INDEPENDENT AUDITOR'S REPORT

To the Members of **Jubilant Infrastructure Limited**

Report on the Audit of Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of Jubilant Infrastructure Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and summary of the significant accounting policies and other explanatory information.

Management's Responsibility for Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the state of affairs, profit (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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

We are also responsible to 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 entity's ability to continue as a going concern. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31 March 2018, its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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

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, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

   e) On the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 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, refer to our separate Report in "Annexure B".

   g) 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 Ind AS financial statements - Refer Note 31 to the Ind AS financial statements.

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

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made since they do not pertain to the financial year ended 31 March 2018. However, amounts as appearing in the audited Ind AS financial statements for the period ended 31 March 2017 have been disclosed.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 01248W/W-100022

Pravin Tulsyan
Partner
Membership No. 108044

Place: Noida
Date: 7 May 2018

Annexure A to the Independent Auditor's Report to the members of Jubilant Infrastructure Limited on the Ind AS financial statements for the year ended 31 March 2018

We report that:

(i) (a) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) According to the information and explanations given to us, the fixed assets are physically verified by the management in accordance with a phased programme designed to cover all items of fixed assets over a period of three year, which, in our opinion, is reasonable having regard to the size of the Company and nature of its assets. In accordance with this programme, a portion of fixed assets has been physically verified by the management during the year. As informed to us, no material discrepancies were observed on such verification.

(c) According the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of the immovable properties are held in the name of the Company.

(ii) According to the information and explanations given to us, the inventories, except goods in transit, has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable. Further, as informed, the discrepancies noticed on verification between the physical inventory and the book records were not material and have been properly adjusted in the books of account.

(iii) According to the information and explanations given to us, the Company, during the current year, has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, paragraph 3(iii) (a) of the Order is not applicable.

According to the information and explanations given to us, the Company, during earlier years, had granted unsecured loan to holding Company covered in the register maintained under section 189 of the Act. In respect of the aforesaid loan:

a) The terms and conditions of the grant of such loan are not prejudicial to the Company's interest.

b) The party is regular in repayment of principal and payment of interest, which were payable on demand.

c) There is no amount overdue for more than ninety days.

(iv) According to the information and explanations given to us, in respect of loans, investments and securities made by the Company, the provisions of section 185 and 186 of the Act have been complied with. As informed to us, the Company has not provided any guarantee as specified under section 185 and 186 of the Act.

(v) According to the information and explanations given to us, the Company has not accepted any deposits covered under section 73 to 76 of the Act. Accordingly, paragraph 3(V) of the order is not applicable.

(vi) Accordingly the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 148 (I) of the Act for any of the products manufactured/ services rendered by the Company. Accordingly, para 3 (vi) of the Order is not applicable.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Income tax and any other material statutory dues, to the extent applicable, have generally been regularly deposited with the appropriate authorities during the year. As explained to us, Company did not have any dues on account of provident fund, employees' state insurance, sales tax, service tax, duty of customs, duty of excise, value added tax and cess.

According to the information and explanations given to us, no payable in respect of undisputed statutory dues in respect of Income tax and other material statutory dues, to the extent applicable, were in arrears as at 31 March 2018 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 dues of Sales tax, service tax, duty of custom, duty of excise and value added tax which have not been deposited with appropriate authorities on account of any dispute. According to the information and explanations given to us, dues of income taxes have not been deposited by the Company on account of dispute:

Name of the Statute	**Nature of the Dues**	**Amount involved* (Rs. In thousands)**	**Amount paid under protest (Rs. In thousands)**	**Financial year to which the amount relates**	**Forum where dispute is pending**
Income-tax Act, 1961	Income Tax	47,633*	2,500	2011-12	Commissioner (Appeals)

*amount as indicated in the demand order includes interest.

According to the information and explanations given to us, the Company did not have any loans or borrowings from bankers, financial institutions, government or dues to debenture holders during the year. Accordingly, paragraph 3 (viii) of the Order is not applicable.

(viii) According to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instrument) and any term Loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.

(ix) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

(x) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not paid/ provided for managerial remuneration during the year. Accordingly, paragraph 3 (xi) of the Order is not applicable.

(xi) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xii) According to information and explanations given to us and on the basis of our examination of the records of the Company, all transactions with the related parties are in compliance with section 188 of the Act where applicable and the details have been disclosed in the Ind AS financial statements, as required by the applicable accounting standards.

(xiii) According to information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable.

(xiv) According to information and explanations given to us, the Company has not entered into any non- cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xv) According to information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 01248W/W-100022

Pravin Tulsyan
Partner
Membership No. 108044

Place: Noida
Date: 7 May 2018

Annexure B to the Independent Auditor's Report of even date on the Ind AS financial statements of Jubilant Infrastructure Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

We have audited the internal financial controls with reference to Ind AS financial statements of Jubilant Infrastructure Limited ("the Company") as of 31 March 2018 in conjunction with our audit of the Indian Accounting Standard (Ind AS) financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to Ind AS financial statements 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. 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 with reference to Ind AS financial statements 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, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 with reference to Ind AS financial statements 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 with reference to Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 Ind AS 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 with reference to Ind AS financial statements.

Meaning of Internal Financial Controls with reference to Ind AS financial statements

A Company's internal financial control with reference to Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to Ind AS financial statements 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 authorization of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Ind AS financial statements.

Inherent Limitations of Internal Financial Controls with reference to Ind AS financial statements

Because of the inherent limitations of internal financial controls with reference to Ind AS financial statements, 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 with reference to Ind AS financial statements to future periods are subject to the risk that the internal financial control with reference to Ind AS financial statements 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 with reference to Ind AS financial statements and such internal financial controls with reference to Ind AS financial statements were operating effectively as at 31 March 2018, based on the internal control with reference to Ind AS financial statements 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.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 01248W/W-100022

Pravin Tulsyan
Partner
Membership No. 108044

Place: Noida
Date: 7 May 2018

Jubilant Infrastructure Limited
Balance Sheet as at 31 March 2018

(INR'000)

	Notes	As at 31 March 2018	As at 31 March 2017
ASSETS			
Non-current assets			
Property, plant and equipment	3	1,401,598	1,459,327
Capital work-in-progress	3	17,387	11,073
Intangible assets	3(a)	66,358	67,168
Financial assets			
i. Investments	4	18,934	25,712
ii. Loans	5	99,831	149,743
Deferred tax assets (net)	6	45,721	9,454
Income tax asset (net)	7	2,669	169
Other non-current assets	8	461	998
Total non-current assets		**1,652,959**	**1,723,644**
Current assets			
Inventories	9	34,089	36,435
Financial assets			
i. Trade receivables	10	201,477	101,380
ii. Cash and cash equivalents	11	1,909	3,370
Other current assets	12	8,142	22,314
Total current assets		**245,617**	**163,499**
Total assets		**1,898,576**	**1,887,143**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13(a)	344,840	344,840
Other equity	13(b)	1,136,097	1,130,961
		1,480,937	**1,475,801**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
i. Borrowings	14	1,965	1,476
Provisions	15	18,000	16,738
Other non-current liabilities	16	265,545	282,346
Total non-current liabilities		**285,510**	**300,560**
Current liabilities			
Financial liabilities			
i Trade payables	17	90,392	71,408
ii Other financial liabilities	18	17,867	11,413
Other current liabilities	16	20,419	19,813
Provisions	15	1,746	7,194
Current tax liabilities (net)	7	1,705	954
Total current liabilities		**132,129**	**110,782**
Total liabilities		**417,639**	**411,342**
Total equity and liabilities		**1,898,576**	**1,887,143**

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For B S R & Co. LLP.

