dashboards are reviewed periodically to identify possible voids and plans created to ensure adequacy of talent across all critical and unique rolls. Critical positions have been filled either through internal talent portability or some critical capabilities have been addressed through lateral hires. The target setting exercise is done in a top down flow to ensure adequate sanctity and transparency across the organization.

The focus for the last two years has been to ensure a transition as a digital organization. The core team at the corporate office and a pool of strategic partnerships are working round the clock to ensure a phased digital ecosystem for all the businesses. The digital strategy is two pronged while the key focus has been to ensure that the work life of our field champions transforms, and the internal back-office system also experiences a digital revolution to ensure holistic integration. The digital blue print is based on our vision of giving "The Power to You", empowering our customer facing employees to leverage this technology edge and deliver superior customer delight and improved business results.

Driving excellence across processes has been another key initiative. As we speak, the Sales Excellence vertical works very closely with the B2C businesses delivering on the two Ps, people capability and process. All customer-interfacing roles get assessed for competencies to ensure "The Jubilant Way of Selling" is delivered across the geography. This also includes the influencer engagement teams who have the key responsibility to engage with influencers and deliver the sell-out. The training and certification programs are delivered Pan-India and this investment is showing early promising signs translating in to business results.

## INTERNAL CONTROL SYSTEMS AND RISK MANAGEMENT

Risk-taking is an inherent trait of any enterprise. It is essential for growth or creation of value in a company. At the same time, it is important that the risks are properly managed and controlled, so that the Company can achieve its objectives effectively and efficiently.

### Internal Financial Control Framework

Section 134(5)(e) of the Companies Act, 2013 requires a Company to lay down internal financial controls system (IFC) and to ensure that these are adequate and operating effectively. Internal financial controls, here, means the policy and procedure adopted by the Company for ensuring the orderly and efficient conduct of its business including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information. Our Internal Financial Controls (IFC) system has been established with policies and procedures that incorporate all the five elements:

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

In addition, we have a transparent framework for periodic evaluation of the IFC through periodic internal audits and quarterly online controls self-assessment through Controls Manager software. This reinforces the Company's commitment to adopt the best corporate governance practices.

### Implementation of Internal Financial Controls

To compete in industry, stringent Corporate Governance and financial control over operations is essential for the Company. To ensure a robust Internal Financial Controls framework, we have worked on three lines of defence strategy:

- Build internal controls into operating processes: To this end, we have ensured that detailed Delegation of Authority and Standard Operating Procedures (SOPs) for the processes are followed, financial decision making is done through Committees, IT controls are built into the processes, segregation of duties is clear, strong budgetary control framework exists, the entity level controls including Code of Conduct, Ombudsperson office etc. are established.
- Create an efficient review mechanism: We created a review mechanism under which all the businesses are reviewed for performance once in a month and functions are reviewed once in a quarter by the Chief Executive Officer (CEO).
- Independent assurance: We have appointed a Big Four firm as our internal auditors to perform systematic independent audit of every aspect of the business to provide independent assurance on the effectiveness of the internal controls and highlight the gaps for continuous improvement.

To improve the controls in operations, we have established, for each line of business, the concept of financial decision-making through operational committees. The entire purchase, credit control and capital expenditure decisions are taken jointly in committees. The key roles of these business committees are as under:

- Purchase Committee ensures high quality purchases at economical cost and maintains reliability of supplies from reputed suppliers with long-term relationships.
- Capex Committee ensures cost reduction with proper negotiation and monitors time and cost overrun.
- Credit Committee evaluates the credit risk and approves the maximum specific credit which can be provided to any particular customer. This committee approves the credit limits annually and is empowered to make changes as and when required.

The Audit Committee act as a governing body to monitor the effectiveness of the Internal Financial Controls framework.

## Risk Management

### Our Vision on Risk Management

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

### Risk Management Strategy

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

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

### Risk Management Structure

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

### Risk Mitigation Methodology

We have a comprehensive internal audit plan exercise which helps to identify risks at an early stage and take appropriate steps to mitigate the same. We have completed twelve years of our certification process wherein, all concerned Control Owners certify the correctness of controls related to key operating, financial and compliance, every quarter. This has made our internal controls and processes stronger and also serves as the basis for compliance as per Regulation 17 (8) read with regulation 33 (2) (a) of Listing Regulation as stipulated by SEBI.

### Management 's Assessment of Risk

The Company identifies and evaluates several risk factors and draws out appropriate mitigation plans associated with the same. Some of the key risks affecting it businesses are laid out below:

### Competition

The Company operates in a competitive business environment in each of its business segments. Climatic conditions have a pivotal role to play in Agri Products prospects. Uncertainty in monsoons and non-uniform distribution of rainfall has repercussions like sudden change in cropping pattern, pest attack, and changes in output prices of commodities. All these factors highly impact the demand and supply balance of fertilizers.

The movement of bulk fertilizers requires timely availability of carriers and railway wagons (rakes) which at times get affected due to movement of other commodities at the same time. In addition, price movements in the international market for alternatives to SSP such as DAP and NPK complexes, poses risk in the form of consumer preference for these alternative products thereby impacting demand for SSP.

In Agri Products is dependent on climate which plays a vital role. The SSP demand is influenced by the availability and import prices of other bulk phosphatic fertilizers like DAP and NPK complex which create intense competition in the market and an alternative to the farmer.

Further, the increase of international price of raw material like rock phosphate, Sulphur also affect the SSP selling price while giving an opportunity to the farmer to opt for alternative products such as DAP /NPK.

Government NSBS Policy and guidelines will also impact the demand and selling price of SSP.

In Consumer Product business, low involvement of consumer and price sensitivity makes the Company dependent on channel and influencer for creating demand for its products. The Company has worked out strategies to expand distribution channel, build up product portfolio in high growth segments and strengthen brand usage among influencers with loyalty programs and various interactive marketing initiatives. The company will also embark on a Brand Affinity building drive with End Consumers to establish JivanJor as a strong player in the Adhesives category in their consideration set. This will, in sync with various influencer programs, help amplify brand usage across.

In the Food Polymers and Latex business, the Company contends with international competition including China benefiting from cost advantages. Additionally, export-oriented activities face rivalry from European counterparts within an industry experiencing limited growth, resulting in pricing pressures among the top players. Despite these hurdles, robust customer and account management initiatives have secured long-term commitments, driving profitable outcomes in FY 2023. Plans are in place to replicate this success and sustain growth in the coming years.

## Cost Competitiveness

The Company believes that its growth and market position is due to the quality that it stands for. Rising input prices amidst inflationary market conditions pose a risk to the Company's ability to remain price competitive and build profitability to drive future growth. Volatility in prices of raw materials any surge in logistics cost may have a significant impact on operating margins.

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

## Foreign Currency Fluctuations

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

The Company does not use any derivative financial instruments or other hedging techniques to cover the potential exposure as the net foreign currency exposure is not significant.

## Capacity Planning and Optimization

As a part of its growth strategy, the Company makes investments to expand capacity and service capabilities and focuses on debottlenecking the existing plants. Debottlenecking/process improvements helped in generation of additional capacity with the available resources in Fertilizers, Adhesives, SPVA plants. Additional capacities, through new equipment, have been created in the Latex plant. This is critical to achieve our business objectives of driving growth and maintaining market leadership. Non-availability of sufficient capacity due to delayed commissioning, cost overruns and inability to deliver as per standards can significantly impact achievement of revenue targets, margins and expected return on investment (ROI). It can also result in customer dissatisfaction and an adverse impact on reputation. Uncontrollable breakdowns and idle capacities contribute to inefficiencies in the manufacturing process. Similarly, unutilized capacity for short periods due to power breakdown, unavailability of labor, transport strike etc. may impact the ability to meet customer demand and garner market share.

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

## Portfolio and mix: Product and Customer Concentration

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

Agri Product, to meet emerging nutrient deficiency in crop produce which creates malnutrition condition, fertilizer industry in collaboration with Government of India makes continuous efforts to provide nutrient rich fertilizers to farmers. This helps farmers maintain crop yields and thus get higher returns. Jubilant also played its role in maintaining soil health and increasing crop yields by introducing more product under FCO – Boronated SSP(Granular), Zincated SSP (Powder), Zincated SSP (Granular), SSP fortified with Boron and Zinc (Super Formula - Granular).

Business is in process of launching Mono Zinc, Nutri mix 5% (State Grade) and Bio-Poshan

As a part of business planning and periodic review meetings, the Company strives to identify and explore new profitable markets for its products as well as new downstream opportunities in terms of applications and alternative uses of the products available in its portfolio.

Food Polymers and Latex business, an over-dependence on single product or few customers, may adversely impact the realization of long term business objectives in the event of any regulation limiting the end use application. We continue to address this issue by adding newer customers as well as applications to the portfolio. Efforts on the Food Polymers continue but the challenge remains with limited customer base and even in that a few holding by far the majority share. Failure to effectively / optimally utilize co-products as per strategy may result in inventory build-up, distress sale and forced losses.

As a part of business planning and periodic review meetings, the Company strives to identify and explore new profitable markets for its products as well as new downstream opportunities in terms of applications and alternative uses of the products available in its portfolio.

## Human Resources – Digital Experience

A Digital work life is a new way of working that brings with it the challenge of affecting this change management across the organization covering employees and even trade partners.

The organization has a clear vision and the same is being communicated with conviction to all the stakeholders. The toll to create a positive impact and succeed at Jubilant will be availability of adequate information with the employees managing the internal and external customer experience. Adequate resources are being deployed to ensure our digital initiatives are user friendly, secure and cleared post UAT. Training is being provided to all the stakeholders on the features of the digital interface to ensure a holistic ownership and commitment to this initiative.

### Human Resources-Acquire and Retain Professional Talent

Our talent management strategy is anchored on the postulate that synergic teams ensure long-term success.

While on one hand, we continually review and assess our talent requirements to be in line with the market and competition, we are always open to external stimulus to bring onboard relevant talent from the market to further the velocity of our initiatives.

The Company has invested in talent planning, assessing and refining the most impactful parts of our hiring process by soliciting feedback from candidates and recent hires to better understand their experience and take the processes of recruitment, selection and onboarding to the next level.

Succession plans for critical roles are aggressively perused to address the inevitable impact on the business objectives in case of talent drain. Many internal movements have been executed which have yielded a positive impact for the organization.

Cross-functional teams at work ensure adequacy of empathy and sensitivity across business and function teams. The organization lays an overarching focus on utilizing the CFTs to mitigate live wire challenges across the board.

Our performance management system starting from target setting, cascade and then the performance assessment is adequately anchored across the financial targets for the organization. The assessment is data centric and differentiates "High Performance High Potential" employees. The sales incentive programs are also strongly aligned to the focus initiative for the specific period which ensures an extremely high level of commitment of the teams to the action agenda.

The Company continues to hire new and specialized talent for scientific and technical roles also, further cemented through the engagement programs being the reward and recognition programs. Focused capability building through need based training programs are provided to identified employees at all levels.

The organization is adequately poised to have an aggressive business plan for the new year which is based on the adequacy of a holistic people strategy.

## Distribution Channel and Brand Recall

In Agri Products, for better brand recall and to impart product knowledge, it is important to engage with all stakeholders regularly through various activities. In Agri Products, various promotional activities are conducted at field level to generate awareness among the farming community/ channel partners etc. These activities include spot farmer meetings, shop/ wall/trolley paintings, dealer and retailer meetings, farmer consultations/ visits, jeep campaigns, field demonstrations, Kisan melas and field days. Crop and region-specific POP material also aid in raising product awareness among the stakeholders.

In Wood Adhesives and Wood Finishes business, the Company competes nationally with both National and Regional players, with a strong network of Distributors and Dealers, which ensures availability of our products across the length and breadth of the country. As distributors and dealers play a significant role in driving consumer behavior, managing their loyalty, continuity and commitment is of paramount importance to succeed.

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

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

## R&D Effectiveness

Innovation in terms of new products, new applications and new cost saving techniques of manufacturing and building a robust product pipeline is critical to the success of the Company. Failure in innovation and inability to build a robust product pipeline, which can be commercialized in a timely manner, may adversely impact the Company's competitive position. Risk of developing products which do not meet the required quality parameters may also significantly impact the Company's reputation and result in loss of future business. It is equally critical for the business to innovate new applications to maintain its leadership position.

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

## Compliance and Regulatory

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

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

## Environment Health and Safety (EHS)

In the current business climate of reputational threats and rising political backlash, corporates need to tread carefully to maintain public trust. Social acceptance and Corporate Social Responsibility (CSR) have become increasingly important over the last decade. Non-compliance with stringent emission standards for the manufacturing facilities and other environmental regulations may adversely affect the business. Manufacturing of the Company's products involves hazardous chemicals, processes and by-products and is subject to stringent regulations. Proximity of plant locations to residential colonies amidst rapidly changing urbanization dynamics poses additional risk to its business.

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

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

.Various awards/accolades received for EHS performance, are listed in section named "Manufacturing".

## Business Interruption

The Company's core manufacturing facility for a majority of its business is concentrated at Gajraula, India. Any disruption or stoppage of work at this facility, for any reasons, may adversely affect our business. Besides, the presence of a majority of the workforce in the residential colony adjoining our plant premises ensures sustenance of plant operations under challenging circumstances.

Other external interruptions- Fertilizers being partly subsidized important Agri input; are under government regulations. Any changes in government policies need creation of awareness among dealers, retailers, and farmers etc. to ensure smooth implementation at ground level. Changes in the rainfall patterns also affect the business directly. The major change in fertilizer sector policy is that of DBT, Training of retailers/ farmers and information sharing with sales staff is crucial for smooth business functioning and to avoid any gaps.

Industrial Chemical- Sulphuric Acid is also facing stiff competition as the RM prices have up surged and the prices are highly volatile in nature. Hindustan Zinc Limited (HZL) produces Sulphuric Acid as a byproduct of their smelting activities. HZL makes most of the demand and supply dynamics and plays with market sentiments by sometimes supplying at rock bottom prices. This affects all the key manufacturers present in the market including us.

The administrative controls and volatility in market impact cash flows and impose additional cost to business.

In Food Polymers business, adequate finished goods inventory is being maintained at stock points within the factory, as also close to the main markets/customers, to maintain supplies to key customers in the event of any stoppage of manufacturing operations. This inventory cover, however, would be for a limited period. The risk of impact on business in case of a prolonged stoppage / interruption of operations remain.

In Latex business, the manufacturing facility is at Samlaya, Vadodara, India. Any disruption or stoppage of work at this facility, for any reasons, may adversely affect our business.

Butadiene is one of the major raw material used for production of VP & SBR Lattices. Butadiene is currently available from limited manufacturers in the country. Being gaseous in nature it is not possible to import Butadiene in small parcels and there is limitation of storage, hence procured from domestic suppliers only. If there is an issue with the availability of Butadiene due to an unplanned shut-down taken by domestic suppliers, the production of lattices would be affected adversely.

To mitigate this risk, we have business relationships with multiple suppliers and keep an adequate inventory of Butadiene. We are also exploring to enhance the storage capacity of Butadiene at plant.

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

# Board's REPORT

The Board of Directors are pleased to present the 17th (Seventeenth) Annual Report together with the Audited Standalone and Consolidated Financial Statements for the financial year ended March 31, 2023 ("FY 2023").

## 1. FINANCIAL RESULTS

(₹ in million)

| Particulars | Consolidated | | Standalone | |
|---|---|---|---|---|
| | Year ended March 31, 2023 | Year ended March 31, 2022 | Year ended March 31, 2023 | Year ended March 31, 2022 |
| **Continuing operations** | | | | |
| Total Revenue from Operations | 14,729.18 | 11,658.00 | - | - |
| Total Expenses | 14,035.82 | 10,933.54 | - | - |
| Operating Profit/(Loss) | 693.36 | 724.46 | - | - |
| Other Income | 28.71 | 9.73 | - | - |
| Profit/(Loss) before Exceptional Items and Tax from continuing operations | 722.07 | 734.19 | - | - |
| Exceptional items | - | - | - | - |
| Profit/(Loss) after Exceptional Items but before Tax from continuing operations | 722.07 | 734.19 | - | - |
| Tax Expenses | 194.10 | 188.04 | - | - |
| Profit/(Loss) for the year from continuing operations | 527.97 | 546.15 | - | - |
| **Discontinued operations** | | | | |
| Profit/(Loss) before Tax from discontinued operations | 112.64 | (10.29) | 112.65 | (9.44) |
| Tax Expenses | 19.21 | - | 19.21 | - |
| Profit/(Loss) for the year from discontinued operations | 93.43 | (10.29) | 93.44 | (9.44) |
| Profit/(Loss) for the year from continuing and discontinued operations | 621.40 | 535.86 | 93.44 | (9.44) |
| Other Comprehensive Income | (2.76) | 3.31 | 0.02 | - |
| Total Comprehensive Income for the year (comprising profit and other comprehensive income for the year) | 618.64 | 539.17 | 93.46 | (9.44) |
| Retained Earnings brought forward from previous year | (221.06) | (756.92) | 1,330.06 | 1,339.50 |
| Retained Earnings to be carried forward | 400.34 | (221.06) | 1,423.50 | 1,330.06 |

## 2. OVERVIEW

The Company was engaged in the business of manufacturing Indian made foreign liquor (IMFL). During the year under review, the company did not engage in any operational business activities.

The Company's Wholly-owned Subsidiary, Jubilant Agri and Consumer Products Limited ("JACPL") is engaged in the manufacturing of Agri Products comprising Single Super Phosphate, a wide range of Crop Nutrition, Crop Growth, Performance Polymers and Chemicals, at its manufacturing facilities situated at Gajraula & Sahibabad in Uttar Pradesh, Kapasan in Rajasthan and Savli in Gujarat. JACPL is the sole manufacturer of food grade Polyvinyl Acetate (PVAc) in India having state of the art manufacturing facility situated at Gajraula in Uttar Pradesh and also the dominant player in manufacturing of VP Latex having state of the art manufacturing facility situated at Savli in Gujarat.

**The Company's brand 'Ramban' in Agri Products, 'Jivanjor' & 'Vamicol' in Wood Adhesive and 'Charmwood' & 'Ultra Italia' in Wood Finish are well known brands in their segments.**

There has been no change in the nature of business of the Company during the FY 2023.

### Consolidated Financials

In FY 2023 the consolidated revenue from operations was ₹ 14,729.18 million. EBITDA for the year stood at ₹ 1,058.10 million. Net Profit after tax from continuing operations was ₹ 527.97 million and Basic EPS from continuing operations on consolidated basis stood at ₹ 35.06.

### Standalone Financials

In FY 2023 total revenue from continuing operations was ₹ Nil. EBITDA for the year stood at ₹ Nil. Net Profit after tax from continuing and discounted operations was ₹ 93.44 million.

The Consolidated Financial Statements, prepared in accordance with the provisions of the Companies Act, 2013 (hereinafter referred as the 'Act') and Ind-AS 110 'Consolidated Financial Statements' prescribed under Section 133 of the Act, forms part of the Annual Report.

## 3. DIVIDEND

The Board of Directors have not recommended any dividend for the financial year 2022-23.

## 4. RESERVES

During the year under review, the Company has transferred ₹ 1.90 million to General Reserve from Share Based Payment Reserve pertaining to lapse of Stock Options.

## 5. CAPITAL STRUCTURE & STOCK OPTIONS

### Authorised Share Capital

The authorized share capital of the Company as at March 31, 2023 was ₹ 18,10,00,000 (Rupees Eighteen Crore Ten Lakh only) consisting of 1,81,00,000 (One Crore Eighty One Lakh) equity shares of ₹ 10 (Rupees Ten) each.

### Paid-up Share Capital

As at March 31, 2022, the paid-up share capital was ₹ 15,03,11,010 (Rupees Fifteen Crore Three Lakh Eleven Thousand and Ten only) consisting of 1,50,31,101 (One Crore Fifty Lakh Thirty One Thousand One Hundred and One) equity shares of ₹10 (Rupees Ten) each.

During the year under review, the Company has allotted, 36,000 equity shares pursuant to exercise of stock options. Consequently, the paid up share capital as on March 31, 2023 was ₹15,06,71,010 (Rupees Fifteen Crore Six Lakh Seventy-One Thousand and Ten only) comprising 1,50,67,101 (One Crore Fifty Lakh Sixty Seven Thousand One Hundred and One) equity shares of ₹10 (Rupees Ten) each fully paid up.

### Employees Stock Option Scheme

At present, the Company has two Employees Stock Option Schemes, namely JIL Employees Stock Option Scheme 2013 ("Scheme 2013") and JIL Employees Stock Option Scheme 2018 ("Scheme 2018").

Both the Schemes are in compliance with Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ('SEBI SBEB Regulations') and other applicable laws. The details pursuant to the SEBI SBEB Regulations, have been placed on the website https://www.jubilantindustries.com/pdfs/For-Scheme-2013-FY-2022-23.pdf & https://www.jubilantindustries.com/pdfs/For-Scheme-2018-FY-2022-23.pdf.

The Company has received a certificate from its Secretarial Auditor certifying that both the Schemes have been implemented in accordance with the SEBI SBEB Regulations. The certificate would be placed at the ensuing Annual General Meeting for inspection by the members.

## 6. Composite Scheme of Arrangement

With a view to simplify and streamline the Promoters' shareholding structure by eliminating shareholding tiers and to bring greater transparency in the Promoters' shareholding and to enable the shareholders of the Company to directly hold shares in the operating Subsidiary Company, i.e., Jubilant Agri and Consumer Products Limited, the Board of Directors of your Company had, at its meeting held on August 12, 2022, approved the Composite Scheme of Arrangement among HSSS Investment Holding Private Limited ("Amalgamating Company 1"), KBHB Investment Holding Private Limited ("Amalgamating Company 2"), SSBPB Investment Holding Private Limited ("Amalgamating Company 3"), Jubilant Industries Limited ("Company"/"JIL") and Jubilant Agri and Consumer Products Limited ("Amalgamated Company") and their respective Shareholders and Creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and rules made thereunder (the 'Scheme'), which is subject to requisite statutory approval(s).

Upon approval of the Board of Directors and pursuant to the observation letters issued by the stock exchanges, the Company had filed the said Scheme with the Hon'ble NCLT, Allahabad Bench. The Hon'ble NCLT heard the matter and passed an order on May 3, 2023, for calling the meeting of the Equity Shareholders of the Company and Secured Creditors

& Unsecured Creditors of Jubilant Agri and Consumer Products Limited on July 28, 2023 and July 29, 2023, respectively.

The Scheme is available on the website of the Company at https://www.jubilantindustries.com/composite-scheme-of-arrangement.html

## 7. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

The Company has two Wholly-owned Subsidiaries, Jubilant Agri and Consumer Products Limited ("JACPL") and Jubilant Industries Inc., USA.

- **Jubilant Agri and Consumer Products Limited**

  JACPL is engaged in the manufacturing of Agri Products comprising Single Super Phosphate, a wide range of Crop Nutrition, Crop Growth, Performance Polymers and Chemicals.

  During the FY 2023, JACPL has revenue from operations ₹ 14,365.49 million. EBITDA for the year stood at ₹ 1,050.90 million.Net Profit after tax for the FY 2023 is ₹ 528.56 million.

  In terms of Regulation 16 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), JACPL is a material non-listed Wholly-owned Subsidiary of the Company.

- **Jubilant Industries Inc., USA**

  Jubilant Industries Inc., USA is a Wholly-owned Subsidiary of the Company. It has been engaged in overseas trading of Solid Poly Vinyl Acetate and VP Latex.

  During FY 2023, it was engaged in overseas trading of Solid Poly Vinyl Acetate and Latex. It had revenue from operations amounting to ₹ 1,255.28 million. Net Profit after tax for the year 2023 is ₹ 17.63 million.

  During FY 2023, there were no associates or joint ventures of the Company.

  A statement containing salient features of the financial statements of Company's subsidiaries including therein contribution of subsidiaries to the overall performance of the Company is given in Form AOC 1 attached to the financial statements.

## 8. DIRECTORS AND KEY MANAGERIAL PERSONNEL

### Appointment, Re-appointment and Resignation

Pursuant to the provisions of the Companies Act, 2013, Mr. Shamit Bhartia will retire at the ensuing Annual General Meeting (AGM) and being eligible, has offered himself for re-appointment. The Board recommends his re-appointment to the members in the ensuing AGM.

Further, Mr. Abhishek Mishra resigned as Company Secretary and Compliance Officer of the Company with effect from April 15, 2023 and in his place, Mr. Abhishek Kamra was appointed as Company Secretary and Compliance Officer of the Company, on interim basis, with effect from May 25, 2023.

During the financial year under review, no Directors or Key Management Personnel (KMP) were either appointed or resigned.

### Declaration by Independent Directors

All Independent Directors have given declaration that they meet the criteria of independence with relevant integrity, expertise, experience and proficiency as provided under Section 149 read with Schedule IV of the Act and Regulation 16 of the Listing Regulations and have also confirmed for compliance of inclusion of name in the data bank, being maintained with 'Indian Institute of Corporate Affairs' as provided under the Act read with applicable rules made thereunder. The Company has also received declaration from the Independent Directors that they have complied with the code of conduct of Directors and Senior Management.

### Meetings of the Board

During the FY 2023, 4 (four) meetings of Board of Directors were held. The details of Board Meetings and the attendance of Directors have been provided in the Corporate Governance Report, attached to this Report.

### Appointment and Remuneration Policy

The Company has implemented an Appointment and Remuneration Policy pursuant to the provisions of Section 178 of the Act and Regulation 19 read with Schedule II, Part D of the Listing Regulations. Salient features of the Policy and other details have been disclosed in the Corporate Governance Report, attached to this Report.

### Annual Performance Evaluation of the Board

The Board adopted a formal mechanism for evaluating its performance and as well as that of its Committees and individual Directors, including the Chairperson of the Board. The evaluation was carried out through a structured questionnaire covering various aspects of the functioning of Board and its Committees. The detailed process of annual performance evaluation of the Board, its Committees, Chairperson and of individual Directors is disclosed in the Corporate Governance Report attached to this Report.

## 9. AUDIT COMMITTEE

As on date, the Audit Committee consists of four members: Mr. Ravinder Pal Sharma, Chairman, Ms. Shivpriya Nanda, Mr. Radhey Shyam Sharma, and Mr. Manu Ahuja.

All the recommendations made by Audit Committee were accepted by the Board of Directors.

Further information about the Audit Committee is provided in the Corporate Governance Report attached to this Report.

## 10. AUDITORS & AUDITORS' REPORT

### Statutory Auditor

In terms of the provisions of Section 139 of the Act, BGJC & Associates LLP, Chartered Accountants, were appointed as the Company's Statutory Auditors by the shareholders at their 13th AGM held on September 25, 2019, for a period of five years i.e. till the conclusion of 18th (Eighteenth) AGM of the Company to be held in the year 2024.

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

### Secretarial Auditor

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board had appointed M/s. Sanjay Grover & Associates (ICSI Firm Registration No.: P2001DE052900), Company Secretaries, in its meeting held on May 27, 2022, to undertake the Secretarial Audit of the Company for the FY 2022-23. The Secretarial Audit Report is attached as **Annexure 1** to this report and does not contain any qualification, reservation or adverse remark or disclaimer.

Further, JACPL, material subsidiary of the Company, has also undergone Secretarial Audit as per Section 204 of the Act and Regulation 24A of the Listing Regulations.

Accordingly, the Secretarial Audit Report for the financial year ended March 31, 2023 of JACPL issued by M/s Sanjay Grover & Associates, Practicing Company Secretaries, is attached as **Annexure 1A**. The said report is self-explanatory and do not contain any qualifications, reservations, adverse remarks or disclaimers.

## 11. REPORTING OF FRAUDS BY AUDITORS

During the year, there were no instances of fraud reported by auditors under section 143(12) of the Act.

## 12. RISK MANAGEMENT

The Company has in place a Risk Management Policy which assists; in identifying the elements of risk, if any, which in the opinion of the Board may impact the Company; monitoring and reviewing the risk management plan; and implementing the risk management framework of the Company. A detailed section on Risk Management is provided in the Management Discussion and Analysis Report forming an integral part of the Annual Report.

## 13. HUMAN RESOURCES

Jubilant Industries' human resources policies seek to enable effective delivery of its business strategy. The Company provides a work environment that attracts, develops and retains the best talent, promotes a values-driven, high-performance culture embedding diversity and transformation. The Company has continued to focus on critical skills development to ensure that teams have the right skills base and culture for smoother performance at present and to accelerate future growth.

At Jubilant Industries, our employees have always at the core of our strategy. This year was a consolidation year wherein the strides & initiatives taken during the last year spanning across all the businesses are critically reviewed on the stage gated success milestones.

"Caring, Sharing and Growing" are our core guiding principles get amplified through our integrated Talent Management initiatives, which is closely knit to the business strategy. This defines who we are & what we stand for.

In an ever-increasing competitive and challenging world, we continue to focus on our 'People Pillar' as a key to achieve our core objective of sustainable growth and social objectives. The Company acknowledges the role of the Human Resource Inventory as a strategic business partner in the organization and continues to invest in a wide variety of HR engagement initiatives.

Key dimensions of People Agenda:

- Skilled, experienced, diverse and productive people enable the Company to operate safely, reliably and sustainably.
- A safe operation culture - safe plants are stable plants, allowing the Company to meet production targets, providing a safe work environment where employees are healthy and engaged.
- Inclusive & Engaged Workforce – A participative approach & an inclusive Talent Management philosophy.

- Safety of employees - Internal Talent Reservoir - ensuring that the Company has the right talent in the right place at the right time enabling transformation and growth.

The focus for the last Four years has been to ensure our transition as a Digital organization. The core team at the corporate office & a pool of strategic partnerships are working round the clock to ensure a phased Digital Ecosystem for all the businesses. The Digital strategy is two pronged while the key focus has been to ensure that the work life of our field champions transforms, the internal back office system is also experiencing a digital revolution to ensure holistic integration. The digital blue print is based on our vision of achieving "The Power to You", empowering our customer facing employees to leverage this technology edge & deliver a superior customer delight & improved business results.

Talent management has been a key focus area for the HR function in the organization. We actively endeavor that our employees look at job enlargement and rotation opportunities as supporting such a journey is a win-win arrangement wherein employees discover avenues of growth and the organization can leverage well-inducted candidates with a deep understanding of its business and culture.

We maintain a continuous flow of communication with the employees, which is interactive in nature. This ranges from the CEO's Town hall for the entire organization across geographies to structured & formal organization updates. These events act as a platform for open dialogue between leaders and employees, sharing of important updates, addressing concerns, if any, and thereby building a culture of transparency, trust and collaboration.

Apart from our tiered development approach, the Company works on strengthening the capabilities of its employees with the help of training programs, on-the-job learning and special projects to bridge the identified gaps to ensure future ready talent. The Sales Excellence vertical works very closely with the B2C business delivering on the two Ps, People capability & Process. All customer-interfacing roles get assessed for competencies to ensure "The Jubilant Way of Selling" is delivered across the geography. This also includes the Influencer engagement teams who have the key responsibility to engage with influencers and deliver the Sell-out. The training & certification programs are being delivered Pan-India and this investment is showing early promising signs translating in to business results.

Further, the Company has also constituted Internal Complaints Committee in compliance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the year under review, no case has been reported.

## 14. AWARDS AND ACCOLADES

During the year, the Wholly-owned Subsidiary of the Company, JACPL, has received a Platinum Category "Grow Care India Award 2022" in Chemical Sector for its Gajraula plant for outstanding achievement in Environment Management.

JACPL Gajraula Plant has been Awarded RATING -3 for the award of VZ-RSI for outstanding achievement in "VISION ZERO APPROCH FOR SAFETY, HEALTH AND WELLBEING FOR SUSTAINABLE BUSINESS GROWTH"

JACPL Savli Plant has also been awarded with Silver Medal for the Sustainable Performance, by Ecovadis.

## 15. SUSTAINABILITY REPORT

The Company firmly believes in inclusive growth of its business with the Environmental enrichment and Social development based on the triple bottom line concept of Sustainable Development.

The Corporate Sustainability Report 2022-23 will be available on the website of the Company **(www.jubilantindustries.com).**

Sustainability initiatives have been undertaken by the JACPL for reduction of emission parameters, energy consumption and greenhouse gas emission. Energy Conservation drive have been carried out to strengthen the awareness and participation of employees in reducing avoidable Energy losses. Waste water generated in fertilizer plant is completely recycled and reused. In other plants it is treated and disposed as per Consent conditions. Natural Resource conservation measures have been strengthened through reuse of hazardous wastes i.e. silica sludge, Sulphur sludge and fly-ash in the fertilizer plant. Further Renewable fuel (Rice Husk, Fuel Wood, Saw Dust & Mustard Husk Briquettes) have been successfully used, completely eliminating use of coal in hot air generators at our Gajraula Plant in the reporting year. Similar initiative is also being started at our Kapasan plant to eliminate coal consumption by use of green fuel like rice husk. Replacement of existing Diesel Gensets with PNG Gensets at Sahibabad (Clean Fuel), benefits on the same with regard to GHG emission has been achieved in FY 2023.

## 16. CORPORATE SOCIAL RESPONSIBILITY

The Corporate Social Responsibility (CSR) is an essential pillar of Jubilant in its endeavours towards sustainable & responsible growth. CSR activities at

Jubilant are weaved in accordance with the provisions of Section 135 read with Schedule VII to the Act. Besides, the CSR initiatives at the company are in line with the United Nations Sustainable Development Goals (SDGs).

Jubilant Bhatia Foundation ('JBF') formed in the year 2007, a not-for-profit arm of the Jubilant Bhartia Group works towards conceptualisation and implementation of CSR activities of all group companies of Jubilant. The Company has been issuing its Corporate Sustainability report which has external assurance and its as per the Global Reporting Initiative ('GRI') guidelines. The JBF is also receiving A+ level by GRI since the year 2007. Along with this, from the year 2017-18, the Sustainability Report is aligned with the Global Reporting Initiatives' GRI Standards in accordance with the 'Comprehensive' option.

Through CSR, JBF is working in the realm of Health, Education & Livelihood. The CSR projects focuses towards empowering and adding value in the lives of the communities around the area of operations of Jubilant with a 4P (Public-Private-People-Partnership) during the implementation. JBF's detailed activities are available on its website www.jubilantbhartiafoundation.com.

With a vision to bring progressive social change through strategic multi-stakeholder partnership and bring about a 'social change' involving "knowledge generation & sharing, experiential learning and entrepreneurial ecosystem", during the Financial Year 2023, JBF continued working towards enhancing the quality of life of the community around the manufacturing locations, considered as an apex stakeholder.

The brief information of CSR activities undertaken by JBF is given below:

- Providing affordable basic & preventive health care- Reaching out to almost 33000 population 16 Villages in Kapasan through Jubilant Aarogya (Providing affordable healthcare through mobile & static clinic enabled with JUBICARE- platform along with need based health awareness camps.
- Supporting Rural Government Primary Education-Jubilant Bhartia Foundation is reaching out to more than 3000 students in primary schools through e-Muskaan (Smart TV) and Khushiyon Ki Pathshala (Value education for Teachers and Students), Mobile Science Labs and Muskaan Kitaab Ghar (Library)
- Under livelihood initiatives, local women beneficiaries from the community were engaged as Paryavaran Sakhi in neem plantation. JBF is also reaching out to farmers through Samridhhi initiatives and has provided infrastructure support through projects like establishment of rainwater harvesting structures, tin shades & water turf for cattle and setting up of a bus stand for community.

The Annual Report on CSR including contents of the CSR Policy and composition of Sustainability & Corporate Social Responsibility Committee is attached as **Annexure 2** to this Report.

## 17. INVESTOR SERVICES

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

- The Investor Section on the website of the Company (www.jubilantindustries.com) is updated regularly for information of the shareholders.
- Disclosure(s) made to the Stock Exchanges are promptly uploaded on the website of the Company, as per the requirement of the SEBI Listing Regulations, for information of the Investors.
- There is a dedicated e-mail id investorsjil@jubl.com for sending communications to the Company Secretary and Compliance Officer.

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

## 18. INTERNAL FINANCIAL CONTROL

The Company's internal control framework are commensurate with the size and nature of its operations. BGJC & Associates LLP, Statutory Auditors have audited the financial statements of the Company included in this annual report and have also confirmed the adequacy and operational effectiveness of its internal control over financial reporting (as defined in Section 143 of the Act) as on March 31, 2023. A detailed section on Internal Controls and their Adequacy is provided in the Management Discussion and Analysis Report forming an integral part of the Annual Report.

## 19. OTHER STATUTORY DISCLOSURES

i. Annual Return: In terms of Sections 92(3) and 134(3)(a) of the Act, annual return is available under the 'Investors' section of the Company's website and can be viewed at the following link: https://www.jubilantindustries.com/shareholders-meeting.html#!

ii. Deposits: The Company did not invite/accept any deposits covered under Chapter V of the Act. Accordingly, no disclosure or reporting is required in respect of details relating to deposits covered under the said Chapter.

iii. Loans, Guarantees and Investments: Details of loans, guarantees/ securities and investments along with the purpose for which the loan, guarantee or security is proposed to be utilised by the recipient have been disclosed in Note nos. 5, 28 and 4 to the Standalone Financial Statements.

iv. Particulars of Contracts or Arrangements with the Related Parties: The Company had formulated a policy on Related Party Transactions ('RPTs'), dealing with the review and approval of RPTs. Prior omnibus approval is obtained for RPTs which are of repetitive nature. All RPTs are placed before the Audit Committee for review and approval.

   All RPTs entered into during FY 2022-23 were in the ordinary course of business and were entered on arm's length basis. No material RPTs were entered into during FY 2022-23 by the Company as defined in the Policy on Materiality of Related Party Transactions and dealing with Related Party Transactions. Accordingly, the disclosure of RPTs as required under Section 134(3)(h) of the Act in Form AOC 2 is not applicable. Your Directors draw attention of the members to Note no. 26 to the Standalone Financial Statements which sets out the Related Party disclosures.

v. Material Changes in Financial Position: No material change or commitment has occurred after the close of the Financial Year 2022-23 till the date of this Report, which affects the financial position of the Company.

vi. Significant or Material orders: No significant or material orders have been passed by the Regulators or Courts or Tribunal impacting the going concern status of the Company and its future operations.

vii. Vigil Mechanism/Whistle Blower Policy: The details of Vigil Mechanism (Whistle Blower Policy) adopted by the Company have been disclosed in the Corporate Governance Report, which forms an integral part of this report.

viii. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo: The Company had been engaged in the business of manufacturing of IMFL, and as the Company did not have any operating business during the FY 2022-23, most of the information as required under Section 134 of the Act, read with Rule 8 of Companies (Accounts) Rules, 2014, as amended, is not applicable. However, the information as applicable has been given in **Annexure 3** and forms part of this Report.

ix. Particular of Employees: Particulars as required under Section 197(12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are given in **Annexure 4** and forms part of this Report.

x. Secretarial Standards of ICSI: The Company has complied with the Secretarial Standard-1 on 'Meetings of the Board of Directors' and Secretarial Standard-2 on 'General Meetings' issued by the Institute of Company Secretaries of India.

xi. Cost Records: Pursuant to section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, the Company is not required to maintain the cost records.

xii. Transfer to Investor Education and Protection Fund: The details of unpaid or unclaimed dividend and shares thereof transferred to Investor Education and Protection Fund have been disclosed in Corporate Governance Report and forms an integral part of this report.

xiii. During the year, Mr. Manu Ahuja, CEO and Managing Director of the Company is getting remuneration from Jubilant Agri and Consumer Products Limited, Wholly-owned Subsidiary of the Company, as its CEO & Whole-time Director.

xiv. The details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year alongwith their status as at the end of the financial year: **Not Applicable**

xv. The details of difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof: **Not Applicable.**

xvi. The disclosures as required under Rule 4, Rule 8, Rule 12 and Rule 16 of the Companies (Share Capital & Debentures) Rules, 2014 are not applicable to the Company.