Chartered Accountants

ICAI Firm registration number : 101248W/W-100022

For and on behalf of the Board of Directors of **Jubilant Infrastructure Limited**

Pravin Tulsyan
Partner
Membership No: 108044

Rajesh Kumar Srivastava
Whole Time Director
DIN: 02215055

Arun Kumar Sharma
Director
DIN:06991435

Place : Noida
Date : 7 May 2018

Govinda Garg
Company Secretary

Navneet Kumar Agarwal
Chief Financial Officer

Jubilant Infrastructure Limited
Statement of Profit and Loss for the year ended 31 March 2018

(INR'000)

	Notes	For the year ended 31 March 2018	For the year ended 31 March 2017
Revenue from operations	19	763,447	679,820
Other income	20	23,171	36,167
Total income		**786,618**	**715,987**
Expenses			
Employee benefits expense	21	157,953	145,889
Finance costs	22	1,234	737
Depreciation and amortisation expense	23	72,897	74,414
Other expenses	24	407,939	323,814
Total expenses		**640,023**	**544,854**
Profit before tax		**146,595**	**171,133**
Tax expense			
- Current tax	25	30,260	34,912
- MAT credit entitlement		(26,007)	(41,978)
- Deferred tax		(11,591)	17,182
Total tax (credit)/ expense		**(7,338)**	**10,116**
Profit for the year		**153,933**	**161,017**
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		(6,778)	8,565
Re-measurement of post-employment benefit obligations		4,572	(3,576)
Income tax relating to these items		(1,331)	1,238
Other comprehensive income for the year, net of tax		**(3,537)**	**6,227**
Total comprehensive income for the year		**150,396**	**167,244**
Earnings per equity share for profit attributable to equity holders of the Company			
Basic earnings per share of Rs.10 each (in Rupees)	35	4.46	4.67
Diluted earnings per share of Rs.10 each (in Rupees)		4.46	4.67

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For B S R & Co. LLP.
Chartered Accountants
ICAI Firm registration number : 101248W/W-100022

For and on behalf of the Board of Directors of **Jubilant Infrastructure Limited**

Pravin Tulsyan
Partner
Membership No: 108044

Rajesh Kumar Srivastava
Whole Time Director
DIN: 02215055

Arun Kumar Sharma
Director
DIN:06991435

Place : Noida
Date : 7 May 2018

Govinda Garg
Company Secretary

Navneet Kumar Agarwal
Chief Financial Officer

Jubilant Infrastructure Limited
Statement of Changes in Equity for the year ended 31 March 2018

a) Equity share capital

	(INR'000)
Balance as at 01 April 2016	**344,840**
Balance as at 31 March 2017	**344,840**
Balance as at 31 March 2018	**344,840**

(b) Other equity

(INR'000)

	Reserve and Surplus (1)			Other comprehensive income (1)	
	Capital reserve	**Securities premium reserve**	**Retained earnings**	**Equity instruments through OCI**	**Total**
As at 1 April 2016	**1,419**	**952,560**	**204,232**	**13,027**	**1,171,238**
Profit for the year	-	-	161,017	-	**161,017**
Other comprehensive income	-	-	(2,338)	8,565	**6,227**
Total comprehensive income for the year	**-**	**-**	**158,679**	**8,565**	**167,244**
Dividend	-	-	(172,420)	-	**(172,420)**
Tax on dividend	-	-	(35,101)	-	**(35,101)**
As at 31 March 2017	**1,419**	**952,560**	**155,390**	**21,592**	**1,130,961**

(INR'000)

	Reserve & Surplus (1)			Other Comprehensive Income (1)	
	Capital reserve	**Securities premium reserve**	**Retained earnings**	**Equity instruments through OCI**	**Total**
As at 31 March 2017	**1,419**	**952,560**	**155,390**	**21,592**	**1,130,961**
Profit for the year	-	-	153,933	-	**153,933**
Other comprehensive income	-	-	3,241	(6,778)	**(3,537)**
Total comprehensive income for the year	**-**	**-**	**157,174**	**(6,778)**	**150,396**
Dividend	-	-	(120,694)	-	**(120,694)**
Tax on dividend	-	-	(24,570)	-	**(24,570)**
Adjustment on account of refund of previous year Income tax	-	-	4	-	**4**
As at 31 March 2018	**1,419**	**952,560**	**167,304**	**14,814**	**1,136,097**

(1) Refer note 13 (b) for nature and purpose of other equity.

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For B S R & Co. LLP.
Chartered Accountants
ICAI Firm registration number : 101248W/W-100022

For and on behalf of the Board of Directors of **Jubilant Infrastructure Limited**

Pravin Tulsyan
Partner
Membership No: 108044

Rajesh Kumar Srivastava
Whole Time Director
DIN: 02215055

Arun Kumar Sharma
Director
DIN:06991435

Place : Noida
Date : 7 May 2018

Govinda Garg
Company Secretary

Navneet Kumar Agarwal
Chief Financial Officer

Jubilant Infrastructure Limited
Statement of Cash Flows for the year ended 31 March 2018

(INR'000)

	For the year ended 31 March 2018	For the year ended 31 March 2017
A. Cash flow from operating activities		
Net profit before tax	146,595	171,133
Adjustments :		
Depreciation and amortisation expense	72,897	74,414
Loss/ (profit)/ on sale/ disposal of fixed assets (net)	1,110	1,441
Finance costs	1,234	737
Unrealised foreign exchange	(171)	(1,427)
Interest income	(15,532)	(20,834)
Operating cash flow before working capital changes	**206,133**	**225,464**
Increase in trade receivables, other financial assets and other assets	(85,791)	(15,753)
Decrease/(increase) in inventories	2,347	(11,264)
Increase/(decrease) in trade payables, provisions and other liabilities	3,136	(3,448)
Cash generated from operations	**125,825**	**194,999**
Income tax paid (net of refund)	(32,009)	(28,845)
Net cash generated from operating activities	**93,816**	**166,154**
B. Cash flow from investing activities		
Purchase of property, plant and equipment, intangibles/ Capital work-in-progress	(13,859)	(172,496)
Sale of property, plant and equipment	142	689
Loan given to holding company	-	(140,000)
Loan received back from holding company	50,000	185,100
Interest received	15,532	34,170
Net cash generated from/(used in) investing activities	**51,815**	**(92,537)**
C. Cash flow arising from financing activities		
(Repayment) / proceeds from finance lease obligations	(592)	1,057
Dividend paid (including dividend distribution tax)	(145,264)	(207,521)
Finance costs paid	(1,234)	(737)
Net cash used in financing activities	**(147,090)**	**(207,201)**

Jubilant Infrastructure Limited
Statement of Cash Flows for the year ended 31 March 2018

(INR'000)

	For the year ended 31 March 2018	For the year ended 31 March 2017
Net decrease in cash and cash equivalents (A+B+C)	(1,461)	(133,584)
Add: cash and cash equivalents at the beginning of year	3,370	136,954
Cash and cash equivalents at the end of the year (Refer note 11)	1,909	3,370

1. The Cash flow statement has been prepared under indirect method as set out in Ind AS -7 Statement of Cash Flows as notified under section 133 of the Companies Act, 2013.

2. During the year, The Company paid in cash Rs 3,252 (31 March 2017: Rs.2,740 thousand) towards corporate social responsibility (CSR) expenditure (included in donation-refer note 24).