## 20. DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors, based on the representation received from the management, confirm that:

- in the preparation of annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- the Directors had selected such accounting policies and applied them consistently and

made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on March 31, 2023 and of the profit and loss of the Company for the year ended March 31, 2023;

- the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the Directors had prepared the annual accounts on a going concern basis;
- the Directors have laid down adequate internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively;

  Based on the framework of internal financial controls (including the Control Manager) for financial reporting and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditor and the reviews performed by the management and the relevant Board committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the Financial Year 2022-23; and
- the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## 21. CORPORATE GOVERNANCE

As a responsible corporate citizen, the Company is committed to maintain the highest standards of Corporate Governance and believes in adhering to the best corporate practices prevalent globally.

A detailed Report on Corporate Governance pursuant to the requirements of Regulation 34 read with Schedule V of the Listing Regulations, is attached as **Annexure 5** and forms part of this Report. A certificate from the Statutory Auditor confirming compliance with the conditions of Corporate Governance, as stipulated in Clause E of Schedule V to the Listing Regulations, 2015 is attached to the Corporate Governance Report.

The Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for Directors and Senior Management for the year ended March 31, 2023. A certificate from the Chief Executive Officer & Managing Director confirming the same is attached to the Corporate Governance Report.

A certificate from the Chief Executive Officer and Chief Financial Officer confirming correctness of the financial statements, adequacy of internal control measures, etc. is also attached to the Corporate Governance Report.

## 22. MANAGEMENT DISCUSSION & ANALYSIS

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

For the sake of brevity the items covered in the Report are not repeated in the Management Discussion and Analysis Report.

## 23. ACKNOWLEDGMENTS

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

For and on behalf of the Board

**Priyavrat Bhartia**
Chairman
(DIN:00020603)

Place: Gurugram
Date: May 25, 2023

**Annexure 1**

# SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

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

To,
The Members
**Jubilant Industries Limited**
(CIN: L24100UP2007PLC032909)
Bhartigram Gajraula, District Amroha,
Uttar Pradesh – 244223

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

**We report that-**

a) Maintenance of secretarial records are the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

b) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed, provide a reasonable basis for our opinion.

c) We have not verified the correctness and appropriateness of the financial statements of the Company.

d) Wherever required, we have obtained the management representation about the compliances of laws, rules and regulations and happening of events etc.

e) The compliance of the provisions of the corporate and other applicable laws, rules, regulations and standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.

f) The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2023 ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2023 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder/Companies Act, 1956 (wherever applicable);

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, where applicable;

(v) The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

    (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

    (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 {Not applicable during the audit period};

(d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021

(e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 {Not applicable during the audit period};

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 {Not applicable during the audit period};

(h) Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018 {Not applicable during the audit period}; and

(i) The Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015;

(vi) As informed by the Management, the Company has not carried out any business activity during the Audit Period and accordingly, no sector specific law was applicable to the Company during the said period.

We have also examined compliance with the applicable clauses of the Secretarial Standards on Meetings of the Board of Directors and on General Meetings issued by the Institute of Company Secretaries of India.

**We report that** the Company has complied with the provisions of the Act, Rules, Regulations, Standards and Guidelines, to the extent applicable, as mentioned above, during the Audit Period.

**We further report that** the Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non-Executive Directors and Independent Directors. Further, no changes took place in the composition of the Board of Directors during the audit period.

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

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

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

**We also report that** the Board of Directors of the Company in its meeting held on 12th August, 2022 approved a Composite Scheme of Arrangement. As per the scheme, three promoter group entitles namely HSSS Investment Holding Private Limited, KBHB Investment Holding Private Limited, SSBPB Investment Holding Private Limited will amalgamate in the Jubilant Industries Limited. Thereafter, Jubilant Industries Limited will amalgamate in its wholly owned subsidiary, Jubilant Agri and Consumer Product Limited wherein after Jubilant Industries Limited shall cease to exist. The scheme is subject to approval of Hon'ble NCLT and other statutory authority/ies.

For **Sanjay Grover & Associates**
**Company Secretaries**
**Firm Registration No.: P2001DE052900**

**Kapil Dev Taneja**
Partner
CP No.: 22944/ Mem. No. F4019
UDIN: F004019E000378998

Place: New Delhi
Date: May 25, 2023

**Annexure 1A**

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

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

To,
The Members,
**Jubilant Agri and Consumer Products Limited**
(CIN: U52100UP2008PLC035862)
Bhartiagram, Gajraula, District Amroha – 244223,
Uttar Pradesh

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Jubilant Agri and Consumer Products Limited** (hereinafter called the "Company"), which is an unlisted company. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

**We report that-**

a) Maintenance of secretarial records are the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

b) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

c) We have not verified the correctness and appropriateness of the financial statements of the Company.

d) Wherever required, we have obtained the Management representation about the compliances of laws, rules and regulations and happening of events etc.

e) The compliance of the provisions of the Corporate and other applicable laws, rules, regulations and standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.

f) The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2023 ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the financial year ended on March 31, 2023, according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; and

(iii) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings {Not applicable during the audit period}

We have also examined compliance with the applicable clauses of the Secretarial Standard on Meetings of the Board of Directors and on General Meetings issued by the Institute of Company Secretaries of India.

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

(iv) The Company has manufacturing facilities of Fertilizers, Wood Finish and Sulphuric Acid at Gajraula (Uttar Pradesh); Latex at Savli (Gujarat); Fertilizers at Chittorgarh (Rajasthan) and Adhesive at Sahibabad (Uttar Pradesh). As informed by the management, Essential Commodities Act, 1955; Legal Metrology Act, 2009; and The Fertilizer Control Order, 1985 are some of the the laws specifically applicable to the Company. On the basis of management representation and our check on test basis, we are on the view that the Company has system to ensure compliance of laws specifically applicable on it.

**We further report that** the Board of Directors of the Company is duly constituted with proper balance of Executive Director and Non-Executive Directors. Further, no changes took place in the composition of the Board of Directors during the audit period.

Adequate notices were given to all directors to schedule the Board Meetings; Agenda and detailed notes on agenda were sent atleast seven days in advance of the meetings and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting for meaningful participation at the meeting.

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

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

**We also report that** during the audit period, the Board of Directors of the Company in its meeting held on 12th August, 2022 approved a Composite Scheme of Arrangement. As per the scheme, three promoter group entitles namely HSSS Investment Holding Private Limited, KBHB Investment Holding Private Limited, SSBPB Investment Holding Private Limited will amalgamate in the Holding Company i.e., Jubilant Industries Limited. Thereafter, the Holding Company, i.e., Jubilant Industries Limited will amalgamate in the Company. Post effectiveness of the Scheme, the Company shall be listed on the Stock Exchanges. The scheme is subject to approval of Hon'ble NCLT and other statutory authority/ies.

For **Sanjay Grover & Associates**
**Company Secretaries**
**Firm Registration No.: P2001DE052900**

**Neeraj Arora**
Partner
M No.: F10781; CP No.: 16186
UDIN: F010781E000374091

New Delhi
May 25, 2023

**Annexure 2**

## ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

**FOR THE FINANCIAL YEAR 2022-23**

**1. Brief outline on CSR Policy of the Company**

Recognizing companies are part of society, Jubilant conducts activities with a holistic approach to not only create but also sustain corporate values.

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

By creating and preserving value through CSR, we build trust with society, reinforce our reputation and further develop the business. In conducting our activities, we refer to national and internationally recognized guidelines, such as CSR provisions of the Companies Act, 2013, the Companies (Corporate Social Responsibility Policy) Rules, 2014, the United Nations Global Compact (UNGC)'s ten principles, and long-term international targets, such as the Sustainable Development Goals (SDGs).

The Company has taken the following steps:

- ➢ CSR Policy revised and uploaded on the Company's website: www.jubilantindustries.com.
- ➢ Approval by the CSR Committee (the 'Committee') to implement CSR activities through 'Jubilant Bhartia Foundation', a not-for-profit organisation registered under Section 25 of the Companies Act, 1956 (corresponding to Section 8 of the Companies Act, 2013)
- ➢ The Committee approved the following CSR activities which are in line with Schedule VII to the Act:
    - **Project Arogya and Swasthya Prahari:** Improving health indices through innovative services and promoting health seeking behavior;
    - **Project Muskaan:** Universalising elementary education and improving quality parameters for primary education through community involvement; and
    - **Project Samridhi:** Enhancing alternate livelihood opportunity and income of Farmers.

**2. Composition of Sustainability & CSR Committee as on March 31, 2023**

| Sr. No. | Name of Director | Designation/ Nature of Directorship | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|---|---|---|---|---|
| 1 | Mr. Priyavrat Bhartia | Chairman | 2 | 2 |
| 2 | Mr. Shamit Bhartia | Member | 2 | 1 |
| 3 | Mr. Ravinder Pal Sharma | Member | 2 | 2 |
| 4 | Mr. Manu Ahuja | Member | 2 | 2 |

| | | |
|---|---|---|
| 3 | Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company | https://www.jubilantindustries.com/pdfs/CSR%20Policy-23-apr.pdf |
| 4 | Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report) | Not Applicable |

| | | | |
|---|---|---|---|
| 5 | (a) | Average net profit of the Company as per section 135(5) | ₹ (138.30) Lakhs |
| | (b) | Two percent of average net profit of the Company as per section 135(5) | Nil |
| | (c) | Surplus arising out of the CSR projects or programs or activities of the previous financial years. | Nil |

| | | | |
|---|---|---|---|
| | (d) | Amount required to be set off for the financial year, if any | Nil |
| | (e) | **Total CSR obligation for the financial year (7a+7b-7c)** | **Nil** |
| 6 | (a) | Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project). | Nil |
| | (b) | Amount spent in Administrative Overheads | Nil |
| | (c) | Amount spent on Impact Assessment, if applicable | Nil |
| | (d) | Total amount spent for the Financial Year [(a)+(b)+(c)]. | Nil |

(e) CSR amount spent or unspent for the financial year

| Total Amount Spent for the Financial Year (₹ in Lakh) | Amount Unspent (in ₹) | | | | |
|---|---|---|---|---|---|
| | Total Amount trans-ferred to Unspent CSR Account as per section 135(6) | | Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5) | | |
| | Amount | Date of transfer | Name of the Fund | Amount | Date of transfer |
| Nil | NA | | | | |

(f) Excess amount for set-off, if any:

| Sr. No. | Particular | Amount (₹ in Lakh) |
|---|---|---|
| **(1)** | **(2)** | **(3)** |
| (i) | Two percent of average net profit of the company as per section 135(5) | Nil |
| (ii) | Total amount spent for the Financial Year | Nil |
| (iii) | Excess amount spent for the financial year [(ii)-(i)] | Nil |
| (iv) | Surplus arising out of the CSR projects or programs or activities of the previous financial years, if any | NA |
| (v) | Amount available for set off in succeeding financial years [(iii)-(iv)] | NA |

7 Details of Unspent CSR amount for the preceding three financial years:

| Sr. No | Preceding Financial Year | Amount transferred to Unspent CSR Account under section 135 (6) (₹ In Lakh) | Amount spent in the reporting Financial Year (₹ in Lakh) | Amount transferred to any fund specified under Schedule VII as per section 135(6), if any | | | Amount remaining to be spent in succeeding financial years (₹ In Lakh) |
|---|---|---|---|---|---|---|---|
| | | | | Name of the Fund | Amount (₹ In Lakh) | Date of transfer | |
| NA | | | | | | | |

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

☐ Yes ☑ No

If Yes, enter the number of Capital assets created/acquired: NA

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

| Sl. No. | Short particulars of the property or asset(s) [including complete address and location of the property | Pincode of the property or asset(s) | Date of creation | Amount of CSR amount spent | Details of entity/ Authority/ beneficiary of the registered owner | | |
|---|---|---|---|---|---|---|---|
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
| | | | | | CSR Registration Number, if applicable | Name | Registered address |
| NA | NA | NA | NA | NA | NA | NA | NA |

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/ Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

9 Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5). : NA

**For Jubilant Industries Limited**

**Priyavrat Bhartia**
Chairman of the Committee
DIN: 00020603

**Manu Ahuja**
CEO & Managing Director
DIN: 05123127

**Annexure 3**

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

A. Conservation of Energy:

(i) Steps taken or impact on conservation of energy

Nil.

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

Nil.

(iii) Capital investment on energy conservation equipments

Nil.

B. Technology Absorption

i) Efforts made towards technology absorption

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

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

None

iii) Imported Technology

Not Applicable

iv) Expenditure incurred on Research and Development

None

C. Foreign Exchange Earning and Outgo – None

For and on behalf of the Board

**Priyavrat Bhartia**
Chairman
(DIN: 00020603)

Place: Gurugram
May 25, 2023

**Annexure 4**

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

**PART-A**

(i) **The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2022-23, the percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary in the financial year 2022-23:**

| Sr. No. | Name and Designation of Director/ KMP | Remuneration during the financial year 2022-23 (in ₹) | % increase in Remuneration | Ratio of remuneration of each Director to median remuneration of employees |
|---|---|---|---|---|
| 1. | Mr. Priyavrat Bhartia[1]<br>Chairman (Non-Executive) | - | - | - |
| 2. | Mr. Shamit Bhartia[1]<br>Non-Executive Director | - | - | - |
| 3. | Ms. Shivpriya Nanda[2]<br>Independent Director | 4,50,000 | (5.26%) | 0.46 |
| 4. | Mr. Radhey Shyam Sharma[2]<br>Independent Director | 6,40,000 | 4.06% | 0.65 |
| 5. | Mr. Ravinder Pal Sharma[2]<br>Independent Director | 6,55,000 | 3.97% | 0.67 |
| 6. | Mr. Manu Ahuja[3]<br>CEO & Managing Director | - | - | - |
| 7. | Mr. Umesh Sharma<br>Chief Financial Officer | 2,64,000 | None | Not applicable |
| 8. | Mr. Abhishek Mishra<br>Company Secretary | 16,99,362 | 8.97% | Not applicable |

**Note:**

1. Mr. Priyavrat Bhartia and Mr. Shamit Bhartia have opted not to take sitting fee.
2. Change in remuneration of Independent Directors vis-a-vis previous year, if any, is due to number of meetings held and attended by the Director.
3. Mr. Manu Ahuja was appointed as CEO & Managing Director without any remuneration.

Median of Total Cost to Company (CTC) on payable basis has been taken for all on-roll employees as on March 31, 2023: Median Salary of all on-roll employees is ₹ 9,81,681.

(ii) The percentage increase in the median remuneration of employees in the Financial Year 2022-23 – 7.67%

(iii) 2 permanent employees were on the rolls of Company as on March 31, 2023.

(iv) Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentage increase in managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: NA

Average increase in remuneration of the employees other than managerial remuneration was during the Financial Year 22-23: 7.67%

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

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

**PART-B**

| Sr. No. | Employee Name | Designation & Nature of Duties | Qualification | Total Work Experience (Years) | Date of Commencement of Employment | Age | Remuneration (₹) | Previous Employment held | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | Designation | Name of the Company |
| **A.** | **Top Ten Employees in terms of remuneration drawn during the Financial Year 2022-23** | | | | | | | | |
| 1. | Abhishek Mishra | Company Secretary | FCS, B.Sc. (PCM) | 13 | 01-Mar-2018 | 38 | 16,99,362 | Manager – Secretarial | Jubilant Agri and Consumer Products Limited |
| 2. | Umesh Sharma | Chief Financial Officer | FCA, ACS, Senior Management Programme from the Indian Institute of Management (IIM), Calcutta | 30 | 24-May-2017 | 54 | 2,64,000 | Senior Vice President - Finance & Accounts | Jubilant Enpro Private Limited |
| **B.** | **Employed for full year and in receipt of remuneration for the year which in aggregate was not less than ₹ 10,200,000 per annum (other than those mentioned in Para A above)** | | | | | | | | |
| | NONE | | | | | | | | |
| **C.** | **Employed for part of the year and in receipt of remuneration which in aggregate was not less than ₹ 850,000 per month (other than those mentioned in Para A above)** | | | | | | | | |
| | NONE | | | | | | | | |

**Notes:**

1. All above persons are/ were full time employees of the Company.
2. None of the other employees is related to any Director of the Company.
3. None of the above employees is covered under Rule 5(2)(iii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
4. Remuneration comprises salary, allowances, perquisites/ taxable value of perquisites etc. including perquisite value of ESOPs exercised, if any.

For and on behalf of the Board

**Priyavrat Bhartia**
Chairman
(DIN: 00020603)

Gurugram
May 25, 2023

# Report on CORPORATE GOVERNANCE

**Annexure-5**

## A) Company's Philosophy:

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

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

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

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

Highlights of Company's Corporate Governance regime are:

- Broad based and well represented Board with fair mix of Executive, Non-Executive and Independent Directors bringing in expertise in diverse areas with half of the Board being Independent;
- Constitution of several Board Committees for focused attention and proactive flow of information and informed decisions;
- Emphasis on ethical business conduct by the Board, management and employees to ensure integrity, transparency, independence and accountability in dealing with stakeholders;
- Established Code of Conduct for Directors and Senior Management, Instituted Whistle Blower policy and Code of Conduct for Prevention of Insider Trading and Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information;
- Detailed Policy for Disclosure of material events and information;
- Focus on hiring, retaining and nurturing best talent and to promote a culture of excellence across the organisation. Exhaustive HR policies cover succession planning, training and development, employee grievance handling, etc.;
- Employees Stock Option Plan – to attract, reward and retain key senior executives;
- Online monitoring of internal controls on all operations spanning more than 1,189 control assertions through a specially designed software to institutionalize a quarterly system of certification to enable CEO/CFO certification of internal controls as per Regulation 17(8) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as Listing Regulations);
- Robust Risk Management framework for identifying various risks, assessing their probability as well as likely impact and finalizing risk mitigation and minimization plans;
- Timely, transparent and regular disclosures;
- Effective control on statutory compliances by quarterly online reporting and presentation;
- Paperless meetings of Board and Committees; and
- Communication with shareholders including emailing of Annual Reports, Corporate Sustainability Report, and other documents.

Securities and Exchange Board of India (SEBI) regulates Corporate Governance practices and disclosures for listed companies through the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). Jubilant is in full compliance with the Listing Regulations.

## B) Board of Directors:

### (i) Composition

The Board of the Company comprises of six Directors out of which three are Non-Executive Independent Directors including a Woman Director, two are Non-Executive Promoter Directors and one Executive Director. Further, the policy on Board Diversity of the Company requires the Board to have balance of skills, experience and diversity of perspectives appropriate to the Company.

The skills, expertise and competencies of the Directors as identified by the Board in the context of business of the Company, are provided and forming part of this Report. These skills, expertise and competencies are available in the present mix of the Directors of the Company.

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

| Sr. No. | Name of Independent Director | Date of Appointment/ Re-Appointment | Date of Completion of Tenure |
|---|---|---|---|
| 1 | Ms. Shivpriya Nanda | April 1, 2019 (Re-appointment) | March 31, 2024 |
| 2 | Mr. Radhey Shyam Sharma | October 25, 2018 | October 24, 2023 |
| 3 | Mr. Ravinder Pal Sharma | September 3, 2020 | September 2, 2025 |

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

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

### (ii) Key functions of the Board

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

a. Reviewing and guiding corporate strategy, major plans of action, annual budgets and business plans, setting performance objectives, monitoring implementation & corporate performance and overseeing major capital expenditures, acquisitions and divestments;

b. Monitoring effectiveness of the Company's governance, policies & practices and making changes as needed;

c. Selecting, compensating, monitoring and when necessary, replacing Key Managerial Personnel and overseeing succession planning;

d. Aligning Key Managerial Personnel and Directors remuneration with the long term interests of the Company and its shareholders;

e. Ensuring a transparent Board nomination process with the diversity of thought, experience, knowledge, perspective and gender in the Board;

f. Monitoring and managing potential conflicts of interest of management, board members and shareholders, including misuse of corporate assets and abuse in related party transactions;

g. Ensuring integrity of the Company's accounting and financial reporting systems, including the independent audit and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational controls and compliance with the laws & regulations and relevant standards in force;

h. Overseeing the process of disclosure and communications; and

i. Monitoring and reviewing Board's Evaluation framework.

### (iii) Meetings of the Board

During the year, the Board met four times i.e. on May 27, 2022; August 12, 2022; November 4, 2022 and February 2, 2023. The Company has held minimum one Board Meeting in each quarter and maximum gap between two consecutive meetings did not exceed prescribed limit of 120 days which is in compliance with Listing Regulations and the Companies Act, 2013 (the Act).

An annual calendar of meetings is prepared well in advance and shared with the Directors in the beginning of the year to enable them to plan their attendance at the meetings. Directors are expected to attend Board and Committee

Meetings, spend the necessary time and meet as frequently as the situation warrants to properly discharge their responsibilities.

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

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

The composition of Board of Directors, their attendance at Board Meetings during the financial year 2022-23 and at the last Annual General Meeting duly held on September 21, 2022 along with details of other Directorship and Committee Membership/Chairmanship as at March 31, 2023 are as follows:

| Name of Director | DIN | Category | Directorships in Listed Entity and Category of Directorships | No. of other Directorships and Committee memberships and Chairmanships | | | No. of Board Meetings attended (Total held during tenure) | Last AGM Attended |
|---|---|---|---|---|---|---|---|---|
| | | | | Directorships | Chairman | Member | | |
| Mr. Priyavrat Bhartia | 00020603 | Non-Executive - Non Independent Director, Chairperson related to Promoter | • Hindustan Media Ventures Limited - Non-Executive - Non Independent Director<br>• HT Media Limited - Non-Executive - Non Independent Director<br>• Jubilant Pharmova Limited – Executive Director, MD<br>• Jubilant Ingrevia Limited - Non-Executive - Non Independent Director<br>• Digicontent Limited - Non-Executive - Non Independent Director, Chairperson related to Promoter | 16 | Nil | 3 | 4(4) | Yes |
| Mr. Shamit Bhartia | 00020623 | Non-Executive - Non Independent Director and related to Promoter | • Hindustan Media Ventures Limited - Non-Executive - Non Independent Director<br>• HT Media Limited - Non-Executive - Non Independent Director<br>• Jubilant FoodWorks Limited - Non-Executive - Non Independent Director | 13 | Nil | 2 | 3(4) | No |
| Ms. Shivpriya Nanda | 01313356 | Independent Director | - Greenpanel Industries Limited – Non - Executive Independent Director | 2 | 0 | 3 | 3(4) | Yes |
| Mr. Manu Ahuja | 05123127 | CEO & Managing Director | None | 1 | Nil | 3 | 4(4) | Yes |
| Mr. Radhey Shyam Sharma | 00013208 | Independent Director | • Polycab India Limited - Independent Director | 9 | 3 | 9 | 4(4) | Yes |
| Mr. Ravinder Pal Sharma | 03411214 | Independent Director | None | 1 | 2 | 3 | 4(4) | Yes |

Notes:

1. *Mr. Priyavrat Bhartia and Mr. Shamit Bhartia being brothers are related to each other. Except this, there is no inter-se relationship among the Directors.*
2. *The directorships, held by Directors, as mentioned above, do not include the directorships held in Section 8 Companies and Jubilant Industries Limited.*
3. *Committees considered for the purpose are those prescribed under Regulation 26 of the Listing Regulations viz. Audit Committee and Stakeholders' Relationship Committee of Indian Public Limited companies including Jubilant Industries Limited. Committee memberships details provided includes chairmanship of committees.*

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

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

- Annual operating plans, budgets and any updates thereon;
- Capital budgets and any updates thereon;
- Annual and Quarterly results of the Company and its operating divisions or business segments;
- Minutes of meetings of the Audit Committee and other Committees of the Board of Directors;
- Information on recruitment and remuneration of senior officers just below the Board level, including appointment or removal of the Chief Financial Officer and the Company Secretary;
- Show cause, demand, prosecution notices and penalty notices, which are materially important;
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems;
- Material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company;
- Issue which involves possible public or product liability claims of substantial nature;
- Details of any joint venture or collaboration agreement;
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property;
- Significant labour problems and their proposed solutions including any significant development in Human Resources/ Industrial Relations front;
- Sale of investments, subsidiaries, assets which are material in nature and not in normal course of business;
- Quarterly details of foreign exchange exposures and the steps taken by the Management to limit the risks of adverse exchange rate movement, if material;
- Minutes of Board Meetings of unlisted subsidiary company(s);
- Statement of significant transactions or arrangements made by unlisted subsidiary companies;
- Non-compliance of any regulatory, statutory or listing requirements and shareholder's services such as non-payment of dividend, delay in share transfer, etc;
- Quarterly statement showing status of investors complaints;
- Compliance Reports pertaining to applicable laws and steps taken to rectify instance of non–compliance, Overseeing the process of disclosure and communications;
- Quarterly Compliance Report on Corporate Governance;
- Quarterly Shareholding Pattern; and
- Quarterly Share Price Movement with comparison.

**(v) Independent Directors' Meeting**

Independent Directors meeting held on May 24, 2023 without the attendance of Non-Independent Directors and members of the management of the Company. The Independent Directors, inter alia, evaluated the performance of the Non-Independent Directors, the Chairperson of the Company and the Board of Directors as a whole for the Financial Year ended March 31, 2023. They also assessed the quality, content and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

**(vi) Familiarisation Programme for Independent Directors**

The Company familiarises its Independent Directors about their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, legal updates and other relevant information relating to the

Company. In this regard, the Company follows a structured familiarisation programme for the Independent Directors. The details related thereto are displayed on the Company's website www.jubilantindustries.com. The web link for the same is: https://jubilantindustries.com/pdfs/Familiarisation-Programmes-for-Independent-Directors.pdf.

**(vii) List of Core Skills/ expertise/ competencies identified by the Board**

The following core skills/ expertise/ competencies have been identified by the Board of Directors as required in the context of business(es) and sector(s) of the Company to function effectively:

1. Deep understanding of Company's business/strategy and structure **(Business Strategy)**;
2. Financial acumen;
3. Knowledge in Accounting and Auditing Standards and tax matters **(Accounting & Tax Matters)**;
4. Knowledge of the Companies Act, 2013, applicable SEBI and Stock Exchange Regulations **(SEBI & Corporate Laws);**
5. Knowledge on Employee Benefit Schemes and matters related to employee hiring / skill development, gender diversity, etc. **(HR & ESOPS);**
6. Entrepreneurial skills to evaluate risk and rewards and perform advisory role **(Risk Management)**;
7. Focus on compliance;
8. Understanding of the processes and systems for defining high corporate governance standards **(Corporate Governance);**
9. Understanding rights of Shareholders and obligations of the Management **(Shareholders Management)**;
10. Knowledge in global standards on Corporate Sustainability and Sustainability Reporting based on Global Reporting initiatives Standards **(GRI Standards)**; and
11. Knowledge of national and global business scenario **(National & Global Business).**

Area of Core Skills/Expertise/Competencies available with the Board:

| Name of the Director | Area of Core Skills/ Expertise/Competencies |
|---|---|
| Mr. Priyavrat Bhartia, Chairman | Business Strategy; Financial acumen; Accounting & Tax Matters; SEBI & Corporate Laws; HR & ESOPS; Risk Management; Focus on compliance; Corporate Governance; Shareholders Management; GRI Standards; and National & Global Business. |
| Mr. Shamit Bhartia, Director | Business Strategy; Financial acumen; Accounting & Tax Matters; SEBI & Corporate Laws; HR & ESOPS; Risk Management; Focus on compliance; Corporate Governance; Shareholders Management; GRI Standards; and National & Global Business. |
| Ms. Shivpriya Nanda, Director | Business Strategy; Financial acumen; SEBI & Corporate Laws; HR & ESOPS; Focus on compliance; Corporate Governance; Shareholders Management; and National & Global Business. |
| Mr. Manu Ahuja CEO & Managing Director | Business Strategy; Financial acumen; Accounting & Tax Matters; SEBI & Corporate Laws; HR & ESOPS; Risk Management; Focus on compliance; Corporate Governance; Shareholders Management; GRI Standards; and National & Global Business. |
| Mr. Radhey Shyam Sharma, Director | Business Strategy; Financial acumen; Accounting & Tax Matter, SEBI & Corporate Laws; HR & ESOPS; Risk Management, Focus on compliance; Corporate Governance; Shareholders Management; and National & Global Business. |
| Mr. Ravinder Pal Sharma, Director | Business Strategy; Financial acumen; Accounting & Tax Matters; SEBI & Corporate Laws; HR & ESOPS; Risk Management; Focus on compliance; Corporate Governance; Shareholders Management; and National & Global Business. |

**(viii) Confirmation of Independence**

The Independent Directors of your Company have confirmed that:

(a) they meet the criteria of Independence as prescribed under Section 149 read with relevant rules of the Act and Regulation 16 of the Listing Regulations, and

(b) they are not aware of any circumstance or situation, which could impair or impact their ability to discharge duties with an objective independent judgement and without any external influence.

Further, in the opinion of the Board, the Independent Directors fulfill the conditions prescribed under the Act, the Listing Regulations and are independent of the management of the Company.

**(ix) Certificate from Practicing Company Secretary on qualification of Directors**

The Company has obtained a certificate from a Practicing Company Secretary, Mr. Kapil Dev Taneja, Partner of M/s. Sanjay Grover & Associates, Company Secretaries, as per the provisions of Schedule V(C) of the Listing Regulations, confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by SEBI/ Ministry of Corporate Affairs or any such statutory authority. The Certificate is attached as **Annexure A**.

**x) Total Fees paid to Statutory Auditor**

The total fees paid during the year by the Company and its subsidiaries to BGJC & Associates LLP, Statutory Auditor, amounting to ₹ 3.55 million. They does not have any network firm/ network entity. The said fee includes payments for certifications and out of pocket expenses also.

**xi)** During the period under review, no independent director has resigned from the Board before the completion of the tenure.

## C) Committees of the Board

To focus effectively on the issues and ensure expedient resolution of diverse matters, the Board has constituted several Committees of Directors with specific terms of reference. The Committees operate as empowered agents of the Board as per their terms of reference that set forth the purposes, goals and responsibilities. Committee members are appointed by the Board of Directors. The Committees meet as often as required or as statutorily required. Committees that are constituted voluntarily for effective governance of the affairs of the Company may also include Company executives.

The minutes of the meetings of all Committees of the Board are circulated quarterly to the Board for noting.

Major Committees are:

- Audit Committee
- Nomination, Remuneration and Compensation Committee
- Stakeholders Relationship Committee
- Sustainability and Corporate Social Responsibility Committee
- Finance Committee
- Business Strategy Committee
- Restructuring Committee

Recommendations made by these Committees have been accepted by the Board. The Company Secretary officiates as the Secretary of the Committees. Detailed terms of reference, composition, quorum, meetings, attendance and other relevant details of these committees are as under:

### AUDIT COMMITTEE

The Audit Committee primarily constitutes a formal and transparent arrangement for accurate financial reporting and strong internal controls. The Committee through regular interaction with external and internal auditors and review of financial statements ensures that the interests of stakeholders are properly protected. The committee have powers to investigate any activity within its terms of reference, seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary.

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

**(i) Terms of Reference:**

The Audit Committee functions according to its terms of reference that define its authority, responsibility and reporting functions in accordance with the provisions of the Act and Regulation 18 read with Part C of Schedule II to the Listing Regulations and SEBI (Prohibition of Insider Trading) Regulations, 2015, which, inter-alia, includes the following:

1. Oversight of the Company's financial reporting process and disclosure of its

financial information to ensure that the financial statements are correct, sufficient and credible.

2. Recommendation for appointment, remuneration and terms of appointment of cost auditors and statutory auditors including their replacement or removal.

3. Approval for payment to statutory auditors for any other permitted services rendered by statutory auditors.

4. Reviewing with the management, the annual financial statements and auditors' report thereon before submission to the Board for approval, with particular reference to:

    a. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report.

    b. Changes, if any, in accounting policies and practices and reasons for the same.

    c. Major accounting entries involving estimates based on the exercise of judgement by management.

    d. Significant adjustments made in the financial statements arising out of audit findings.

    e. Compliance with listing and other legal requirements relating to financial statements.

    f. Disclosure of any related party transactions.

    g. Draft auditors' reports including qualifications, if any.

5. Reviewing with the management, the quarterly financial statements before submission to the Board for approval.

6. Reviewing with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue and making appropriate recommendations to the Board to take steps in this matter.

7. Reviewing and monitoring with the management, independence and performance of statutory and internal auditors, adequacy of internal control systems and effectiveness of the audit processes.

8. Reviewing adequacy of internal audit function including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.

9. Discussion with internal auditors on any significant findings and follow up there-on.

10. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.

11. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

12. To look into the reasons for substantial defaults in payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.

13. To review the functioning of the Whistle Blower Policy (Vigil Mechanism).

14. Approval of appointment of CFO (i.e. the Whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate.

15. Approval or any subsequent modification of transactions of the Company with related parties.

16. Scrutiny of inter-corporate loans and investments.

17. Valuation of undertakings or assets of the Company, wherever it is necessary.

18. Evaluation of internal financial controls and risk management system.

19. Review of management discussion and analysis of financial condition and results of operations.

20. Review of management letters/ letters of internal control weaknesses issued by the statutory auditors.

21. Review of internal audit reports relating to internal control weaknesses.

22. Review of financial statements, in particular, investments made by the subsidiary company(ies).

23. Reviewing the utilization of loans and/ or advances from/ investment by the holding company in the subsidiary exceeding Rupees 100 Crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/ investments.

24. Review compliance with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015 and verify that the systems for internal control are adequate and are operating effectively.

25. Discharge any other duties or responsibilities as may be prescribed by law or as may be delegated by the Board from time to time.

**(ii) Composition**

As on date, the Committee comprises of Mr. Ravinder Pal Sharma, Chairman, Ms. Shivpriya Nanda, Mr. Manu Ahuja and Mr. Radhey Shyam Sharma.

**Invitees:**

Mr. Umesh Sharma, Chief Financial Officer is a permanent invitee to the Audit Committee meetings.

The representatives of Statutory Auditors and Internal Auditors, and other executives, as required by the Committee, attend the meetings as invitees.

**(iii) Meetings, Quorum and Attendance**

Audit Committee meets at least four times in a year with a gap of not more than one hundred and twenty days between two consecutive meetings. The quorum for the meeting is either two members or one third of the members of the Committee, whichever is higher with at least two Independent Directors.

During the year, the Committee met four times i.e. on May 27, 2022; August 12, 2022; November 4, 2022; and February 2, 2023.Attendance details of the members are given in the table below:

| Name of the Committee Member | Meetings Held During Tenure | Meetings Attended |
|---|---|---|
| Mr. Ravinder Pal Sharma, Chairman | 4 | 4 |
| Ms. Shivpriya Nanda | 4 | 3 |
| Mr. Radhey Shyam Sharma | 4 | 4 |
| Mr. Manu Ahuja | 4 | 4 |

**NOMINATION, REMUNERATION AND COMPENSATION COMMITTEE**

The Nomination, Remuneration and Compensation ('NRC') Committee functions according to its terms of reference that define its authority, responsibility and reporting functions in accordance with the provisions of the Act and Regulation 19 read with Part D (A) of Schedule II to the Listing Regulations:

**(i) Terms of Reference[1]:**

The duties and responsibilities of the Committee are:

1. To identify persons who are qualified to become directors in accordance with the criteria laid down and recommend to the Board, their appointment/ removal.

2. To identify persons who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board, their appointment/ removal.

3. Specify manner for effective evaluation of performance of Board, Directors and its committees and review its implementation and compliance.

4. To formulate the criteria for determining qualifications, positive attributes and independence of a director.

5. For appointment of an Independent Director on the Board, to evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an Independent Director to be appointed.

   The person recommended to the Board for appointment as an Independent Director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

   a. use the services of an external agency, if required.

b. consider candidates from a wide range of backgrounds, having due regard to diversity; and

c. consider the time commitments of the candidates.

6. Devising a policy on Board diversity.

7. To formulate and recommend to the Board, policies relating to the remuneration of:

   a) Directors

   b) Key Managerial Personnel

   c) Other employees of the Company

8. To discharge the role envisaged under the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

9. Recommend to the Board, all remuneration, in whatever form, payable to senior management.

10. Extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

11. Discharge any other duties or responsibilities as may be prescribed by the law or as may be delegated to the Committee by the Board, from time to time.

**(ii) Composition**

As on date, the Committee comprises of Mr. Radhey Shyam Sharma, Chairman, Mr. Priyavrat Bhartia and Mr. Ravinder Pal Sharma.

Invitees:

Mr. Manu Ahuja, CEO & Managing Director and Mr. Umesh Sharma, Chief Financial Officer are the permanent invitee to the Nomination, Remuneration and Compensation Committee's meetings.

**(iii) Meetings, Quorum and Attendance**

The Committee meets as often as required. During the year, the Committee met twice i.e. on May 27, 2022 and August 12, 2022.

The quorum for the meeting is either two members or one third of the members of the Committee, whichever is higher with at least one independent director.

Attendance details of the members are given in the table below:

| Name of the Committee Member | Meetings Held During Tenure | Meetings Attended |
|---|---|---|
| Mr. Radhey Shyam Sharma, Chairman | 2 | 2 |
| Mr. Priyavrat Bhartia | 2 | 2 |
| Mr. Ravinder Pal Sharma | 2 | 2 |

**STAKEHOLDERS RELATIONSHIP COMMITTEE**

The Stakeholders Relationship Committee oversees various activities that lead to improve the effectiveness of shareholder services viz. review of adherence to the service standards adopted for shareholder services, measures taken for reducing the timelines for redressal of shareholder and investor grievances, transfer/ transmission of shares, issue of duplicate share certificates, dematerialisation/ rematerialisation of shares and related matters in accordance with the provisions of the Act and Regulation 20 read with Part D of Schedule II to the Listing Regulations. The Committee meets as often as required.

**(i) Terms of Reference:**

The role of Committee is:

1. Resolving grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/ duplicate certificates, general meetings, etc.

2. Review of measures taken for effective exercise of voting rights by the shareholders.

3. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.

4. Review of various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/ statutory notices by the shareholders of the Company.

5. To deal with all matters relating to issue of duplicate share certificate, transmission of securities etc.

6. To approve transfer of securities as per powers delegated by the Board and to note transfer of securities approved by the Chief Financial Officer and Company Secretary of the Company.

7. Discharge any other duties or responsibilities as may be prescribed by law or as may be delegated by the Board from time to time.

**(ii) Composition**

As on date, the Committee comprises of Mr. Radhey Shyam Sharma, Chairman, Mr. Ravinder Pal Sharma and Mr. Manu Ahuja.

**Compliance Officer**

As on date, Mr. Abhishek Kamra, Company Secretary of the Company is the Compliance Officer in terms of Regulation 6 of Listing Regulations.

**(iii) Meetings, Quorum and Attendance**

The Committee meets as often as required. During the year, the Committee met once, i.e., on May 27, 2022.

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

Attendance details of the members are given in the table below:

| Name of the Committee Member | Meetings Held During Tenure | Meetings Attended |
|---|---|---|
| Mr. Radhey Shyam Sharma, Chairman | 1 | 1 |
| Mr. Priyavrat Bhartia | 1 | 1 |
| Mr. Manu Ahuja | 1 | 1 |

**(iv) Investors' Grievances/Complaints**

During the year under review, the Company received 6 complaints, which were duly resolved.

The details of investor grievances received and resolved to the satisfaction of shareholders during the financial year 2022-23 are detailed below:-

| S. No | Particulars | No. of complaints |
|---|---|---|
| 1. | Pending at the beginning of the year | 1 |
| 2. | Received during the year | 6 |
| 3. | Resolved during the year | 7 |
| 4. | Pending at the end of the year | 0 |

**(v) Transfers, Transmissions etc. approved**

During the year under review, the Company received 6 cases (involving 203 equity shares) of share transmission and all the shares were duly transmitted. The Company didn't receive any request for transfer of shares.

The Company had 23,544 shareholders as on March 31, 2023.

**SUSTAINABILITY AND CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

Sustainability & Corporate Social Responsibility Committee has been constituted to review and oversee the Sustainability and Corporate Social Responsibility ('CSR') initiatives of the Company.

**(i) Terms of Reference:**

The role of the Committee is:

1. Sustainability
   - To take all steps and decide all matters relating to triple bottom line indicators viz. Economic, Environmental and Social factors.
2. Corporate Social Responsibility
   - To formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company;
   - To recommend the amount of expenditure to be incurred on the activities referred in the CSR Policy and review the same; and
   - To monitor the CSR Policy including CSR projects/programmes.
3. Any other as may be prescribed by law or as may be delegated to the Committee by the Board, from time to time.

**(ii) Composition**

As on date, the Committee comprises of Mr. Ravinder Pal Sharma, Chairman, Mr. Manu Ahuja and Mr. Radhey Shyam Sharma.

**(iii) Meetings, Quorum and Attendance**

During the year, the Committee met twice i.e., on May 27, 2022 and November 04, 2022.

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

Attendance details of the members are given in the table below:

| Name of the Committee Member | Meetings Held During Tenure | Meetings Attended |
|---|---|---|
| Mr. Priyavrat Bhartia, Chairman | 2 | 2 |
| Mr. Shamit Bhartia | 2 | 1 |
| Mr. Ravinder Pal Sharma | 2 | 2 |
| Mr. Manu Ahuja | 2 | 2 |

## FINANCE COMMITTEE

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

**(i) Terms of Reference:**

The role of the Committee is:

1. To borrow upto ₹ 500 Crores from Banks/ Financial Institutions/ NBFCs/ Mutual Funds/ Insurance Companies/ Other Companies/ Body Corporates or any other category of Lenders etc.;
2. To charge/ mortgage the company's property for securing its own borrowing and/ or for the borrowings of subsidiary, associate and/ or joint venture companies (present and future) from time to time not exceeding ₹ 1,000 Crores;
3. To give guarantee(s) and/ or provide security(ies) by way of hypothecation / lien / pledge on the assets of the Company in favour of Banks, Financial Institutions, NBFC, Mutual Funds, Insurance Companies or any other category of lender in connection with the term/working capital loan/facilities availed/to be availed by Jubilant Agri and Consumer Products Limited ("JACPL") up to an aggregate amount of ₹ 1,250 Crores outstanding at any point of time out of which the security/charge shall not exceed INR 1,000 Crores, in one or more tranches at such terms and conditions as may be mutually agreed upon;
4. To make investments, for profitable deployment of funds, from time to time, whether short term or long term, in Mutual Funds, Bank Deposits or Government securities, provided that the aggregate of such investments outstanding at any point in time shall not exceed ₹ 200 Crores;
5. To furnish Corporate Guarantee up to an amount not exceeding ₹ 10 Crores in aggregate outstanding at any point of time on behalf of JACPL to Customs Department;
6. To make investments and/ grant loans to Jubilant Industries Inc., USA., a wholly owned subsidiary, upto an aggregate amount of USD 5.82 million outstanding at any point of time;
7. To borrow upto an amount not exceeding ₹ 5 Crores outstanding at any point of time, in one or more tranches on such terms and conditions as may be agreed with JACPL;
8. To allot the Securities which includes but not limited to Equity Shares, Warrants, Debentures etc. as and when it is required to do so;
9. To invest in the Share Capital of/grant loan to Jubilant Agri and Consumer Products Limited, a wholly owned subsidiary of the Company upto an aggregate amount not exceeding ₹ 59.95 Crores (₹ 44.95Cr.+ ₹ 15.00 Cr.) outstanding at any point of time, in one or more tranches at such terms and conditions as may be mutually agreed upon;
10. To exercise the conversion of 10%Optionally Convertible Non-Cumulative Redeemable Preference Shares into equity shares or any convertible security including but not limited to convertible preference shares, warrants and convertible debentures etc. as per the terms and condition mentioned therein as and when required;
11. To open Bank Accounts, give such instructions as may be necessary to operate the same including change in authorised signatories and to close such accounts as and when it is required;
12. To open demat account, give such instructions as may be necessary to operate the same including change in authorised signatories and to close such account as and when it is required; and
13. To do all such deeds and acts as may be incidental and consequential thereto to give effect to the above actions.

**(ii) Composition**

As on date, the Committee comprises of Mr. Priyavrat Bhartia, Chairman, Mr. Shamit Bhartia and Mr. Manu Ahuja.

**(iii) Meetings, Quorum and Attendance**

The Committee meets as and when necessary. During the FY 2022-23, the Committee met Four times i.e. on May 04, 2022; May 31, 2022; September 26, 2022; November 11, 2022.

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

Attendance details of the members are given in the table below:

| Name of the Committee Member | Meetings Held During Tenure | Meetings Attended |
|---|---|---|
| Mr. Priyavrat Bhartia, Chairman | 4 | 4 |
| Mr. Shamit Bhartia | 4 | 3 |
| Mr. Manu Ahuja | 4 | 1 |

**BUSINESS STRATEGY COMMITTEE**

The Business Strategy Committee functions according to its terms of reference that define its authority and responsibility which, inter alia, include the following:

**(i) Terms of Reference**

The role of the Committee is:

1. Evaluate business opportunities in the existing profitable businesses of the Company and of its Wholly-owned Subsidiary – Jubilant Agri and Consumer Products Limited;

2. Identify non-core businesses for possible divestment; and

3. Make its recommendation to the Boards of respective Companies for expansion, investment and/or divestment of businesses, as may be expedient, for further action.

**(ii) Composition**

As on date, the Committee comprises of Ms. Shivpriya Nanda, Mr. Radhey Shyam Sharma and Mr. Manu Ahuja.

**(iii) Meetings, Quorum and Attendance**

The Committee meets as and when necessary. During the year, no meeting of Business Strategy Committee was held. The quorum for the meeting is either two members or one third of the members of the committee, whichever is higher.

**RESTRUCTURING COMMITTEE**

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

As on date, the Committee comprises of Mr. Priyavrat Bhartia, Chairman, Mr. Shamit Bhartia and Mr. Manu Ahuja.

The Committee meets as and when necessary. During the year, no meeting of Restructuring Committee was held. The quorum of meeting is either two members or one third of the members of the committee, whichever is higher.

**D) Performance Evaluation and its Criteria**

Pursuant to the provisions of the Act, the Listing Regulations and the Performance Evaluation Policy of the Company, the Board has carried out annual evaluation of its performance, its Committees, Chairperson and Directors, through the structured questionnaires.

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

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

Performance of the Chairperson was evaluated by the Independent Directors after taking into account the views of Executive and Non-Executive Directors, on the parameters such as demonstration of effective leadership, contribution to the Board's work, relationship and communications with the Board and shareholders, use of time and overall efficiency of Board meetings, quality of discussions at the Board meetings, process for settling Board agenda, etc.

Directors were evaluated individually by the Board of Directors (except the Director himself) on the parameters such as his/ her preparedness at the Board meetings, attendance at the Board meetings, devotion of time and efforts to understand the Company and its business, quality of contribution at the Board meetings, application of knowledge and experience while considering the strategy, effectiveness of follow-up in the areas of concern, communication with Board members, Senior Management and Key Managerial Personnel, etc. Independent Directors were additionally evaluated for their performance and fulfilment of criteria of independence and their independence from the

Management. The performance evaluation of the Non - Independent Directors was also carried out by the Independent Directors.

Outcome of the evaluation was submitted to the Chairman of the Company. The Chairman briefed the outcome of the performance evaluation to the Board.

## E) Remuneration of Directors

### (i) Remuneration to Executive Directors

Mr. Manu Ahuja was re-appointed as CEO & Managing Director of the Company without any remuneration for a period of three years effective from May 10, 2021 i.e. upto May 9, 2024.

During the Financial Year under review, no remuneration was paid to him. However, he is getting remuneration from Jubilant Agri and Consumer Products Limited, Wholly-owned Subsidiary of the Company, as its CEO & Whole-time Director and he has been granted 30,000 stock options under the 'JIL Employees Stock Option Scheme 2013' and 13,700 stock options under the 'JIL Employees Stock Option Scheme 2018'. He has also been allotted 36,000 shares pursuant to exercise of Stock Options.

**Service Contracts, Notice Period and Severance Fees:**

Appointment of Managing Director is contractual and is terminable on 3 months' notice. No severance fee is payable.

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

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

The details of sitting fees paid to the other Non-Executive Directors for year ended March 31, 2023 are as follows:

| Name | Sitting Fees (₹) |
|---|---|
| Ms. Shivpriya Nanda | 4,50,000 |
| Mr. Radhey Shyam Sharma | 6,40,000 |
| Mr. Ravinder Pal Sharma | 6,55,000 |
| Total | 17,45,000 |

As on March 31, 2023, Mr. Priyavrat Bhartia and Mr. Shamit Bhartia holds 253 and 6,561 equity shares of the Company, respectively. Other Non-Executive Directors do not hold any equity share of the Company. No stock options have been granted to any Non-Executive Director.

Other than holding shares and payment of sitting fees as indicated above, the Non-Executive Directors did not have any pecuniary relationship or transactions with the Company, during the year.

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

The Company considers the time and efforts put in by the Non-Executive Directors in deliberations at Board/Committee meetings. They are remunerated by way of sitting fees for attending the meetings and through commission, if any, approved by the Board and members of the Company, wherever applicable. The criteria has been defined in the Appointment and Remuneration Policy of the Company. The criteria is also displayed on Company's website www.jubilantindustries.com.

## F) General Body Meetings

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

| Financial Year | Date | Time | Location |
|---|---|---|---|
| 2021-22 (16th AGM) | September 21, 2022 | 11:00 A.M. | Conducted through Video Conferencing/Other Audio Visual Means. Deemed location is the Registered office of the Company at Bhartiagram, Gajraula, District Amroha – 244223, Uttar Pradesh through Video Conferencing |
| 2020-21 (15th AGM) | September 24, 2021 | 11:00 A.M. | Conducted through Video Conferencing/Other Audio Visual Means. Deemed location is the Registered office of the Company at Bhartiagram, Gajraula, District Amroha – 244223, Uttar Pradesh through Video Conferencing |
| 2019-20 (14th AGM) | September 30, 2020 | 11:00 A.M. | Conducted through Video Conferencing/Other Audio Visual Means. Deemed location is the Registered office of the Company at Bhartiagram, Gajraula, District Amroha – 244223, Uttar Pradesh through Video Conferencing |

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

| Annual General Meetings | Subject Matter of Special Resolutions Passed |
|---|---|
| 16th | • No special resolution was passed at 16th Annual General Meeting. |
| 15th | • Modification to the JIL Employees Stock Option Scheme, 2013<br>• Grant of options to employees of holding and/or subsidiary company(ies), under the amended JIL Employee Stock Option Scheme, 2013. |
| 14th | • To sell the land and building of the manufacturing unit situated at Village Nimbut, Rly. Station, Nira, Dist., Pune-412102 |

(iii) **Special Resolutions passed through Postal Ballot during FY 2022-23:** None

(iv) **Whether any Special resolution is proposed to be passed through Postal Ballot: No**

(v) **Procedure for Postal Ballot**

- The notices containing the proposed resolutions and explanatory statements thereto are sent to all members of the Company at their registered postal/e-mail addresses alongwith a Postal Ballot Form and a postage pre-paid business reply envelope containing the address of the Scrutinizer appointed by the Board for carrying out postal ballot process.
- The Postal Ballot Forms/e-voting received within 30 days of dispatch are considered by the Scrutinizer.
- The Scrutinizer submits his report to the Chairman of the Company or a person authorised by him, who on the basis of the report, announces the results; and
- The Company has entered into an agreement with National Securities Depository Limited (NSDL) for providing e-voting facility to its members. Under this facility, members are provided an electronic platform to participate and vote on the proposals of the Company.

## G) Codes and Policies

The Company has established a robust framework of Codes and Policies that facilitates and reflects adoption of good governance practices. The Company has established the following salient codes and policies:

### i. Code of Conduct for Directors and Senior Management

The Company has formulated and implemented a Code of Conduct for all Board members and Senior Management. Requisite annual affirmations of compliance with the Code have been received from the Directors and Senior Management of the Company. A declaration signed to this effect by Mr. Manu Ahuja, CEO & Managing Director is enclosed as **Annexure B**. The Code of Conduct is posted on the Company's website www.jubilantindustries.com.

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

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

The Company has also implemented Policy and procedure for inquiry in case of leak or suspected leak of Unpublished Price Sensitive Information, pursuant to the Insider Trading Regulations. Dealing in the shares of the Company by the Designated Persons is effectively monitored for ensuring compliance with the Code. Report on dealing in the shares of the Company by the Designated Persons is placed before the Board of Directors and Chairman of the Audit Committee.

### iii. Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information

The Company has adopted a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information with a view to facilitate prompt, uniform and universal dissemination of unpublished price sensitive information. Pursuant to the Insider Trading Regulations the Code also includes the Policy for Determination of Legitimate Purposes. The Code is posted on the Company's website www.jubilantindustries.com.

**iv. Policy for Determining Materiality of Events and Information**

The Company has adopted a Policy for Determining Materiality of Events and Information for the purpose of making disclosure to the Stock Exchanges. This policy aims to ensure timely and adequate disclosure of all material and price sensitive information to the Stock Exchanges. The Policy is displayed on the Company's website www.jubilantindustries.com.

**v. Policy for Preservation of Documents**

The Company has a Policy for Preservation of Documents. The Policy facilitates preservation of documents in compliance with the laws applicable to various functions and departments of the Company.

**vi. Archival Policy**

The Company has adopted an Archival Policy that lays down the process and manner of archiving the disclosures made to the Stock Exchanges under the Listing Regulations. The Policy provides that such disclosures shall be hosted on the website of the Company for a period of five years from the date of disclosure to the Stock Exchanges. The Policy also lays down the manner of archiving these disclosures after the period of 5 years. The Policy has been posted on the Company's website www.jubilantindustries.com.

**vii. Appointment and Remuneration Policy**

The Company has a Policy on appointment and remuneration of Directors, Key Managerial Personnel ('KMP') and Senior Management / other employees ('Employees') of the Company.

The Policy aims to ensure that the persons appointed as Directors, KMP and Employees possess requisite qualifications, experience, expertise and attributes commensurate to their positions and level and that the composition of remuneration to such persons is fair and reasonable and sufficient to attract, retain and motivate the personnel to manage the Company successfully. The Policy contains, inter alia, provisions pertaining to qualification, attributes and process of their appointment and removal as well as components of remuneration. The Policy is displayed on the Company's website and the web-link for the same is: https://www.jubilantindustries.com/pdfs/JIL-Appointment-and-Remuneration-Policy.pdf.

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

**ix.** Policy on Materiality of Related Party Transactions and Dealing with Related Party Transactions is displayed on the Company's website. The web-link for the same is: https://jubilantindustries.com/pdfs/policy-on-materiality-of-rpt.pdf.

**x. Vigil Mechanism/ Whistle Blower Policy**

The Company has a robust Whistle Blower Policy for vigil mechanism and Ombudsman Process to make the workplace at Jubilant conducive to open communication regarding business practices. It enables the Directors and employees to voice their concerns or disclose or report fraud, unethical behavior, violation of the Code of Conduct, questionable accounting practices, grave misconduct, etc. without fear of retaliation/ unlawful victimization/ discrimination which is a sine qua non for an ethical organization.

The Whistle Blower Policy has been posted on the Company's website www.jubilantindustries.com. The Audit Committee periodically reviews the functioning of the Policy and Ombudsman Process. During the year, no Director or employee was denied access to the Audit Committee.

**xi. Corporate Social Responsibility Policy**

The Company has a Policy on Corporate Social Responsibility which outlines the Company's philosophy and responsibility and lays down the guidelines and mechanism for undertaking socially impactful activities or programmes towards welfare and sustainable development of the community around the area of its operations and other parts of the Country. The Policy strives towards welfare and sustainable development of the different segments of the community, specifically the deprived and underprivileged segment. The Policy is disclosed on the Company's website www.jubilantindustries.com.

**xii. Policy on Board Diversity.**

The Company has designed a policy which aims to achieve diversity in the Board of Directors of the Company. The policy is framed in compliance with the provisions of the Listing Agreement.

**xiii. Succession Plan for Board Members and Senior Management.**

Nomination, Remuneration and Compensation Committee reviews the succession plan in respect of senior management and Board level positions and recommendations, if any are placed before the Board for its approval.

**xiv. Performance Evaluation Policy.**

The Board of the Company undertakes a formal and rigorous annual evaluation of Independent Directors, Executive Directors, Non-Executive Directors and Chairperson of the Company for which the Company has a well-defined Performance Evaluation Policy which outlines the various parameters for performance evaluation.

**xv. Policy for Prevention of Sexual Harassment.**

The Company as an employer is committed to creating a work place that is free from all forms of sexual harassment. In order to deal with sexual harassment at workplace, the Company has implemented the policy for Prevention of Sexual Harasment Policy (POSH).

**xvi. Code of Conduct for Employees**

The Company is committed to creating and nurturing a work environment that promotes transparent business practices in accordance with the statutory and regulatory requirements. In this regard, the Company has a well defined Code of Conduct for Employees which is displayed on the Company's website https://www.jubilantindustries.com/code-of-conduct.html. The same needs to be affirmed by employees on annual basis.

## H) Disclosures

(i) JACPL is a material non-listed Wholly-owned Subsidiary of the Company.

(ii) There are no materially significant transactions with the related parties viz. Promoters, Directors or the Management, their relatives or subsidiaries, etc. that may have a potential conflict with the interests of the Company at large. Related party transactions are given at Note No. 26 of Notes to the Standalone Financial Statements in the Annual Report.

(iii) The Company has complied with various rules and regulations prescribed by the Stock Exchanges, SEBI or any other statutory authority relating to the capital markets and no penalties or strictures have been imposed by them on the Company during last three years.

(iv) Listing fees for the financial year 2022-23 have been paid to the Stock Exchanges where the shares of the Company are listed.

(v) Detailed notes on risk management are included in the Management Discussion Analysis section.

(vi) Commodity Price Risks/ Foreign Exchange Risk and Hedging Activities:

Your Company is exposed to on its imports of raw materials/ trading goods/ capital items, export receivables and borrowings denominated in foreign exchange.

The Company does not use any derivative financial instruments or other hedging techniques to cover the potential exposure as the net foreign currency exposure is not significant.

As per the Company's Policy for Determination of Materiality of Events and Information, your Company does not have material exposure of any commodity and accordingly, no hedging activities for the same are carried out. Therefore, there is no disclosure to offer in terms of SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2018/0000000141 dated November 15, 2018.

(vii) Details of utilisation of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A):

The Company has not raised funds through preferential allotment or qualified institutions placement during the year.

(viii) During the year, no complaint was filed, disposed and pending in relation to Sexual Harassment of Woman at Work place (Prevention, Prohibition and Redressal) Act, 2013.

(ix) The Company has complied with the requirements specified in Regulation 17 to 27 and Clause (b) to (i) of sub-regulation 2 of Regulation 46 of Listing Regulations.

(x) No Loans or advances in the nature of loans were provided to firms/companies in which Directors are interested during FY 2022-23.

## I) Means of Communication

(i) The quarterly financial results are regularly submitted to the Stock Exchanges and are generally published in leading Business

Newspapers of the country i.e. 'Mint' and regional newspapers like 'Hindustan' in compliance with Listing Regulations.

(ii) The quarterly, half yearly and annual financial results are posted on the website of the Company at www.jubilantindustries.com. The website also displays official news release, if any.

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

(iv) Annual Report and Corporate Sustainability Report are emailed to such members whose email ids are registered with the Company/ Depositories.

(v) The Company works towards excellence in stakeholder communication. It believes in sharing all material information that may directly or indirectly affect the financial and operational performance of the Company and consequently the share price.

## J) General Shareholders' Information

### (i) Date, Time and Venue for 17th Annual General Meeting

As per the notice of 17th Annual General Meeting.

### (ii) Financial Year and Financial Calendar

The Company observes April 1 to March 31 of the following year as its Financial Year. The Financial Calendar for year 2023-24 is as follows:

| Item | Tentative Dates * |
|---|---|
| First Quarter Results | July 27, 2023 |
| Second Quarter Results | October 26, 2023 |
| Third Quarter Results | February 9, 2024 |
| Audited Annual Results for the year | May 27, 2024 |

* As approved by the Board of Directors. However, these dates are subject to change.

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

| Item | Dates |
|---|---|
| Date of Book Closure | - |
| Dividend Payment Date | No Dividend has been recommended by the Board for the year ended March 31, 2023 |

### (iv) Listing

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

| S. No. | Name of the Stock Exchange | Security Listed | Stock Code |
|---|---|---|---|
| 1. | BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001 | Equity Shares | 533320 |
| 2. | National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai-400051 | Equity Shares | JUBLINDS |

### (v) Market Price Data

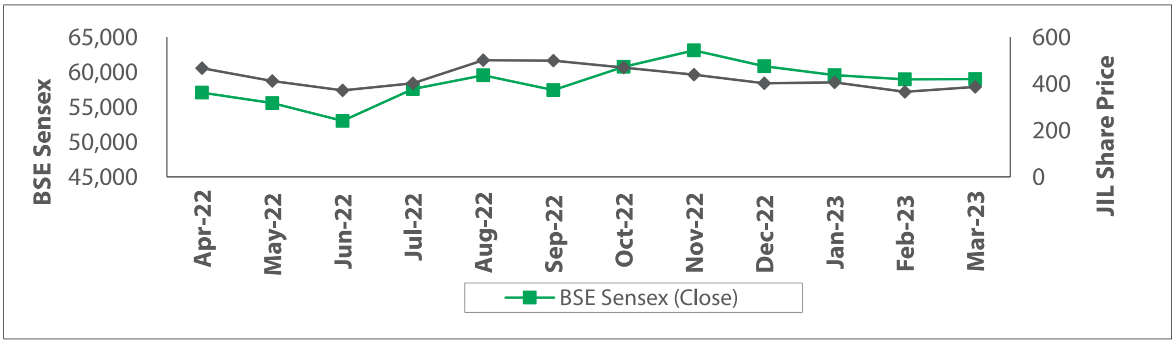
Monthly high/low of market price of the Company's equity shares (of ₹ 10 each) traded on the Stock Exchanges during the year 2022-23 is given hereinafter:

**(Amount in ₹)**

| Month | BSE | | NSE | |
|---|---|---|---|---|
| | High | Low | High | Low |
| April, 2022 | 529.30 | 458.60 | 524.70 | 468.10 |
| May, 2022 | 502.00 | 355.00 | 476.70 | 384.45 |
| June, 2022 | 460.00 | 315.40 | 422.00 | 319.75 |
| July, 2022 | 454.00 | 366.05 | 455.00 | 365.10 |
| August, 2022 | 546.50 | 399.05 | 547.00 | 399.80 |
| September, 2022 | 571.00 | 486.10 | 571.00 | 486.10 |
| October, 2022 | 520.00 | 460.00 | 520.00 | 460.00 |
| November, 2022 | 487.00 | 415.50 | 487.00 | 415.50 |
| December, 2022 | 450.85 | 366.45 | 450.85 | 366.45 |
| January, 2023 | 427.00 | 366.45 | 424.00 | 371.25 |
| February, 2023 | 431.30 | 360.05 | 419.90 | 361.00 |
| March, 2023 | 440.00 | 356.40 | 424.50 | 360.00 |

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

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




**(vii) Growth in Equity Capital**

| Year | Particulars | Number of Equity Shares | Cumulative Number of Equity Shares | Face Value per Equity Share (₹) |
|---|---|---|---|---|
| 2007 | Issue of Equity Shares to the Subscribers to the Memorandum and Articles of Association | 10,000 | 10,000 | 10 |
| 2010 | Issue of Equity Shares on Preferential basis | 40,000 | 50,000 | 10 |
| 2010 | Issue of Equity Shares pursuant to Scheme of Amalgamation and Demerger with Jubilant Life Sciences Limited and others | 79,64,056 | 80,14,056 | 10 |
| 2012 | Issue of Equity Shares pursuant to Scheme of Arrangement with Enpro Oil Private Limited and Jubilant Agri and Consumer Products Limited | 38,35,348 | 1,18,49,404 | 10 |
| 2015 | Issue of Equity Shares pursuant to exercise of Options granted under JIL Employees Stock Option Scheme 2013 | 37,196 | 1,18,86,600 | 10 |
| 2016 | Issue of Equity Shares pursuant to exercise of Options granted under JIL Employees Stock Option Scheme 2013 | 28,470 | 1,19,15,070 | 10 |
| 2017 | Issue of Equity Shares pursuant to exercise of Options granted under JIL Employees Stock Option Scheme 2013 | 16,031 | 1,19,31,101 | 10 |
| 2018 | Issue of Equity Shares on Preferential basis | 18,00,000 | 1,37,31,101 | 10 |
| 2020 | Issue of Equity Shares upon conversion of warrants issued on Preferential basis | 13,00,000 | 1,50,31,101 | 10 |
| 2022 | Issue of Equity Shares pursuant to exercise of Options granted under JIL Employees Stock Option Scheme 2013 | 36,000 | 1,50,67,101 | 10 |

**(viii) Compliance Officer**

Mr. Abhishek Kamra, Company Secretary, is the Compliance Officer appointed by the Board. He can be contacted for any investor related matter relating to the Company. The contact no is +91-120-7186000 and e-mail id is "investorsjil@jubl.com".

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

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

Alankit Assignments Limited,
205-208, Anarkali Complex, Jhandewalan Extension, New Delhi-110055
Tel: +91-11-23541234, 42541234;
E-mail: rta@alankit.com, info@alankit.com

**(x) Share Transfer System**

Stakeholders Relationship Committee is authorised to approve transfers of shares. The dematerialised shares are transferred directly to the beneficiaries by the depositories. Trading in equity shares of the Company is permitted only in dematerialised form. SEBI has mandated that securities of listed companies can be transferred only in dematerialised form effective from April 1, 2019. Accordingly, the Company/ its Registrar and Transfer Agent have stopped accepting any fresh lodgement for transfer of shares in physical form. Members holding shares in physical form are advised to avail of the facility of dematerialisation.

**(xi) Distribution of shareholding as on March 31, 2023**

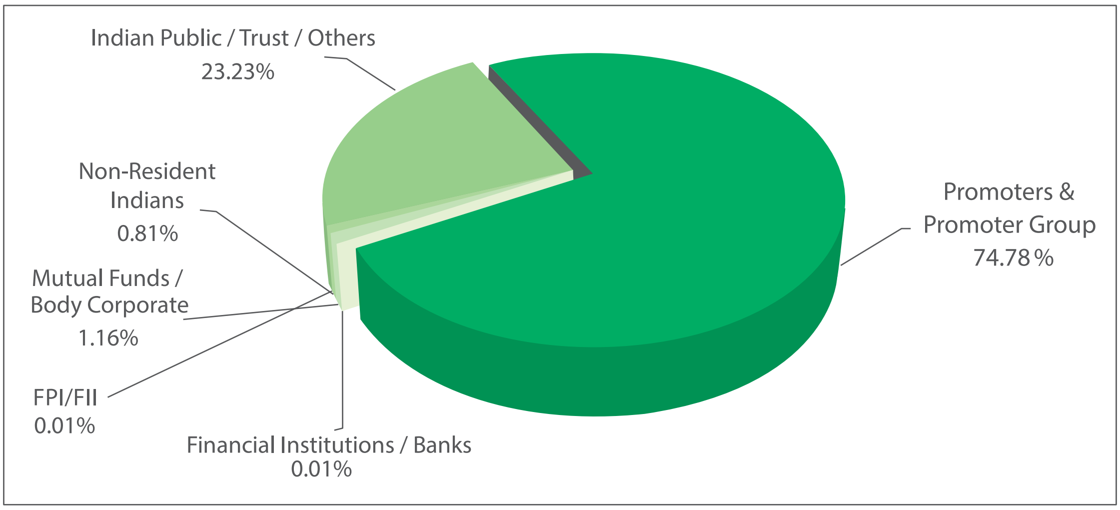
**(a) Value wise**

| Shareholding of nominal value (in ₹) | Shareholders | | Shareholding | |
|---|---|---|---|---|
| | Number | % of Total | Number | % of Total |
| Upto 5,000 | 23455 | 99.62 | 1978552 | 13.13 |
| 5,001 to 10,000 | 43 | 0.18 | 309381 | 2.05 |
| 10,001 to 20,000 | 20 | 0.08 | 278972 | 1.85 |
| 20,001 to 30,000 | 6 | 0.03 | 156083 | 1.04 |
| 30,001 to 40,000 | 2 | 0.01 | 61045 | 0.41 |
| 40,001 to 50,000 | 3 | 0.01 | 144000 | 0.96 |
| 50,001 to 1,00,000 | 8 | 0.03 | 599134 | 3.98 |
| 1,00,001 and above | 7 | 0.03 | 11539934 | 76.59 |
| **Total** | **23544** | **100.00** | **15067101** | **100.00** |

**(b) Category wise**

| Sr. No. | Category | No. of shares | Shareholding as a percentage of total number of shares |
|---|---|---|---|
| A | **Promoters & Promoter Group** | **1,12,66,637** | **74.78** |
| B | **Public Shareholding** | | |
| 1 | Financial Institutions / Banks | 342 | 0.01 |
| 2 | Mutual Funds / Body Corporate | 1,76,113 | 1.16 |
| 3 | Non Resident Indians | 1,22,772 | 0.81 |
| 4 | FPI/FII | 1,370 | 0.01 |
| 5 | Indian Public / Trust / Others | 34,99,867 | 23.23 |
| | **Grand Total** | **1,50,67,101** | **100.00** |

**Graphical Presentation of Shareholders**




**(xii) Unclaimed Dividends**

Unpaid dividend pertaining to financial year 2010-11 amounting to ₹2,30,196 and 62,381 equity shares in respect of said unpaid dividend has been transferred to the Investor Education and Protection Fund (the 'Fund') on October 15, 2018 and October 24, 2018 respectively.

Members who have so far not claimed or collected their dividends for the said period may claim their shares alongwith dividend from the Investor Education and Protection Fund, by following the Refund Procedure prescribed under the IEPF Rules.

Mr. Abhishek Kamra, Company Secretary is the Nodal Officer for the purpose of verification of claims and co-ordinations with Investors' Education and Protection Fund Authority.

**(xiii) Equity Shares in Suspense Account**

Pursuant to Clause 5A of the erstwhile Listing Agreement (corresponding to Schedule VI of the Listing Regulations), shareholders holding physical shares and not having claimed share certificates were sent three reminder letters to claim their equity shares. In terms of the aforesaid clause, equity shares which remained unclaimed were transferred to Jubilant Industries Limited - Unclaimed Suspense Account. Details required under Schedule V (F) of the Listing Regulations are given in the table below:

| Particulars | Number of Shareholders | Number of Equity Shares |
|---|---|---|
| Aggregate number of shareholders and the outstanding shares in the Unclaimed Suspense Account lying as on April 01, 2022 | 119 | 3,858 |
| Number of shareholders who approached the Company for transfer of shares from the Unclaimed Suspense Account during FY 2022-23 | - | - |
| Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during FY 2022-23 | - | - |
| Number of shares transferred to Investor Education and Protection Fund during FY 2022-23 | - | - |
| Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account as on March 31, 2023 | 119 | 3,858 |

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

**(xiv) Information pursuant to Regulation 36(3) of the Listing Regulations**

Mr. Shamit Bhartia who retires by rotation and, being eligible, offers himself for re-appointment and information pertaining to his re-appointment at the forthcoming Annual General Meeting has been included in the Notice convening the Annual General Meeting.

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

The Company has obtained a Certificate from the Statutory Auditors confirming compliance with the conditions of Corporate Governance as stipulated in Schedule V(E) of the Listing Regulations. The Certificate is attached as **Annexure C**.

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

The shares of the Company fall under the category of confirming delivery in dematerialized mode by all categories of investors. The Company has signed agreements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). 1,50,00,768 equity shares constituting 99.56 % of the total issued and listed Share Capital of the Company were in dematerialized form as on March 31, 2023. Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE645L01011.

**(b) Liquidity**

The Equity Shares of the Company are frequently traded on the National Stock Exchange of India Limited as well as on the BSE Limited and are in the category of Group B scrips on BSE Limited.

**(c) Paid-Up Capital**

The Paid-up Capital as at March 31, 2023 stands at 1,50,67,101 equity shares of ₹ 10 each amounting to ₹ 15,06,71,010 (Rupees Fifteen Crore Six Lakhs Seventy One Thousand Ten only).

**(xvii)** Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity:

No Convertible Securities were outstanding as on March 31, 2023.

**(xviii)** Credit rating(s) obtained by the Company for any debt instrument, fixed deposit programme or any other scheme or proposal involving mobilisation of funds in India or abroad: None

**(xix) Location of Manufacturing Facility -** None

**(xx) Address for Correspondence**

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

**(xxi) Corporate Identity Number (CIN)**

L24100UP2007PLC032909

**(xxii) Details of material subsidiaries**

**Jubilant Agri and Consumer Products Limited**

Incorporated on August 21, 2008 at Uttar Pradesh
**Name of Statutory Auditors:**
BGJC & Associates LLP
**Date of Appointment of Statutory Auditors:**
September 25, 2019

## K) Compliance with the Regulations Related to Corporate Governance in the Listing Regulations

**(a) Mandatory Requirements**

The Company has complied with mandatory requirements relating to corporate governance as prescribed in Listing Regulations.

**(b) Extent to which Discretionary Requirements have been adopted:**

The status of adoption of non-mandatory/ discretionary requirements as specified in Regulation 27(1) read with Part E of Schedule II of the Listing Regulations is given below:

1. The Board

   Non-Executive Chairman's Office

   The Chairman is Non-Executive Promoter Director.

2. Shareholders' Rights

   Half yearly financial performance is not being sent to Shareholders.

3. Modified Opinion(s) in Audit Report

   Audit Reports on Financial Statements of the Company do not contain any modified opinion.

4. Separate posts of Chairman and Managing Director/CEO

   The Company has separate posts of Chairman and Managing Director/CEO.

5. Reporting of Internal Auditor

   Internal Auditor reports to the Audit Committee.

**CEO/CFO Certification**

In compliance with Regulation 17(8) read with Schedule II(B) of the Listing Regulations, a declaration by CEO & Managing Director and CFO is enclosed as **Annexure D** which, inter-alia, certifies to the Board about the accuracy of financial statements and the adequacy of internal controls for the financial reporting purpose.

Annexure A

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

**(Pursuant to Regulation 34(3) and Clause (10) (i) of Para C of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)**

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

1. The equity shares of Jubilant Industries Limited ("the Company") are listed on BSE Limited and National Stock Exchange of India Limited.
2. We have examined the relevant disclosures received from the Directors, registers, records, forms, and returns maintained by the Company and produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with clause 10(i) of Para-C of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
3. We have also done examination and verification of the disclosures under Sections 184/189, 164 and 149 of the Companies Act, 2013 (the Act) received from the Directors and Register of Directors and Key Managerial Personnel and their Shareholding under Section 170 of the Act and Director Identification Number (DIN) status of the Directors at MCA portal i.e. www.mca.gov.in. In our opinion and to the best of our knowledge and on the basis of information furnished to us by the Company and its officers, we certify that none of the below named Directors of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority as on March 31, 2023:

| S. No. | Name of Director | Director Identification Number (DIN) | Date of Appointment in Company |
|---|---|---|---|
| 1. | Mr. Priyavrat Bhartia | 00020603 | 28/10/2020 |
| 2. | Mr. Shamit Bhartia | 00020623 | 14/01/2012 |
| 3. | Mr. Manu Ahuja | 05123127 | 10/05/2018 |
| 4. | Mr. Radhey Shyam Sharma | 00013208 | 25/10/2018 |
| 5. | Mr. Ravinder Pal Sharma | 03411214 | 03/09/2020 |
| 6. | Ms. Shivpriya Nanda | 01313356 | 05/02/2014 |

4. Ensuring the eligibility of the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.
5. This certificate is based on the information and records available as on 31st March, 2023 and we have no responsibility to update this certificate for the events occurring after the date of the certificate.

For **Sanjay Grover & Associates**
**Company Secretaries**
**Firm Registration No.: P2001DE052900**

Place: New Delhi
Date: May 25, 2023

**Kapil Dev Taneja**
Partner
CP No.:22944/ F4019
UDIN: F004019E000378800

**Annexure B**

## TO WHOMSOEVER IT MAY CONCERN

This is to confirm that all the Board members and senior management personnel have affirmed compliance with the Code of Conduct for Directors & Senior Management of the Company for the year ended March 31, 2023.

**For Jubilant Industries Limited**

Place: Gurugram
Date: May 25, 2023

**Manu Ahuja**
CEO & Managing Director

---

**Annexure C**

## Independent Auditor's Certificate on Corporate Governance

**To the Members of Jubilant Industries Limited**

We have been requested by Jubilant Industries Limited ("the Company"), having its registered office at Bhartigram Gajraula, District, Amroha, Jyotiba Phule Nagar, Uttar Pradesh-244223, to certify the compliance of conditions of Corporate Governance by the Company, for the year ended March 31, 2023, as per Regulations 17 to 27, clauses (b) to (i) and (t) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and to issue a certificate thereon.

**Management's Responsibility**

The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

**Auditor's Responsibility**

Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India ('ICAI'), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to(i) and (t) of regulation 46(2) and paragraphs C, D and E of Schedule V of the Listing Regulations, as applicable.

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

**Restriction on Use**

The certificate is issued solely for the purpose of complying with the aforesaid Regulations and may not be suitable for any other purpose.

**For BGJC & Associates LLP**
Chartered Accountants
ICAI Firm Registration No.: 003304N/N500056

**Pranav Jain**
Partner
Membership No.: 098308
UDIN: 22098308AJTOSU3642

Date: May 25, 2023
Place: New Delhi

Annexure D

## CERTIFICATE OF CEO/CFO

This is to certify that:

(a) We have reviewed financial statements and the cash flow statement for the year 2022-23 and that to the best of our knowledge and belief:

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

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

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

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

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

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

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

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

**For Jubilant Industries Limited**

| | | |
|---|---|---|
| **Place: Gurugram** | **Manu Ahuja** | **Umesh Sharma** |
| **Date: May 25, 2023** | **CEO & Managing Director** | **Chief Financial Officer** |

# Independent AUDITOR'S REPORT

### To the Members of Jubilant Industries Limited

**Report on the Audit of the Standalone Financial Statements**

### Opinion

We have audited the accompanying standalone Ind AS financial statements of **Jubilant Industries Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2023, 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 then ended and notes to the standalone financial statements including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, 2023, its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone 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 ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and Rules 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 Standalone Financial Statements.

### Information Other than the Financial Statements and Auditor's Report Thereon

The other information comprises the information included in the Annual report 2022-23 but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements, or our knowledge obtained in the 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.

### Management's and Board of Directors' Responsibility for the Standalone Financial Statements

The Company's Management and the Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other 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 of 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Management and the Board of Directors are 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 also responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone 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.
- Obtain an understanding of internal control 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 with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 standalone 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.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone 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.