The accompanying notes form an integral part of the financial statements
As per report of even date attached

For **B S R & Co. LLP.**
Chartered Accountants
ICAI Firm registration number : 101248W/W-100022

For and on behalf of the Board of Directors of **Jubilant Infrastructure Limited**

Pravin Tulsyan
Partner
Membership No: 108044

Rajesh Kumar Srivastava
Whole Time Director
DIN: 02215055

Arun Kumar Sharma
Director
DIN:06991435

Place : Noida
Date : 7 May 2018

Govinda Garg
Company Secretary

Navneet Kumar Agarwal
Chief Financial Officer

Note 1: Corporate Information

Jubilant Infrastructure Limited ("the Company") is domiciled in India and incorporated under the provisions of Companies Act, 1956. The Company is a wholly owned subsidiary of Jubilant Life Sciences Limited. The Company is a SEZ Developer to provide infrastructure facilities to the SEZ units.

Note 2: Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. The accounting policies adopted are consistent with those of the previous financial year except for adoption of the following amendment in the Ind AS 7 effective from the current year. The said amendment requires the Company to provide disclosures which will enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. The adoption of the above amendment to the Standard mentioned above does not have any significant impact on the financial position or performance of the Company.

The Company has not early adopted any Standards or amendments that has been issued but is not yet effective.

(a) Basis of preparation

(i) *Statement of compliance*

These Standalone Ind AS Financial Statements ("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.

(ii) *Historical cost convention*

The financial statements have been prepared under historical cost convention on accrual basis, unless otherwise stated.

(iii) Effective 1 April 2015, the Company had transitioned to Ind AS and the transition was carried out in accordance of Ind AS 101 "First time adoption of Indian Accounting Standards". While carrying out transition the Company had elected to certain exemption which are listed as below:

The Company had opted to continue with the carrying value for all of its property, plant and equipment and intangible assets as recognised in the financial statements prepared under Previous GAAP and use the same as deemed cost in the financial statement as at the transition date.

(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

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 startup 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 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) Depreciation and amortization methods, estimated useful lives and residual value

Depreciation is provided on straight line basis on the original cost/ acquisition cost of assets or other amounts substituted for cost of fixed assets as per the useful life specified in Part 'C' of Schedule II of the Act, read with notification dated 29 August 2014 of the Ministry of Corporate Affairs, except for the following classes of fixed assets which are depreciated based on the internal technical assessment of the management as under:

Category of assets	Management estimate of useful life	Useful life as per Schedule II
Motor vehicles	5 years	8 years
Motor vehicles under finance lease	Tenure of lease or 5 years whichever is shorter	8 years
Computer servers and networks	5 years	6 years
Employee perquisite related assets (except end user computers)	5 years, being the period of perquisite scheme	10 years

Leasehold land which qualifies as finance lease is amortised over the lease period on straight line basis.

Software systems are being amortised over a period of five years being their useful life. Rights are amortised over the lease term of contractual agreement with GIDC (Gujarat Industrial Development Corporation) for using water & effluent pipeline network.

Depreciation and amortization on property, plant and equipment and intangible assets added/disposed off during the year has been provided on pro-rata basis with reference to the date of addition/disposal.

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

(iii) Intangible assets

- Intangible assets that are acquired (including implementation of software system) 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 capitalised only when it increases the future economic benefits from the specific asset to which it relates.

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

(d) Non-current assets held for sale

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

(e) Impairment of non-financial assets

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). Each CGU 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 costs 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 recognized 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 recognized 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 recognized.

(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 that the Company commits to purchase or sell 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)
- Debt 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 the asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and contractual terms of the asset give rise on specified 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 into 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.

Debt instrument at FVOCI

A 'debt instrument' is classified as at the FVOCI if the objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and the asset's contractual cash flows represent SPPI.

Debt instruments included within 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 derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified to the Statement of Profit and Loss. Interest earned whilst holding FVTOCI 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

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 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, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

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

Impairment of financial assets

The Company recognizes 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 equal 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.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Company's balance sheet) when:

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

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control 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 derecognition is also recognised in Statement of Profit and Loss.

Derecognition of financial liabilities

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 derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Offsetting

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

(g) Inventories

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

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

Stores and spares	Weighted average method
Goods in transit	Cost of purchase

Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition inclusive of excise duty wherever applicable. Excise duty liability is included in the valuation of closing inventory of finished goods.

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

The comparison of cost and net realisable value is made on an item-by-item basis.

(h) Cash and cash equivalents

Cash and cash equivalent comprise cash at banks and on hand (including imprest) 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 recognized 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 expected future cash flows at a pre-tax rate that reflects 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) Revenue recognition

Revenue from sale of utilities are recognised on delivery of the same to the consumers and no significant uncertainty exists as to its realisation.

Revenue from lease of SEZ Land is recognised on time proportionate method in terms of the lease agreement.

Revenue from development charges is recognised over the period of lease on straight line method and unrecognized revenue (received in advance) is shown as unearned revenue.

(k) 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 recognised in the books of accounts based on actuarial valuation by an independent actuary. The gratuity liability for certain employees of the Company is funded with Life Insurance Corporation of India.

b) Provident fund

Provident fund is deposited with Regional Provident Fund Commissioner. This is treated as defined contribution plan.

Company contribution to the provident fund is charged to Statement of Profit and Loss.

(iii) Other long-term employee benefits:

Compensated absences:

As per the Company's policy, eligible leaves can be accumulated by the employees and carried forward to future periods to either be utilised during the service, or encashed. Encashment can be made during service, on early retirement, on withdrawal of scheme, at resignation and upon death of the 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 recognised in the books of account based on actuarial valuation using projected unit credit method as at Balance Sheet date by an independent actuary. Actuarial losses/gains are recognised in the Statement of Profit and Loss in the year in which they arise.

(iv) Termination benefits:

Termination benefits are recognised as an expense when, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Actuarial valuation

The liability in respect of all defined benefit plans is accrued in the books of account on the basis of actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method, which recognizes each year of service as giving rise to additional unit of employee 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 obligations.

Remeasurement 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 Equity and in the Balance Sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised 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).

(l) Share-Based payment

Certain employees of the Company are in receipt of stock options from Jubilant Life Sciences Limited. The grant date fair value of options granted (net of estimated forfeiture) to employees of the Company is recognized as an employee expense. The expense is recorded for each separately 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 “capital 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 Merton). Forfeitures are estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures materially differ from those estimates.

Corresponding balance of a capital reserve is transferred to general reserve upon expiry of grants or upon exercise of stock options by an employee, as the Company is operating the Employee Stock Option schemes through Jubilant Employees Welfare Trust, which has purchased share from the secondary market.

(m) 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 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.

(n) 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 substantively enacted at the reporting date.

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 or 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 nor taxable profit or loss at the time of the transaction;

– temporary differences related to freehold land and investments 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; and

– taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets 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 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 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 or simultaneously.

For operations carried out in SEZs, deferred tax assets or liabilities, if any, have been established for the tax consequences of those temporary differences between the carrying values of assets and liabilities and their respective tax bases that reverse after the tax holiday ends.

(o) Leases

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

Finance leases

Assets leased by the Company in its capacity as lessee where substantially all the risks and rewards of ownership vest in the Company are classified as finance leases. A finance lease is recognized as an asset and a liability at the commencement of the lease, at the lower of the fair value of the asset and the present value of the minimum lease payments. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability

Operating leases

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

(p) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Board 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 "unallocated revenues/ expenses/ assets/ liabilities", as the case may be.