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.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone 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.

## Report on Other Legal and Regulatory Requirements

(1) As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in "Annexure 1", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

(2) As required by section 143(3) of the Act, we report that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 Flows dealt with by this report are in agreement with the books of account;

d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act;

e. On the basis of the written representations received from the directors as on March 31, 2023, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 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 with reference to financial statements of the Company and the operating effectiveness of such controls, we give our separate report in "Annexure 2".

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 Company did not pay any remuneration to its directors during the year.

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, 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 in its standalone financial statements – Refer Note 28 on Contingent Liabilities to the standalone financial statements;

(ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

(iv) a. The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

b. The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate

Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

c. Based on the audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.

(v) The Company has not declared and paid dividend during the year.

(vi) As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is mandatory only w.e.f. April 1, 2023, for the Company, reporting under this clause is not applicable.

For **BGJC & Associates LLP**
Chartered Accountants
ICAI Firm's Registration No.: 003304N/N500056

**Pranav Jain**
Partner
Membership No.: 098308
UDIN:23098308BGVLSH3165

Date: May 25, 2023
Place: New Delhi

# ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Jubilant Industries Limited on the standalone financial statements for the year ended March 31, 2023]

To the best of our information and according to the information, explanations, and written representations provided to us by the Company and the books of account and other records examined by us in the normal course of audit we report that:

(i) In respect of the Company's Property, Plant and Equipment and Intangible assets:

(a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(B) The Company does not have any intangible assets and accordingly, reporting under clause 3(i)(a)(B) of the Order is not applicable to the Company.

(b) The property, plant and equipment have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

(c) The Company does not own any immovable property including investment properties are held in the name of the Company. Accordingly, reporting under clause 3(i)(c) of the Order is not applicable to the Company.

(d) The Company has not revalued its Property, Plant and Equipment. There are no intangible assets.

(e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, reporting under clause 3(i)(e) of the Order is not applicable to the Company.

(ii) (a) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies between physical inventory and book records were noticed on physical verification.

(b) The Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. Accordingly, clause 3(ii)(b) of the Order is not applicable.

(iii) The Company has not made any investment in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or any other parties during the year. Accordingly, reporting under clause 3(iii)(a to f) of the Order is not applicable to the Company.

(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 Act in respect of loans, investments, guarantees and security, as applicable.

(v) The Company has not accepted any deposits and there are no amounts which have been considered as deemed deposit within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.

(vi) The Central Government has not specified maintenance of cost records under sub-section (1) of section 148 of the Act, in respect of Company's products/business activity. Accordingly, reporting under clause 3(vi) of the Order is not applicable.

(vii) (a) In our opinion, and according to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no statutory dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute.

(viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been recorded in the books of accounts.

(ix) According to the information and explanations given to us, the Company does not have any loans or other borrowings from any lender. Accordingly, reporting under clause 3(ix) of the Order is not applicable to the Company.

(x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the period covered by our audit.

(b) No report under section 143(12) of the Act has been filed with the Central Government for the period covered by our audit.

(c) According to the information and explanations given to us including the written representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the standalone financial statements, as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act.

(xiv) (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system as required under section 138 of the Act which is commensurate with the size and nature of its business.

(b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.

(xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with them and accordingly, provisions of section 192 of the Act are not applicable to the Company.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clause 3(xvi) (a) and (b) of the Order is not applicable to the Company.

The Company is not a Core Investment Company and there are no Core Investment Companies in the Group. Accordingly, reporting under clause 3(xvi) (c) and (d) of the Order is not applicable to the Company.

(xvii) The Company has not incurred cash losses in the current financial year but had incurred cash loss of amount Rs. 9.44 million in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.

(xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) According to the information and explanations given to us, The Company does not fulfill the criteria as specified under section 135(1) of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and according, reporting under clause (xx) of the Order is not applicable to the Company.

(xxi) The reporting under clause (xxi) is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For **BGJC & Associates LLP**
Chartered Accountants
ICAI Firm's Registration No.: 003304N/N500056

**Pranav Jain**
Partner
Membership No.: 098308
UDIN:23098308BGVLSH3165

Date: May 25, 2023
Place: New Delhi

# ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Jubilant Industries Limited on the standalone financial statements for the year ended March 31, 2023]

### 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 Industries Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

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

### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing specified under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

### Meaning of Internal Financial Controls Over Financial Reporting

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

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, 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 ICAI.

For **BGJC & Associates LLP**
Chartered Accountants
ICAI Firm's Registration No.: 003304N/N500056

**Pranav Jain**
Partner
Membership No.: 098308
UDIN: 23098308BGVLSH3165

Date: May 25, 2023
Place: New Delhi

# BALANCE SHEET

as at 31 March 2023

(₹ in million)

| | Notes | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 3 | 0.07 | 0.11 |
| Financial assets | | | |
| (i) Investments | 4 | 3,060.61 | 3,046.94 |
| (ii) Loans | 5 | - | 0.04 |
| (iii) Other financial assets | 6 | - | 0.55 |
| Deferred tax assets (net) | 7 | 0.02 | 0.03 |
| Other non-current assets | 8 | 1.35 | 1.35 |
| **Total non-current assets** | | **3,062.05** | **3,049.02** |
| **Current assets** | | | |
| Inventories | 9 | 0.12 | 2.48 |
| Financial assets | | | |
| (i) Trade receivables | 10 | - | 1.39 |
| (ii) Cash and cash equivalents | 11 (a) | 4.84 | 3.28 |
| (iii) Other bank balances | 11 (b) | 1.00 | 0.50 |
| (iv) Loans | 5 | - | 2.21 |
| (v) Other financial assets | 6 | 12.85 | 3.10 |
| Current tax assets (net) | | 0.99 | 0.89 |
| Other current assets | 8 | 4.27 | 22.48 |
| **Total current assets** | | **24.07** | **36.33** |
| Assets classified as held for sale | 19 | - | 13.71 |
| **Total Assets** | | **3,086.12** | **3,099.06** |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| Equity share capital | 12 | 150.67 | 150.31 |
| Other equity | 12 (a) | 2,910.31 | 2,799.47 |
| **Total equity** | | **3,060.98** | **2,949.78** |
| **Liabilities** | | | |
| **Non-current liabilities** | | | |
| Provisions | 13 | 0.70 | 0.65 |
| **Total non-current liabilities** | | **0.70** | **0.65** |
| **Current liabilities** | | | |
| Financial liabilities | | | |
| (i) Trade payables: | | | |
| Total outstanding dues of micro enterprises and small enterprises | 14 | - | - |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 14 | 1.33 | 4.73 |
| (ii) Other financial liabilities | 15 | 3.60 | 24.89 |
| Other current liabilities | 16 | 0.11 | 118.53 |
| Provisions | 13 | 0.19 | 0.48 |
| Current tax liabilities | | 19.21 | - |
| **Total current liabilities** | | **24.44** | **148.63** |
| **Total Equity and Liabilities** | | **3,086.12** | **3,099.06** |
| Corporate information and Significant accounting policies | 1 & 2 | | |
| Notes to these financial statements | 3 to 34 | | |
| The accompanying notes "1" to "34" form an integral part of these financial statements | | | |

In terms of our report of even date.

**For BGJC & Associates LLP**
Chartered Accountants
Firm Registration Number : 003304N/N500056

For and on behalf of the Board of **Jubilant Industries Limited**

**Pranav Jain**
Partner
Membership No. 098308

**Abhishek Kamra**
Company Secretary
Membership No. A48236

**Umesh Sharma**
Chief Financial Officer

**Priyavrat Bhartia**
Chairman
DIN: 00020603

**Manu Ahuja**
CEO & Managing Director
DIN: 05123127

Place : New Delhi
Date : 25 May, 2023

Place : Gurugram
Date : 25 May, 2023

# STATEMENT OF PROFIT AND LOSS

for the year ended 31 March 2023

(₹ in million)

| | Notes | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|---|
| **Continuing operations** | | | |
| Revenue from operations | | - | - |
| Other Income | | - | - |
| **Total income** | | **-** | **-** |
| **EXPENSES** | | | |
| Employee benefits expense | | - | - |
| Finance costs | | - | - |
| Depreciation & amortization expense | | - | - |
| Other expenses | | - | - |
| **Total expenses** | | **-** | **-** |
| **Net profit/(Loss) for the year from continuing operations before tax** | | **-** | **-** |
| **Tax Expenses:** | | | |
| - Current Tax | | - | - |
| - Deferred tax charge/(credit) | | - | - |
| **Net profit/(Loss) for the year from continuing operations** | | **-** | **-** |
| **Discontinued operations** | | | |
| Profit/(Loss) for the year from discontinued operations before tax | 19 | 112.65 | (9.44) |
| Tax expenses of discontinued operations | 17 | 19.21 | - |
| **Net profit/(Loss) for the year from discontinued operations** | | **93.44** | **(9.44)** |
| **Net profit/(Loss) for the year from continuing operations and discontinued operations** | | **93.44** | **(9.44)** |
| **Other Comprehensive Income** | | | |
| ***Items that will not be reclassified to profit or loss:*** | | | |
| Re-measurement gain on defined benefit plans | | 0.03 | - |
| ***Income tax effect on above:*** | | | |
| Income tax charge | 17 | 0.01 | - |
| **Other comprehensive income for the year (net of tax)** | | **0.02** | **-** |
| **Total comprehensive income/(loss) for the year** | | **93.46** | **(9.44)** |
| **Earnings per equity share of ₹ 10.00 each:** | 33 | | |
| **From continuing operations** | | | |
| Basic | ₹ | - | - |
| Diluted | ₹ | - | - |
| **From discontinued operations** | | | |
| Basic | ₹ | 6.21 | (0.63) |
| Diluted | ₹ | 6.14 | (0.63) |
| **From continuing operations and discontinued operations** | | | |
| Basic | ₹ | 6.21 | (0.63) |
| Diluted | ₹ | 6.14 | (0.63) |
| Corporate information and Significant accounting policies | 1 & 2 | | |
| Notes to these financial statements | 3 to 34 | | |

The accompanying notes "1" to "34" form an integral part of these financial statements

In terms of our report of even date.

**For BGJC & Associates LLP**
Chartered Accountants
Firm Registration Number : 003304N/N500056

For and on behalf of the Board of **Jubilant Industries Limited**

**Pranav Jain**
Partner
Membership No. 098308

**Abhishek Kamra**
Company Secretary
Membership No. A48236

**Umesh Sharma**
Chief Financial Officer

**Priyavrat Bhartia**
Chairman
DIN: 00020603

**Manu Ahuja**
CEO & Managing Director
DIN: 05123127

Place : New Delhi
Date : 25 May, 2023

Place : Gurugram
Date : 25 May, 2023

# STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2023

## A. Equity share capital

(₹ in million)

| | |
|---|---|
| **Balance as at 31 March 2021** | **150.31** |
| Changes in the equity share capital during the year | - |
| **Balance as at 31 March 2022** | **150.31** |
| Changes in the equity share capital during the year (Refer note 12.4) | 0.36 |
| **Balance as at 31 March 2023** | **150.67** |

## B. Other Equity

(₹ in million)

| | Security premium | General reserve | Share based payment reserve* | Retained earnings | Items of other Comprehensive Income | Total |
|---|---|---|---|---|---|---|
| | | | | | Remeasurement of defined benefits obligations | |
| **As at 31 March 2021** | **1,221.71** | **236.74** | **3.28** | **1,339.50** | **0.01** | **2,801.24** |
| Loss for the year | - | - | - | (9.44) | - | (9.44) |
| Other comprehensive income | - | - | - | - | - | - |
| **Total comprehensive loss for the year** | **-** | **-** | **-** | **(9.44)** | **-** | **(9.44)** |
| Employee share based expense | - | - | 7.67 | - | - | 7.67 |
| **As at 31 March 2022** | **1,221.71** | **236.74** | **10.95** | **1,330.06** | **0.01** | **2,799.47** |
| Profit for the year | - | - | - | 93.44 | - | 93.44 |
| Other comprehensive income | - | - | - | - | 0.02 | 0.02 |
| **Total comprehensive income for the year** | **-** | **-** | **-** | **93.44** | **0.02** | **93.46** |
| Employee share based expense | - | - | 13.67 | - | - | 13.67 |
| Upon issue of share capital (Refer note 12.4) | 3.71 | - | - | - | - | 3.71 |
| Transfer to general reserve | - | 1.90 | (1.90) | - | - | - |
| **As at 31 March 2023** | **1,225.42** | **238.64** | **22.72** | **1,423.50** | **0.03** | **2,910.31** |

* Refer note 30.

# STATEMENT OF CHANGES IN EQUITY
for the year ended 31 March 2023

**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.

- **General reserve**

  This represents appropriation of profit by the Company and is available for distribution of dividend.

- **Share based payment reserve**

  The fair value of the equity settled share based payment transactions with employees is recognized in Statement of Profit and Loss with corresponding credit to Share based payment reserve. Further, equity settled share based payment transaction with employees of subsidiary is recognized in investment of subsidiaries with corresponding credit to Share based payment reserve. Balance of a share based payment reserve is transferred to general reserve upon expiry of grants or upon exercise of stock options by an employee.

- **Re-measurement of defined benefit plans**

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

The accompanying notes "1" to "34" form an integral part of these financial statements.

In terms of our report of even date.

**For BGJC & Associates LLP**
Chartered Accountants
Firm Registration Number : 003304N/N500056

For and on behalf of the Board of **Jubilant Industries Limited**

**Pranav Jain**
Partner
Membership No. 098308

Place : New Delhi
Date : 25 May, 2023

**Abhishek Kamra**
Company Secretary
Membership No. A48236

Place : Gurugram
Date : 25 May, 2023

**Umesh Sharma**
Chief Financial Officer

**Priyavrat Bhartia**
Chairman
DIN: 00020603

**Manu Ahuja**
CEO & Managing Director
DIN: 05123127

# STATEMENT OF CASH FLOWS
for the year ended 31 March 2023

(₹ in million)

| | | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|---|
| **A.** | **Cash flow from operating activities:** | | |
| | **Net profit/(loss) before tax:** | | |
| | Continuing operations | - | - |
| | Discontinued operations | 112.65 | (9.44) |
| | **Adjustments for:** | | |
| | Depreciation & amortization expense | 0.04 | 0.04 |
| | Profit on sale/disposal of property, plant & equipment (net) | (119.29) | - |
| | Interest Income | (0.07) | (0.93) |
| | | (119.32) | (0.89) |
| | **Operating cash flow before change in assets and liabilities** | **(6.67)** | **(10.33)** |
| | **Adjustments for:** | | |
| | Decrease in trade receivables, loans, other financial assets and other assets | 18.61 | 0.37 |
| | Decrease in inventories | 2.35 | 0.88 |
| | Decrease in trade payables, other financial liabilities, other liabilities and provisions | (26.63) | (4.88) |
| | **Cash used in operations** | **(12.34)** | **(13.96)** |
| | Direct taxes (paid)/refund (net) | (0.09) | 0.44 |
| | **Net cash used in operating activities** | **(12.43)** | **(13.52)** |
| **B.** | **Cash flow from investing activities:** | | |
| | Sale of property, plant and equipment | 7.56 | 0.01 |
| | Inter corporate loan given to subsidiary, received back (Refer note 26) | 2.20 | 9.90 |
| | Interest received | 0.16 | 1.12 |
| | **Net cash generated in investing activities** | **9.92** | **11.03** |
| **C.** | **Cash flow arising from financing activities:** | | |
| | Proceeds from issue of shares (Refer note 12.4) | 4.07 | - |
| | **Net cash inflow in course of financing activities** | **4.07** | **-** |
| | **Net increase/(decrease) in cash & cash equivalents (A+B+C)** | 1.56 | (2.49) |
| | Add: Cash & cash equivalents at the beginning of the year | 3.28 | 5.77 |
| | **Cash & cash equivalents at the close of the year** | **4.84** | **3.28** |

# STATEMENT OF CASH FLOWS

for the year ended 31 March 2023

(₹ in million)

| | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| **Components of cash and cash equivalents** | | |
| Balance With Banks | | |
| - On current accounts | 4.83 | 3.27 |
| Cash on hand | 0.01 | 0.01 |
| | **4.84** | **3.28** |

**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.

**For BGJC & Associates LLP**
Chartered Accountants
Firm Registration Number : 003304N/N500056

For and on behalf of the Board of **Jubilant Industries Limited**

**Pranav Jain**
Partner
Membership No. 098308

**Abhishek Kamra**
Company Secretary
Membership No. A48236

**Umesh Sharma**
Chief Financial Officer

**Priyavrat Bhartia**
Chairman
DIN: 00020603

Place : New Delhi
Date : 25 May, 2023

Place : Gurugram
Date : 25 May, 2023

**Manu Ahuja**
CEO & Managing Director
DIN: 05123127

## 1. Corporate Information

Jubilant industries Limited ("the Company" or the "Parent Company") is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company was engaged in the business of manufacturing of Indian-made foreign liquor which had been discontinued during the previous year as referred in note 19. Its shares are listed on the BSE Limited and the National Stock Exchange of India Limited. The registered office of the Company is situated at Bhartiagram, 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 25, 2023.

## 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 per share data and unless 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; and
- Share-based payment transactions;

### (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

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2023

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 |
|---|---|---|
| Employee perquisite related assets (included in office equipment) | 5 years, being the period of perquisite scheme | 10 |
| Computers covered under perquisite scheme | 5 years, being the period of perquisite scheme | 3 |

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.

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) Discontinued operations and non-current assets held for sale**

Discontinued operation is a component of the Company that has been disposed of or classified as held for sale and represents a major line of business.

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. However, trade receivables that do not contain a significant financing component are measured at transaction price.

***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.

**Investments in subsidiaries**

Investments in subsidiaries are carried at cost less accumulated impairment losses, if any except in case of investment in preference shares (debt instrument) which is carried in accordance with Ind AS 109 "Financial instruments".

***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.

**(g) Inventories**

Inventories are valued at lower of cost and 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 excise duty/ any other 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, liabilities and commitments**

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.

Commitments are future liabilities for contractual expenditure, classified and disclosed as follows: (i) estimated amount of contracts remaining to be executed on capital account and not provided for; (ii) uncalled liability on shares and other investments partly paid; (iii) funding related commitment to subsidiary, associate and joint venture companies; and (iv) other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management. Other commitments related to sales/procurements made in the normal course of business are not disclosed to avoid excessive details.

**(k) Revenue recognition**

The company's revenue is derived from single performance obligation under arrangements in which the transfer of control of product and the fulfilment of company's performance obligation occur at the same time.

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.

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 without assuming the risks and rewards of ownership have been reported on a net basis.

In case of revenue arrangements with tie up units, the company has concluded that it is acting as an agent in all such revenue arrangements since the company is not the primary obligor in all such revenue arrangements and has no pricing latitude and is not exposed to inventory and credit risks. Company earns fixed fee for such sales which is recognised as service income.

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

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue and costs, if applicable, can be measured reliably. Taxes (GST) collected on behalf of the government are excluded from Revenue. The transaction price of goods sold and services rendered is net of variable consideration on account returns, discounts, customer claims and rebates, etc.

**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. Other non- operating revenue is recognised in accordance with terms of underlying asset.

**(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.

**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.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2023

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, and those granted to employees of subsidiaries is considered as the Company's equity contribution and is added to the carrying value of investment in the respective subsidiaries, with a corresponding increase in share based payment reserve. 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**

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

**Company as a lessee**

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

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

**Right-of-use assets**

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

**Lease Liability**

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

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

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

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

**(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 Managing 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) Earnings per share**

***(i) Basic earnings per share***

Basic earnings per share, is calculated by dividing:

- o the profit attributable to owners of the Company
- o 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:

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

**(u) 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.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2023

**(v) 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 17.
- Estimated impairment of financial assets and non-financial assets- Note 2(e) and 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 21.
- Share-based payments- 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 28.
- Lease classification- Note 29.
- Fair value measurements- Note 2(u).

**(w) Recent accounting pronouncements**

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.

On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

**Ind AS 1 - Presentation of Financial Statements**

This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the financial statements.

**Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors**

This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its financial statements.

**Ind AS 12 - Income Taxes**

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its financial statement.

## 3. Property, plant and equipment

(₹ in million)

| Description | GROSS BLOCK-COST/BOOK VALUE | | | | DEPRECIATION/AMORTISATION/IMPAIRMENT | | | | NET BLOCK |
|---|---|---|---|---|---|---|---|---|---|
| | Total As at 31 March 2022 | Additions/ adjustments during the year | Deductions/ adjustments during the year | Total As at 31 March 2023 | Total As at 31 March 2022 | Provided for the year | Deductions/ adjustments during the year | Total As at 31 March 2023 | Total As at 31 March 2023 |
| Furniture & fixtures | 0.02 | - | - | 0.02 | - | - | - | - | 0.02 |
| Office equipments | 0.23 | - | - | 0.23 | 0.14 | 0.04 | - | 0.18 | 0.05 |
| **TOTAL** | **0.25** | **-** | **-** | **0.25** | **0.14** | **0.04** | **-** | **0.18** | **0.07** |

(₹ in million)

| Description | GROSS BLOCK-COST/BOOK VALUE | | | | DEPRECIATION/AMORTISATION/IMPAIRMENT | | | | NET BLOCK |
|---|---|---|---|---|---|---|---|---|---|
| | Total As at 31 March 2021 | Additions/ adjustments during the year | Deductions/ adjustments during the year | Total As at 31 March 2022 | Total As at 31 March 2021 | Provided for the year | Deductions/ adjustments during the year | Total As at 31 March 2022 | Total As at 31 March 2022 |
| Furniture & fixtures | 0.02 | - | - | 0.02 | - | - | - | - | 0.02 |
| Office equipments | 0.27 | - | 0.04 | 0.23 | 0.14 | 0.04 | 0.04 | 0.14 | 0.09 |
| **TOTAL** | **0.29** | **-** | **0.04** | **0.25** | **0.14** | **0.04** | **0.04** | **0.14** | **0.11** |

3.1 Classified as assets held for sale (Refer note 19).

3.2 Property, plant and equipment of the Company are charged in favour of bankers for term loan availed by Jubilant Agri and Consumer Products Limited, its wholly owned subsidiary company.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2023

(₹ in million)

| | | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|---|
| **4.** | **Non-current investments** | | |
| | **I. Investment in equity shares (at cost)** | | |
| | **Unquoted investments (fully paid up)** | | |
| | Subsidiary companies: | | |
| | 200 (Previous Year: 200) equity shares with no par value | | |
| | Jubilant Industries Inc. USA | 10.75 | 10.75 |
| | 56,08,552 (Previous Year: 56,08,552) equity shares of ₹ 10 each | | |
| | Jubilant Agri and Consumer Products Limited | 3,016.28 | 3,016.28 |
| | **II. Deemed capital investment** | | |
| | Capital contribution towards ESOP | 33.58 | 19.91 |
| | **Total non-current investments** | **3,060.61** | **3,046.94** |

**4.1 Additional information**

(₹ in million)

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Aggregate amount of quoted investments | - | - |
| Market value of quoted investments | - | - |
| Aggregate amount of unquoted investments | 3,060.61 | 3,046.94 |
| Aggregate provision for diminution in value of investments | - | - |

(₹ in million)

| | | As at 31 March 2023 | | As at 31 March 2022 | |
|---|---|---|---|---|---|
| | | Non-current | Current | Non-current | Current |
| **5.** | **Loans** | | | | |
| | Loan receivable considered good - Unsecured: | | | | |
| | - Loan to employees | - | - | 0.04 | 0.01 |
| | - Inter corporate loan to related party (Refer note 26) | - | - | - | 2.20 |
| | **Total loans** | **-** | **-** | **0.04** | **2.21** |

(₹ in million)

| | | As at 31 March 2023 | | As at 31 March 2022 | |
|---|---|---|---|---|---|
| | | Non-current | Current | Non-current | Current |
| **6.** | **Other financial assets** | | | | |
| | Interest receivable | - | 0.13 | 0.05 | 0.18 |
| | Fixed deposit with bank | - | - | 0.50 | - |
| | Recoverable from related parties (Refer note 26) | - | 12.72 | - | 2.92 |
| | **Total other financial assets** | **-** | **12.85** | **0.55** | **3.10** |

## 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)

| Particulars | Others (Re-measurement of employee benefits) | Total |
|---|---|---|
| **As at 31st March 2021** | **0.03** | **0.03** |
| Charged/(Credited) | | |
| - to statement of profit and loss | - | - |
| - to other comprehensive income | - | - |
| **As at 31 March 2022** | **0.03** | **0.03** |
| Charged/(Credited) | | |
| - to statement of profit and loss | - | - |
| - to other comprehensive income | 0.01 | 0.01 |
| **As at 31 March 2023** | **0.02** | **0.02** |

***Reconciliation of deferred tax assets (net):***

(₹ in million)

| Particulars | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| Balance as at the commencement of the year | 0.03 | 0.03 |
| Expense/(Credit) recognized in profit and loss during the year | - | - |
| Expense/Credit) recognized in other comprehensive income during the year | 0.01 | - |
| **Balance as at the end of the year** | **0.02** | **0.03** |

***Deferred tax assets not recognized in respect of the Company:***

(₹ in million)

| Particulars | As at 31 March 2023 | |
|---|---|---|
| | Amount of temporary differences | Amount of deferred tax on temporary differences |
| **Deductible temporary differences:** | | |
| Provision for compensated absences and gratuity | 0.85 | 0.21 |
| Expenditure allowed on actual payment basis | 0.04 | 0.01 |
| Tax losses carried forward | 117.09 | 29.47 |
| Others | 2.23 | 0.56 |
| **Taxable temporary differences:** | | |
| Depreciation, amortization and other temporary differences | (0.01) | - |
| **Net unrecognized temporary differences** | **120.20** | **30.25** |

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2023

(₹ in million)

| Particulars | As at 31 March 2022 | |
|---|---|---|
| | Amount of temporary differences | Amount of deferred tax on temporary differences |
| **Deductible temporary differences:** | | |
| Provision for compensated absences and gratuity | 0.87 | 0.22 |
| Expenditure allowed on actual payment basis | 0.31 | 0.08 |
| Tax losses carried forward | 112.45 | 28.30 |
| Unabsorbed depreciation | 4.13 | 1.04 |
| **Taxable temporary differences:** | | |
| Depreciation, amortization and other temporary differences | (5.49) | (1.38) |
| **Net unrecognized temporary differences** | **112.27** | **28.26** |

**Expiry period of carried forward tax losses:**

Company has unused tax losses and unabsorbed depreciation amounting to ₹ 117.09 million (Previous Year: ₹ 112.45 million) and ₹ Nil (Previous Year: ₹ 4.13 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 2024-2032 (Previous Year: 2023-31) and unabsorbed depreciation can be carried forward for an indefinite period.

Deferred tax assets has not been recognized as there is no virtual certainty of future profitability.

(₹ in million)

| | | As at 31 March 2023 | | As at 31 March 2022 | |
|---|---|---|---|---|---|
| | | Non-current | Current | Non-current | Current |
| **8.** | **Other assets** | | | | |
| | Advance to suppliers | - | 0.40 | - | 14.73 |
| | Security deposits | 1.35 | - | 1.35 | - |
| | Prepaid expenses | - | 0.01 | - | 0.18 |
| | Recoverable from/balance with government authorities | - | 3.86 | - | 7.57 |
| | **Total other assets** | **1.35** | **4.27** | **1.35** | **22.48** |

(₹ in million)

| | | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|---|
| **9.** | **Inventories** | | |
| | Work-in-progress | - | 2.32 |
| | Finished goods | - | 0.03 |
| | Stores and spares | - | 0.01 |
| | Fuel and packing materials | 0.12 | 0.12 |
| | **Total inventories** | **0.12** | **2.48** |

Note: For valuation of inventories refer note 2 (g).

(₹ in million)

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| **10. Trade receivables** | | |
| **(Current)** | | |
| Trade receivable considered good - Unsecured | - | 1.39 |
| **Total receivables** | **-** | **1.39** |

**10.1** Refer note 23 for ageing of trade receivables.

(₹ in million)

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| **11(a). Cash and cash equivalents** | | |
| Balance With Banks | | |
| - On current accounts | 4.83 | 3.27 |
| Cash on hand | 0.01 | 0.01 |
| **Total cash and cash equivalents** | **4.84** | **3.28** |

(₹ in million)

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| **11(b). Other bank balances** | | |
| Margin money with bank (1) | 1.00 | 0.50 |
| **Total other bank balances** | **1.00** | **0.50** |

(1) For bank guarantees in favour of government authorities

(₹ in million)

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| **12. Equity share capital** | | |
| **Authorized** | | |
| 18,100,000 (Previous Year: 18,100,000) equity shares of ₹ 10 each | 181.00 | 181.00 |
| | **181.00** | **181.00** |
| **Issued, subscribed and paid-up** | | |
| 15,067,101 (Previous Year: 15,031,101) equity shares of ₹ 10 each | 150.67 | 150.31 |
| **Total equity share capital** | **150.67** | **150.31** |

12.1 Movement in equity share capital:

| | As at 31 March 2023 | | As at 31 March 2022 | |
|---|---|---|---|---|
| | No. of shares | ₹ in million | No. of shares | ₹ in million |
| At the commencement of the year | 15,031,101 | 150.31 | 15,031,101 | 150.31 |
| Add: Issued during the year (Refer note 12.4) | 36,000 | 0.36 | - | - |
| **At the end of the year** | **15,067,101** | **150.67** | **15,031,101** | **150.31** |

# NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2023

12.2 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.

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

| | As at 31 March 2023 | | As at 31 March 2022 | |
|---|---|---|---|---|
| | No. of shares | % held | No. of shares | % held |
| HSSS Investment Holding Private Limited | 7,164,048 | 47.55 | 7,164,048 | 47.66 |
| KBHB Investment Holding Private Limited | 1,736,415 | 11.52 | 1,736,415 | 11.55 |
| SSBPB Investment Holding Private Limited | 1,651,879 | 10.96 | 1,651,879 | 10.99 |

12.4 During the year 36,000 equity shares (Previous Year: Nil), of ₹ 10 each allotted on exercise of the vested stock options in accordance with the terms of exercise under the "Employee Stock Option Scheme, 2013". (Refer note 30)

12.5 **Information regarding issue of shares in the last five years**

i) The Company has not issued any shares without payment being received in cash.

ii) The Company has not issued any bonus shares.

iii) The Company has not undertaken any buy-back of shares.

12.6 **Disclosure of Shareholding of Promoters**

| | As at 31 March 2023 | | As at 31 March 2022 | | % Change during the year |
|---|---|---|---|---|---|
| | No. of shares | % held | No. of shares | % held | |
| Kavita Bhartia | 613 | 0.00% | 613 | 0.00% | - |
| Hari Shankar Bhartia | 20,873 | 0.14% | 20,873 | 0.14% | - |
| Priyavrat Bhartia | 253 | 0.00% | 253 | 0.00% | - |
| Shamit Bhartia | 6,561 | 0.04% | 6,561 | 0.04% | - |
| Aasthi Bhartia | 99 | 0.00% | 99 | 0.00% | - |
| Arjun Shanker Bhartia | 99 | 0.00% | 99 | 0.00% | - |
| Shyam Sunder Bharia | 72,825 | 0.48% | 72,825 | 0.48% | - |
| Jaytee Private Limited | 380 | 0.00% | 380 | 0.00% | - |
| Jubilant Infrastructure Limited | 50,000 | 0.33% | 50,000 | 0.33% | - |
| Vam Holdings Limited | 284,070 | 1.89% | 284,070 | 1.89% | - |
| HSSS Investment Holding Private Limited | 7,164,048 | 47.55% | 7,164,048 | 47.66% | -0.11% |
| KBHB Investment Holding Private Limited | 1,736,415 | 11.52% | 1,736,415 | 11.55% | -0.03% |
| SSBPB Investment Holding Private Limited | 1,651,879 | 10.96% | 1,651,879 | 10.99% | -0.03% |
| Jubilant Consumer Private Limited | 278,522 | 1.85% | 278,522 | 1.85% | - |

| | As at 31 March 2022 | | As at 31 March 2021 | | % Change during the year |
|---|---|---|---|---|---|
| | No. of shares | % held | No. of shares | % held | |
| Kavita Bhartia | 613 | 0.00% | 613 | 0.00% | - |
| Hari Shankar Bhartia | 20,873 | 0.14% | 20,873 | 0.14% | - |
| Priyavrat Bhartia | 253 | 0.00% | 253 | 0.00% | - |
| Shamit Bhartia | 6,561 | 0.04% | 6,561 | 0.04% | - |
| Aasthi Bhartia | 99 | 0.00% | 99 | 0.00% | - |
| Arjun Shanker Bhartia | 99 | 0.00% | 99 | 0.00% | - |
| Shyam Sunder Bharia | 72,825 | 0.48% | 72,825 | 0.48% | - |
| Jaytee Private Limited | 380 | 0.00% | 380 | 0.00% | - |
| Jubilant Infrastructure Limited | 50,000 | 0.33% | 50,000 | 0.33% | - |
| Vam Holdings Limited | 284,070 | 1.89% | 284,070 | 1.89% | - |
| HSSS Investment Holding Private Limited | 7,164,048 | 47.66% | 7,164,048 | 47.66% | - |
| KBHB Investment Holding Private Limited | 1,736,415 | 11.55% | 1,736,415 | 11.55% | - |
| SSBPB Investment Holding Private Limited | 1,651,879 | 10.99% | 1,651,879 | 10.99% | - |
| Jubilant Consumer Private Limited | 278,522 | 1.85% | 278,522 | 1.85% | - |

(₹ in million)

| | | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|---|
| **12(a).** | **Other equity** | | |
| | Security premium | 1,225.42 | 1,221.71 |
| | General reserve | 238.64 | 236.74 |
| | Share based payment reserve | 22.72 | 10.95 |
| | Retained earnings | 1,423.50 | 1,330.06 |
| | **Items of other comprehensive income:** | | |
| | Re-measurement of defined benefits obligations | 0.03 | 0.01 |
| | **Total other equity** | **2,910.31** | **2,799.47** |

(₹ in million)

| | | As at 31 March 2023 | | As at 31 March 2022 | |
|---|---|---|---|---|---|
| | | Non-current | Current | Non-current | Current |
| **13.** | **Provisions** | | | | |
| | Provisions for employee benefits | 0.70 | 0.19 | 0.65 | 0.48 |
| | **Total provisions** | **0.70** | **0.19** | **0.65** | **0.48** |

## 14. Trade payables

(₹ in million)

| As at 31 March 2023: | Not Due | Overdue | | | | Total |
|---|---|---|---|---|---|---|
| | | Up to 1 year | 1-2 years | 2-3 years | More than 3 years | |
| **Outstanding dues of micro and small enterprises** | | | | | | |
| (a) Disputed | - | - | - | - | - | - |
| (b) Undisputed | - | - | - | - | - | - |
| | **-** | **-** | **-** | **-** | **-** | **-** |
| **Outstanding dues other than micro and small enterprises** | | | | | | |
| (a) Disputed | - | - | - | - | - | - |
| (b) Undisputed | 0.12 | - | - | - | 1.21 | 1.33 |
| | **0.12** | **-** | **-** | **-** | **1.21** | **1.33** |

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2023

(₹ in million)

| As at 31 March 2022: | Not Due | Overdue | | | | Total |
|---|---|---|---|---|---|---|
| | | Up to 1 year | 1-2 years | 2-3 years | More than 3 years | |
| **Outstanding dues of micro and small enterprises** | | | | | | |
| (a) Disputed | - | - | - | - | - | - |
| (b) Undisputed | - | - | - | - | - | - |
| | **-** | **-** | **-** | **-** | **-** | **-** |
| **Outstanding dues other than micro and small enterprises** | | | | | | |
| (a) Disputed | - | - | - | - | - | - |
| (b) Undisputed | 0.87 | 0.76 | 0.02 | 0.01 | 3.07 | 4.73 |
| | **0.87** | **0.76** | **0.02** | **0.01** | **3.07** | **4.73** |

(₹ in million)

| | | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|---|
| **15.** | **Other financial liabilities** | | |
| | **Current** | | |
| | Employee benefits payable | 0.09 | 0.30 |
| | Security deposits | - | 2.50 |
| | Other payables | 3.51 | 22.09 |
| | **Total other financial liabilities** | **3.60** | **24.89** |

(₹ in million)

| | | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|---|
| **16.** | **Other liabilities** | | |
| | **Current** | | |
| | Advance from customers | - | 0.01 |
| | Statutory dues payables | 0.11 | 1.83 |
| | Advance received against sale of fixed assets | - | 116.69 |
| | **Total other liabilities** | **0.11** | **118.53** |

## 17. Income tax

The major components of income tax expense are:

***Profit or loss section***

(₹ in million)

| | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| **Current income tax:** | | |
| Current income tax charge for the year | 19.21 | - |
| **Income tax expense reported in the Statement of profit and loss** | **19.21** | **-** |

***OCI section***

(₹ in million)

| | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| Tax related to items that will not be reclassified to profit or loss | 0.01 | - |
| **Income tax charged to OCI** | **0.01** | **-** |

**Reconciliation between average effective rate and applicable tax rate:**

**(₹ in million)**

| | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| Accounting profit before income tax | 112.65 | (9.44) |
| At India's statutory income tax rate 25.168% (Previous Year: 25.168%) | 28.35 | (2.38) |
| - Effect of sale of fixed assets | (7.54) | - |
| - Others | 0.40 | - |
| - Unrecognized deferred tax | (2.00) | 2.38 |
| **Income tax expense reported in the Statement of profit and loss** | **19.21** | **-** |

## 18. Composite Scheme of Arrangement

(a) Proposed Composite Scheme of Arrangement (Scheme), approved by the Board on 12th August 2022 between the following companies:

- HSSS Investment Holding Private Limited (Amalgamating Company-1),
- KBHB Investment Holding Private Limited (Amalgamating Company-2),
- SSBPB Investment Holding Private Limited (Amalgamating Company-3),
- Jubilant Industries Limited (JIL) is the holding company of the Amalgamated company namely, Jubilant Agri and Consumer Products Limited (JACPL), and
- Jubilant Agri and Consumer Products Limited (JACPL) (Amalgamated Company), a wholly owned subsidiary of JIL.

(b) The Companies under Composite Scheme of Arrangement had received NOC (observation letters) from National Stock Exchange of India (NSE) and BSE Limited (BSE) dated February 17, 2023. Upon receipt of NOCs (observation letters) from NSE and BSE, the Company had filed the application, under section 230 to 232 of the Companies Act, 2013 and Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, before jurisdictional bench of NCLT dated 28 March 2023 in respect of the Composite Scheme of Arrangement amongst the Company as mentioned above in note 18 (a).

(c) Pursuant to the Composite Scheme the Amalgamating companies would merge with the Company from the appointed date i.e. July 01, 2022.

Amalgamating companies were forming part of the promoter group of the Company, which holding 10,552,342 equity shares in the Company constituting 70.04% of the Company’s paid-up equity share capital. Consequent upon amalgamation of Amalgamating companies with the Company, shareholders of the amalgamating companies, directly will hold shares of the Company in the same proportion as they held through the erstwhile amalgamating companies.

(d) Upon the scheme becoming effective, the authorized share capital of the Company shall automatically stand enhanced by the authorized share capital of the amalgamating companies.

(e) Assets acquired and liabilities assumed

**(₹ in million)**

| Particulars | | Amount |
|---|---|---|
| **Assets** | | |
| Cash and cash equivalents | A | 10.68 |
| **Liabilities** | | |
| Other current liabilities | B | 0.16 |
| **Equity** | | |
| General reserve* | C | (38.33) |
| Capital reserve (Balancing figure) | (A-B-C) | 48.85 |

* Retained earnings (accumulated losses) of the amalgamating companies is adjusted with General reserve of the Company.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2023

(f) Pursuant to the scheme, 10,552,342 fully paid up equity shares of the face value of ₹ 10.00 each credited as fully paid up in the share capital of the Company to the members of amalgamating companies in the ratio of their equity shareholding in amalgamating companies. There is no change in the promoter shareholding of the Company, pursuant to the scheme. The promoter continues to hold the same percentage of shares in the Company, pre and immediately post the amalgamation of amalgamating companies.

(g) Pursuant to Part C of the Scheme, upon the effective date and with effect from the appointed date, JIL shall stand amalgamated in Jubilant Agri and Consumer Products Limited (Amalgamated Company), its wholly owned subsidiary. In so far as the amalgamation of JIL into the Amalgamated Company is concerned, upon the effective date, the equity shares of the Amalgamated Company held by JIL shall be automatically cancelled, and simultaneously and concurrent with such cancellation, the Amalgamated Company shall issue and allot equity shares, such that for every 1 (One) fully paid up equity share of ₹ 10/- each of JIL held by the equity shareholders of JIL as on the Record Date, 1 (One) equity Share shall be issued and allotted by the Amalgamated Company. The equity shares issued by the Amalgamated Company, subject to approval/exemption from SEBI, be listed and/or admitted to trading on the stock exchanges where the equity shares of JIL are listed and/or admitted to trading.

(h) The above have been accounted for, in compliance with Ind AS 103 "Business Combination".

**19.** On September 03, 2020, the Board of Directors of the Company authorized to transfer its Plant and Machinery and Land and Building to a group company for a consideration based on an independent valuation. The Company entered into an agreement to sell its Plant and Machinery and Land and Building for a consideration of ₹133.00 million on securing the requisite approvals. Accordingly, the financial statements have been presented in accordance with the requirements of Ind AS 105 "Non-Current Assets Held for Sale and Discontinued Operations"

Disclosure pursuant to Ind AS-105 "Non-Current Assets Held for Sale and Discontinued Operations" are as under:

**a) Non-current assets held for sale:**

**(₹ in million)**

| Block of assets held for sale | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Land (Freehold) | - | 6.81 |
| Buildings Factory | - | 4.22 |
| Plant & machineries | - | 2.68 |
| **Total** | **-** | **13.71** |

**b) Financial performance related to discontinued operations:**

**(₹ in million)**

| | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| i) Revenue from operations | 0.09 | 0.95 |
| ii) Other income | 125.98 | 0.93 |
| iii) Total revenue (i+ii) | 126.07 | 1.88 |
| iv) Total expenses | 13.42 | 11.32 |
| v) Profit/(Loss) from discontinued operations before tax (iii-iv) | 112.65 | (9.44) |
| vi) Tax expenses | 19.21 | - |
| **vii) Net profit/(loss) from discontinued operations (v-vi)** | **93.44** | **(9.44)** |

**c) Summarised Statement of cash flows of discontinued operations:**

**(₹ in million)**

| | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| Cash flows from operating activities | (12.43) | (13.52) |
| Cash flows from investing activities | 9.92 | 11.03 |
| Cash flows from financing activities | 4.07 | - |

**20.** The outbreak of Coronavirus (COVID-19) pandemic globally and in India and lockdown has impacted business operation of the Company, by way of interruption in production, supply chain disruption, unavailability of personnel etc. In assessing the recoverability of Company's assets such as investments, loans, intangible assets, deferred tax assets, trade receivable, inventories etc., the Company has considered internal and external information up to the date of approval of these financial statements and expects to recover the carrying amount of the assets.

**21. 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, employee pension scheme, 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 2023 | For the year ended 31 March 2022 |
|---|---|---|
| Employer's contribution to provident fund* | 0.07 | 0.08 |
| Employer's contribution to employee's pension scheme 1995 | 0.02 | 0.02 |

* Earlier, for certain employees where provident fund was deposited with government authority e.g. Regional Provident Fund Commissioner (RPFC) and for other employees provident fund was deposited with Trust but effective from January 1, 2022 the Group had surrendered its Trust and transfer to RPFC as permitted under the Employees Provident Fund Act.

**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 7.35% p.a. (Previous Year: 7.20% 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 (2012-14) [Previous Year: IALM (2012-14)].

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.

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

**(₹ in million)**

| Particulars | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| Present value of obligation at the beginning of the year | 0.51 | 1.73 |
| Current service cost | 0.04 | 0.04 |
| Interest cost | 0.03 | 0.12 |
| Actuarial (gain)/loss | (0.03) | - |
| Benefits paid & acquisition adjustments (out) | - | (1.38) |
| Present value of obligation at the end of the year | 0.55 | 0.51 |

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2023

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

**(₹ in million)**

| Particulars | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Present value of obligation at the end of the year | 0.55 | 0.51 |
| Net liabilities recognized in the Balance Sheet | 0.55 | 0.51 |

Company's best estimate of contribution during next year is ₹ 0.08 million (Previous Year: ₹ 0.08 million).

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

**(₹ in million)**

| Particulars | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Total service cost | 0.04 | 0.04 |
| Net interest cost | 0.03 | 0.12 |
| **Expenses recognized in the Statement of Profit and Loss** | **0.07** | **0.16** |

**Amount recognized in other comprehensive income:**

**(₹ in million)**

| Particulars | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Actuarial gain/(loss) due to financial assumption change | (0.01) | - |
| Actuarial gain/(loss) due to experience adjustment | (0.02) | - |
| **Amount recognized in the Other Comprehensive Income** | **(0.03)** | **-** |

**Sensitivity analysis:**

**(₹ in million)**

| Particulars | 31 March 2023 | | | |
|---|---|---|---|---|
| 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 | (0.03) | 0.03 | 0.03 | (0.03) |

**(₹ in million)**

| Particulars | 31 March 2022 | | | |
|---|---|---|---|---|
| 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 | (0.03) | 0.03 | 0.03 | (0.03) |

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 made monthly contributions to provident fund managed by trust for qualifying employees. Under the scheme, the Company was 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 was treated as defined benefit plans, since the Company was 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. The Group had surrendered its Trust effective from January 1, 2022 and aggregate funds had been transferred to Regional Provident Fund Commissioner (RPFC).

The Company has contributed ₹ Nil to provident fund (Previous Year: ₹ 0.03 million) for the year.

**C. Other long term benefits (compensated absences)**

(₹ in million)

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Present value of obligation at the end of the year | 0.30 | 0.36 |

## 22. Fair value measurement

(₹ in million)

| Particulars | Note | Level of hierarchy | 31 March 2023 | | | 31 March 2022 | | |
|---|---|---|---|---|---|---|---|---|
| | | | FVPL | FVOCI | Amortized Cost | FVPL | FVOCI | Amortized Cost |
| ***Financial assets*** | | | | | | | | |
| Investments | (a) | | - | - | 3,060.61 | - | - | 3,046.94 |
| Trade receivables | (a) | | - | - | - | - | - | 1.39 |
| Loans | (a) | | - | - | - | - | - | 2.25 |
| Cash and cash equivalents | (a) | | - | - | 4.84 | - | - | 3.28 |
| Other bank balances | | | - | - | 1.00 | - | - | 0.50 |
| Other financial assets | (a) | | - | - | 12.85 | - | - | 3.65 |
| **Total financial assets** | | | **-** | **-** | **3,079.30** | **-** | **-** | **3,058.01** |
| ***Financial liabilities*** | | | | | | | | |
| Trade payables | (a) | | - | - | 1.33 | - | - | 4.73 |
| Other financial liabilities | (a) | | - | - | 3.60 | - | - | 24.89 |
| **Total financial liabilities** | | | **-** | **-** | **4.93** | **-** | **-** | **29.62** |

**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.

## 23. 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 defence 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)].

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2023

***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 analysed individually for creditworthiness 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), excluding receivable from group companies is ₹ 0.27 million (Previous Year: ₹ 0.07 million).

The ageing of trade receivables as on balance sheet date is given below. The age analysis has been considered from the due date.

**As at 31 March 2023:**

**(₹ in million)**

| Particulars | Not due | Up to 6 months | 6 months to 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
|---|---|---|---|---|---|---|---|
| **Undisputed** | | | | | | | |
| Considered good | - | - | - | - | - | - | - |
| Which have significant increase in credit risk | - | - | - | - | - | - | - |
| Credit impaired | - | - | - | - | - | - | - |
| **Disputed** | | | | | | | |
| Considered good | - | - | - | - | - | - | - |
| Which have significant increase in credit risk | - | - | - | - | - | - | - |
| Credit impaired | - | - | - | - | - | - | - |
| Total | - | - | - | - | - | - | - |
| Less: Allowance for credit impaired balances | - | - | - | - | - | - | - |
| **Total** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |

**As at 31 March 2022:**

**(₹ in million)**

| Particulars | Not due | Up to 6 months | 6 months to 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
|---|---|---|---|---|---|---|---|
| **Undisputed** | | | | | | | |
| Considered good | 1.12 | - | - | 0.27 | - | - | 1.39 |
| Which have significant increase in credit risk | - | - | - | - | - | - | - |
| Credit impaired | - | - | - | - | - | - | - |
| **Disputed** | | | | | | | |
| Considered good | - | - | - | - | - | - | - |
| Which have significant increase in credit risk | - | - | - | - | - | - | - |
| Credit impaired | - | - | - | - | - | - | - |
| Total | 1.12 | - | - | 0.27 | - | - | 1.39 |
| Less: Allowance for credit impaired balances | - | - | - | - | - | - | - |
| **Total** | **1.12** | **-** | **-** | **0.27** | **-** | **-** | **1.39** |

*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.

***ii. Liquidity risk***

Liquidity risk is the risk that the 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 2023 | Contractual cash flows | | | |
|---|---|---|---|---|
| | Carrying amount | Total | Within 1 year | More than 1 year |
| **Non-derivative financial liabilities** | | | | |
| Trade payables | 1.33 | 1.33 | 1.33 | - |
| Other financial liabilities | 3.60 | 3.60 | 3.60 | - |

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2023

(₹ in million)

| As at 31 March 2022 | Contractual cash flows | | | |
|---|---|---|---|---|
| | Carrying amount | Total | Within 1 year | More than 1 year |
| **Non-derivative financial liabilities** | | | | |
| Trade payables | 4.73 | 4.73 | 4.73 | - |
| Other financial liabilities | 24.89 | 24.89 | 24.89 | - |

***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 fluctuate because of changes in foreign exchange rates. The Company has not foreign currency borrowing, foreign currency trade payable and trade receivable, therefore, no exposed to foreign currency risk.

**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 not exposed to interest rate risk because funds are not borrowed at floating rate.

## 24. 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 2023 | As at 31 March 2022 |
|---|---|---|
| Total borrowings | - | - |
| Less: Cash and cash equivalents [Refer note 11 (a)] | 4.84 | 3.28 |
| Less: Other bank balances [Refer note 11 (b)] | 1.00 | 0.50 |
| Net debt | (5.84) | (3.78) |
| Total equity [Refer note 12 & 12 (a)] | 3,060.98 | 2,949.78 |
| **Gearing ratio** | **0.00** | **0.00** |

No Changes were made in the objective, policies or process for managing capital during the years 31 March 2023 and 31 March 2022.

## 25. Segment information

Considering the nature of Company's business & operations, there are no separate reportable segments (business and/or geographical) in accordance with the requirements of Ind AS 108 "Segment Reporting". The Chief Operational Decision Maker monitors the operating results as one single segment for the purpose of making decisions about resource allocation and performance assessment and hence, there are no additional disclosures to be provided other than already provided in the financial statements.

## 26. Related party disclosures

**1. Subsidiaries:**

Jubilant Agri And Consumer Products Limited, Jubilant Industries Inc., USA.

**2. Enterprises in which certain key management personnel are interested**

Jubilant Pharmova Limited, Jubilant Ingrevia Limited.

**3. Key management personnel (KMP)**

Mr. Manu Ahuja* (CEO and Managing Director), Mr. Umesh Sharma (Chief Financial Officer), Mr. Abhishek Mishra (Company Secretary) , Mr. Priyavrat Bhartia (Chairman), Mr. Shamit Bhartia (Director), Ms Shivpriya Nanda (Director) and Mr. Radhey Shyam Sharma (Director) and Mr. Ravinder Pal Sharma (Director).

* He was appointed as CEO and Managing Director without remuneration w.e.f. May 10, 2018 for a period of three years and re-appointed for a period of three years in the Board Meeting held on February 4, 2021 (w.e.f. May 10, 2021). He also serve and draw remuneration as CEO and Whole-time Director from Jubilant Agri and Consumer Products Limited, a wholly owned subsidiary of the Company.

**4. Other related entities**

VAM Employees Provident Fund Trust, Jubilant Bhartia Foundation.

**5. Details of related party transactions (at arm length):**

**31 March 2023** **(₹ in million)**

| Sr. No. | Particulars | Subsidiaries | Enterprises in which certain key management personnel are interested | Key management personnel | Others | Total |
|---|---|---|---|---|---|---|
| 1 | **Sale of fixed assets:** | | | | | |
| | Jubilant Ingrevia Limited | - | 134.71 | - | - | 134.71 |
| | | **-** | **134.71** | **-** | **-** | **134.71** |
| 2 | **Remuneration (including perquisites):** | | | | | |
| | Umesh Sharma (Chief Financial Officer) | - | - | 0.26 | - | 0.26 |
| | Abhishek Mishra (Company Secretary) | - | - | 1.70 | - | 1.70 |
| | | **-** | **-** | **1.96** | **-** | **1.96** |
| 3 | **Sitting fees:** | | | | | |
| | Shivpriya Nanda (Director) | - | - | 0.45 | - | 0.45 |
| | Radhey Shyam Sharma (Director) | - | - | 0.64 | - | 0.64 |
| | Ravinder Pal Sharma (Director) | - | - | 0.66 | - | 0.66 |
| | | **-** | **-** | **1.75** | **-** | **1.75** |

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2023

**31 March 2023** **(₹ in million)**

| Sr. No. | Particulars | Subsidiaries | Enterprises in which certain key management personnel are interested | Key management personnel | Others | Total |
|---|---|---|---|---|---|---|
| 4 | **Interest income:** | | | | | |
| | Jubilant Agri and Consumer Products Limited | 0.01 | - | - | - | 0.01 |
| | | **0.01** | **-** | **-** | **-** | **0.01** |
| 5 | **Reimbursement of expenses:** | | | | | |
| | Jubilant Enpro (P) Limited | - | - | 0.01 | - | 0.01 |
| | | **-** | **-** | **0.01** | **-** | **0.01** |
| 6 | **Inter-corporate loan given received back:** | | | | | |
| | Jubilant Agri and consumer Products Limited | 2.20 | - | - | - | 2.20 |
| | | **2.20** | **-** | **-** | **-** | **2.20** |
| 7 | **Receivable against sale of assets:** | | | | | |
| | Jubilant Ingrevia Limited | - | 10.37 | - | - | 10.37 |
| | | **-** | **10.37** | **-** | **-** | **10.37** |
| 8 | **Other receivables:** | | | | | |
| | Jubilant Ingrevia Limited | - | 2.35 | - | - | 2.35 |
| | | **-** | **2.35** | **-** | **-** | **2.35** |
| 9 | **Outstanding investment in Equity share capital:** | | | | | |
| | Jubilant Agri and consumer Products Limited | 3,016.28 | - | - | - | 3,016.28 |
| | | **3,016.28** | **-** | **-** | **-** | **3,016.28** |
| 10 | **Outstanding investment in Equity stock:** | | | | | |
| | Jubilant Industries Inc. USA | 10.75 | - | - | - | 10.75 |
| | | **10.75** | **-** | **-** | **-** | **10.75** |
| 11 | **Financial guarantee given on behalf of subsidiary and outstanding at the end of the year:** | | | | | |
| | Jubilant Agri and consumer Products Limited | 2,711.79 | - | - | - | 2711.79 |
| | | **2,711.79** | **-** | **-** | **-** | **2,711.79** |

**31 March 2022** **(₹ in million)**

| Sr. No. | Particulars | Subsidiaries | Enterprises in which certain key management personnel are interested | Key management personnel | Others | Total |
|---|---|---|---|---|---|---|
| 1 | **Sale of goods, utilities and services:** | | | | | |
| | Jubilant Agri and Consumer Products Limited | 1.12 | - | - | - | 1.12 |
| | | **1.12** | **-** | **-** | **-** | **1.12** |
| 2 | **Purchase of goods, utilities and services:** | | | | | |
| | Jubilant Ingrevia Limited | - | 0.78 | - | - | 0.78 |
| | | **-** | **0.78** | **-** | **-** | **0.78** |
| 3 | **Remuneration (including perquisites):** | | | | | |
| | Umesh Sharma (Chief Financial Officer) | - | - | 0.26 | - | 0.26 |
| | Abhishek Mishra (Company Secretary) | - | - | 1.56 | - | 1.56 |
| | | **-** | **-** | **1.82** | **-** | **1.82** |
| 4 | **Sitting fees:** | | | | | |
| | Shivpriya Nanda (Director) | - | - | 0.48 | - | 0.48 |
| | Radhey Shyam Sharma (Director) | - | - | 0.61 | - | 0.61 |
| | Ravinder Pal Sharma (Director) | - | - | 0.63 | - | 0.63 |
| | | **-** | **-** | **1.72** | **-** | **1.72** |
| 5 | **Interest income:** | | | | | |
| | Jubilant Agri and Consumer Products Limited | 0.85 | - | - | - | 0.85 |
| | | **0.85** | **-** | **-** | **-** | **0.85** |
| 6 | **Contribution towards provident fund:** | | | | | |
| | VAM Employees Provident Fund Trust | - | - | - | 0.09 | 0.09 |
| | | **-** | **-** | **-** | **0.09** | **0.09** |
| 7 | **Inter-corporate loan given received back:** | | | | | |
| | Jubilant Agri and consumer Products Limited | 9.90 | - | - | - | 9.90 |
| | | **9.90** | **-** | **-** | **-** | **9.90** |
| 8 | **Outstanding against Advance received for sale of assets:** | | | | | |
| | Jubilant Ingrevia Limited | - | 116.69 | - | - | 116.69 |
| | | **-** | **116.69** | **-** | **-** | **116.69** |

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2023

**31 March 2022** **(₹ in million)**

| Sr. No. | Particulars | Subsidiaries | Enterprises in which certain key management personnel are interested | Key management personnel | Others | Total |
|---|---|---|---|---|---|---|
| 9 | **Trade payables:** | | | | | |
| | Jubilant Ingrevia Limited | - | 0.02 | - | - | 0.02 |
| | | **-** | **0.02** | **-** | **-** | **0.02** |
| 10 | **Other receivables:** | | | | | |
| | Jubilant Ingrevia Limited | - | 2.92 | - | - | 2.92 |
| | | **-** | **2.92** | **-** | **-** | **2.92** |
| 11 | **Trade receivables:** | | | | | |
| | Jubilant Agri and consumer Products Limited | 1.12 | - | - | - | 1.12 |
| | | **1.12** | **-** | **-** | **-** | **1.12** |
| 12 | **Inter-corporate loan receivable:** | | | | | |
| | Jubilant Agri and consumer Products Limited | 2.20 | - | - | - | 2.20 |
| | | **2.20** | **-** | **-** | **-** | **2.20** |
| 13 | **Interest receivable on loan:** | | | | | |
| | Jubilant Agri and consumer Products Limited | 0.14 | - | - | - | 0.14 |
| | | **0.14** | **-** | **-** | **-** | **0.14** |
| 14 | **Outstanding investment in Equity share capital:** | | | | | |
| | Jubilant Agri and consumer Products Limited | 3,016.28 | - | - | - | 3,016.28 |
| | | **3,016.28** | **-** | **-** | **-** | **3,016.28** |
| 15 | **Outstanding investment in Equity stock:** | | | | | |
| | Jubilant Industries Inc. USA | 10.75 | - | - | - | 10.75 |
| | | **10.75** | **-** | **-** | **-** | **10.75** |
| 16 | **Financial guarantee given on behalf of subsidiary and outstanding at the end of the year:** | | | | | |
| | Jubilant Agri and consumer Products Limited | 2,879.65 | - | - | - | 2,879.65 |
| | | **2,879.65** | **-** | **-** | **-** | **2,879.65** |

Note: Transactions are shown inclusive of GST, wherever applicable.

**27. Ratio**

| Sr. No. | Particulars | For the year ended 31 March 2023 | For the year ended 31 March 2022 | Change | Reason for change |
|---|---|---|---|---|---|
| a) | Current Ratio (number of times) [Current assets (excluding assets held for sale) / Current Liabilities (excluding liabilities related to assets held for sale] | 0.98 | 1.14 | -14.04% | |
| b) | Debt - Equity Ratio (number of times) [Total Debt/Shareholders' Equity] | - | - | - | Company does not carry any debt |
| c) | Debt Service Coverage Ratio (number of times) [Earnings available for debt service/Debt service] | - | - | - | Company does not carry any debt |
| d) | Return on Equity (number of times) [Net profit after tax/Average shareholders' equity] | - | - | - | Company has discontinued its operations. |
| e) | Inventory Turnover Ratio (number of times) [Raw material consumed/ Average inventory] | - | - | - | Company has discontinued its operations. |
| f) | Trade Receivables Turnover Ratio (number of times) [Revenue from operations/ Average trade receivables) | - | - | - | Company has discontinued its operations. |
| g) | Trade Payables Turnover Ratio (number of times) [Cost of materials consumed/ Average trade payables) | - | - | - | Company has discontinued its operations. |
| h) | Net Capital Turnover Ratio (number of times) [Revenue from operations/ Working capital) | - | - | - | Company has discontinued its operations. |
| i) | Net Profit Ratio (%) [Net profit after tax/Revenue from operations] | - | - | - | Company has discontinued its operations. |
| j) | Return on Capital Employed (number of times) [Profit before interest and tax/Capital employed] | - | - | - | Company has discontinued its operations. |
| k) | Return on Investments (number of times) [Net profit after tax/Average investments] | - | - | - | Company carries its investments in wholly owned subsidiaries and no dividend received during the periods. |

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2023

## 28. Contingent Liabilities to the extent not provided for

**A) Guarantees:**

The Company has given corporate guarantee on behalf of its wholly owned subsidiary, Jubilant Agri and Consumer Products Limited to secure financial facilities granted by banks, details for guarantees as at 31 March 2023 are as under:

a) To Axis Bank Ltd of ₹ 1,400.00 million (Previous Year: ₹ 850.00 million) for working capital facility (including non fund based facility) and effective guarantee is ₹ 957.27 million (Previous Year: ₹ 451.33 million).

b) To Yes Bank Ltd of ₹ 600.00 million (Previous Year: ₹ 160.00 million) for working capital facility (including non fund based facility) and effective guarantee is ₹ 250.10 million (Previous Year: ₹ 140.60 million).

c) To RBL Limited of ₹ 1,200.00 million (Previous Year: ₹ 900.00 million) for working capital facility (including non fund based facility) and effective guarantee is ₹ 453.67 million (Previous Year: ₹ 439.87 million).

d) To RBL Limited of ₹ 1,576.25 million (Previous Year: ₹ 2,076.25 million) for term loan facility and effective guarantee is ₹ 225.00 million including interest (Previous Year: ₹ 979.30 million).

e) To SBM Bank (India) Limited of ₹ Nil (Previous Year: ₹ 400.00 million) for working capital facility (including non fund based facility) and effective guarantee is ₹ Nil (Previous Year: ₹ 115.42 million).

f) To IDFC First Bank Limited of ₹ 600.00 million (Previous Year: ₹ 240.00 million) for working capital facility (including non fund based facility) and effective guarantee is ₹ 198.61 million (Previous Year: ₹ 46.95 million).

g) To HDFC Bank Limited of ₹ 1,050.00 million (Previous Year: ₹ 750.00 million) for working capital facility (including non fund based facility) and effective guarantee is ₹ 290.48 million (Previous Year: ₹ 440.96 million).

h) To ICICI Bank Limited of ₹ 850.00 million (Previous Year: ₹ 500.00 million) for working capital facility (including non fund based facility) and effective guarantee is ₹ 336.65 million (Previous Year: ₹ 265.22).

**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:

**(₹ in million)**

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Sales tax | - | 15.23 |

## 29. Leases

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

## 30. Employee Stock Option Scheme

The Company has two Employee Stock Option Scheme namely,

- JIL Employee Stock Option Scheme 2013 ("Scheme 2013")

- JIL Employee Stock Option Scheme 2018 ("Scheme 2018")

**Scheme 2013:**

The Company constituted "JIL Employees Stock Option Scheme 2013 (Scheme 2013)" for employees of the Company, its subsidiaries and holding companies. Under the Scheme 2013, up to 5,90,000 stock options can be issued to eligible employees of the Company/subsidiaries/holding companies. The options are to be granted at the price as determined by the Nomination, Remuneration and Compensation Committee (Committee), in accordance with the applicable laws.

Each option, upon vesting, shall entitle the holder to subscribe 1 (one) fully paid equity share of ₹ 10 of the Company. 20% of the options shall vest on first anniversary of the grant date, subsequent 30% shall vest on second anniversary and balance 50% of the options shall vest on the third anniversary of the grant date or as may be decided by the Committee from time to time, subject to compliance with the applicable laws.

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

The movement in the stock option under the "Scheme 2013" during the year is set out below:

| Particulars | For the year ended 31 March 2023 | | For the year ended 31 March 2022 | |
|---|---|---|---|---|
| | Number of Options | Weighted Average Exercise Price (₹) | Number of Options | Weighted Average Exercise Price (₹) |
| Options outstanding at the beginning of the year | 103,374 | 147.56 | 90,000 | 121.93 |
| Granted during the year | 30,000 | 393.70 | 13,374 | 320.00 |
| Expired/Lapsed during the year | 2,031 | 320.00 | - | - |
| Options forfeited during the year | - | - | - | - |
| Options exercised during the year | 36,000 | 112.97 | - | - |
| Options outstanding at the end of the year | 95,343 | 234.40 | 103,374 | 147.56 |

**Scheme 2018:**

The Company constituted "JIL Employees Stock Option Scheme 2018 (Scheme 2018)" for employees of the Company, its subsidiaries and holding companies. Under the Scheme 2018, up to 5,00,000 stock options can be issued to eligible employees of the Company/subsidiaries/holding companies. The options are to be granted at the price as determined by the Nomination, Remuneration and Compensation Committee (Committee), in accordance with the applicable laws.

Each option, upon vesting, shall entitle the holder to subscribe 1 (one) fully paid equity share of ₹ 10 of the Company. Options shall vest at the end of the third year from the grant date or as may be decided by the Committee from time to time, subject to compliance with the applicable laws.

The Company has constituted a Compensation Committee, comprising of a majority of independent directors. This Committee is fully empowered to administer the Scheme 2018.

The movement in the stock option under the "Scheme 2018" during the year is set out below:

| Particulars | For the year ended 31 March 2023 | | For the year ended 31 March 2022 | |
|---|---|---|---|---|
| | Number of Options | Weighted Average Exercise Price (₹) | Number of Options | Weighted Average Exercise Price (₹) |
| Options outstanding at the beginning of the year | 94,900 | 10.00 | 44,600 | 10.00 |
| Granted during the year | 13,700 | 10.00 | 50,300 | 10.00 |
| Expired/Lapsed during the year | - | - | - | - |
| Options forfeited during the year | - | - | - | - |
| Options exercised during the year | - | - | - | - |
| Options outstanding at the end of the year | 108,600 | 10.00 | 94,900 | 10.00 |

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2023

**Expenses arising from share-based payment transaction**

The expenses arising from share-based payment transaction recognized in Standalone Financial Statements as part of Investments ₹ 13.67 million (Previous Year: ₹ 7.67 million).

## 31. Other Statutory Information

(i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding Benami property.

(ii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(iii) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(iv) The Company is not declared as wilful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof or other lender in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

(v) The Company has not revalued any of its Property, Plant and Equipment during the year.

(vi) There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.

(vii) There is no expenditure related to corporate social responsibility as per section 135 of the Companies Act, 2013, read with Schedule VII thereof.

(viii) The company does not carry any borrowing from bank for working capital, hence, the Company has not filed quarterly returns or statements for working capital limits with banks.

(ix) 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.

(x) There is no transactions with the companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956.

## 32. Auditors remuneration

**(₹ in million)**

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Audit fee | 0.23 | 0.19 |
| Limited review | 0.19 | 0.17 |
| Other certifications | 0.72 | 0.17 |
| Out of pocket expenses | 0.01 | - |
| **Total** | **1.15** | **0.53** |

## 33. Earnings per share (EPS)

| | Particulars | | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|---|---|
| I | **Profit computation for basic & diluted earnings per share of ₹ 10/- each** | | | |
| | Net profit/(loss) as per Statement of Profit & Loss from continuing operations available for equity shareholders | ₹ in million | - | - |
| | Net profit/(loss) as per Statement of Profit & Loss from discontinued operations available for equity shareholders | ₹ in million | 93.44 | (9.44) |

| | Particulars | | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|---|---|
| | Net profit/(loss) as per Statement of Profit & Loss from continuing and discontinued operations available for equity shareholders | ₹ in million | 93.44 | (9.44) |
| **II** | **Weighted average number of equity shares for earnings per share computation** | | | |
| | (A) For basic earnings per share:* | Nos | 15,059,605 | 15,031,101 |
| | (B) For diluted earnings per share: | | | |
| | Numbers of shares for basic EPS as per II (A) | Nos | 15,059,605 | 15,031,101 |
| | Add: Weighted average outstanding options related to employee stock options | Nos | 149,334 | 170,094 |
| | Numbers of shares for diluted earnings per share | Nos | 15,208,939 | 15,201,195 |
| **III** | **Earnings per equity share of ₹ 10.00 each:** | | | |
| | **From continuing operations** | | | |
| | Basic | ₹ | - | - |
| | Diluted | ₹ | - | - |
| | **From discontinued operations:** | | | |
| | Basic | ₹ | 6.21 | (0.63) |
| | Diluted | ₹ | 6.14 | (0.63) |
| | **From continuing operations and discontinued operations:** | | | |
| | Basic | ₹ | 6.21 | (0.63) |
| | Diluted | ₹ | 6.14 | (0.63) |

| * | Particulars | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|---|
| | Number of Shares at the beginning of the year | 15,031,101 | 15,031,101 |
| | Add: Current Year: 36,000 Equity shares issued on 16 June 2022 (Previous Year: Nil) | | |
| | Current Year: 36000/365*289 (Previous Year: Nil) | 28,504 | - |
| | **Weighted average number of equity shares** | 15,059,605 | 15,031,101 |

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

In terms of our report of even date.

**For BGJC & Associates LLP**
Chartered Accountants
Firm Registration Number : 003304N/N500056

For and on behalf of the Board of **Jubilant Industries Limited**

**Pranav Jain**
Partner
Membership No. 098308

**Abhishek Kamra**
Company Secretary
Membership No. A48236

**Umesh Sharma**
Chief Financial Officer

**Priyavrat Bhartia**
Chairman
DIN: 00020603

**Manu Ahuja**
CEO & Managing Director
DIN: 05123127

Place : New Delhi
Date : 25 May, 2023

Place : Gurugram
Date : 25 May, 2023

# Independent
# AUDITOR'S REPORT

## To the Members of Jubilant Industries Limited

## Report on the Audit of Consolidated Financial Statements

### Opinion

We have audited the accompanying consolidated financial statements of **Jubilant Industries Limited** (the "Holding Company"), its subsidiaries (the Holding Company, its subsidiaries together referred to as the "Group"), which comprise the consolidated Balance Sheet as at March 31, 2023, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Changes in Equity and the consolidated 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 consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act, 2013 ('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 consolidated state of affairs of the Group as at March 31, 2023, the consolidated profit, total consolidated comprehensive income, the consolidated changes in equity and consolidated cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing ("SA"s) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the consolidated 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 obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated 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 the matters described below to be the key audit matters to be communicated in our report.

| KEY AUDIT MATTER | RESPONSE TO KEY AUDIT MATTER |
|---|---|
| ***Valuation of trade receivables*** | ***Principal Audit Procedures*** |
| Trade receivables comprise a significant portion of the liquid assets of the Group.<br><br>Accordingly, the estimation of the allowance for trade receivables is a significant judgement area and is therefore considered a key audit matter. | Our audit approach was a combination of test of internal controls and substantive procedures which included the following:<br>• Evaluate and test the controls for managing segment-wise trade receivables and subsequent recovery.<br>• Validated the assumptions underlying the Expected Credit Loss policy as per Ind AS 109.<br>• Assess the recoverability and provisions of long outstanding/ disputed receivables where considered doubtful for recovery.<br>• Obtain independent confirmations and perform alternate audit procedures in case of non-responses.<br>• Assess the appropriateness and completeness of the related disclosure. |

| KEY AUDIT MATTER | RESPONSE TO KEY AUDIT MATTER |
|---|---|
| ***Existence & Valuation of inventory*** | ***Principal Audit Procedures*** |
| Inventory comprises a significant portion of the liquid assets of the Group. Various procedures are involved in validating inventory quantities across locations. | Our audit approach was a combination of test of internal controls and substantive procedures which included the following:<br>• Identify and assess segment-wise slow moving material for valuation and the process of providing provision to capture obsolescence.<br>• Overall inventory reconciliation including opening stock, purchases, consumption and closing stock.<br>• Review the policy of physical verification of inventory and its operational implementation.<br>• Obtain net realisable value for all products and evaluate reasonableness of carrying value of inventories.<br>• Assess the appropriateness and completeness of the related disclosure. |

## Information other than the financial statements and auditor's report thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, consider whether the other information is materially inconsistent with the consolidated 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.

## Management's and Board of Directors' Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with Ind AS and other accounting principles generally accepted in India. The respective Boards of Directors of the companies included in the Group are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; 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, which have been used for the purpose of preparation of the consolidated financials statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group is responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Boards of Directors either intends to liquidate their respective entities or to cease operations, or have no realistic alternative but to do so.

The respective Boards of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated 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.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, for the purpose of expressing an opinion on effectiveness of the Company's internal financial controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- 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 ability of the Group 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 consolidated 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 Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated 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.

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.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated 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.

### Report on Other Legal and Regulatory Requirements

As required by the paragraph 3(xxi) of Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of section 143(11) of the

Act, we report that there are no qualifications or adverse remarks by the respective auditors in the Companies (Auditors Report) Order 2020 reports of the companies included in the consolidated financial statements.

As required by Section 143(3) of the Act, we report that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of aforesaid consolidated financial statements;

b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Company so far as it appears from our examination of those books;

c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act;

e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2023 taken on record by the Boards of Directors of the Holding Company and its subsidiary incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2023 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 holding company and subsidiary company incorporated in India and the operating effectiveness of such controls, we give our separate Report in "**Annexure 1**";

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 Holding Company has not paid / provided any remuneration to its directors during the year;

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, in our opinion and to the best of our information and according to the explanations given to us:

   (i) The Holding Company has disclosed the impact of pending litigations on its financial position in its consolidated financial statements – Refer Note 41 on Contingent Liabilities to the consolidated financial statements;

   (ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

   (iii) There was no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

   (iv) a. The Management has represented that, to the best of its knowledge and belief and upon consideration of reports of the statutory auditors of two associates, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or its subsidiaries to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

   b. The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company or its two associates, from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate

Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

c. Based on the audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.

(v) The Company has not declared and paid dividend during the year and upto the dae of report.

(vi) As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is mandatory only w.e.f. April 1, 2023, for the Company, reporting under this clause is not applicable.

For **BGJC & Associates LLP**
Chartered Accountants
ICAI Firm's Registration No.: 003304N/N500056

**Pranav Jain**
Partner
Membership No. 098308
UDIN: 23098308BGVLSI6524

Date: May 25, 2023
Place: New Delhi

# ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Jubilant Industries Limited on the consolidated financial statements for the year ended March 31, 2023]

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2023, we have audited the internal financial controls over financial reporting of **Jubilant Industries Limited** (the "Holding Company") and its subsidiary company (the Holding company and its subsidiary together referred to as "the Group"), which are companies incorporated in India, as of that date.

## Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Group which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective 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 group's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. 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 internal financial controls system over financial reporting of the Company and its subsidiary companies, which are companies incorporated in India.

## Meaning of Internal Financial Controls over Financial Reporting

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

## Inherent Limitations of Internal Financial Controls over Financial Reporting

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

### Opinion

In our opinion, the Group, which comprises of the companies incorporated in India, have, 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, 2023, based on the internal control over financial reporting criteria established by the group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI.

For **BGJC & Associates LLP**
Chartered Accountants
Firm's Registration No.: 003304N/N500056

**Pranav Jain**
Partner
Membership No. 098308
UDIN: 23098308BGVLSI6524

Date: May 25, 2023
Place: New Delhi

# CONSOLIDATED BALANCE SHEET

as at 31 March 2023

(₹ in million)

| | Notes | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 3 | 1,684.92 | 1,516.20 |
| Capital work-in-progress | 4 | 48.23 | 4.17 |
| Other Intangible assets | 5 | 13.24 | 14.08 |
| Financial assets | | | |
| (i) Loans | 6 | 0.97 | 1.20 |
| (ii) Other financial assets | 7 | 13.76 | 10.39 |
| Deferred tax assets (net) | 8 | 152.60 | 338.50 |
| Other non-current assets | 9 | 31.55 | 25.71 |
| **Total non-current assets** | | **1,945.27** | **1,910.25** |
| **Current assets** | | | |
| Inventories | 10 | 1,873.50 | 2,326.97 |
| Financial assets | | | |
| (i) Investments | 11 | 0.47 | 0.47 |
| (ii) Trade receivables | 12 | 2,570.47 | 1,976.45 |
| (iii) Cash and cash equivalents | 13 (a) | 44.11 | 63.76 |
| (iv) Other bank balances | 13 (b) | 1.50 | 1.09 |
| (v) Loans | 6 | 0.92 | 1.19 |
| (vi) Other financial assets | 7 | 16.36 | 6.83 |
| Current tax assets (net) | | 2.90 | 4.97 |
| Other current assets | 9 | 356.31 | 530.98 |
| **Total current assets** | | **4,866.54** | **4,912.71** |
| Assets classified as held for sale | 3 | 0.46 | 13.71 |
| **Total Assets** | | **6,812.27** | **6,836.67** |
| **EQUITY AND LIABILITIES** | | | |
| Equity share capital | 14 | 150.67 | 150.31 |
| Other equity | 14 (a) | 1,882.92 | 1,246.90 |
| **Total equity** | | **2,033.59** | **1,397.21** |
| **Liabilities** | | | |
| **Non-current liabilities** | | | |
| Financial liabilities | | | |
| (i) Borrowings | 15 (a) | 236.15 | 550.30 |
| (ia) Lease liabilities | 15 (b) | 193.99 | 33.64 |
| (ii) Other financial liabilities | 16 | 67.37 | 54.95 |
| Provisions | 17 | 127.51 | 128.26 |
| **Total non-current liabilities** | | **625.02** | **767.15** |
| **Current liabilities** | | | |
| Financial liabilities | | | |
| (i) Borrowings | 15 (c) | 1,461.10 | 908.67 |
| (ia) Lease liabilities | 15 (d) | 26.76 | 19.88 |
| (ii) Trade payables: | | | |
| Total outstanding dues of micro enterprises and small enterprises | 18 | 181.28 | 165.73 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 18 | 1,564.39 | 2,577.94 |
| (iii) Other financial liabilities | 16 | 627.97 | 573.55 |
| Other current liabilities | 19 | 207.46 | 351.42 |
| Provisions | 17 | 56.54 | 71.07 |
| Current tax liabilities (net) | | 28.16 | 4.05 |
| **Total current liabilities** | | **4,153.66** | **4,672.31** |
| **Total Equity and Liabilities** | | **6,812.27** | **6,836.67** |
| Corporate information and Significant accounting policies | 1 & 2 | | |
| Notes to the consolidated financial statements | 3 to 50 | | |

The accompanying notes "1" to "50" form an integral part of the consolidated financial statements

In terms of our report of even date.