(q) Foreign currency translation

(i) Functional and presentation currency

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

(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 rates are generally recognised in Statement of Profit and Loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example translation differences on non-monetary assets such as equity investments classified as FVOCI are recognised in other comprehensive income (OCI).

(r) Earnings per share

(i) *Basic earnings per share*

Basic earnings per share is calculated by dividing:

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

(ii) *Diluted earnings per share*

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

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

(s) 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 levels 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 that are not based on observable market data (unobservable inputs).

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 meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far 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.

(t) Critical estimates and judgements

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

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

- Assessment of useful life of property, plant and equipment and intangible asset – Note 2(c)
- Valuation of Inventories – Note 2(g)
- Fair value measurement – Note 2(s)
- Estimation of assets and obligations relating to employee benefits – Note 2(k)
- Recognition and estimation of tax expense including deferred tax– Note 2(n)
- Estimated impairment of financial assets and non-financial assets – Note 2(e) and 2(f)
- Recognition and measurement of contingency : Key assumption about the likelihood and magnitude of an outflow of resources – Note 31
- Lease classification – Note 2(o)

(u) Recent accounting pronouncements

Applicable standards issued but not yet effective

Ind AS 115, Revenue from contracts with customers

MCA vide its notification dated 28 March 2018, notified Ind AS 115, "Revenue from Contracts with Customers". Ind AS 115 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. Ind AS 115 will supersede the current revenue recognition standard Ind AS 18 Revenue, Ind AS 11 Construction Contracts when it becomes effective.

The core principle of Ind AS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

• Step 1: Identify the contract(s) with a customer

• Step 2: Identify the performance obligation in contract

• Step 3: Determine the transaction price

• Step 4: Allocate the transaction price to the performance obligations in the contract

• Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under Ind AS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

The new revenue recognition standard is effective from 1 April 2018. The Company has completed its evaluation of the possible impact of Ind AS 115 and does not expect the impact of the adoption of the new standard to be material.

Appendix B, Foreign currency transactions and advance consideration to Ind AS 21, the effects of changes in foreign exchange rates

MCA vide its notification dated 28 March 2018, notified Appendix B, Foreign currency transactions and advance consideration to Ind AS 21. The amendment clarifies on the accounting of transactions that include the receipt or payment of advance consideration in a foreign currency. The appendix explains that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt. Appendix B is effective from 1 April 2018. The Company is currently evaluating the impact of this amendment.

Jubilant Infrastructure Limited

Notes to the financial statements for the year ended 31 March 2018

Note 3 Property, Plant and equipment and capital work in progress

(INR'000)

Description	Land-Leasehold *	Building factory	Building Other	Plant and equipment	Furniture and fixtures	Vehicles owned	Vehicles leased	Office equipment	Total	Capital work in progress (CWIP)
Gross carrying amount as at 1 April 2016	**222,739**	**36,700**	**271,447**	**871,697**	**5,073**	**1,157**	**1,147**	**9,351**	**1,419,311**	**24,708**
Additions	146,711	-	24,706	3,313	-	2,660	1,499	1,449	180,338	19,992
Deductions/transfers	-	-	-	(1,790)	(518)	-	-	(138)	(2,446)	(33,627)
Gross carrying value as at 31 March 2017	**369,450**	**36,700**	**296,153**	**873,220**	**4,555**	**3,817**	**2,646**	**10,662**	**1,597,203**	**11,073**
Accumulated depreciation as at 1 April 2016	**1,967**	**1,308**	**23,962**	**31,234**	**743**	**572**	**238**	**4,565**	**64,589**	**-**
Depreciation charge for the year	2,832	1,304	27,016	38,353	742	226	476	2,655	73,604	-
Deductions	-	-	-	(110)	(165)	-	-	(42)	(317)	-
Accumulated depreciation as at 31 March 2017	**4,799**	**2,612**	**50,978**	**69,477**	**1,320**	**798**	**714**	**7,178**	**137,876**	**-**
Net carrying Amount as at 31 March 2017	**364,651**	**34,088**	**245,175**	**803,743**	**3,235**	**3,019**	**1,932**	**3,484**	**1,459,327**	**11,073**

Description	Land-Leasehold*	Building factory	Building Other	Plant and equipment	Furniture and fixtures	Vehicles owned	Vehicles leased	Office equipment	Total	Capital work in progress (CWIP)
Gross carrying amount as at 1 April 2017	**369,450**	**36,700**	**296,153**	**873,220**	**4,555**	**3,817**	**2,646**	**10,662**	**1,597,203**	**11,073**
Additions	1,392	-	1,708	9,346	183	-	1,446	1,534	15,609	20,531
Deductions / transfers	-	-	-	(1,286)	-	(186)	-	(337)	(1,809)	(14,217)
Gross carrying value as at 31 March 2018	**370,842**	**36,700**	**297,861**	**881,280**	**4,738**	**3,631**	**4,092**	**11,859**	**1,611,003**	**17,387**
Accumulated depreciation as at 1 April 2017	**4,799**	**2,612**	**50,978**	**69,477**	**1,320**	**798**	**714**	**7,178**	**137,876**	**-**
Depreciation charge for the year	3,590	1,304	26,460	37,849	582	575	661	1,066	72,087	-
Deductions	-	-	-	(204)	-	(166)	-	(188)	(558)	-
Accumulated depreciation as at 31 March 2018	**8,389**	**3,916**	**77,438**	**107,122**	**1,902**	**1,207**	**1,375**	**8,056**	**209,405**	**-**
Net carrying Amount as at 31 March 2018	**362,453**	**32,784**	**220,423**	**774,158**	**2,836**	**2,424**	**2,717**	**3,803**	**14,01,598**	**17,387**

Notes:

(1) Leasehold land includes Nanjangud land amounting INR 42,100 Thousand taken on lease for 10 years. After completion of 10 years of ownership of land, it will transfer to the Company after satisfaction of certain condition.

(2) Land and building owned by the Company has been given as a security against loan taken by the Parent company, Jubilant Life Sciences Limited from banks.

(3) Leasehold land measuring 39.456 acres (31 March 2017: 29.456 acres) has been given to Jubilant Life Sciences Limited on lease for 25 years.

Note 3(a) Intangible assets

(INR'000)

Description	Rights	Software	Total
Gross carrying amount as at 1 April 2016	68,473	317	**68,790**
Gross carrying amount as at 31 March 2017	68,473	317	**68,790**
Accumulated amortisation as at 1 April 2016	738	74	812
Amortisation for the year	736	74	810
Accumulated amortisation as at 31 March 2017	**1,474**	**148**	**1,622**
Net carrying amount as at 31 March 2017	66,999	169	**67,168**

Description	Rights	Software	Total
Gross carrying amount as at 1 April 2017	68,473	317	**68,790**
Gross carrying amount as at 31 March 2018	68,473	317	**68,790**
Accumulated amortisation as at 1 April 2017	1,474	148	1,622
Amortisation for the year	736	74	810
Accumulated amortisation as at 31 March 2018	2,210	222	**2,432**
Net carrying amount as at 31 March 2018	**66,263**	**95**	**66,358**

Note 4: Non-current Investments

(INR'000)

	As at 31 March 2018	As at 31 March 2017
Investments in equity instrument (at fair value through Other comprehensive income)		
Quoted equity shares (fully paid up)		
50,000 (31 March 2017: 50,000) equity shares of Rs.10 each Jubilant Industries Limited	8,460	15,633
Unquoted equity shares (fully paid up)		
917,941 (31 March 2017: 917,941) equity shares of Rs.10 each Forum I Aviation Limited	10,474	10,079
Total FVTOCI investments	**18,934**	**25,712**
Total non-current investments		
Aggregate amount of quoted investments	8,460	15,633
Aggregate market value of quoted investments	8,460	15,633
Aggregate amount of unquoted investments	10,474	10,079
Aggregate amount of impairment in value of investments	-	-

Note 5: Loans

(INR '000)

	As at 31 March 2018	As at 31 March 2017
Unsecured, non-current and considered good		
Security deposits	7,302	7,299
Loan to related parties (refer note 30)	92,400	142,400
Loan to employees	129	44
Total loans	**99,831**	**149,743**

Note 6: Deferred tax

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

Movements in deferred tax assets/ (liability):

(INR'000)

	Provision for Compensated absences and gratuity	Accelerated depreciation for tax purposes	MAT credit entitlement	Other items	Total
As at 31 March 2016	**5,130**	**(127,356)**	**105,324**	**323**	**(16,579)**
Charged/(credited)					
- to statement of profit and loss	1,914	(19,463)	41,978	366	24,795
- to other comprehensive income	1,238	-	-	-	1,238
As at 31 March 2017	**8,282**	**(146,819)**	**147,302**	**689**	**9,454**
Charged/(credited)					
- to statement of profit and loss	(1,201)	12,653	26,007	139	37,598
- to other comprehensive income	(1,331)	-	-	-	(1,331)
As at 31 March 2018	**5,750**	**(134,166)**	**173,309**	**828**	**45,721**

Reflected in the balance sheet as follows:

(INR'000)

	As at 31 March 2018	As at 31 March 2017
Deferred tax assets	179,887	156,273
Deferred tax liabilities:	134,166	146,819
Deferred tax asset/ (liability), net	**45,721**	**9,454**

Reconciliation of deferred tax assets (net):

(INR'000)

	As at 31 March 2018	As at 31 March 2017
Balance at the commencement of the year	9,454	(16,579)
Tax income/(expense) during the period recognised in statement of profit or loss	37,598	24,795
Tax income/(expense) during the period recognised in OCI	(1,331)	1,238
Balance at the end of the year	**45,721**	**9,454**

Note 7: Income tax (assets)/ Liabilities

(INR'000)

	As at 31 March 2018	As at 31 March 2017
Opening Balance	785	(5,280)
Add: Current tax payable for the year	30,260	34,912
Less: Taxes paid	32,009	44,172
Add: Refund received during the year	-	15,325
Closing Balance	**(964)**	**785**

Reflected in the Balance Sheet as follows

(INR'000)

	As at 31 March 2018	As at 31 March2017
Current tax liabilities	1,705	954
Less: Income tax assets	(2,669)	(169)
Current tax liabilities ,net	**(964)**	**785**

The Company offset tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Note 8: Other non-current assets

(INR'000)

	As at 31 March 2018	As at 31 March 2017
Capital advances	-	317
Prepayments	461	681
Total other non-current assets	**461**	**998**

Note 9: Inventories

(INR'000)

	As at 31 March 2018	As at 31 March 2017
Stores and spares (Including goods in transit Rs. 22,258 thousand (31 March 2017: Rs. 11,743 thousand)	34,089	36,435
Total inventories	**34,089**	**36,435**

Note 10: Trade receivables

(INR'000)

	As at 31 March 2018	As at 31 March 2017
Unsecured considered good and current		
Receivables from related parties (refer note 30)	201,477	101,380
Total receivables	**201,477**	**101,380**

Note 11: Cash and cash equivalents

(INR'000)

	As at 31 March 2018	As at 31 March 2017
Balances with banks		
- in current accounts	1,876	3,147
Cash on hand	25	31
Cheques/ draft on hand	8	-
Others		
- Imprest	-	192
Total cash and cash equivalents	**1,909**	**3,370**

Disclosure on Specified Bank Notes

During the previous year, the Company had Specified Bank Notes (SBNs) or other denomination notes as defined in the MCA notification, G.S.R 308(E), dated 31 March 2017. The details of SBNs held and transacted during the period from 8 Nov 2016 to 30 Dec 2016, the denomination-wise SBNs and other notes as per notification are as follows:

(INR000)

Particular	SBNs (1)	Other denomination Notes	Total
Closing cash in hand as on 08.Nov.2016	24	15	39
(+) Permitted receipts	-	114	114
(-) Permitted payments	-	(116)	(116)
(-) Amount deposited in Banks	(24)	-	(24)
Closing cash in hand as on 30.Dec.2016	-	13	13

For the purpose of this clause, ther term "specified bank Notes" has the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O.3407(E), dated 8 Nov 2016

The specified bank notes are no longer in existence. Hence, the Company has not provided the corresponding disclosures for current year as prescribed in Schedule III to the Companies Act, 2013.

Note 12: Other current assets

(INR'000)

	As at 31 March 2018	As at 31 March 2017
Prepayments	1,610	1,791
Recoverable from/balance with government authorities	1,131	15,107
Advance to employee	344	604
Advance for supply of goods and services	253	8
Assets held for sale*	4,804	4,804
Total other current assets	**8,142**	**22,314**

* Represents property, plant and equipments which are not considered for active use and are expected to be sold in due course

Note 13(a): Equity share capital

Equity share capital

(INR'000)

	As at 31 March 2018	As at 31 March 2017
Authorised		
35,000,000 (31 March 2017 :35,000,000) equity shares of Rs. 10 each	350,000	350,000
	350,000	**350,000**
Issued and subscribed		
34,484,000 (31 March 2017 : 34,484,000) equity shares of Rs. 10 each	344,840	344,840
	344,840	**344,840**
Paid up		
34,484,000 (31 March 2017 : 34,484,000) equity shares of Rs.10 each	344,840	344,840
	344,840	**344,840**

Movements in equity share capital

	As at 31 March 2018		As at 31 March 2017	
	Number	**INR"000**	**Number**	**INR"000**
At the commencement and at the end of the year	34,484,000	344,840	344,84,000	344,840

Terms and rights attached to equity shares

The Company has only one class of shares referred to as equity shares having par value of Rs.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.

Details of shares held by holding company/ultimate holding company:

Name of the shareholder	As at 31 March 2018		As at 31 March 2017	
	Number	**% of total shares**	**Number**	**% of total shares**
Jubilant Life Sciences Limited - The Holding Company (including 7 share held by Jubilant Life Sciences Limited jointly with 7 different individuals)	34,484,000	100%	34,484,000	100%

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

Equity shares of `10 each fully paid-up held by	As at 31 March 2018		As at 31 March 2017	
	Number	**% of total shares**	**Number**	**% of total shares**
Jubilant Life Sciences Limited - The holding company	34,484,000	100%	34,484,000	100%

Note 13(b): Nature and purpose of other equity

Capital reserve

Capital reserve represents accumulated capital surplus not available for distribution of dividend. The reserve is expected to remain invested permanently.

Securities premium reserve

Securities premium reserve represents the unutilised accumulated excess of issue price over face value on issue of shares. The amount is utilised in accordance with the provisions of the Companies Act, 2013.