**For BGJC & Associates LLP**
Chartered Accountants
Firm Registration Number : 003304N/N500056

For and on behalf of the Board of **Jubilant Industries Limited**

**Pranav Jain**
Partner
Membership No. 098308

**Abhishek Kamra**
Company Secretary
Membership No. A48236

**Umesh Sharma**
Chief Financial Officer

**Priyavrat Bhartia**
Chairman
DIN: 00020603

**Manu Ahuja**
CEO & Managing Director
DIN: 05123127

Place : New Delhi
Date : 25 May, 2023

Place : Gurugram
Date : 25 May, 2023

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended 31 March 2023

(₹ in million)

| | Notes | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|---|
| **Continuing operations** | | | |
| Revenue from operations | 20 | 14,729.18 | 11,658.00 |
| Other Income | 21 | 28.71 | 9.73 |
| **Total income** | | **14,757.89** | **11,667.73** |
| **EXPENSES** | | | |
| Cost of materials consumed | 22 | 9,484.55 | 7,227.61 |
| Purchases of stock-in-trade | 23 | 280.60 | 249.41 |
| Changes in inventories of finished goods, stock-in-trade and work-in-progress | 24 | (226.65) | (381.00) |
| Employee benefits expense | 25 | 1,064.12 | 962.59 |
| Finance costs | 26 | 193.96 | 146.12 |
| Depreciation & amortization expense | 27 | 142.07 | 126.84 |
| Other expenses | 28 | 3,097.17 | 2,601.97 |
| **Total expenses** | | **14,035.82** | **10,933.54** |
| **Net profit for the year from continuing operations before tax** | | **722.07** | **734.19** |
| **Tax Expenses:** | 29 | | |
| - Current Tax | | 8.25 | 4.15 |
| - Deferred tax charge | | 185.85 | 183.89 |
| **Net profit for the year from continuing operations** | | **527.97** | **546.15** |
| **Discontinued operations** | | | |
| Profit/(Loss) for the year from discontinued operations before tax | 31 | 112.64 | (10.29) |
| Tax expenses of discontinued operations | | 19.21 | - |
| **Net profit/(Loss) for the year from discontinued operations** | | **93.43** | **(10.29)** |
| **Net profit for the year from continuing operations and discontinued operations** | | **621.40** | **535.86** |
| **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) |
| Re-measurement gain/(loss) on defined benefit plans | | 0.44 | (3.64) |
| Cash flow hedge reserve | | (0.25) | - |
| ***Income tax effect on above:*** | | | |
| Income tax charge/(credit) | 29 | 0.05 | (0.92) |
| ***Items that will be reclassified to profit or loss and its related income tax effects (Net of income tax)*** | | | |
| Exchange differences in translating the financial statements of foreign operations | | (2.90) | 6.04 |
| **Other comprehensive income/(loss) for the year (net of tax)** | | **(2.76)** | **3.31** |
| **Total comprehensive income for the year** | | **618.64** | **539.17** |
| **Profit is attributable to:** | | | |
| Owners of the Company | | 621.40 | 535.86 |
| Non-controlling interests | | - | - |
| | | **621.40** | **535.86** |
| **Other comprehensive income/(loss) is attributable to:** | | | |
| Owners of the Company | | (2.76) | 3.31 |
| Non-controlling interests | | - | - |
| | | **(2.76)** | **3.31** |
| **Total comprehensive income is attributable to:** | | | |
| Owners of the Company | | 618.64 | 539.17 |
| Non-controlling interests | | - | - |
| | | **618.64** | **539.17** |
| **Earnings per equity share of ₹ 10.00 each:** | 49 | | |
| **From continuing operations** | | | |
| Basic | ₹ | 35.06 | 36.33 |
| Diluted | ₹ | 34.72 | 35.93 |
| **From discontinued operations** | | | |
| Basic | ₹ | 6.20 | (0.68) |
| Diluted | ₹ | 6.14 | (0.68) |
| **From continuing operations and discontinued operations** | | | |
| Basic | ₹ | 41.26 | 35.65 |
| Diluted | ₹ | 40.86 | 35.25 |
| Corporate information and Significant accounting policies | 1 & 2 | | |
| Notes to the consolidated financial statements | 3 to 50 | | |

The accompanying notes "1" to "50" form an integral part of the consolidated financial statements

In terms of our report of even date.

**For BGJC & Associates LLP**
Chartered Accountants
Firm Registration Number : 003304N/N500056

For and on behalf of the Board of **Jubilant Industries Limited**

**Pranav Jain**
Partner
Membership No. 098308

**Abhishek Kamra**
Company Secretary
Membership No. A48236

**Umesh Sharma**
Chief Financial Officer

**Priyavrat Bhartia**
Chairman
DIN: 00020603

**Manu Ahuja**
CEO & Managing Director
DIN: 05123127

Place : New Delhi
Date : 25 May, 2023

Place : Gurugram
Date : 25 May, 2023

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2023

## A. Equity share capital

(₹ in million)

| | |
|---|---|
| **Balance as at 31 March 2021** | **150.31** |
| Changes in the equity share capital during the year | - |
| **Balance as at 31 March 2022** | **150.31** |
| Changes in the equity share capital during the year (Refer note 14.4) | 0.36 |
| **Balance as at 31 March 2023** | **150.67** |

## B. Other Equity

(₹ in million)

| | Attributable to owners of the Company | | | | | | | | Total attributable to owners of the Company | Attributable to non-controlling interest | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Securities premium | General reserve | Share based expense reserve* | Retained earnings | Items of other Comprehensive Income | | | | | | |
| | | | | | Equity instruments through OCI | Re-measurement of defined benefit plans | Cash hedge reserve | Foreign currency translation reserve | | | |
| **As at 31 March 2021** | **1,221.71** | **236.74** | **3.28** | **(756.92)** | **0.31** | **(2.12)** | **-** | **(2.94)** | **700.06** | **-** | **700.06** |
| Profit for the year | - | - | - | 535.86 | - | - | - | - | 535.86 | - | 535.86 |
| Other comprehensive income/(loss) | - | - | - | - | (0.01) | (2.72) | - | 6.04 | 3.31 | - | 3.31 |
| **Total comprehensive income/(loss) for the year** | **-** | **-** | **-** | **535.86** | **(0.01)** | **(2.72)** | **-** | **6.04** | **539.17** | **-** | **539.17** |
| Employee share based expense | - | - | 7.67 | - | - | | - | - | 7.67 | - | 7.67 |
| **As at 31 March 2022** | **1,221.71** | **236.74** | **10.95** | **(221.06)** | **0.30** | **(4.84)** | **-** | **3.10** | **1,246.90** | **-** | **1,246.90** |
| Profit for the year | - | - | - | 621.40 | - | - | - | - | 621.40 | - | 621.40 |
| Other comprehensive income/(loss) | - | - | - | - | - | 0.33 | (0.19) | (2.90) | (2.76) | - | (2.76) |
| **Total comprehensive income/(loss) for the year** | **-** | **-** | **-** | **621.40** | **-** | **0.33** | **(0.19)** | **(2.90)** | **618.64** | **-** | **618.64** |
| Employee share based expense | - | - | 13.67 | - | - | - | - | - | 13.67 | - | 13.67 |
| Upon issue of share capital (Refer note 14.4) | 3.71 | - | - | - | - | - | - | - | 3.71 | - | 3.71 |
| Transfer to general reserve | - | 1.90 | (1.90) | - | - | - | - | - | - | - | - |
| **As at 31 March 2023** | **1,225.42** | **238.64** | **22.72** | **400.34** | **0.30** | **(4.51)** | **(0.19)** | **0.20** | **1,882.92** | **-** | **1,882.92** |

* Refer note 44.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the year ended 31 March 2023

**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.

- **General reserve**

  This represents appropriation of profit by the Company and is available for distribution of dividend.

- **Share based expense reserve**

  The fair value of the equity settled share based payment transactions with employees is recognized in Consolidated Statement of Profit and Loss with corresponding credit to Share based expense reserve. Further, equity settled share based expense transaction with employees of subsidiary is recognized in investment of subsidiaries with corresponding credit to Share based expense reserve. Balance of a share based expense reserve is transferred to general reserve upon expiry of grants or upon exercise of stock options by an employee.

- **Equity instrument through OCI**

  The Group 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 Group transfers amount therefrom to retained earnings when the relevant securities are derecognized.

- **Re-measurement of defined benefit plans**

  Re-measurement of defined benefit plans comprises actuarial gains and losses and return on plan assets.

- **Cash hedge reserve**

  The Group uses hedging instruments as part of its management of related foreign currency risk. For hedging related foreign currency risk, the Group uses foreign currency forward contracts respectively which are designated as cash flow hedges. To the extent these hedges are effective, the change in fair value of the hedging instrument is recognised in the cash flow hedging reserve. Amounts recognised in the cash flow hedging reserve is reclassified to Consolidated Statement of Profit and Loss when the hedged item affects profit or loss".

- **Foreign currency translation reserve**

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

---

The accompanying notes "1" to "50" form an integral part of the consolidated financial statements.

---

In terms of our report of even date.

**For BGJC & Associates LLP**
Chartered Accountants
Firm Registration Number : 003304N/N500056

For and on behalf of the Board of **Jubilant Industries Limited**

**Pranav Jain**
Partner
Membership No. 098308

**Abhishek Kamra**
Company Secretary
Membership No. A48236

**Umesh Sharma**
Chief Financial Officer

**Priyavrat Bhartia**
Chairman
DIN: 00020603

**Manu Ahuja**
CEO & Managing Director
DIN: 05123127

Place : New Delhi
Date : 25 May, 2023

Place : Gurugram
Date : 25 May, 2023

# CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 March 2023

(₹ in million)

| | | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|---|
| **A.** | **Cash flow from operating activities:** | | |
| | **Net profit/(loss) before tax** | | |
| | Continuing operations | 722.07 | 734.19 |
| | Discontinued operations | 112.64 | (10.29) |
| | **Adjustments for:** | | |
| | Depreciation & amortization expense | 142.11 | 126.88 |
| | (Gain)/Loss on sale/disposal/discard/impairment of property, plant and equipment (net) | (119.71) | (0.06) |
| | Finance costs | 193.96 | 146.12 |
| | Employee share-based payment expense | 13.67 | 7.67 |
| | Unrealized (gain)/loss on foreign exchange (net) | 0.90 | 0.38 |
| | Gain on termination of lease | (2.02) | - |
| | Property, plant and equipment written off | 26.55 | - |
| | Interest income | (6.48) | (0.85) |
| | | 248.98 | 280.14 |
| | **Operating cash flow before working capital changes** | **1,083.69** | **1,004.04** |
| | **Adjustments for:** | | |
| | Decrease/(Increase) in trade receivables, loans, other financial assets and other assets | (415.90) | (1,190.03) |
| | Decrease/(Increase) in inventories | 453.47 | (1,411.90) |
| | Increase/(Decrease) in trade payables, other financial liabilities, other liabilities and provisions | (975.63) | 1,899.12 |
| | **Cash generated from operations** | **145.63** | **301.23** |
| | Direct taxes (paid)/refund (net) | (1.09) | (1.32) |
| | **Net cash generated from operating activities** | **144.54** | **299.91** |
| **B.** | **Cash flow from investing activities:** | | |
| | Purchases of property, plant and equipment and other intangible assets | (197.69) | (234.19) |
| | Sale of property, plant and equipment | 9.12 | 0.53 |
| | Interest received | 6.18 | 2.56 |
| | Movement in other bank balances | 0.09 | 14.09 |
| | **Net cash used in investing activities** | **(182.30)** | **(217.01)** |
| **C.** | **Cash flow arising from financing activities:** | | |
| | Proceeds from issue of shares (Refer note 14.4) | 4.07 | - |
| | Proceeds from long term borrowings (Refer note 37) | 199.50 | 345.55 |
| | Repayment of long term borrowings (Refer note 37) | (582.20) | (307.50) |
| | Payment of lease obligation | (38.12) | (28.94) |
| | Proceeds from / (Repayment) of short term borrowings (net) (Refer note 37) | 616.67 | 91.72 |
| | Proceeds from inter-corporate borrowings from related parties (Refer note 37 & 39) | 100.00 | - |
| | Repayment of inter-corporate borrowings from related parties (Refer note 37 & 39) | (100.00) | (58.20) |
| | Finance costs paid | (178.91) | (132.51) |
| | **Net cash inflow/(outflow) in course of financing activities** | **21.01** | **(89.88)** |
| **D.** | **Effect of exchange rate changes** | | |
| | Exchange difference in translating the financial statements | **(2.90)** | **6.04** |
| | **Net decrease in cash & cash equivalents (A+B+C+D)** | (19.65) | (0.94) |
| | Add: Cash & cash equivalents at the beginning of the year | 63.76 | 64.70 |
| | **Cash & cash equivalents at the close of the year** | **44.11** | **63.76** |

# CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 March 2023

(₹ in million)

| | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| **Components of cash and cash equivalents** | | |
| Balance With Banks | | |
| - On current accounts | 44.10 | 63.75 |
| Cash on hand | 0.01 | 0.01 |
| | **44.11** | **63.76** |

**Notes:**

i) Consolidated 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.

**For BGJC & Associates LLP**
Chartered Accountants
Firm Registration Number : 003304N/N500056

For and on behalf of the Board of **Jubilant Industries Limited**

**Pranav Jain**
Partner
Membership No. 098308

**Abhishek Kamra**
Company Secretary
Membership No. A48236

**Umesh Sharma**
Chief Financial Officer

**Priyavrat Bhartia**
Chairman
DIN: 00020603

**Manu Ahuja**
CEO & Managing Director
DIN: 05123127

Place : New Delhi
Date : 25 May, 2023

Place : Gurugram
Date : 25 May, 2023

## 1. Corporate Information

Jubilant industries Limited ("the Company" or the "Parent Company") is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on the BSE Limited and the National Stock Exchange of India Limited. The consolidated financial statements of the Company as at and for the year ended on 31 March 2023 comprise the Company and its subsidiaries (together referred to as "the Group"). Presently, the Group is engaged in the business of manufacturing and sale of agri, industrial polymers and consumer products. The Group caters to both domestic and international markets. The registered office of the Company is situated at Bhartiagram, 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 25, 2023.

## 2. Significant accounting policies

This note provides significant accounting policies adopted and applied in the preparation of these consolidated 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 consolidated 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 per share data and unless stated otherwise.

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

The consolidated 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) Principles of consolidation

The consolidated financial statements comprises the financial statement of the Company and its subsidiaries as at 31 March 2023. Subsidiaries are those entities in which the parent directly or indirectly has interest more than 50% of the voting power or otherwise control the composition of the board or governing body so as to obtain economic benefits from activities.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The details of the consolidated entities are as follows:

| Sr. No. | Name | Country of Incorporation | Name of the Parent | Percentage of ownership |
|---|---|---|---|---|
| 1 | Jubilant Agri and Consumer Products Ltd. | India | Jubilant Industries Ltd. | 100% |
| 2 | Jubilant Industries Inc. USA | United States of America | Jubilant Industries Ltd. | 100% |

### (c) Consolidation procedure

The financial statements of the subsidiaries are combined on a line-by–line basis by adding together the like items of assets, liabilities, income and expenses after fully eliminating intra-group balances and intra-group transactions and unrealized profits or losses in accordance with IND AS 110 –'Consolidated Financial Statements' notified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015 as amended time to time. The deferred tax to be recognised for temporary differences arises from elimination of profits and losses resulting from intra group transactions.

**(d) Business combinations**

Business combinations (other than common control business combinations) are accounted for using the purchase (acquisitions) method. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at fair value at the date of acquisition. Transaction costs incurred in connection with a business combination are expenses as incurred.

The excess of the consideration transferred over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in the other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase.

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date common control was established; for this purpose comparatives are revised. The assets and liabilities acquired are recognised at their carrying amounts. The identity of the reserves is preserved and they appear in the consolidated financial statements of the Group in the same form in which they appeared in the financial statement of the acquired entity. The differences, if any, between the consideration and the amount of share capital of the acquired entity is transferred to capital reserve.

**(e) Current versus non-current classification**

The Group 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 Group 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 Group 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. Each entity of the Group has identified twelve months as its operating cycle for the purpose of current-non-current classification of assets and liabilities.

**(f) 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 Group 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 Consolidated 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**

For Indian entities, 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 |
| Computers covered under perquisite scheme | 5 years, being the period of perquisite scheme | 3 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 land, 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 Consolidated Statement of Profit and Loss.

**(g) Discontinued operations and non-current assets held for sale**

Discontinued operations is a component of the Group that has been disposed of or classified as held for sale and represents a major line of business.

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 Consolidated Statement of Profit and Loss.

Once classified as held for sale, property, plant and equipment and intangible assets are no longer depreciated or amortised.

**(h) 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 Group'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 Group 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.

**(i) 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 Group 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 Consolidated Statement of Profit and Loss. The losses arising from impairment are recognised in the Consolidated 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 Consolidated 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 Group 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 Consolidated 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. Equity Instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group 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 Consolidated Statement of Profit and Loss, even on sale of investment. However, the Group 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 Consolidated Statement of Profit and Loss.

***Impairment of Financial assets***

The Group 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 Consolidated Statement of Profit and Loss.

***De-recognition***

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

- The rights to receive cash flows from the asset have expired, or
- The Group 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 Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

  When the Group 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 Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group 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 Group 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 Consolidated 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 Consolidated Statement of Profit and Loss. Any gain or loss on de-recognition is also recognised in Consolidated 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 Consolidated 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 and hedging activities***

Derivatives are only used for economic hedging purposes and not as speculative investments. However, where derivatives do not meet the hedge accounting criteria, they are classified as 'held for trading' for accounting purposes and are accounted for at FVPL. They are presented as current assets or liabilities to the extent they are expected to be settled within 12 months after the end of the reporting period.

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The Group designates their derivatives as hedges of commodity price risk and related foreign exchange risk associated with the cash flows of assets and liabilities and highly probable forecast transactions (cash flow hedges). The Group documents at the inception of the hedging transaction the economic relationship between hedging instruments and hedged items including whether the hedging instrument is expected to offset changes in cash flows of hedged items. The Group documents its risk management objective and strategy for undertaking various hedge transactions at the inception of each hedge relationship. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

**Cash flow hedges that qualify for hedge accounting**

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in cash flow hedging reserve within equity. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss, within other gains/(losses).

When forward contracts are used to hedge forecast transactions, the Group designate the full change in fair value of the forward contract as the hedging instrument. The gains and losses relating to the effective portion of the change in fair value of the entire forward contract are recognized in the cash flow hedging reserve within equity.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss (for example, when the forecast purchase that is hedged takes place).

When the hedged forecast transaction results in the recognition of a non-financial asset (for example inventory), the amounts accumulated in equity are transferred to profit or loss as follows:

With respect to gain or loss relating to the effective portion of the forward contracts, the deferred hedging gains and losses are included within the initial cost of the asset. The deferred amounts are ultimately recognized in profit or loss as the hedged item affects profit or loss (for example, through cost of sales).

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss within other gains/(losses).

If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedge ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted for in profit or loss at the time of the hedge relationship rebalancing.

**Derivatives that are not designated as hedges**

The Group enters certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through profit or loss and are included in statement of profit and loss.

**Embedded derivatives**

Derivatives embedded in a host contract that is an asset within the scope of Ind AS 109 are not separated. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Derivatives embedded in all other host contract are separated only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss. Embedded derivatives closely related to the host contracts are not separated.

***Offsetting***

Financial assets and financial liabilities are off set and the net amount presented in the Consolidated Balance Sheet when, and only when, the Group 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.

**(j) Inventories**

Inventories are valued at lower of cost and 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 excise duty/ any other 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.

**(k) 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.

**(l) Provisions**

A provision is recognised if, as a result of a past event, the Group 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.

**(m) Contingent assets, liabilities and commitments**

Contingent liabilities are disclosed in respect of possible obligations that may arise from past events but their existence is confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Contingent Assets are neither recognized nor disclosed in the 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.

Commitments are future liabilities for contractual expenditure, classified and disclosed as follows: (i) estimated amount of contracts remaining to be executed on capital account and not provided for; (ii) uncalled liability on shares and other investments partly paid; (iii) funding related commitment to subsidiary, associate and joint venture companies; and (iv) other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management. Other commitments related to sales/procurements made in the normal course of business are not disclosed to avoid excessive details.

**(n) Revenue recognition**

The Group's revenue is derived from single performance obligation under arrangements in which the transfer of control of product and the fulfilment of Group's performance obligation occur at the same time.

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.

Revenue includes only those sales for which the Group 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 Group has acted as an agent 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.

In case of revenue arrangements with tie up units, the group has concluded that it is acting as an agent in all such revenue arrangements since the group is not the primary obligor in all such revenue arrangements and has no pricing latitude and is not exposed to inventory and credit risks. Group earns fixed fee for such sales which is recognised as service income.

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.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue and costs, if applicable, can be measured reliably. Taxes (GST) collected on behalf of the government are excluded from Revenue. The transaction price of goods sold and services rendered is net of variable consideration on account returns, discounts, customer claims and rebates, etc.

**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. Other non-operating revenue is recognised in accordance with terms of underlying asset.

**(o) 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 Group 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 (applicable for Indian entities of the Group), 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 Group is funded with Life Insurance Corporation of India.

**b) Superannuation**

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

**c) Provident Fund**

(i) The Group 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 Group has an obligation to make good the shortfall, if any, between the return from the investments of the trust and the notified interest rate. The Group's obligation in this regard is determined by an independent actuary and provided for if the circumstances indicate that the Trust may not be able to generate adequate returns to cover the interest rates notified by the Government.

For other employees in India, provident fund is deposited with Regional Provident Fund Commissioner. This is treated as defined contribution plan.

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

d) Foreign subsidiary make contribution to various social security plans and insurance schemes as per local requirements and generally accepted practices in its country of incorporation. Such contributions are charged to Consolidated Statement of Profit and Loss on accrual basis in the year in which liability to pay arise.

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

**Compensated absences**

As per the Group'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 Group'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 Consolidated 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 Consolidated 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 Consolidated 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 Consolidated 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).

**(p) Share based payments**

The grant date fair value of options granted (net of estimated forfeiture) to employees of the Group is recognized as an employee expense, and those granted to employees of subsidiaries is considered as the Company's equity contribution and is added to the carrying value of investment in the respective subsidiaries, with a corresponding increase in share based payment reserve. 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.

**(q) 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 Consolidated 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.

**(r) Income tax**

Income tax expense comprises current and deferred tax. It is recognised in Consolidated 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 Group 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 Group 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 Group 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.

**(s) Leases**

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

**Group as a lessee**

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

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

**Right-of-use assets**

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

**Lease Liability**

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

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

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

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

**(t) Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The CEO and Managing Director of the Parent Company is responsible for allocating resources and assessing performance of the operating segments and accordingly identified as the chief operating decision maker. Revenues, expenses, assets and liabilities, which are common to the enterprise as a whole and are not allocable to segments on a reasonable basis, have been treated as "un-allocable revenue/ expenses/ assets/ liabilities", as the case may be.

**(u) Foreign currency translation**

***(i) Functional and presentation currency***

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Indian rupee (INR), which is also the Parent company's functional currency.

***(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 Consolidated Statement of Profit and Loss.

***(iii) Group companies***

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated in to the presentation currency as follows:

- Share capital and opening reserves and surplus are carried at historical cost.
- All assets and liabilities, both monetary and non-monetary, (excluding share capital, opening reserve and surplus) are translated using closing rates at Balance Sheet date.
- Profit and Loss items are translated at the respective year to dates average rates or the exchange rate that approximates the actual exchange rate on the date of specific transaction.

- o Contingent liabilities are translated at the closing rates at Balance Sheet date.
- o All resulting exchange differences are recognised on Other Comprehensive Income.

When a foreign operation is sold, the associated cumulative exchange differences are classified to profit or loss, as part of the gain or loss on sale.

The items of Consolidated Cash Flow Statement are translated at the respective average rates or the exchange rate that approximates the actual exchange rate on date of specific transaction. The impact of changes in exchange rate on cash and cash equivalent held in foreign currency is included in effect of exchange rate changes.

**(v) 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 Group will comply all attached conditions.

Government grants relating to income are deferred and recognised in the Consolidated 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 Consolidated Statement of Profit and Loss on a straight-line basis over the expected lives of the related assets and presented within other income.

**(w) 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.

**(x) Earnings per share**

***(i) Basic earnings per share***

Basic earnings per share, is calculated by dividing:

- o the profit attributable to owners of the Group
- o 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:

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

**(y) 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 Group 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 Group 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 Group 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.

**(z) Critical estimates and judgements**

The preparation of Consolidated 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 Consolidated Financial Statements is included in the following notes.

- Recognition and estimation of tax expense including deferred tax – Note 29.
- Estimated impairment of financial assets and non-financial assets- Note 2(h) and 2(i).
- Assessment of useful life of property, plant and equipment and intangible asset- Note 2(f).
- Estimation of assets and obligations relating to employee benefits- Note 33.
- Share-based payments- Note 44.
- Valuation of inventories- Note 2(j).
- Recognition of revenue and related accruals- Note 2(n).
- Recognition and measurement of contingency: Key assumption about the likelihood and magnitude of an outflow of resources- Note 41.
- Lease classification- Note 43.
- Fair value measurements Note 2(y).

**(aa) Recent accounting pronouncements**

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.

On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

**Ind AS 1 - Presentation of Financial Statements**

This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the financial statements.

**Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors**

This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its financial statements.

**Ind AS 12 - Income Taxes**

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its financial statement.

## 3. Property, plant and equipment

(₹ in million)

| Description | GROSS BLOCK-COST/BOOK VALUE | | | | DEPRECIATION/AMORTISATION/IMPAIRMENT | | | | NET BLOCK |
|---|---|---|---|---|---|---|---|---|---|
| | Total As at 31 March 2022 | Additions/ adjustments during the year | Deductions/ adjustments during the year | Total As at 31 March 2023 | Total As at 31 March 2022 | Provided for the year | Deductions/ adjustments during the year | Total As at 31 March 2023 | Total As at 31 March 2023 |
| Land | | | | | | | | | |
| (a) Freehold | 59.87 | - | - | 59.87 | - | - | - | - | 59.87 |
| (b) Leasehold | 18.15 | - | - | 18.15 | 1.74 | 0.31 | - | 2.05 | 16.10 |
| Buildings | | | | | | | | | |
| (a) Factory | 283.08 | 21.52 | 1.92 | 302.68 | 74.37 | 13.16 | 0.44 | 87.09 | 215.59 |
| (b) Others | 47.75 | 1.27 | 3.13 | 45.89 | 4.60 | 0.80 | 0.59 | 4.81 | 41.08 |
| Plant & machineries | 1,542.68 | 104.27 | 40.49 | 1,606.46 | 425.15 | 83.61 | 18.62 | 490.14 | 1,116.32 |
| Furniture & fixtures | 5.04 | 4.43 | 0.83 | 8.64 | 3.53 | 0.56 | 0.63 | 3.46 | 5.18 |
| Office equipments | 49.26 | 9.75 | 9.63 | 49.38 | 29.03 | 7.99 | 7.57 | 29.45 | 19.93 |
| Right of use assets | 92.63 | 209.00 | 41.54 | 260.09 | 43.84 | 29.71 | 24.31 | 49.24 | 210.85 |
| **TOTAL** | **2,098.46** | **350.24** | **97.54** | **2,351.16** | **582.26** | **136.14** | **52.16** | **666.24** | **1,684.92** |
| Less: Depreciation/Amortization related to discontinued operations | | | | | | 0.04 | | | |
| **Depreciation/Amortization related to continuing operations** | | | | | | **136.10** | | | |

**Notes:**

(i) Assets classified as held for sale ₹ 0.46 million (Previous Year: ₹ 13.71 million).

(ii) Property, plant and equipment of the Parent Company and of Jubilant Agri and Consumer Products Limited, its wholly subsidiary are charged in favour of bankers for term loan.

(iii) During the current financial year and previous financial year, no borrowing cost has been capitalized on property, plant and equipment.

(₹ in million)

| Description | GROSS BLOCK-COST/BOOK VALUE | | | | DEPRECIATION/AMORTISATION/IMPAIRMENT | | | | NET BLOCK |
|---|---|---|---|---|---|---|---|---|---|
| | Total As at 31 March 2021 | Additions/ adjustments during the year | Deductions/ adjustments during the year | Total As at 31 March 2022 | Total As at 31 March 2021 | Provided for the year | Deductions/ adjustments during the year | Total As at 31 March 2022 | Total As at 31 March 2022 |
| Land | | | | | | | | | |
| (a) Freehold* | 59.87 | - | - | 59.87 | - | - | - | - | 59.87 |
| (b) Leasehold | 18.15 | - | - | 18.15 | 1.43 | 0.31 | - | 1.74 | 16.41 |
| Buildings | | | | | | | | | |
| (a) Factory* | 255.98 | 27.10 | - | 283.08 | 61.76 | 12.61 | - | 74.37 | 208.71 |
| (b) Others | 47.75 | - | - | 47.75 | 3.75 | 0.85 | - | 4.60 | 43.15 |
| Plant & machineries* | 1,339.52 | 203.20 | 0.04 | 1,542.68 | 346.17 | 78.98 | - | 425.15 | 1,117.53 |
| Furniture & fixtures | 5.02 | 0.02 | - | 5.04 | 3.11 | 0.42 | - | 3.53 | 1.51 |
| Office equipments | 37.21 | 14.07 | 2.02 | 49.26 | 23.41 | 6.88 | 1.26 | 29.03 | 20.23 |
| Right of use assets | 104.66 | 10.62 | 22.65 | 92.63 | 43.30 | 21.69 | 21.15 | 43.84 | 48.79 |
| **TOTAL** | **1,868.16** | **255.01** | **24.71** | **2,098.46** | **482.93** | **121.74** | **22.41** | **582.26** | **1,516.20** |
| Less: Depreciation/Amortization related to discontinued operations | | | | | | 0.04 | | | |
| **Depreciation/Amortization related to continuing operations** | | | | | | **121.70** | | | |

* Classified as assets held for sale and discontinued operations (Refer note 31).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2023

## 4. Capital work-in-progress (CWIP)

(₹ in million)

| | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| Balance at the beginning | 4.17 | 0.64 |
| Additions during the year | 185.30 | 247.92 |
| Capitalized during the year | 141.24 | 244.39 |
| Balance at the end | **48.23** | **4.17** |

### 4.1 Ageing of Capital work-in-progress

**As at 31 March 2023:** (₹ in million)

| Description | Amount in CWIP for a period of | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Projects in progress | 48.23 | - | - | - | 48.23 |
| Projects temporarily suspended | - | - | - | - | - |
| **Total** | **48.23** | **-** | **-** | **-** | **48.23** |

**As at 31 March 2022:** (₹ in million)

| Description | Amount in CWIP for a period of | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Projects in progress | 4.17 | - | - | - | 4.17 |
| Projects temporarily suspended | - | - | - | - | - |
| **Total** | **4.17** | **-** | **-** | **-** | **4.17** |

### 4.2 Expected completion schedule of capital work-in-progress where cost or time overrun has exceeded original plan

**As at 31 March 2023:** (₹ in million)

| Description | To be completed | | | |
|---|---|---|---|---|
| | Up to 1 year | 1-2 years | 2-3 years | More than 3 years |
| AK3428-Procurement of Furniture & Fixtures for QC Lab towards NABL Accreditation | 2.23 | - | - | - |
| AG3438-Procurement of Lab testing/measuring equipment & office equipment for NABL accreditation along with civil modification work | 0.64 | - | - | - |
| AK3433-To procure & install Atomic Absorption Spectrophotometer (AAS) in Agri Kapasan Quality Lab | 1.32 | - | - | - |
| Projects temporarily suspended | - | - | - | - |

**As at 31 March 2022:** (₹ in million)

| Description | To be completed | | | |
|---|---|---|---|---|
| | Up to 1 year | 1-2 years | 2-3 years | More than 3 years |
| CP3402-Conversion of boiler operation from LDO to PNG | 1.38 | - | - | - |
| CP3409-Compression tester for boxes drum and barrels | 0.24 | - | - | - |
| Projects temporarily suspended | - | - | - | - |

## 5. Other intangible assets

(₹ in million)

| Description | GROSS BLOCK-COST/BOOK VALUE | | | | DEPRECIATION/AMORTISATION/IMPAIRMENT | | | | NET BLOCK |
|---|---|---|---|---|---|---|---|---|---|
| | Total As at 31 March 2022 | Additions/ adjustments during the year | Deductions/ adjustments during the year | Total As at 31 March 2023 | Total As at 31 March 2022 | Provided for the year | Deductions/ adjustments during the year | Total As at 31 March 2023 | Total As at 31 March 2023 |
| Software | 2.72 | 5.13 | 0.24 | 7.61 | 2.36 | 0.72 | 0.24 | 2.84 | 4.77 |
| License | 26.28 | - | - | 26.28 | 12.56 | 5.25 | - | 17.81 | 8.47 |
| **TOTAL** | **29.00** | **5.13** | **0.24** | **33.89** | **14.92** | **5.97** | **0.24** | **20.65** | **13.24** |
| Less: Depreciation/Amortization related to discontinued operations | | | | | | - | | | |
| Depreciation/Amortization related to continuing operations | | | | | | **5.97** | | | |

(₹ in million)

| Description | GROSS BLOCK-COST/BOOK VALUE | | | | DEPRECIATION/AMORTISATION/IMPAIRMENT | | | | NET BLOCK |
|---|---|---|---|---|---|---|---|---|---|
| | Total As at 31 March 2021 | Additions/ adjustments during the year | Deductions/ adjustments during the year | Total As at 31 March 2022 | Total As at 31 March 2021 | Provided for the year | Deductions/ adjustments during the year | Total As at 31 March 2022 | Total As at 31 March 2022 |
| Software | 2.72 | - | - | 2.72 | 2.21 | 0.15 | - | 2.36 | 0.36 |
| License | 26.28 | - | - | 26.28 | 7.57 | 4.99 | - | 12.56 | 13.72 |
| **TOTAL** | **29.00** | **-** | **-** | **29.00** | **9.78** | **5.14** | **-** | **14.92** | **14.08** |
| Less: Depreciation/Amortization related to discontinued operations | | | | | | - | | | |
| **Depreciation/Amortization related to continuing operations** | | | | | | **5.14** | | | |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2023

(₹ in million)

| | As at 31 March 2023 | | As at 31 March 2022 | |
|---|---|---|---|---|
| | Non-current | Current | Non-current | Current |
| **6. Loans** | | | | |
| Loan receivable considered good - Unsecured: | | | | |
| - Loan to employees | 0.97 | 0.92 | 1.20 | 1.19 |
| **Total loans** | **0.97** | **0.92** | **1.20** | **1.19** |

(₹ in million)

| | As at 31 March 2023 | | As at 31 March 2022 | |
|---|---|---|---|---|
| | Non-current | Current | Non-current | Current |
| **7. Other financial assets** | | | | |
| Interest accrued | - | 0.81 | 0.05 | 0.66 |
| Security deposits | 13.47 | 2.83 | 9.51 | 6.17 |
| Fixed deposits with bank | - | - | 0.50 | - |
| Recoverable from related parties (Refer note 39) | - | 12.72 | - | - |
| Others | 0.29 | - | 0.33 | - |
| **Total other financial assets** | **13.76** | **16.36** | **10.39** | **6.83** |

## 8. 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 Group'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 | Others | Total |
|---|---|---|---|---|---|---|
| **As at 31 March 2021** | **32.01** | **24.87** | **156.50** | **377.77** | **1.49** | **592.64** |
| Charged/(Credited) | | | | | | |
| - to consolidated statement of profit and loss | (2.59) | (2.06) | 156.50 | 23.54 | - | 175.39 |
| - to other comprehensive income | - | - | - | - | (0.92) | (0.92) |
| **As at 31 March 2022** | **34.60** | **26.93** | **-** | **354.23** | **2.41** | **418.17** |
| Charged/(Credited) | | | | | | |
| - to consolidated statement of profit and loss | (0.40) | 4.32 | - | 176.23 | 1.64 | 181.79 |
| - to other comprehensive income | 0.01 | - | - | - | 0.04 | 0.05 |
| **As at 31 March 2023** | **34.99** | **22.61** | **-** | **178.00** | **0.73** | **236.33** |

***Deferred tax liabilities:***

(₹ in million)

| | Depreciation, amortization and other temporary differences | Total |
|---|---|---|
| **As at 31 March 2021** | **71.17** | **71.17** |
| Charged/(Credited) | | |
| - to consolidated statement of profit and loss | 8.50 | 8.50 |
| - to other comprehensive income | - | - |
| **As at 31 March 2022** | **79.67** | **79.67** |
| Charged/(Credited) | | |
| - to consolidated statement of profit and loss | 4.06 | 4.06 |
| - to other comprehensive income | - | - |
| **As at 31 March 2023** | **83.73** | **83.73** |

***Net deferred tax assets:***

(₹ in million)

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Deferred tax assets | 236.33 | 418.17 |
| Deferred tax liabilities | 83.73 | 79.67 |
| **Deferred tax assets (net)** | **152.60** | **338.50** |

***Reconciliation of deferred tax assets (net):***

(₹ in million)

| Particulars | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| Balance as at the commencement of the year | 338.50 | 521.47 |
| Expense/(Credit) recognized in profit and loss during the year | 185.85 | 183.89 |
| Expense/(Credit) recognized in other comprehensive income during the year | 0.05 | (0.92) |
| Balance as at the end of the year | **152.60** | **338.50** |

***Deferred tax assets not recognized in respect of the Group:***

(₹ in million)

| Particulars | As at 31 March 2023 | |
|---|---|---|
| | Amount of temporary differences | Amount of deferred tax on temporary differences |
| **Deductible temporary differences:** | | |
| Provision for compensated absences and gratuity | 0.85 | 0.21 |
| Expenditure allowable on actual payment basis | 0.04 | 0.01 |
| Tax loses carried forward | 117.09 | 29.47 |
| Unabsorbed depreciation | 2.23 | 0.56 |
| Others | - | - |
| **Taxable temporary differences:** | | |
| Depreciation, amortization and other temporary differences | (0.01) | - |
| **Net unrecognized temporary differences** | **120.20** | **30.25** |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2023

(₹ in million)

| Particulars | As at 31 March 2022 | |
|---|---|---|
| | Amount of temporary differences | Amount of deferred tax on temporary differences |
| **Deductible temporary differences:** | | |
| Provision for compensated absences and gratuity | 0.87 | 0.22 |
| Expenditure allowed on actual payment basis | 0.31 | 0.08 |
| Tax loses carried forward | 112.45 | 28.30 |
| Unabsorbed depreciation | 4.13 | 1.04 |
| Others | 4.84 | 1.25 |
| **Taxable temporary differences:** | | |
| Depreciation, amortization and other temporary differences | (5.49) | (1.38) |
| **Net unrecognized temporary differences** | **117.11** | **29.51** |

**Expiry period of carried forward tax losses:**

Group has unused tax losses and unabsorbed depreciation amounting to ₹ 117.09 million (Previous Year: ₹ 112.45 million) and ₹ 707.24 million (Previous Year: ₹ 1,411.59 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 2024-2031 (Previous Year: 2023-30) and unabsorbed depreciation can be carried forward for an indefinite period.