Equity instrument through OCI

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

Note 14: Non-current borrowings

(INR'000)

	As at 31 March 2018	As at 31 March 2017
Long term maturity of finance lease obligations (secured)	2,843	1,989
	2,843	**1,989**
Less: current maturities of financial lease obligation (refer note 19)	(878)	(513)
Non-current borrowings (as per balance sheet)	**1,965**	**1,476**

*Finance lease obligations are secured by hypothecation of specific assets taken under such lease. The same are repayable within five years.

Movement in Borrowings

(INR'000)

	As at 31 March 2018
Opening borrowing	1,989
Add: New borrowings taken for assets on lease	1,446
Less: repayment of borrowings	(592)
Closing borrowings	2,843

Note 15: Provisions

(INR'000)

	As at 31 March 2018		As at 31 March 2017	
	Current	**Non-current**	**Current**	**Non-current**
Provision for employee benefits (refer note 33)	1,746	18,000	7,194	16,738
Total provisions	**1,746**	**18,000**	**7,194**	**16,738**

Note 16: Other liabilities

(INR'000)

	As at 31 March 2018		As at 31 March 2017	
	Current	**Non-current**	**Current**	**Non-current**
Trade deposits and advances	8	-	-	-
Unearned revenue	16,801	265,545	16,801	282,346
Statutory dues payables	3,610	-	3,012	-
Total other current liabilities	**20,419**	**265,545**	**19,813**	**282,346**

Note 17: Trade payables

(INR'000)

	As at 31 March 2017	As at 31 March 2017
Trade payables	90,155	70,892
Trade payables to related parties (note 31)	237	516
Total trade payables	**90,392**	**71,408**

17(a) Micro, Small and Medium Enterprises

There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31 March 2018. 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.

(INR'000)

Particulars	As at 31 March 2018	As at 31 March 2017
The principal amount remaining unpaid to any supplier as at the end of the year	4,623	698
The interest due on principal amount remaining unpaid to any supplier as at the end of the year	-	-
The amount of interest paid by the Company in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED 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	-	-

Note 18: Other financial liabilities

(INR'000)

	As at 31 March 2018	As at 31 March 2017
Current		
Current maturities of finance lease obligations (refer note 15)	878	513
Capital creditors	9,117	2,818
Employee benefits payable	7,872	8,082
Total other current financial liabilities	**17,867**	**11,413**

Note 19: Revenue from operations

(INR'000)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Sale of services (Utility services rendered)	743,898	663,496
Other operating revenue	19,549	16,324
Total revenue from operations	**763,447**	**679,820**

Break up of other operating revenue

(INR'000)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Lease rental income	19,548	16,324
Others	1	-
	19,549	**16,324**

Note 20: Other income

(INR'000)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Interest income	15,532	20,834
Net foreign exchange gain	171	1,427
Other items (including VAT credit allowed in current year Rs. 7,394 thousand (31 March 2017 Rs. 13,895 thousand)	7,468	13,906
Total other income	**23,171**	**36,167**

Note 21: Employee benefits expense

(INR'000)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Salaries, wages, bonus and allowances	135,273	126,507
Contribution to provident and other funds	6,498	6,107
Staff welfare expenses	16,182	13,275
Total employee benefit expense	**157,953**	**145,889**

Note 22: Finance costs

(INR'000)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Interest expenses	1,234	737
Total finance costs	**1,234**	**737**

Note 23: Depreciation and amortisation expense

(INR'000)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Depreciation of property, plant and equipment	72,087	73,604
Amortisation of intangible assets	810	810
Total depreciation and amortisation expense	**72,897**	**74,414**

Note 24: Other expenses

(INR'000)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Power and fuel	36,208	33,967
Consumption of stores and spares	306,385	240,574
Rental charges	547	754
Rates and taxes	4,141	3,111
Insurance	1,065	1,003
Advertisement, publicity and sales promotion	167	240
Travel and conveyance	4,826	4,134
Repairs and maintenance		
Plant and machinery	21,250	13,933
Buildings	1,432	586
Others	12,380	11,381
Vehicle running and maintenance	2,044	1,296
Printing and stationery	1,287	1,134
Telephone and communication charges	1,735	1,220
Staff recruitment and training	3,060	1,210
Donation (Refer note 31)	3,252	2,740
Payments to auditors (refer note 25(a) below)	300	380
Legal and professional fees	5,908	3,911
Loss on sale/disposal/discard of fixed assets (net)	1,110	1,441
Miscellaneous expenses	842	799
Total other expenses	**407,939**	**323,814**

Note:

Corporate social responsibility (CSR) : Expenditure incurred under section 135 of the Companies Act, 2013 on Corporate Social responsibility (CSR) activities is included under donation.

Note 24(a): Details of payments to auditors (including out of pocket expense)

(INR'000)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Payment to auditors		
As auditor:		
Audit fee	300	300
In other capacities		
Certification fees	-	80
Total payments to auditors	**300**	**380**

Note 25: Tax expense

The major components of income tax expense for the year ended 31 March 2018 and 31 March 2017 are:

(INR'000)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Current Income Tax:-		
Current income tax charge for the year	30,260	34,912
Adjustments in respect of current income tax of previous year	-	-
Total current tax expense	**30,260**	**34,912**
Deferred tax		
Deferred tax on profits for the year	(11,591)	17,182
Adjustments in respect of Deferred tax of previous year	-	-
Total deferred tax expense/(benefit)	**(11,591)**	**17,182**
Mat Credit Entitlement		
MAT credit on profits for the year	(26,007)	(28,023)
Adjustments in respect of MAT credit of previous year	-	(13,955)
Total MAT Credit Entitlement	**(26,007)**	**(41,978)**
Income tax (credit)/expense reported in the statement of profit and loss	**(7,338)**	**10,116**
OCI section		
Tax related to items that will not be reclassified to Profit & Loss:	1,331	(1,238)
Income tax charged to OCI	**1,331**	**(1,238)**

Reconciliation between average effective tax rate and applicable tax rate for 31 March 2018 and 31 March 2017:

(INR'000)

Particulars	31 March 2018	31 March 2017
Accounting profit before income tax	**146,595**	**171,133**
At India's statutory income tax rate of 34.608% (31 March 2017: 34.608%)	50,734	59,226
- Effect of non-deductible expenses	1,917	177
- Effect of unrecognized deferred tax due to tax holiday period	3,779	7,328
- Effect of deduction allowed for operator of SEZ	(39,433)	(42,728)
- Unrecognised deferred tax of previous year now recognized	-	(13,954)
- Rate change impact of deferred tax *	(24,045)	-
- Others	(290)	67
Income tax (credit)/expense reported in the statement of profit and loss	**(7,338)**	**10,116**

* Adjustment consequent to change in income tax rate from 30 percent to 25 percent effective 1 April 2018.

Note 26: Fair value measurements

(INR'000)

	Note	Level of hierarchy	31 March 2018			31 March 2017		
			FVPI	FVOCI	Amortised cost	FVPI	FVOCI	Amortised cost
Financial assets								
Investment in equity instruments	(c)	1	-	8,460	-	-	15,633	-
Investment in equity instruments	(c)	3	-	10,474	-	-	10,079	-
Trade receivable	(a)		-	-	201,477	-	-	101,380
Cash and cash equivalents	(a)		-	-	1,909	-	-	3,370
Loans	(d)	3			99,831			149,743
Total financial assets			**-**	**18,934**	**303,217**	**-**	**25,712**	**254,493**
Financial liabilities								
Non-current borrowings	(e)	3	-	-	1,965	-	-	1,476
Trade payable	(a)		-	-	90,392	-	-	71,408
Other financial liabilities	(a)		-	-	17,867	-	-	11,413
Total financial assets			**-**	**-**	**110,224**	**-**	**-**	**84,297**

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 has not been disclosed as there is no significant difference between carrying value and fair value.

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

(d) The fair value of loans given is below:

(INR'000)

	Level	Fair Value	
		31 March 2018	**31 March 2017**
Loans *	3	99,831	149,743
		99,831	**149,743**

*The Fair value of loans is based upon a discounted cash flow analysis that used the aggregate cash flows from principal and finance income over the life of the loan and current market interest rates.

(e) The fair value of borrowing given is below:

(INR'000)

	Level	Fair Value	
		31 March 2018	**31 March 2017**
Borrowing *	3	1,965	1,476
		1,965	**1,476**

*The Fair value of borrowing is based upon a discounted cash flow analysis that used the aggregate cash flows from principal and finance cost over the life of the loan and current market interest rates.

There are no transfers between level 1, Level 2 and Level 3 during the year ended 31 March 2018 and 31 March 2017.

Reconciliation of Level III fair value measurement:

(INR'000)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Opening balance	**10,079**	9,547
Gain/loss recognized in other comprehensive income	395	532
Closing balance	**10,474**	**10,079**

Note 27: Financial risk management

A. 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 risk management framework is intended to ensure that risks are taken care with due diligence.

The Company, through three layers of defense namely policies and procedures, review mechanism and assurance aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations. The Board oversee the formulation and implementation of the Risk management policies. The risks are indentified, and mitigation plans are identified, deliberated and reviewed at appropriate forum.

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

- credit risk;
- liquidity risk; and
- market risk.

i. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, loans and investment. The carrying amount of financial assets represents the maximum credit exposure.

Trade receivable and other financial assets

The Company has established a credit policy under which each 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 a 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:

The Company 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 month (net of expected credit loss allowance), is Rs. Nil (31 March 2017: Rs. Nil)

Expected credit loss on financial assets other than trade receivables:

With regards to all financial assets with contractual cash flows other than trade receivable, 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 credit 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 Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company's treasury department is responsible for managing the short term and long term liquidity requirements. Short term liquidity situation is reviewed daily by Treasury. Longer term liquidity position is reviewed on a regular basis by the 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 respective date, the amount are gross and credit covered, and include contractual indent payment and exclude the impact of netting adjustments.

(INR'000)

		Contractual Cash flows		
31 March 2018	**Carrying Amount**	**Total**	**Within 1 year**	**More than 1 year**
Non-derivative financial liabilities				
Trade payables	90,392	90,392	90,392	-
Borrowing	1,965	1,965	-	1,965
Other financial liabilities	17,867	17,867	17,867	-

		Contractual Cash flows		
31 March 2017	**Carrying Amount**	**Total**	**Within 1 year**	**More than 1 year**
Non-derivative financial liabilities				
Trade payables	71,408	71,408	71,408	-
Borrowing	1,476	1,476	-	1,476
Other financial liabilities	11,413	11,413	11,413	-

iii. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters.

Currency risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated. The currencies in which these transactions are primarily denominated are USD.

Exposure to currency risk

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

(INR'000)

	31 March 2018		31 March 2017	
	USD	**Other**	**USD**	**Other**
Trade payables	36,287	-	34,847	-
Net statement of financial position exposure	**36.287**	**-**	**34,847**	**-**

Sensitivity analysis

A reasonably possible strengthening (weakening) of the US dollar against all other currencies at 31 March would have affected the measurement of financial instruments denominated in a foreign currency and affected 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.

(INR'000)

	Profit or loss (before tax)	
	Strengthening	**Weakening**
31 March 2018		
USD (1% movement)	**(363)**	**363**
31 March 2017		
USD (1% movement)	**(349)**	**349**

Interest rate risk

The Company has not borrowed any loan other than vehicle finance lease so there is no interest rate risk.

Note 28: Capital management

(a) Risk management

The Company objectives when managing capital are to

- safeguard 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 (excluding finance lease)net of cash and cash equivalents)
Divided by
Total 'equity' (as shown in the balance sheet).

The Company having nil borrowing as on 31 March 2018 (31 March 2017: Rs Nil)

b) Dividends

(INR'000)

Particulars	31 March 2018	31 March 2017
(i) Equity shares		
Final dividend for the year ended 31 March 2017 of Rs 3.50 (31 March 2016 – Rs. 5) per fully paid equity share	120,694	172,420
(ii) Dividends not recognised at the end of the reporting period		
In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of Rs. Nil per fully paid equity share (31 March 2017: Rs.3.5). This proposed dividend is subject to the approval of shareholders in the annual general meeting.		

Note 29: Segment information

An operating Segment is a component that engaged is business activities of which it may earns revenues and incurs expenses, including revenue and expenses that relate to transaction with any of the other components, as far which discrete financial information is available. This Company considered one business segment i.e. Infrastructure services as the primary reporting segment on the basis that the risk and returns of the Company primarily determined by the nature of products and services. Chief operating decision make of the Company is board, which reviewed the periodic result of the Company.

Segment Reporting- Geographical Segments

The Company earns all revenue from one customer in India and has all non-current assets located in India.

Note 30: Related Party Disclosures

1. Name of the Related Parties

Particulars	31 March 2018	31 March 2017
Holding Company/ultimate holding Company	Jubilant Life Sciences Limited	Jubilant Life Sciences Limited
Key management personnel (KMP)	Mr. Rajesh Kumar Srivastava (w.e.f 01 April 2017)	Mr. Shyamsundar Bang (up to 31 March 2017)
	Mr. N K Agarwal	Mr. N K Agarwal
	Mr. Govinda Garg (w.e.f 10 January 2018)	Mr. Bhupal Singh (up to 19 August 2016)
	Mr. Kartik Subrahanian Iyer (up to 9 January 2018)	Mr. Kartik Subrahanian Iyer (w.e.f 22 August 2016)
Others	Jubilant Industries Ltd	Jubilant Industries Ltd
	Jubilant Bhartia Foundation	Jubilant Bhartia Foundation
	Jubilant Generics Ltd	Jubilant Generics Ltd

Jubilant Infrastructure Limited
Notes to the financial statements for the year ended 31 March 2018

31 March 2018 (INR'000)

Sr.No	Particulars	Holding Company	Key management personnel and relatives	Others	Total
Description of Transactions:					
1.	**Sales of Goods and Services:**				
	Jubilant Life Sciences Limited	727,065	-	-	727,065
		727,065	-	-	**727,065**
2.	**Rental and Other Income:**				
	Jubilant Life Sciences Limited	19,548	-	-	19,548
		19,548	-	-	**19,548**
3.	**Purchase of Goods and Services:**				
	Jubilant Life Sciences Limited	4,001	-	-	4,001
		4,001	-	-	**4,001**
4.	**Recovery of Expenses:**				
	Jubilant Life Sciences Limited	321	-	-	321
		321	-	-	**321**
5.	**Reimbursement of Expenses:**				
	Jubilant Life Sciences Limited	18	-	-	18
		18	-	-	**18**
6.	**Remuneration and Related Expenses:**				
	Mr N.K.Agarwal*	-	6,317	-	6,317
			6,317		**6,317**
7.	**Donation:**				
	Jubilant Bhartia Foundation	-	-	3,252	3,252
		-	-	**3,252**	**3,252**
8.	**Dividned Paid**				
	Jubilant Life Sciences Limited	120,694	-	-	120,694
		120,694	-	-	**120,694**
9.	**Loans Received Back:**				
	Jubilant Life Sciences Limited	50,000	-	-	50,000
		50,000	-	-	**50,000**
10.	**Assets Sale**				
	Jubilant Life Sciences Limited	32	-	-	32
		32	-	-	**32**
11.	**Interest on ICD**				
	Jubilant Life Sciences Limited	10,639	-	-	10,639
		10,639	-	-	**10,639**
12.	**Amount outstanding:**				
	Trade payables:				
	Jubilant Life Sciences Limited	1,840	-	-	1,840
		1,840	-	-	**1,840**
13.	**Loans Recoverable:**				
	Jubilant Life Sciences Limited	92,400	-	-	92,400
		92,400	-	-	**92,400**
14.	**Trade Receivables:**				
	Jubilant Life Sciences Limited	201,477	-	-	201,477
		201,477	-	-	**201,477**

*excludes provision for gratuity and compensated absences, as these are determined on the basis of actuarial valuation for the Company as a whole.