(₹ in million)

| | | As at 31 March 2023 | | As at 31 March 2022 | |
|---|---|---|---|---|---|
| | | Non-current | Current | Non-current | Current |
| **9.** | **Other assets** | | | | |
| | Advance to suppliers | - | 41.89 | - | 112.75 |
| | Capital advances | 8.03 | - | 2.80 | - |
| | Security deposits | 18.27 | - | 14.49 | - |
| | Prepaid expenses | 5.25 | 30.81 | 8.42 | 25.33 |
| | Advances to employees | - | 4.09 | - | 0.94 |
| | Recoverable from/balance with government authorities | - | 273.63 | - | 355.33 |
| | Others | - | 5.89 | - | 36.63 |
| | **Total other assets** | **31.55** | **356.31** | **25.71** | **530.98** |

(₹ in million)

| | | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|---|
| **10.** | **Inventories** | | |
| | Raw materials | 627.38 | 1,340.70 |
| | [including goods-in-transit ₹ 216.86 million (Previous Year: ₹ 758.54 million)] | | |
| | Work-in-progress | 333.70 | 214.89 |
| | Finished goods | 737.67 | 640.55 |
| | Stock-in-trade | 49.08 | 19.96 |
| | Stores and spares | 62.90 | 38.98 |
| | [including goods-in-transit ₹ Nil (Previous Year: ₹ 0.02 million)] | | |
| | Fuel and packing materials | 62.77 | 71.89 |
| | **Total inventories** | **1,873.50** | **2,326.97** |

Note: For valuation of inventories refer note 2(j).

(₹ in million)

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| **11. 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 | 0.47 | 0.47 |
| **II. Unquoted investment in equity shares (at cost)** | | |
| 530 (Previous Year: 530) equity shares of ₹ 10 each | | |
| Minerva Holding Limited* | - | - |
| 132 (Previous Year: 132) equity shares of ₹ 10 each | | |
| Kashipur Holdings Limited* | - | - |
| **Total current investments** | **0.47** | **0.47** |

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

**11.1 Additional information**

(₹ in million)

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Aggregate amount of quoted investments | 0.08 | 0.08 |
| Market value of quoted investments | 0.47 | 0.47 |
| Aggregate amount of unquoted investments | - | - |
| Aggregate provision for diminution in value of investments | - | - |

(₹ in million)

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| **12. Trade receivables** | | |
| **(Current)** | | |
| Trade receivable considered good - Unsecured | 2,570.47 | 1,976.45 |
| Trade receivable-credit impaired | 39.63 | 39.26 |
| | **2,610.10** | **2,015.71** |
| Less: Allowance for expected credit loss | 39.63 | 39.26 |
| **Total receivables** | **2,570.47** | **1,976.45** |

**12.1** Trade receivable includes subsidy receivable ₹ 1,110.12 million (Previous Year: ₹ 817.85 million).

**12.2** Refer note 35 for ageing of trade receivables.

(₹ in million)

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| **13(a). Cash and cash equivalents** | | |
| Balance With Banks | | |
| - On current accounts | 44.10 | 63.75 |
| Cash on hand | 0.01 | 0.01 |
| | | |
| **Total cash and cash equivalents** | **44.11** | **63.76** |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2023

(₹ in million)

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| **13(b). Other bank balances** | | |
| Margin money with bank* | 1.50 | 1.09 |
| | | |
| **Total other bank balances** | **1.50** | **1.09** |
| * For bank guarantees in favour of government authorities. | | |

(₹ in million)

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| **14. Equity share capital** | | |
| **Authorized** | | |
| 18,100,000 (Previous Year: 18,100,000) equity shares of ₹ 10 each | 181.00 | 181.00 |
| | **181.00** | **181.00** |
| **Issued, subscribed and paid-up** | | |
| 15,067,101 (Previous Year: 15,031,101) equity shares of ₹ 10 each | 150.67 | 150.31 |
| **Total equity share capital** | **150.67** | **150.31** |

14.1 Movement in equity share capital:

| | As at 31 March 2023 | | As at 31 March 2022 | |
|---|---|---|---|---|
| | No. of shares | ₹ in million | No. of shares | ₹ in million |
| At the commencement of the year | 15,031,101 | 150.31 | 15,031,101 | 150.31 |
| Add: Issued during the year (Refer note 14.4) | 36,000 | 0.36 | - | - |
| **At the end of the year** | 15,067,101 | 150.67 | **15,031,101** | **150.31** |

14.2 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.

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

| | As at 31 March 2023 | | As at 31 March 2022 | |
|---|---|---|---|---|
| | No. of shares | % held | No. of shares | % held |
| HSSS Investment Holding Private Limited | 7,164,048 | 47.55 | 7,164,048 | 47.66 |
| KBHB Investment Holding Private Limited | 1,736,415 | 11.52 | 1,736,415 | 11.55 |
| SSBPB Investment Holding Private Limited | 1,651,879 | 10.96 | 1,651,879 | 10.99 |

14.4 During the year 36,000 equity shares (Previous Year: Nil), of ₹ 10 each allotted on exercise of the vested stock options in accordance with the terms of exercise under the "Employee Stock Option Scheme, 2013". (Refer note 44)

14.5 **Information regarding issue of shares in the last five years**

i) The Company has not issued any shares without payment being received in cash.

ii) The Company has not issued any bonus shares.

iii) The Company has not undertaken any buy-back of shares.

14.6 Disclosure of Shareholding of Promoters

| | As at 31 March 2023 | | As at 31 March 2022 | | % Change during the year |
|---|---|---|---|---|---|
| | No. of shares | % held | No. of shares | % held | |
| Kavita Bhartia | 613 | 0.00% | 613 | 0.00% | - |
| Hari Shankar Bhartia | 20,873 | 0.14% | 20,873 | 0.14% | - |
| Priyavrat Bhartia | 253 | 0.00% | 253 | 0.00% | - |
| Shamit Bhartia | 6,561 | 0.04% | 6,561 | 0.04% | - |
| Aasthi Bhartia | 99 | 0.00% | 99 | 0.00% | - |
| Arjun Shanker Bhartia | 99 | 0.00% | 99 | 0.00% | - |
| Shyam Sunder Bharia | 72,825 | 0.48% | 72,825 | 0.48% | - |
| Jaytee Private Limited | 380 | 0.00% | 380 | 0.00% | - |
| Jubilant Infrastructure Limited | 50,000 | 0.33% | 50,000 | 0.33% | - |
| Vam Hoildings Limited | 284,070 | 1.89% | 284,070 | 1.89% | - |
| HSSS Investment Holding Private Limited | 7,164,048 | 47.55% | 7,164,048 | 47.66% | -0.11% |
| KBHB Investment Holding Private Limited | 1,736,415 | 11.52% | 1,736,415 | 11.55% | -0.03% |
| SSBPB Investment Holding Private Limited | 1,651,879 | 10.96% | 1,651,879 | 10.99% | -0.03% |
| Jubilant Consumer Private Limited | 278,522 | 1.85% | 278,522 | 1.85% | - |

| | As at 31 March 2022 | | As at 31 March 2021 | | % Change during the year |
|---|---|---|---|---|---|
| | No. of shares | % held | No. of shares | % held | |
| Kavita Bhartia | 613 | 0.00% | 613 | 0.00% | - |
| Hari Shankar Bhartia | 20,873 | 0.14% | 20,873 | 0.14% | - |
| Priyavrat Bhartia | 253 | 0.00% | 253 | 0.00% | - |
| Shamit Bhartia | 6,561 | 0.04% | 6,561 | 0.04% | - |
| Aasthi Bhartia | 99 | 0.00% | 99 | 0.00% | - |
| Arjun Shanker Bhartia | 99 | 0.00% | 99 | 0.00% | - |
| Shyam Sunder Bharia | 72,825 | 0.48% | 72,825 | 0.48% | - |
| Jaytee Private Limited | 380 | 0.00% | 380 | 0.00% | - |
| Jubilant Infrastructure Limited | 50,000 | 0.33% | 50,000 | 0.33% | - |
| Vam Hoildings Limited | 284,070 | 1.89% | 284,070 | 1.89% | - |
| HSSS Investment Holding Private Limited | 7,164,048 | 47.55% | 7,164,048 | 47.55% | - |
| KBHB Investment Holding Private Limited | 1,736,415 | 11.52% | 1,736,415 | 11.52% | - |
| SSBPB Investment Holding Private Limited | 1,651,879 | 10.96% | 1,651,879 | 10.96% | - |
| Jubilant Consumer Private Limited | 278,522 | 1.85% | 278,522 | 1.85% | - |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2023

(₹ in million)

| | | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|---|
| **14(a).** | **Other equity** | | |
| | Security premium | 1,225.42 | 1,221.71 |
| | General reserve | 238.64 | 236.74 |
| | Share based expense reserve | 22.72 | 10.95 |
| | Retained earnings | 400.34 | (221.06) |
| | **Items of other comprehensive income:** | | |
| | Equity instruments through OCI | 0.30 | 0.30 |
| | Re-measurement of defined benefit plans | (4.51) | (4.84) |
| | Cash hedge reserve | (0.19) | - |
| | Foreign currency translation reserve | 0.20 | 3.10 |
| | **Total other equity** | **1,882.92** | **1,246.90** |

(₹ in million)

| | | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|---|
| **15(a).** | **Non-current borrowings** | | |
| | **Term loans from banks** | | |
| | Indian rupee loans (secured) | 371.60 | 974.99 |
| | Less: Current maturities of non-current borrowings | 135.45 | 424.69 |
| | **Total non-current borrowings** | **236.15** | **550.30** |
| | | | |
| **15(b).** | **Lease liabilities** | | |
| | Non-current portion of lease liabilities | 193.99 | 33.64 |
| | **Total non-current lease liabilities** | **193.99** | **33.64** |
| | | | |
| **15(c).** | **Current borrowings** | | |
| | **From banks (Secured):** | | |
| | Cash credit and working capital loans | 1,075.98 | 483.98 |
| | Current maturities of non-current borrowings | 135.45 | 424.69 |
| | Foreign currency term loan | 224.92 | - |
| | **From othres (Unsecured):** | | |
| | MSME Treds bowwowings | 24.75 | - |
| | **Total current borrowings** | **1,461.10** | **908.67** |
| | | | |
| **15(d).** | **Lease liabilities** | | |
| | Current portion of lease liabilities | 26.76 | 19.88 |
| | **Total current lease liabilities** | **26.76** | **19.88** |

**15.1 Nature of security of non-current borrowings and other terms of repayment**

15.1.1 Term loan I availed from Ratnakar Bank Limited amounting to ₹ Nil (Previous Year: ₹ 114.75 million) including current maturities of ₹ Nil (Previous Year: ₹ 115.00 million) is secured by first pari passu charge on all fixed assets (both present and future) of the wholly owned subsidiary namely, Jubilant Agri and Consumer Products Limited and the parent company and unconditional and irrevocable corporate guarantee of the parent company.

15.1.2 Term loan II availed from Ratnakar Bank Limited amounting to ₹ Nil (Previous Year: ₹ 464.69 million) including current maturities of ₹ Nil (Previous Year: ₹ 243.75 million) is secured by first pari passu charge on all fixed assets (both present and future) of the wholly owned subsidiary namely, Jubilant Agri and Consumer Products Limited and the parent company and unconditional and irrevocable corporate guarantee of the parent company.

15.1.3 Term loan III availed from Ratnakar Bank Limited amounting to ₹ 197.82 million (Previous Year: ₹ 263.75 million) including current maturities of ₹ 65.94 million (Previous Year: ₹ 65.94 million) is secured by first pari passu charge on all fixed assets (both present and future) of the wholly owned subsidiary namely, Jubilant Agri and Consumer Products Limited.

15.1.4 Term loan IV availed from Ratnakar Bank Limited amounting to ₹ Nil (Previous Year: ₹ 131.80 million) including current maturities of ₹ Nil (Previous Year: ₹ Nil) is secured by first pari passu charge on all fixed assets (both present and future) of the wholly owned subsidiary namely, Jubilant Agri and Consumer Products Limited.

15.1.5 Term loan V availed from HDFC Bank Limited amounting to ₹ 83.33 million (Previous Year: ₹ Nil) including current maturities of ₹ 33.33 million (Previous Year: ₹ Nil) is secured by first pari passu charge on all movable fixed assets (both present and future) of the wholly owned subsidiary namely, Jubilant Agri and Consumer Products Limited.

15.1.6 Term loan VI availed from HDFC Bank Limited amounting to ₹ 90.45 million (Previous Year: ₹ Nil) including current maturities of ₹ 36.18 million (Previous Year: ₹ Nil) is secured by first pari passu charge on all movable fixed assets (both present and future) of the wholly owned subsidiary namely, Jubilant Agri and Consumer Products Limited.

15.1.7 Term loan I availed from Ratnakar Bank Limited is fully repaid during the current year.

15.1.8 Term loan II availed from Ratnakar Bank Limited is fully repaid during the current year and balance of ₹ 22.50 million is converted in to foreign currency term loan.

15.1.9 Term loan III availed from Ratnakar Bank Limited is repayable in remining thirty six equal monthly installments, payable up to March 2026.

15.1.10 Term loan IV availed from Ratnakar Bank Limited is fully repaid during the current year.

15.1.11 Term loan V availed from HDFC Bank Limited is repayable in remining ten equal quarterly installments, payable up to September 2025.

15.1.12 Term loan VI availed from HDFC Bank Limited is repayable in remining ten equal quarterly installments, payable up to September 2025.

**15.2 Nature of security of current borrowings and other terms of repayment**

15.2.1 Working capital facilities (including cash credit) sanctioned by Consortium of banks are secured by a first pari passu charge by way of hypothecation, of the entire book debts, inventories and current assets both present and future of the wholly owned subsidiary namely, Jubilant Agri and Consumer Products Limited wherever the same may be held and unconditional and irrevocable corporate guarantee of the parent company in favour of bankers. Short term borrowings from banks are availed in Indian rupees and in foreign currency.

15.2.2 Short term loan availed in foreign currency from Ratnakar Bank Limited amounting to ₹ 224.92 million (Previous Year: ₹ Nil) is secured by first pari passu charge on all fixed assets (both present and future) of the wholly owned subsidiary namely, Jubilant Agri and Consuemr Products Limited and the parent company and unconditional and irrevocable corporate guarantee of the parent company. Same is repayable in three equal quarterly instalments up to October 2023.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2023

15.2.3 The quarterly returns or statements [Financial Follow-up Report (FFR I)] by the Group for working capital limits with such banks are in agreement with the books of accounts of the Group.

15.2.4 There are no charges or satisfaction yet to be registered with ROC beyond the statutory period.

(₹ in million)

| | As at 31 March 2023 | | As at 31 March 2022 | |
|---|---|---|---|---|
| | Non-current | Current | Non-current | Current |
| **16. Other financial liabilities** | | | | |
| Capital creditors | - | 18.56 | - | 20.59 |
| Employee benefits payable | - | 71.12 | - | 27.87 |
| Security deposit | 67.37 | 2.73 | 54.95 | 4.60 |
| Interest accrued but not due on borrowings | - | 2.16 | - | 0.77 |
| Due to related parties (Refer note 39) | - | - | - | 16.50 |
| Other payables | - | 533.40 | - | 503.22 |
| **Total other financial liabilities** | **67.37** | **627.97** | **54.95** | **573.55** |

(₹ in million)

| | As at 31 March 2023 | | As at 31 March 2022 | |
|---|---|---|---|---|
| | Non-current | Current | Non-current | Current |
| **17. Provisions** | | | | |
| Provisions for employee benefits | 127.51 | 55.64 | 128.26 | 70.90 |
| Other provisions | - | 0.90 | - | 0.17 |
| **Total provisions** | **127.51** | **56.54** | **128.26** | **71.07** |

## 18. Trade payables

(₹ in million)

| As at 31 March 2023: | Not Due | Over due | | | | Total |
|---|---|---|---|---|---|---|
| | | Up to 1 year | 1-2 years | 2-3 years | More than 3 years | |
| **Outstanding dues of micro and samll enterprises** | | | | | | |
| (a) Disputed | - | - | - | - | - | - |
| (b) Undisputed | 127.84 | 53.44 | - | - | - | 181.28 |
| | **127.84** | **53.44** | **-** | **-** | **-** | **181.28** |
| **Outstanding dues other than micro and samll enterprises** | | | | | | |
| (a) Disputed | - | - | - | - | 0.96 | 0.96 |
| (b) Undisputed | 1,416.77 | 142.15 | 1.45 | 0.86 | 2.20 | 1,563.43 |
| | **1,416.77** | **142.15** | **1.45** | **0.86** | **3.16** | **1,564.39** |

(₹ in million)

| As at 31 March 2022: | Not Due | Over due | | | | Total |
|---|---|---|---|---|---|---|
| | | Up to 1 year | 1-2 years | 2-3 years | More than 3 years | |
| **Outstanding dues of micro and samll enterprises** | | | | | | |
| (a) Disputed | - | - | - | - | - | - |
| (b) Undisputed | 159.95 | 5.78 | - | - | - | 165.73 |
| | **159.95** | **5.78** | **-** | **-** | **-** | **165.73** |
| **Outstanding dues other than micro and samll enterprises** | | | | | | |
| (a) Disputed | - | - | - | 0.96 | - | 0.96 |
| (b) Undisputed | 2,408.06 | 156.25 | 3.82 | 5.78 | 3.07 | 2,576.98 |
| | **2,408.06** | **156.25** | **3.82** | **6.74** | **3.07** | **2,577.94** |

(₹ in million)

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| **19. Other current liabilities** | | |
| Advance from customers | 88.16 | 156.37 |
| Statutory dues payables | 113.82 | 74.34 |
| Advance received against sale of fixed assets (Refer note 31 & 39) | - | 116.69 |
| Others | 5.48 | 4.02 |
| **Total other current liabilities** | **207.46** | **351.42** |

(₹ in million)

| | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| **20. Revenue from operations** | | |
| Sale of products | | |
| - Domestic [including ₹ 2,346.59 million (Previous Year: ₹ 2,897.01 million) subsidy on fertilizers] | 11,733.24 | 9,512.36 |
| - Export | 2,972.12 | 2,112.03 |
| Other operating revenue | 23.82 | 33.61 |
| **Total revenue from operations** | **14,729.18** | **11,658.00** |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2023

(₹ in million)

| | | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|---|
| **21.** | **Other income** | | |
| | Interest income [including interest on income tax refund of ₹ 0.19 million (Previous Year: ₹ Nil)] | 6.43 | 0.76 |
| | Insurance claim | 2.47 | - |
| | Net gain on sale/disposal of property, plant and equipment | 0.42 | 0.06 |
| | Gain on termination of lease | 2.02 | - |
| | Rent received | 3.43 | 6.63 |
| | Bad Debts/ irrecoverable advances & receivables written in (net) | 2.59 | - |
| | Other non-operating income | 11.35 | 2.28 |
| | **Total other income** | **28.71** | **9.73** |
| | | | |
| **22.** | **Cost of materials consumed** | | |
| | Raw & process materials consumed | 9,484.55 | 7,227.61 |
| | **Total cost of materials consumed** | **9,484.55** | **7,227.61** |
| | | | |
| **23.** | **Purchases of stock-in-trade** | | |
| | Purchases of stock-in-trade | 280.60 | 249.41 |
| | **Total purchases of stock-in-trade** | **280.60** | **249.41** |
| | | | |
| **24.** | **Changes in inventories of finished goods, stock-in-trade and work-in-progress** | | |
| | **Opening balance** | | |
| | Work-in-progress | 214.89 | 102.71 |
| | Finished goods | 640.55 | 374.32 |
| | Stock-in-trade | 19.96 | 7.51 |
| | **Total opening balance** | **875.40** | **484.54** |
| | **Closing balance** | | |
| | Work-in-progress | 333.70 | 214.89 |
| | Finished goods | 737.67 | 640.55 |
| | Stock-in-trade | 49.08 | 19.96 |
| | **Total closing balance** | **1,120.45** | **875.40** |
| | | | |
| | **Changes in inventories of finished goods, stock-in-trade and work-in-progress** | **(245.05)** | **(390.86)** |
| | Add: Foreign currency translation adjustment | 20.75 | 9.86 |
| | Less: Decrease of finished goods, stock-in-trade and work-in-progress of IMFL business | 2.35 | - |
| | **Changes in inventories of finished goods, stock-in-trade and work-in-progress** | **(226.65)** | **(381.00)** |

(₹ in million)

| | | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|---|
| **25.** | **Employee benefits expense** | | |
| | Salaries, wages, bonus, gratuity and allowances | 953.26 | 870.29 |
| | Contribution to provident and other funds | 41.98 | 37.06 |
| | Employee share based expense | 13.67 | 7.67 |
| | Staff welfare expenses | 55.21 | 47.57 |
| | **Total employee benefits expense** | **1,064.12** | **962.59** |
| | | | |
| **26.** | **Finance costs** | | |
| | Interest expense | 163.71 | 114.88 |
| | Other finance costs | 23.61 | 28.02 |
| | Exchange difference to the extent considered as an adjustment to finance costs | 6.64 | 3.22 |
| | **Total finance costs** | **193.96** | **146.12** |
| | | | |
| **27.** | **Depreciation and amortization expense** | | |
| | Depreciation of property, plant and equipment | 136.10 | 121.70 |
| | Amortization of intangible assets | 5.97 | 5.14 |
| | **Total depreciation and amortization expense** | **142.07** | **126.84** |
| | | | |
| **28.** | **Other expenses** | | |
| | Power and fuel | 325.89 | 299.44 |
| | Stores, spares and packing materials consumed | 744.73 | 628.34 |
| | Job work charges | 2.13 | 0.29 |
| | Repairs and maintenance: | | |
| | Plant and machineries | 92.31 | 149.88 |
| | Buildings | 5.38 | 18.92 |
| | Others | 56.54 | 42.33 |
| | Rent | 25.71 | 17.18 |
| | Rates & taxes | 7.03 | 7.59 |
| | Insurance | 26.34 | 15.50 |
| | Advertisement, publicity & sales promotion | 420.83 | 387.60 |
| | Travelling & other incidental expenses | 121.12 | 70.89 |
| | Vehicle running & maintenance | 2.62 | 2.22 |
| | Printing & stationery | 7.25 | 10.98 |
| | Communication expenses | 8.99 | 6.85 |
| | Staff recruitment & training | 6.40 | 5.45 |
| | Legal, professional and consultancy charges (Refer note 47) | 125.54 | 99.51 |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2023

(₹ in million)

| | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| Directors' sitting fees | 1.63 | 1.13 |
| Bank charges | 19.78 | 5.69 |
| Foreign exchange fluctuation - net | 62.58 | 16.21 |
| CSR expenses [Refer note 46 (ix)] | 7.85 | 2.79 |
| Freight & forwarding | 857.13 | 717.43 |
| Commission on Sales | 22.93 | 16.03 |
| Discounts, claims to customers and other selling expenses | 113.75 | 70.78 |
| Bad Debts/ irrecoverable advances & receivables written off (net) | - | 3.43 |
| Property, plant and equipment written off | 26.55 | - |
| Miscellaneous expenses | 6.16 | 5.51 |
| **Total other expenses** | **3,097.17** | **2,601.97** |

## 29. Income tax

The major components of income tax expense are:

***Profit or loss section***

(₹ in million)

| | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| **Current income tax:** | | |
| Current income tax charge for the year | 25.15 | 4.34 |
| Adjustments in respect of current income tax of previous years | 2.31 | (0.19) |
| | **27.46** | **4.15** |
| **Deferred tax:** | | |
| Deferred tax charge/(credit) | 185.85 | 183.89 |
| | **185.85** | **183.89** |
| **Income tax expense reported in the Consolidated statement of profit and loss** | **213.31** | **188.04** |

***OCI section***

(₹ in million)

| | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| Tax charge/(credit) related to items that will not be reclassified to profit or loss | 0.05 | (0.92) |
| **Income tax charged to OCI** | **0.05** | **(0.92)** |

**Reconciliation between average effective rate and applicable tax rate:**

**(₹ in million)**

| | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| Accounting profit before income tax | 834.71 | 723.90 |
| At India's statutory income tax rate 25.168% (Previous Year: 25.168%) | 218.20 | 199.17 |
| - Effect of non taxable expenses | (0.88) | - |
| - Effect of non taxable income & others | 0.27 | (8.16) |
| - Adjustments of earlier years | 2.31 | (4.99) |
| - Unrecognized deferred tax | (2.00) | 2.70 |
| - Change in statutory tax rate | (4.59) | (0.68) |
| **Income tax expense reported in the Consolidated statement of profit and loss** | **213.31** | **188.04** |

## 30. Composite Scheme of Arrangement

(a) Proposed Composite Scheme of Arrangement (Scheme), approved by the Board on 12 August, 2022 between the following companies:

- HSSS Investment Holding Private Limited (Amalgamating Company-1),
- KBHB Investment Holding Private Limited (Amalgamating Company-2),
- SSBPB Investment Holding Private Limited (Amalgamating Company-3),
- Jubilant Industries Limited (JIL) is the holding company of the Amalgamated company namely, Jubilant Agri and Consumer Products Limited (JACPL), and
- Jubilant Agri and Consumer Products Limited (JACPL) (Amalgamated Company), a wholly owned subsidiary of JIL.

(b) The Companies under Composite Scheme of Arrangement had received NOC (observation letters) from National Stock Exchange of India (NSE) and BSE Limited (BSE) dated 17 February, 2023. Upon receipt of NOCs (observation letters) from NSE and BSE, the Company had filed the application, under section 230 to 232 of the Companies Act, 2013 and Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, before jurisdictional bench of NCLT dated 28 March, 2023 in respect of the Composite Scheme of Arrangement amongst the Companies as mentioned above in note 30 (a).

(c) Pursuant to the Composite Scheme the Amalgamating companies would merge with the Company from the appointed date i.e. July 01, 2022.

Amalgamating companies were forming part of the promoter group of the Company, which holding 10,552,342 equity shares in the Company constituting 70.04% of the Company's paid-up equity share capital. Consequent upon amalgamation of Amalgamating companies with the Company, shareholders of the amalgamating companies, directly will hold shares of the Company in the same proportion as they held through the erstwhile amalgamating companies.

(d) Upon the scheme becoming effective, the authorized share capital of the Company shall automatically stand enhanced by the authorized share capital of the amalgamating companies.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2023

**(e) Assets acquired and liabilities assumed**

**(₹ in million)**

| Particulars | | Amount |
|---|---|---|
| **Assets** | | |
| Cash and cash equivalents | A | 10.68 |
| **Liabilities** | | |
| Other current liabilities | B | 0.16 |
| **Equity** | | |
| General reserve* | C | (38.33) |
| Retained earnings (Balancing figure) | (A-B-C) | 48.85 |

* Retained earnings (accumulated losses) of the amalgamating companies is adjusted with General reserve of the Company.

(f) Pursuant to the scheme, 10,552,342 fully paid up equity shares of the face value of ₹ 10.00 each credited as fully paid up in the share capital of the Company to the members of amalgamating companies in the ratio of their equity shareholding in amalgamating companies. There is no change in the promoter shareholding of the Company, pursuant to the scheme. The promoter continues to hold the same percentage of shares in the Company, pre and immediately post the amalgamation of amalgamating companies.

(g) Pursuant to Part C of the Scheme, upon the effective date and with effect from the appointed date, JIL shall stand amalgamated in Jubilant Agri and Consumer Products Limited (Amalgamated Company), its wholly owned subsidiary. In so far as the amalgamation of JIL into the Amalgamated Company is concerned, upon the effective date, the equity shares of the Amalgamated Company held by JIL shall be automatically cancelled, and simultaneously and concurrent with such cancellation, the Amalgamated Company shall issue and allot equity shares, such that for every 1 (One) fully paid up equity share of ₹ 10/- each of JIL held by the equity shareholders of JIL as on the Record Date, 1 (One) equity Share shall be issued and allotted by the Amalgamated Company. The equity shares issued by the Amalgamated Company, subject to approval/exemption from SEBI, be listed and/or admitted to trading on the stock exchanges where the equity shares of JIL are listed and/or admitted to trading.

(h) The above have been accounted for, in compliance with Ind AS 103 "Business Combination".

**31.** On September 03, 2020, the Board of Directors of the Company authorized transfer its Plant and Machinery and Land and Building to a group company for a consideration based on an independent valuation. The Company entered into an agreement to sell its Plant and Machinery and Land and Building for a consideration of ₹ 133.00 million on securing the requisite approvals. Accordingly, the financial statements have been presented in accordance with the requirements of Ind AS 105 "Non-Current Assets Held for Sale and Discontinued Operations"

Disclosure pursuant to Ind AS-105 "Non-Current Assets Held for Sale and Discontinued Operations" are as under:

**a) Non-current assets held for sale:**

**(₹ in million)**

| Block of assets held for sale | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Land (Freehold) | - | 6.81 |
| Buildings Factory | - | 4.22 |
| Plant & machineries | - | 2.68 |
| **Total** | **-** | **13.71** |

**b) Financial performance related to discontinued operations:**

(₹ in million)

| | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| i) Revenue from operations | 0.09 | - |
| ii) Other income | 125.97 | 0.08 |
| iii) Total revenue (i+ii) | 126.06 | 0.08 |
| iv) Total expenses | 13.42 | 10.37 |
| v) Profit/(Loss) from discontinued operations before tax (iii-iv) | 112.64 | (10.29) |
| vi) Tax expenses | 19.21 | - |
| **vii) Net profit/(loss) from discontinued operations (v-vi)** | **93.43** | **(10.29)** |

**c) Summarised Statement of cash flows of discontinued operations:**

(₹ in million)

| | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| Cash flows from operating activities | (12.43) | (14.47) |
| Cash flows from investing activities | 9.91 | 0.03 |
| Cash flows from financing activities | 4.07 | - |

**32.** The outbreak of Coronavirus (COVID-19) pandemic globally and in India and lockdown has impacted business operation of the Group except fertilisers division, by way of interruption in production, supply chain disruption, unavailability of personnel etc. In assessing the recoverability of Group's assets such as investments, loans, intangible assets, deferred tax assets, trade receivable, inventories etc., the Group has considered internal and external information up to the date of approval of these consolidated financial statements and expects to recover the carrying amount of the assets.

## 33. Employee benefits in respect of the Group have been calculated as under:

### A. Defined Contribution Plans

The Group entities located in India have certain defined contribution plan such as provident fund, employee state insurance, employee pension scheme, employee superannuation fund wherein specified percentage is contributed to them. During the year, the Group has contributed following amounts to:

(₹ in million)

| Particulars | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| Employer's contribution to provident fund* | 24.52 | 9.13 |
| Employer's contribution to employee's pension scheme 1995 | 11.63 | 10.01 |
| Employer's contribution to superannuation fund | 0.91 | 1.06 |
| Employer's contribution to employee state insurance | 0.39 | 0.27 |

* Earlier, for certain employees where provident fund is deposited with government authority e.g. Regional Provident Fund Commissioner (RPFC) and for other employees provident fund is deposited with Trust but effective from January 1, 2022 the Group has surrendered its Trust and transfer to RPFC as permitted under the Employees Provident Fund Act.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2023

The Group entity located in United States of America have a 401(k) Plan, where in the regular, full time and part-time employees are eligible to participate in the defined contribution plan after completion of one month of continuous service. Participants may voluntarily contribute eligible pre-tax and post-tax compensation in 1% increments of up to 90% of their annual compensation in accordance with the annual limits as determined by the Internal Revenue Service. Eligible employees receive a 50% match of their contributions up to 6% of their eligible compensation. Employees above the age of 50 years may choose to contribute " catch-up" contributions in accordance with the Internal Revenue Service limits and are matched the same up to the maximum Group contribution 3% of eligible compensation. The Group's matching contributions vest 100% after three years of service. The Group has contributed ₹ 0.17 million (Previous Year: ₹ 0.16 million) to 401(k) plan for the year.

**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 7.35% p.a. (Previous Year: 7.20% 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 (2012-14) [Previous Year: IALM (2012-14)].

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 Group. 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 7.00% p.a. (Previous Year: 6.00% p.a.).

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

**(₹ in million)**

| Particulars | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| Present value of obligation at the beginning of the year | 104.63 | 96.41 |
| Current service cost | 10.27 | 9.83 |
| Interest cost | 7.53 | 6.56 |
| Actuarial (gain)/loss | (0.13) | 3.90 |
| Benefits paid | (14.61) | (12.07) |
| Present value of obligation at the end of the year | 107.69 | 104.63 |

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

**(₹ in million)**

| Particulars | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Present vale of obligation at the end of the year | 107.69 | 104.63 |
| Fair value of plan assets at the end of the year | 12.54 | 11.40 |
| Net liabilities recognized in the Balance Sheet | 95.15 | 93.23 |

**Fair value of plan assets*:**

(₹ in million)

| Particulars | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Plan assets at the beginning of the year | 11.40 | 10.44 |
| Expected return on plan assets | 0.82 | 0.71 |
| Actuarial gain/(loss) | 0.32 | 0.25 |
| Plan assets at the end of the year | 12.54 | 11.40 |

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

Group's best estimate of contribution during next year is ₹ 19.82 million (Previous Year: ₹ 18.80 million).

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

(₹ in million)

| Particulars | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Total service cost | 10.27 | 9.83 |
| Net interest cost | 6.71 | 5.85 |
| **Expenses recognized in the Consolidated Statement of Profit and Loss** | **16.98** | **15.68** |

**Amount recognized in other comprehensive income:**

(₹ in million)

| Particulars | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Actuarial gain/(loss) due to financial assumption change | 0.09 | (3.89) |
| Actuarial gain/(loss) due to experience adjustment | (0.02) | - |
| Actuarial gain/(loss) on plan assets | 0.31 | 0.25 |
| **Amount recognized in the Other Comprehensive Income** | **0.38** | **(3.64)** |

**Sensitivity analysis:**

(₹ in million)

| Particulars | 31 March 2023 | | | |
|---|---|---|---|---|
| **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 | (3.15) | 3.35 | 3.39 | (3.22) |

(₹ in million)

| Particulars | 31 March 2022 | | | |
|---|---|---|---|---|
| **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 | (3.36) | 3.57 | 3.61 | (3.42) |

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 Group makes monthly contributions to provident fund managed by trust for qualifying employees. Under the scheme, the Group is required to contribute a specific percentage of the payroll costs to fund

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2023

the benefits. As per Ind AS 19 on "Employee Benefits", employer established provident fund trusts are treated as defined benefit plans, since the Group 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 Group and ₹ Nil (Previous Year: ₹ Nil) has been charged to Consolidated Statement of Profit and Loss during the year. The Group has surrendered its Trust effective from January 1, 2022 and aggregate funds has been transferred to Regional Provident Fund Commissioner (RPFC).

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

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Discount rate | - | - |
| Guaranteed rate of return | - | - |

The Group has contributed ₹ Nil to provident fund (Previous Year: ₹ 13.23 million) for the year.

**C. Other long term benefits (compensated absences)**

**(₹ in million)**

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Present value of obligation at the end of the year | 44.74 | 45.07 |

## 34. Fair value measurement

**(₹ in million)**

| Particulars | Note | Level of hierarchy | 31 March 2023 | | | 31 March 2022 | | |
|---|---|---|---|---|---|---|---|---|
| | | | FVPL | FVOCI | Amortized Cost | FVPL | FVOCI | Amortized Cost |
| ***Financial assets*** | | | | | | | | |
| Investments in quoted equity instruments | (d) | 1 | - | 0.47 | - | - | 0.47 | - |
| Trade receivables | (a) | | - | - | 2,570.47 | - | - | 1,976.45 |
| Loans | (a, b) | | - | - | 1.89 | - | - | 2.39 |
| Cash and cash equivalents | (a) | | - | - | 44.11 | - | - | 63.76 |
| Other bank balances | (a) | | - | - | 1.50 | - | - | 1.09 |
| Other financial assets | (a, b) | | - | - | 30.12 | - | - | 17.22 |
| **Total financial assets** | | | **-** | **0.47** | **2,648.09** | **-** | **0.47** | **2,060.91** |
| ***Financial liabilities*** | | | | | | | | |
| Non-current borrowings (including other current maturities) | (c) | 3 | - | - | 371.60 | - | - | 974.99 |
| Current borrowings | (a) | | - | - | 1,325.65 | - | - | 483.98 |
| Trade payables | (a) | | - | - | 1,745.67 | - | - | 2,743.67 |
| Other financial liabilities | (a) | | - | - | 916.09 | - | - | 682.02 |
| **Total financial liabilities** | | | **-** | **-** | **4,359.01** | **-** | **-** | **4,884.66** |

**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.

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

**(₹ in million)**

| Particulars | Level | Fair value | |
|---|---|---|---|
| | | 31 March 2023 | 31 March 2022 |
| Borrowings (including other current maturities)* | 3 | 371.60 | 979.30 |
| | | **371.60** | **979.30** |

* 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 2023 and 31 March 2022.

Reconciliation of Level 1 fair value measurement:

**(₹ in million)**

| Particulars | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| Opening balance | 0.47 | 0.48 |
| Additional investments | - | - |
| Loss recognized in other comprehensive income | - | (0.01) |
| Sale of investments | - | - |
| **Closing balance** | **0.47** | **0.47** |

## 35. Financial risk management

***Risk management framework***

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

The Group, 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 Group 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 Group if a customer or counter-party to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers, loans and investments.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2023

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

**Trade receivables and other financial assets**

The Group has established a credit policy under which new customer is analyzed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group'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 Group 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 Group 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 ₹ 14.53 million (Previous Year: ₹ 2.22 million).

Movement in Allowance for expected credit loss is as follows:

**(₹ in million)**

| Particulars | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Balance at the beginning of the year | 39.26 | 35.60 |
| Add: Provided during the year | 0.42 | 5.09 |
| Less: Amount written off | 0.05 | 1.43 |
| Balance at the end of the year | 39.63 | 39.26 |

The ageing of trade receivables as on balance sheet date is given below. The age analysis has been considered from the due date.

**As at 31 March 2023:**

**(₹ in million)**

| Particulars | Not due | Up to 6 months | 6 months to 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
|---|---|---|---|---|---|---|---|
| **Undisputed** | | | | | | | |
| Considered good | 2,412.59 | 143.35 | 14.19 | - | - | - | 2,570.13 |
| Which have significant increase in credit risk | - | - | - | - | - | - | - |
| Credit impaired | - | - | 0.68 | 4.18 | 2.11 | 1.23 | 8.20 |
| **Disputed** | | | | | | | |
| Considered good | - | - | - | - | - | - | - |
| Which have significant increase in credit risk | - | - | - | - | - | - | - |
| Credit impaired | - | 1.02 | 2.86 | 3.47 | 4.21 | 20.21 | 31.77 |
| Total | 2,412.59 | 144.37 | 17.73 | 7.65 | 6.32 | 21.44 | 2,610.10 |
| Less: Allowance for credit impaired balances | - | 1.02 | 3.20 | 7.65 | 6.32 | 21.44 | 39.63 |
| **Total** | **2,412.59** | **143.35** | **14.53** | **-** | **-** | **-** | **2,570.47** |

**As at 31 March 2022:**

**(₹ in million)**

| Particulars | Not due | Up to 6 months | 6 months to 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
|---|---|---|---|---|---|---|---|
| **Undisputed** | | | | | | | |
| Considered good | 1,870.45 | 103.45 | 1.11 | 0.27 | - | - | 1,975.28 |
| Which have significant increase in credit risk | - | - | - | - | - | - | - |
| Credit impaired | - | - | 1.11 | 5.26 | 0.75 | 0.71 | 7.83 |
| **Disputed** | | | | | | | |
| Considered good | - | 0.33 | 0.84 | - | - | - | 1.17 |
| Which have significant increase in credit risk | - | - | - | - | - | - | - |
| Credit impaired | - | - | 0.84 | 3.13 | 4.06 | 23.40 | 31.43 |
| Total | 1,870.45 | 103.78 | 3.90 | 8.66 | 4.81 | 24.11 | 2,015.71 |
| Less: Allowance for credit impaired balances | - | - | 1.95 | 8.39 | 4.81 | 24.11 | 39.26 |
| **Total** | **1,870.45** | **103.78** | **1.95** | **0.27** | **-** | **-** | **1,976.45** |

*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.

***ii. Liquidity risk***

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group'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 Group's reputation.

The Group'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 Parent 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 2023 | Contractual cash flows | | | |
|---|---|---|---|---|
| | Carrying amount | Total | Within 1 year | More than 1 year |
| **Non-derivative financial liabilities** | | | | |
| Borrowings (1) | 1,697.25 | 1,697.25 | 1,461.10 | 236.15 |
| Trade payables | 1,745.67 | 1,745.67 | 1,745.67 | - |
| Other financial liabilities | 916.09 | 916.09 | 916.09 | - |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2023

(₹ in million)

| As at 31 March 2022 | Contractual cash flows | | | |
|---|---|---|---|---|
| | Carrying amount | Total | Within 1 year | More than 1 year |
| **Non-derivative financial liabilities** | | | | |
| Borrowings (1) | 1,458.97 | 1,463.28 | 908.67 | 554.61 |
| Trade payables | 2,743.67 | 2,743.67 | 2,743.67 | - |
| Other financial liabilities | 682.02 | 682.02 | 682.02 | - |

(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 Group'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 fluctuate because of changes in foreign exchange rates. The Group 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 Group's exposure to currency risk as reported to the management of the Group is as follows:

(₹ in million)

| | 31 March 2023 | | 31 March 2022 | |
|---|---|---|---|---|
| | USD | EUR | USD | EUR |
| Trade receivable | 414.36 | 136.17 | 509.84 | 124.76 |
| Trade payables | (597.79) | (10.47) | (1,637.36) | (10.36) |
| **Net exposure** | **(183.43)** | **125.70** | **(1,127.52)** | **114.40** |

***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 2023** | (1.83) | 1.83 |
| USD (1% movement) | | |
| EUR (1% movement) | 1.26 | (1.26) |
| **31 March 2022** | | |
| USD (1% movement) | (11.28) | 11.28 |
| EUR (1% movement) | 1.14 | (1.14) |

**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 Group 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 Group are principally denominated in INR and USD with a mix of fixed and floating rates of interest. The Group has exposure to interest rate risk, arising principally on changes in base lending rate and LIBOR rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings.

***Exposure to interest rate risk***

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

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

**(₹ in million)**

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Fixed-rate borrowings | - | - |
| Floating rate borrowings | 1,697.25 | 1,463.28 |
| **Total borrowings (gross of transaction costs)** | **1,697.25** | **1,463.28** |

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 Group's profit for the year would decrease/increase by ₹ 4.24 million (Previous Year: ₹ 3.66 million). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

## 36. Capital management

**Risk management**

The Group'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 Group monitors capital on the basis of the following gearing ratio:

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

The gearing ratios were as follows:

**(₹ in million)**

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Total borrowings [Refer note 15 (a) & 15 (c)] | 1,697.25 | 1,458.97 |
| Less: Cash and cash equivalents (Refer note 13 (a)] | 44.11 | 63.76 |
| Less: Other bank balances [Refer note 13 (b)] | 1.50 | 1.09 |
| Less: Current investments (Refer note 11) | 0.47 | 0.47 |
| Net debt | 1,651.17 | 1,393.65 |
| Total equity [Refer note 14 & 14 (a)] | 2,033.59 | 1,397.21 |
| **Gearing ratio** | **0.81** | **1.00** |

No Changes were made in the objective, policies or process for managing capital during the years 31 March 2023 and 31 March 2022.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2023

## 37. Changes in financial liabilities arising from financing activities

(₹ in million)

| Particulars | As at 31 March 2022 | Receipt | Repayment | Transaction cost | Others | As at 31 March 2023 |
|---|---|---|---|---|---|---|
| Long term borrowings from banks | 974.99 | 199.50 | (582.20) | 4.31 | (225.00) | 371.60 |
| Long term borrowings from others | - | - | - | - | - | - |
| Short term borrowings from banks | 483.98 | 616.67 | - | - | 225.00 | 1,325.65 |
| Short term borrowings from others | - | 100.00 | (100.00) | - | - | - |
| **Total** | **1,458.97** | **916.17** | **(682.20)** | **4.31** | **-** | **1,697.25** |

(₹ in million)

| Particulars | As at 31 March 2021 | Receipt | Repayment | Transaction cost | Others | As at 31 March 2022 |
|---|---|---|---|---|---|---|
| Long term borrowings from banks | 931.13 | 345.55 | (307.50) | 5.81 | - | 974.99 |
| Long term borrowings from others | 58.20 | - | (58.20) | - | - | - |
| Short term borrowings from banks | 392.26 | 91.72 | - | - | - | 483.98 |
| **Total** | **1,381.59** | **437.27** | **(365.70)** | **5.81** | **-** | **1,458.97** |

## 38. Segment information

**Business Segment**

The CEO and Managing Director of the Parent 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 Group has determined reportable segments by the nature of its products and services, which are as follows:

a. **Performance Polymers & Chemicals:** Adhesives & Wood Finishes, Sulphuric Acid, Food Polymer (Solid PVA) and Latex

b. **Agri Products:** Single Super Phosphate and Agro Chemicals for Crop Products

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group 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 Group 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 Group 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 Group basis.

(₹ in million)

| Particulars | For the year ended 31 March 2023 | | | For the year ended 31 March 2022 | | |
|---|---|---|---|---|---|---|
| | Total segment revenue | Inter-segment revenue | Revenue from external customers | Total segment revenue | Inter-segment revenue | Revenue from external customers |
| **REVENUE** | | | | | | |
| Performance Polymers & Chemicals | 9,660.22 | 351.91 | 9,308.31 | 7,185.93 | 369.96 | 6,815.97 |
| Agri Products | 5,420.96 | - | 5,420.96 | 4,842.03 | - | 4,842.03 |
| Total | 15,081.18 | 351.91 | 14,729.27 | 12,027.96 | 369.96 | 11,658.00 |
| Less: Revenue from discontinued operations | 0.09 | - | 0.09 | - | - | - |
| **Total segment revenue from continuing operations** | **15,081.09** | **351.91** | **14,729.18** | **12,027.96** | **369.96** | **11,658.00** |

(₹ in million)

| Particulars | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| **RESULT** | | |
| Performance Polymers & Chemicals | 827.19 | 413.41 |
| Agri Products | 388.06 | 639.24 |
| **Total Segment** | **1,215.25** | **1,052.65** |
| Un-allocated corporate expenses (net of un-allocable income) | 186.58 | 182.63 |
| Finance costs | 193.96 | 146.12 |
| Result of discontinued operations | 112.64 | (10.29) |
| **Profit/(Loss) before tax from continuing operations** | **722.07** | **734.19** |
| Tax expense | 194.10 | 188.04 |
| **Profit/(Loss) for the year from continuing operations** | **527.97** | **546.15** |

(₹ in million)

| Particulars | Segment Assets | | Segment Liabilities | |
|---|---|---|---|---|
| | As at 31 March 2023 | As at 31 March 2022 | As at 31 March 2023 | As at 31 March 2022 |
| Performance Polymers & Chemicals | 3,603.75 | 3,566.80 | 1,721.00 | 1,902.12 |
| Agri Products | 2,794.11 | 2,738.49 | 1,082.12 | 1,782.46 |
| Discontinued operations | 18.86 | 37.74 | 4.48 | 31.48 |
| **Segment Total** | **6,416.72** | **6,343.03** | **2,807.60** | **3,716.06** |
| Un-allocated corporate assets/ liabilities | 242.95 | 155.14 | 273.83 | 264.43 |
| **Total** | **6,659.67** | **6,498.17** | **3,081.43** | **3,980.49** |
| Deferred tax asset/ liabilities | 152.60 | 338.50 | - | - |
| Borrowings | - | - | 1,697.25 | 1,458.97 |
| **Total assets/ liabilities** | **6,812.27** | **6,836.67** | **4,778.68** | **5,439.46** |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2023

**Other information**

(₹ in million)

| Particulars | Capital Expenditure | | Depreciation/ amortization | |
|---|---|---|---|---|
| | For the year ended 31 March 2023 | For the year ended 31 March 2022 | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
| Performance Polymers & Chemicals | 133.31 | 182.01 | 68.94 | 56.72 |
| Agri Products | 36.57 | 53.26 | 44.94 | 45.65 |
| Un-allocated | 20.55 | 12.65 | 28.23 | 24.51 |
| Total | 190.43 | 247.92 | 142.11 | 126.88 |
| Less: Related to discontinued operations | - | - | 0.04 | 0.04 |
| **Net related to continuing operations** | **190.43** | **247.92** | **142.07** | **126.84** |

## 39. Related party disclosures

### 1. Enterprises in which certain key management personnel are interested

Jubilant Pharmova Limited, Jubilant Ingrevia Limited, Jubilant Life Sciences (USA) Inc., USA, Jubilant Enpro (P) Limited, Jubilant Generics Limited, Jubilant HollisterStier LLC, USA, J Sagar & Associates, HSSS Investment Holding (P) Limited, SSBPB Investment Holding (P) Limited, KBHB Investment Holding (P) Limited.

### 2. Key management personnel (KMP)

Mr. Manu Ahuja [CEO and Managing Director of the Company and CEO and Whole-time Director of Jubilant Agri and Consumer Products Limited (JACPL)], Mr. Umesh Sharma (Chief Financial Officer), Mr. Abhishek Mishra (Company Secretary), Mr. Priyavrat Bhartia (Chairman of the Company and Director of JACPL), Mr. Shamit Bhartia (Director of the Company and JACPL), Ms. Shivpriya Nanda (Director of the Company and JACPL), Mr. Radhey Shyam Sharma (Director of the Company and JACPL),Mr. Ravinder Pal Sharma (Director of the Company and JACPL), Mr. Manish Gupta (Director of Jubilant Industries Inc. USA), Mr. D Scott Mace (Chairman of Jubilant Industries Inc. USA).

### 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 2023** (₹ in million)

| Sr. No. | Particulars | Enterprises in which certain key management personnel are interested | Key management personnel | Others | Total |
|---|---|---|---|---|---|
| 1 | **Sale of goods, utilities and services:** | | | | |
| | Jubilant Ingrevia Limited | 181.93 | - | - | 181.93 |
| | | **181.93** | **-** | **-** | **181.93** |
| 2 | **Sale of fixed assets:** | | | | |
| | Jubilant Ingrevia Limited | 134.71 | - | - | 134.71 |
| | | **134.71** | **-** | **-** | **134.71** |

**31 March 2023** **(₹ in million)**

| Sr. No. | Particulars | Enterprises in which certain key management personnel are interested | Key management personnel | Others | Total |
|---|---|---|---|---|---|
| 3 | **Purchase of goods, utilities and services:** | | | | |
| | Jubilant Pharmova Limited | 33.03 | - | - | 33.03 |
| | Jubilant Ingrevia Limited | 253.23 | - | - | 253.23 |
| | Jubilant Enpro (P) Limited | 0.08 | - | - | 0.08 |
| | | **286.34** | **-** | **-** | **286.34** |
| 4 | **Rent expenses:** | | | | |
| | Jubilant Pharmova Limited | 4.98 | - | - | 4.98 |
| | Jubilant Ingrevia Limited | 5.52 | - | - | 5.52 |
| | | **10.50** | **-** | **-** | **10.50** |
| 5 | **Interest expenses on inter-corporate loan:** | | | | |
| | Jubilant Enpro (P) Limited | 3.14 | - | - | 3.14 |
| | | **3.14** | **-** | **-** | **3.14** |
| 6 | **Transfer out of employee related liabilities on transfer of employees:** | | | | |
| | Jubilant Ingrevia Limited | 0.57 | - | - | 0.57 |
| | Jubilant Bhartia Foundation | - | - | 0.33 | 0.33 |
| | | **0.57** | **-** | **0.33** | **0.90** |
| 7 | **Remuneration (including perquisites):** | | | | |
| | Manu Ahuja (Whole-time Director) | - | 66.17 | - | 66.17 |
| | Umesh Sharma (Chief Financial Officer) | - | 15.00 | - | 15.00 |
| | Abhishek Mishra (Company Secretary) | - | 1.70 | - | 1.70 |
| | | **-** | **82.87** | **-** | **82.87** |
| 8 | **Sitting fees:** | | | | |
| | Shivpriya Nanda (Director) | - | 0.85 | - | 0.85 |
| | Radhey Shyam Sharma (Director) | - | 1.24 | - | 1.24 |
| | Ravinder Pal Sharma (Director) | - | 1.29 | - | 1.29 |
| | | **-** | **3.38** | **-** | **3.38** |
| 9 | **Reimbursement of expenses:** | | | | |
| | Jubilant HollisterStier LLC, USA | 1.23 | - | - | 1.23 |
| | Jubilant Enpro (P) Limited | 2.42 | - | - | 2.42 |
| | | **3.65** | **-** | **-** | **3.65** |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2023

**31 March 2023** **(₹ in million)**

| Sr. No. | Particulars | Enterprises in which certain key management personnel are interested | Key management personnel | Others | Total |
|---|---|---|---|---|---|
| 10 | **Recovery of expenses:** | | | | |
| | Jubilant Pharmova Limited | 0.01 | - | - | 0.01 |
| | Jubilant Ingrevia Limited | 0.01 | - | - | 0.01 |
| | Jubilant Bhartia Foundation | - | - | 0.01 | 0.01 |
| | | **0.02** | **-** | **0.01** | **0.03** |
| 11 | **Contribution towards superannuation fund:** | | | | |
| | Pace Marketing Specialities Limited Officer's Superannuation Scheme Trust | - | - | 0.91 | 0.91 |
| | | **-** | **-** | **0.91** | **0.91** |
| 12 | **CSR expenses** | | | | |
| | Jubilant Bhartia Foundation | - | - | 7.85 | 7.85 |
| | | **-** | **-** | **7.85** | **7.85** |
| 13 | **Inter-corporate loan taken:** | | | | |
| | Jubilant Enpro (P) Limited | 100.00 | - | - | 100.00 |
| | | **100.00** | **-** | **-** | **100.00** |
| 14 | **Repayment of inter-corporate loan taken:** | | | | |
| | Jubilant Enpro (P) Limited | 100.00 | - | - | 100.00 |
| | | **100.00** | **-** | **-** | **100.00** |
| 15 | **Receivable against sale of assets:** | | | | |
| | Jubilant Ingrevia Limited | 10.37 | - | - | 10.37 |
| | | **10.37** | **-** | **-** | **10.37** |
| 16 | **Trade payables:** | | | | |
| | Jubilant Ingrevia Limited | 38.34 | - | - | 38.34 |
| | Jubilant Pharmova Limited | 8.36 | - | - | 8.36 |
| | Jubilant HollisterStier LLC, USA | 9.50 | - | - | 9.50 |
| | Jubilant Life Sciences (USA) Inc. USA | 0.76 | - | - | 0.76 |
| | | **56.96** | **-** | **-** | **56.96** |
| 17 | **Trade receivables:** | | | | |
| | Jubilant Ingrevia Limited | 0.08 | - | - | 0.08 |
| | | **0.08** | **-** | **-** | **0.08** |
| 18 | **Other receivables:** | | | | |
| | Jubilant Ingrevia Limited | 2.35 | - | - | 2.35 |
| | | **2.35** | **-** | **-** | **2.35** |

**31 March 2022** **(₹ in million)**

| Sr. No. | Particulars | Enterprises in which certain key management personnel are interested | Key management personnel | Others | Total |
|---|---|---|---|---|---|
| 1 | **Sale of goods, utilities and services:** | | | | |
| | Jubilant Ingrevia Limited | 118.60 | - | - | 118.60 |
| | | **118.60** | **-** | **-** | **118.60** |
| 2 | **Purchase of goods, utilities and services:** | | | | |
| | Jubilant Pharmova Limited | 24.93 | - | - | 24.93 |
| | Jubilant Generics Limited | 6.05 | - | - | 6.05 |
| | Jubilant Ingrevia Limited | 246.20 | - | - | 246.20 |
| | J Sagar & Associates | 0.15 | - | - | 0.15 |
| | | **277.33** | **-** | **-** | **277.33** |
| 3 | **Rent expenses:** | | | | |
| | Jubilant Pharmova Limited | 9.27 | - | - | 9.27 |
| | Jubilant Ingrevia Limited | 6.03 | - | - | 6.03 |
| | | **15.30** | **-** | **-** | **15.30** |
| 4 | **Interest expenses on inter-corporate loan:** | | | | |
| | Jubilant Enpro (P) Limited | 4.68 | - | - | 4.68 |
| | | **4.68** | **-** | **-** | **4.68** |
| 5 | **Transfer out of employee related liabilities on transfer of employees:** | | | | |
| | Jubilant Ingrevia Limited | 1.17 | - | - | 1.17 |
| | | **1.17** | **-** | **-** | **1.17** |
| 6 | **Remuneration (including perquisites):** | | | | |
| | Manu Ahuja (Whole-time Director) | - | 50.38 | - | 50.38 |
| | Umesh Sharma (Chief Financial Officer) | - | 15.61 | - | 15.61 |
| | Abhishek Mishra (Company Secretary) | - | 1.56 | - | 1.56 |
| | | **-** | **67.55** | **-** | **67.55** |
| 7 | **Sitting fees:** | | | | |
| | Shivpriya Nanda (Director) | - | 0.83 | - | 0.83 |
| | Radhey Shyam Sharma (Director) | - | 0.99 | - | 0.99 |
| | Ravinder Pal Sharma (Director) | - | 1.03 | - | 1.03 |
| | | **-** | **2.85** | **-** | **2.85** |
| 8 | **Reimbursement of expenses:** | | | | |
| | Jubilant Life Sciences (USA) Inc. USA | 0.41 | - | - | 0.41 |
| | Jubilant HollisterStier LLC, USA | 2.12 | - | - | 2.12 |
| | | **2.53** | **-** | **-** | **2.53** |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2023

**31 March 2022** **(₹ in million)**

| Sr. No. | Particulars | Enterprises in which certain key management personnel are interested | Key management personnel | Others | Total |
|---|---|---|---|---|---|
| 9 | **Contribution towards provident fund:** | | | | |
| | VAM Employees Provident Fund Trust | - | - | 36.65 | 36.65 |
| | | **-** | **-** | **36.65** | **36.65** |
| 10 | **Contribution towards superannuation fund:** | | | | |
| | Pace Marketing Specialities Limited Officer's Superannuation Scheme Trust | - | - | 1.06 | 1.06 |
| | | **-** | **-** | **1.06** | **1.06** |
| 11 | **CSR expenses:** | | | | |
| | Jubilant Bhartia Foundation | - | - | 2.79 | 2.79 |
| | | **-** | **-** | **2.79** | **2.79** |
| 12 | **Repayment of inter-corporate loan taken:** | | | | |
| | Jubilant Enpro (P) Limited | 58.20 | - | - | 58.20 |
| | | **58.20** | **-** | **-** | **58.20** |
| 13 | **Outstanding against Advance received for sale of assets** | | | | |
| | Jubilant Ingrevia Limited | 116.69 | - | - | 116.69 |
| | | **116.69** | **-** | **-** | **116.69** |
| 14 | **Trade payables:** | | | | |
| | Jubilant Ingrevia Limited | 44.92 | - | - | 44.92 |
| | Jubilant HollisterStier LLC, USA | 7.94 | - | - | 7.94 |
| | Jubilant Life Sciences (USA) Inc. USA | 0.42 | - | - | 0.42 |
| | | **53.28** | **-** | **-** | **53.28** |
| 15 | **Other payables:** | | | | |
| | Jubilant Pharmova Limited | 18.14 | - | - | 18.14 |
| | Jubilant Generics Limited | 5.47 | - | - | 5.47 |
| | | **23.61** | **-** | **-** | **23.61** |
| 16 | **Trade receivables:** | | | | |
| | Jubilant Ingrevia Limited | 0.74 | - | - | 0.74 |
| | | **0.74** | **-** | **-** | **0.74** |
| 17 | **Other receivables:** | | | | |
| | Jubilant Ingrevia Limited | 7.10 | - | - | 7.10 |
| | | **7.10** | **-** | **-** | **7.10** |

Note: Transactions are shown inclusive of GST, wherever applicable.

## 40. Ratio

| Sr. No. | Particulars | For the year ended 31 March 2023 | For the year ended 31 March 2022 | Change | Reason for change |
|---|---|---|---|---|---|
| a) | Current Ratio (number of times) | 1.17 | 1.05 | 11.43% | - |
| | [Current assets (excluding assets held for sale) / Current Liabilities (excluding liabilities related to assets held for sale] | | | | |
| b) | Debt - Equity Ratio (number of times) | 0.83 | 1.04 | -20.07% | - |
| | [Total Debt(i)/Shareholders' Equity(ii)] | | | | |
| c) | Debt Service Coverage Ratio (number of times) | 1.11 | 2.12 | -47.53% | Due to increase in repayments of borrowings |
| | [Earnings available for debt service(iii)/Debt service(iv)] | | | | |
| d) | Return on Equity (number of times) | 0.31 | 0.49 | 36.67% | Due to increase in shareholders' equity |
| | [Net ptofit after tax/Average shareholders' equity] | | | | |
| e) | Inventory Turnover Ratio (number of times) | 4.54 | 4.38 | 3.75% | - |
| | [Raw material consumed(v)/Average inventory(vi)] | | | | |
| f) | Trade Receivables Turnover Ratio (number of times) | 6.48 | 7.69 | -15.78% | - |
| | [Revenue from operations/Average trade receivables) | | | | |
| g) | Trade Payables Turnover Ratio (number of times) | 4.35 | 3.86 | 12.80% | - |
| | [Cost of materials consumed(vii)/ Average trade payables) | | | | |
| h) | Net Capital Turnover Ratio (number of times) | 20.66 | 48.49 | 57.39% | Due to increase in trade receivables and decrease in trade payables |
| | [Revenue from operations/Working capital) | | | | |
| i) | Net Profit Ratio (%) | 0.04 | 0.05 | 23.49% | - |
| | [Net ptofit after tax/Revenue from operations] | | | | |
| j) | Return on Capital Employed (number of times) | 0.26 | 0.35 | -26.78% | Due to increase in capital employed |
| | [Profit before interest and tax/Capital employed(viii)] | | | | |
| k) | Return on Investments (number of times) | - | - | - | Group carry a nominal amount of investment |
| | [Net profit after tax/Average investments) | | | | |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2023

**Notes:**

i Total debts includes non-current and current borrowings.

ii Equity = Equity share capital + Other equity.

iii Earning available for debt service = Net profit after taxes + Depreciation and amortization + Interest + Employee share-based payment expenses + adjustment of profit/(loss) on sale of property, plant & equipment and property, plant & equipment written off.

iv Debt Service = Interest + Lease payments + Principal repayment of non-current borrowings.

v Raw material consumed includes Cost of material consumed, Purchase of stock-in-trade and changes in inventories of finished goods. Stock-in-trade and work-in-progress.

vi Inventory includes Raw materials (including goods-in-transit), Work-in-progress, Finished goods, Stock-in-trade, Stores and spares (including goods-in-transit), Fuel and packing materials.

vii Includes Cost of material consumed and Purchase of stock-in-trade.

viii Capital employed includes Shareholders' Equity, non-current borrowings, current borrowings and adjustment of Deferred Tax Assets.

## 41. Contingent Liabilities to the extent not provided for

**A) Guarantees:**

Outstanding guarantees furnished by banks on behalf of the Group/by the Group including in respect of letters of credit is ₹ 877.69 million (Previous Year: ₹ 580.07 million).

**B) Claims against Group not acknowledged as debt:**

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

**(₹ in million)**

i)

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Sales tax | 1.75 | 16.98 |
| Service tax | 1.18 | 1.18 |
| GST | 0.23 | 0.39 |
| Others | 77.76 | 73.35 |

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

iii) Another suit (OS No. 5561/2014) is pending before the City Civil Court, Bangalore and has been filed against the Jubilant Agri and Consumer Products Limited (JACPL), a wholly owned subsidiary of 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 between the parties. JACPL has filed detailed objections to the plaint and has explained the reasons as to why it terminated the lease arrangement. The matter is pending in trial and the JACPL is reasonably confident of its chances of success in this matter. This relates to Retail business which has been sold out.

## 42. Commitments as at year end

### a) Capital Commitments:

Estimated amount of contracts remaining to be executed on capital account (net of advances) ₹ 54.68 million (Previous Year: ₹ 11.67 million) [Advances ₹ 8.03 million (Previous Year: ₹ 2.80 million)].

### b) Other commitments

Export obligation under Advance License Scheme on duty free import of raw materials, remaining outstanding ₹ 1,161.13 million (Previous Year: ₹ 1,212.04 million)

## 43. Leases

(₹ in million)

| Particulars | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| Lease liabilities at the beginning of the year | 53.52 | 66.97 |
| Add: Additions during the year | 209.00 | 10.62 |
| Add/(Less): Adjustments on account of extension/termination during the year | (19.25) | (1.50) |
| Less: Payments on account of lease liabilities during the year | 22.52 | 22.57 |
| Lease liabilities at the end of the year | **220.75** | **53.52** |

**Carrying value of assets**

(₹ in million)

| Particulars | For the year ended 31 March 2023 | | For the year ended 31 March 2022 | |
|---|---|---|---|---|
| | Land & Buildings | Others | Land & Buildings | Others |
| Balance at the beginning of the year | 41.89 | 6.90 | 52.02 | 9.34 |
| Add: Additions during the year | 191.40 | 17.60 | 9.60 | 1.02 |
| Add/(Less): Adjustments on account of extension/termination | (13.82) | (3.41) | (1.50) | - |
| Less: Amortization during the year | 25.65 | 4.06 | 18.23 | 3.46 |
| Balance at the end of the year | **193.82** | **17.03** | **41.89** | **6.90** |

**Maturity analysis of lease liabilities**

(₹ in million)

| Maturity analysis- contractual undiscounted cash flows | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Less than one year | 43.73 | 24.39 |
| One to five years | 133.89 | 25.39 |
| More than five years | 263.99 | 146.00 |
| **Total undiscounted lease liabilities** | **441.61** | **195.78** |
| Current lease liabilities | 26.76 | 19.88 |
| Non-current lease liabilities | 193.99 | 33.64 |

**Amount recognized in Statement of profit and loss**

(₹ in million)

| Particulars | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| Interest on lease liabilities | 15.60 | 6.37 |
| Expenses related to short-term leases | 25.71 | 17.18 |
| Gain on termination of lease | 2.02 | - |
| Amortization of right of use assets | 29.71 | 21.69 |

**Amount recognized in statement of cash flows**

(₹ in million)

| Particulars | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| Total cash outflows for leases | 38.12 | 28.94 |

## 44. Employee Stock Option Scheme

The Company has two Employee Stock Option Scheme namely,

- JIL Employee Stock Option Scheme 2013 ("Scheme 2013")

- JIL Employee Stock Option Scheme 2018 ("Scheme 2018")

**Scheme 2013:**

Parent Company constituted "JIL Employees Stock Option Scheme 2013 (Scheme 2013)" for employees of the Company, its subsidiaries and holding companies. Under the Scheme 2013, up to 5,90,000 stock options can be issued to eligible employees of the Company/subsidiaries/holding companies. The options are to be granted at the price as determined by the Nomination, Remuneration and Compensation Committee (Committee), in accordance with the applicable laws.

Each option, upon vesting, shall entitle the holder to subscribe 1 (one) fully paid equity share of ₹ 10 of the Company. 20% of the options shall vest on first anniversary of the grant date, subsequent 30% shall vest on second anniversary and balance 50% of the options shall vest on the third anniversary of the grant date or as may be decided by the Committee from time to time, subject to compliance with the appicable laws.

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

The movement in the stock option under the "Scheme 2013" during the year is set out below:

| Particulars | For the year ended 31 March 2023 | | For the year ended 31 March 2022 | |
|---|---|---|---|---|
| | Number of Options | Weighted Average Exercise Price (₹) | Number of Options | Weighted Average Exercise Price (₹) |
| Options outstanding at the beginning of the year | 103,374 | 147.56 | 90,000 | 121.93 |
| Granted during the year | 30,000 | 393.70 | 13,374 | 320.00 |
| Expired/Lapsed during the year | 2,031 | 320.00 | - | - |
| Options forfeited during the year | - | - | - | - |
| Options exercised during the year | 36,000 | 112.97 | - | - |
| Options outstanding at the end of the year | 95,343 | 234.40 | 103,374 | 147.56 |

**Scheme 2018:**

Parent Company constituted "JIL Employees Stock Option Scheme 2018 (Scheme 2018)" for employees of the Company, its subsidiaries and holding companies. Under the Scheme 2018, up to 5,00,000 stock options can be issued to eligible employees of the Company/subsidiaries/holding companies.The options are to be granted at the price as determined by the Nomination, Remuneration and Compensation Committee (Committee), in accordance with the applicable laws.

Each option, upon vesting, shall entitle the holder to subscribe 1 (one) fully paid equity share of ₹ 10 of the Company. Options shall vest at the end of the third year from the grant date or as may be decided by the Committee from time to time, subject to compliance with the appicable laws.

The Company has constituted a Compensation Committee, comprising of a majority of independent directors. This Committee is fully empowered to administer the Scheme 2018.

The movement in the stock option under the "Scheme 2018" during the year is set out below:

| Particulars | For the year ended 31 March 2023 | | For the year ended 31 March 2022 | |
|---|---|---|---|---|
| | Number of Options | Weighted Average Exercise Price (₹) | Number of Options | Weighted Average Exercise Price (₹) |
| Options outstanding at the beginning of the year | 94,900 | 10.00 | 44,600 | 10.00 |
| Granted during the year | 13,700 | 10.00 | 50,300 | 10.00 |
| Expired/Lapsed during the year | - | - | - | - |
| Options forfeited during the year | - | - | - | - |
| Options exercised during the year | - | - | - | - |
| Options outstanding at the end of the year | 108,600 | 10.00 | 94,900 | 10.00 |

The expenses arising from share-based payment transaction recognized in Consolidated Statement of Profit and Loss as part of employee benefit expense ₹ 13.67 million (Previous Year: ₹ 7.67 million).

**45.** The Group 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 Group 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.

**46. Other Statutory Informations**

(i) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding Benami property.

(ii) The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(iii) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(iv) The Group is not declared as willful defaulter by any bank or financial instution (as defined under the Companies Act, 2013) or consrtium thereof or other lender in accordance with the guidelines on willfull defaulters issued by the Reserve Bank of India.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2023

(v) The Group has not revalued any of its Property, Plant and Equipment during the year.

(vi) There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.

(vii) **Micro, small and medium enterprises**

There are no Micro, Small and Medium Enterprises, to whom the Indian entities 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 Group.

**(₹ in million)**

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| The principal amount remaining unpaid to any supplier as at the end of the year | 181.28 | 165.73 |
| 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 Group 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 | - | - |

(viii) **Transactions with Struck off Companies**

The transactions with the companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956 are as under:

**For the year/As at March 31 2023:**

**(₹ in million)**

| Name of struck off company | Nature of transactions | Amount of transactions | Balance outstanding | Relationship with struck off company |
|---|---|---|---|---|
| Tube Trading Private Limited | Payable | - | 0.71 | External Vendor |

**For the year/As at March 31 2022:**

**(₹ in million)**

| Name of struck off company | Nature of transactions | Amount of transactions | Balance outstanding | Relationship with struck off company |
|---|---|---|---|---|
| Orion Technologies Private Limited | Payable | - | 0.05 | External Vendor |

(ix) **CSR expenses**

Expenditure related to corporate social responsibility as per section 135 of the Companies Act, 2013, read with Schedule VII, therof is tabulated as under:

**(₹ in million)**

| Description | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Amount required to be spent by the Group during the year | 7.85 | 2.79 |
| Amount of expenditure incurred | 7.85 | 2.79 |
| Shortfall at the end of the year | - | - |
| Total of previous years shortfall | - | - |
| Reason for shortfall | - | - |
| Nature of CSR activities | Healh, Education & Lievlihood | Education & Lievlihood |
| Details of related party transactions* | 7.85 | 2.79 |

* The Group has established a Trust for CSR activities namely, Jubilant Bhartia Foundation and the Group contribute their amounts to the same.

## 47. Auditors remuneration:

**(₹ in million)**

| Particulars | Jubilant Industries Limited | | Jubilant Agri and Consumer Products Limited | |
|---|---|---|---|---|
| | For the year ended 31 March 2023 | For the year ended 31 March 2022 | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
| Audit fee | 0.23 | 0.19 | 0.81 | 0.81 |
| Limited review | 0.19 | 0.17 | 0.83 | 0.82 |
| Other certifications | 0.72 | 0.17 | 0.40 | 0.21 |
| Out of pocket expenses | 0.01 | - | 0.38 | 0.15 |
| **Total** | **1.15** | **0.53** | **2.42** | **1.99** |

## 48. Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary.

| Particulars | Net Assets i.e. Total assets minus total liabilities | | Share in profit or loss | |
|---|---|---|---|---|
| | As % of consolidated net assets | Amount (₹ in million) | As % of consolidated profit or (loss) | Amount (₹ in million) |
| **Parent** | | | | |
| Jubilant Industries Limited | 150.52 | 3,060.98 | 15.04 | 93.46 |
| **Subsidiaries** | | | | |
| Indian | | | | |
| Jubilant Agri and Consumer Products Limited | 99.14 | 2,016.09 | 85.06 | 528.56 |
| **Foreign** | | | | |
| Jubilant Industries Inc. USA | 4.10 | 83.34 | 2.84 | 17.63 |
| Total eliminations | (153.76) | (3,126.82) | (2.93) | (18.25) |
| **Total** | **100.00** | **2,033.59** | **100.00** | **621.40** |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2023

## 49. Earnings per share (EPS)

| | Particulars | | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|---|---|
| **I** | **Profit computation for basic & diluted earnings per share of ₹ 10/- each** | | | |
| | Net profit/(loss) as per Consolidated Statement of Profit & Loss from continuing operations available for equity shareholders | ₹ in million | 527.97 | 546.15 |
| | Net profit/(loss) as per Consolidated Statement of Profit & Loss from discontinued operations available for equity shareholders | ₹ in million | 93.43 | (10.29) |
| | Net profit/(loss) as per Consolidated Statement of Profit & Loss from continuing and discontinued operations available for equity shareholders | ₹ in million | 621.40 | 535.86 |
| **II** | **Weighted average number of equity shares for earnings per share computation** | | | |
| | (A) For basic earnings per share* | Nos | 15,059,605 | 15,031,101 |
| | (B) For diluted earnings per share: | | | |
| | No of shares for Basic EPS as per II (A) | Nos | 15,059,605 | 15,031,101 |
| | Add: Weighted average outstanding options related to employee stock options | Nos | 149,334 | 170,094 |
| | No of shares for diluted earnings per share | Nos | 15,208,939 | 15,201,195 |
| **III** | **Earnings per equity share of ₹ 10 each from continuing operations:** | | | |
| | Basic | ₹ | 35.06 | 36.33 |
| | Diluted | ₹ | 34.72 | 35.93 |
| | **Earnings per equity share of ₹ 10 each from discontinued operations:** | | | |
| | Basic | ₹ | 6.20 | (0.68) |
| | Diluted | ₹ | 6.14 | (0.68) |
| | **Earnings per equity share of ₹ 10 each from continuing and discontinued operations:** | | | |
| | Basic | ₹ | 41.26 | 35.65 |
| | Diluted | ₹ | 40.86 | 35.25 |

*

| Particulars | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| Number of Shares at the beginning of the year | 15,031,101 | 15,031,101 |
| Add: Current Year: 36,000 Equity shares issued on 16 June 2022 (Previous Year: Nil) | | |
| Current Year: 36000/365*289 (Previous Year: Nil) | 28,504 | - |
| Weighted average number of equity shares | 15,059,605 | 15,031,101 |

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

The accompanying notes "1" to "50" form an integral part of the consolidated financial statements

In terms of our report of even date.

| | | | |
|---|---|---|---|
| **For BGJC & Associates LLP**<br>Chartered Accountants<br>Firm Registration Number : 003304N/N500056 | | For and on behalf of the Board of **Jubilant Industries Limited** | |
| **Pranav Jain**<br>Partner<br>Membership No. 098308 | **Abhishek Kamra**<br>Company Secretary<br>Membership No. A48236 | **Umesh Sharma**<br>Chief Financial Officer | **Priyavrat Bhartia**<br>Chairman<br>DIN: 00020603 |
| Place : New Delhi<br>Date : 25 May, 2023 | Place : Gurugram<br>Date : 25 May, 2023 | | **Manu Ahuja**<br>CEO & Managing Director<br>DIN: 05123127 |

# DETAILS OF SUBSIDIARY COMPANIES

for the year ended 31 March 2023

## Form AOC - I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**STATEMENT CONTAINING SALIENT FEATURES OF FINANCIAL STATEMENT OF SUBSIDIARIES AS PER COMPANIES ACT, 2013**

**SUBSIDIARIES OF THE COMPANY**

**(₹ in million & USD in thousand)**

| | | | | |
|---|---|---|---|---|
| 1) | Sr. No. | 1 | 2 | |
| 2) | Name of the subsidiaries | Jubilant Agri and Consumer Products Limited | Jubilant Industries Inc. USA | |
| 3) | Reporting currency | INR | USD | INR* |
| 4) | Share capital (Equity) | 56.09 | 0.11 | 0.01 |
| 5) | Reserve & surplus (Other Equity) | 1,960.00 | 1014.50 | 83.33 |
| 6) | Total assets | 6,739.54 | 4,055.17 | 333.19 |
| 7) | Total Liabilities | 4,723.45 | 3,040.56 | 249.85 |
| 8) | Investments | 0.47 | - | - |
| 9) | Turnover/Total income | 14,393.88 | 11,875.39 | 1255.28 |
| 10) | Profit/(Loss) before taxation | 714.89 | 316.66 | 25.40 |
| 11) | Provision for taxation | 186.33 | 96.78 | 7.77 |
| 12) | Profit/(Loss) after taxation | 528.56 | 219.88 | 17.63 |
| 13) | Proposed dividend | Nil | Nil | |
| 14) | % of shareholding | 100% | 100% | |

* For the purpose of conversion of accounts, USD in to Indian Currency, following rates have been applied:

| | |
|---|---|
| Average rate for F.Y. 2022-23 | 1 USD = ₹ 80.26 |
| Rate as at 31 March 2023 | 1 USD = ₹ 82.17 |

**Note:** There is no associate companies / joint ventures of the Company.

For and on behalf of the Board of **Jubilant Industries Limited**

**Priyavrat Bhartia**
Chairman
DIN:00020603

**Place: Gurugram**
Date: 25 May, 2023

**Abhishek Kamra**
Company Secretary
Membership No. A48236

**Umesh Sharma**
Chief Financial Officer

**Manu Ahuja**
CEO & Managing Director
DIN: 05123127

## Notes

**Jubilant Industries Limited**

**Registered Office:** Bhartiagram, Gajraula,
Distt. Amroha – 244223, Uttar Pradesh, India

**Corporate Office:** Plot No. 1A, Sector 16A,
Noida – 201301, Uttar Pradesh, India