Jubilant Infrastructure Limited
Notes to the financial statements for the year ended 31 March 2018

31 March 2017 (INR'000)

Sr.No	Particulars	Holding Company	Key management personnel and relatives	Others	Total
Description of Transactions:					
1.	**Sales of Goods and Services:**				
	Jubilant Life Sciences Limited	646,681	-	-	646,681
	Jubilant Generics Ltd	-	-	**14**	14
		646,681	-	**14**	**646,695**
2.	**Rental and Other Income:**				
	Jubilant Life Sciences Limited	16,324	-	-	16,324
		16,324	-	-	**16,324**
3.	**Purchase of Goods and Services:**				
	Jubilant Life Sciences Limited	2,793	-	-	2,793
		2,793	-	-	**2,793**
4.	**Recovery of Expenses:**				
	Jubilant Life Sciences Limited	673	-	-	673
		673	-	-	**673**
5.	**Reimbursement of Expenses:**				
	Jubilant Life Sciences Limited	66,379	-		66,379
		66,379	-	-	**66,379**
6.	**Remuneration and Related Expenses:**				
	Mr N.K.Agarwal*	-	5,577	-	5,577
		-	**5,577**	-	**5,577**
7.	**Donation:**				
	Jubilant Bhartia Foundation	-	-	2,740	2,740
					2,740
8.	**Dividned Paid**	172,420	-	-	172,420
	Jubilant Life Sciences Limited				
		172,420	-	-	**172,420**
9.	**Loans Received Back:**				
	Jubilant Life Sciences Limited	185,100	-	-	185,100
		185,100	-	-	**185,100**
10.	**Loan Given**				
	Jubilant Life Sciences Limited	140,000	-	-	140,000
		140,000	-	-	**140,000**
11.	**Land Purchase**				
	Jubilant Life Sciences Limited	146,711	-	-	146,711
		146,711	-	-	**146,711**
12.	**Interest on Loan**				
	Jubilant Life Sciences Limited	19,128			19,128
		19,128			**19,128**
13.	**Amount outstanding:**				
	Trade payables:				
	Jubilant Life Sciences Limited	516	-	-	516
		516	-	-	**516**
14.	**Loans Recoverable:**				
	Jubilant Life Sciences Limited	142,400	-	-	142,400
		142400	-	-	**142400**
15.	**Trade Receivables:**				
	Jubilant Life Sciences Limited	101,380	-	-	101,380
		101,380	-	-	**101,380**

*excludes provision for gratuity and compensated absences, as these are determined on the basis of actuarial valuation for the Company as a whole

Note 31: Contingent liabilities and contingent assets

Contingent liabilities to the extent not provided for:

A. Claims against Company, disputed by the Company, not acknowledged as debt:

(INR'000)

Particular	As at 31 March 2018	As at 31 March 2017
Service tax	273	344
Income tax	47,633	-

B. Other contingent liabilities as at 31 March 2018:

Purchase obligation on account of shortfall in FY 15-16 for procurement of gas from Gail (India) Limited amounting to Rs. 3,178 thousand.

Note 32: Commitments as at year end

a) Capital Commitments:

Estimated amount of contracts remaining to be executed on capital account (Net of advances) is Rs. 164,794 thousand (31 March 2017: Rs. 316 thousand).

b) Leases:

A. As a Lessee

i) As a lessee, the Company's significant operating lease arrangements are in respect of premises (residential.). These leasing arrangements, which are cancellable, range between 11 months and 10 years generally and are usually renewable by mutual agreeable terms. The aggregate lease rentals payable are charged as expenses. Rental payments under such leases are Rs. 547 Thousand (31 March 2017: Rs. 754 Thousand).

ii) Assets acquired under finance lease:

The Company has taken vehicles under finance lease. Future minimum lease payments and their present values under finance leases are as follows:

(INR'000)

Particulars	Minimum lease payments		Present value of minimum lease payments		Future interest	
	As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017
Not later than one year	1,208	742	878	514	330	228
Later than one year but not later than five years	2,319	1,719	1,965	1,476	354	243
Later than five years	-	-	-	-	-	-

There is no element of contingent rent or sub lease payments. The Company has option to purchase the assets at the end of the lease term. There are no restrictions imposed by these lease arrangements regarding dividend, additional debt and further leasing.

B. As a Lessor

As a lessor, the Company has significant operating lease arrangements which are non-cancellable for a fixed period of 25 years. The lease rental income is subject to escalation whereby the Company is entitled to increase the lease rental by 10% of the average lease rental of preceding three years blocked period.

The schedule of future minimum lease rental payments in respect of non-cancellable operating leases is set out below:

(INR'000)

Particulars	Minimum lease payments	
	As at 31 March 2018	As at 31 March 2017
Not later than one year	26,009	16,615
Later than one year but not later than five years	106,008	72,372
Later than five years	560,909	305,652

Rental Income recognised under such leases during the current year are Rs.19,548 thousand (31 March 2017: Rs. 16,324 thousand).

Note 33. Employee Benefits in respect of the Company have been calculated as under:

(A) Defined Contribution Plans

a. Provident Fund

During the year the Company has contributed following amounts to:

(INR'000)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Employers contribution to provident fund	4,029	3,654
Employers contribution to employee's pension scheme 1995	2,035	1,938

(B) Defined Benefit Plans

i. Gratuity

In accordance with Ind AS 19 "Employee Benefits" liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each balance sheet date using the projected unit credit method. The discount rate assumed is 7.70% p.a. (31 March 2017: 7.50 % 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 (31 March 2017: 58 years) and mortality table is as per IALM (2006-08) (31 March 2017: IALM (2006-08)).

The estimates of future salary increases, considered in actuarial valuation is 10% p.a. for first three years and 6% p.a. thereafter (31 March 2017: 10% p.a. for first three years and 6% 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:

(INR'000)

Particulars	31 March 2018	31 March 2017
Present value of obligation at the beginning of the year	14,131	8,524
Current service cost	2,043	2,125
Interest cost	1,060	674
Actuarial (gain)/ loss	(4,572)	3,576
Benefits paid	(640)	(768)
Present value of obligation at the end of the year	12,022	14,131

Reconciliation of the present value of defined benefit obligation:

(INR'000)

Particulars	31 March 2018	31 March 2017
Present value of obligation at the end of the year	12,022	14,131
Net liabilities recognised in the Balance Sheet	12,022	14,131

Expense recognised in the statement of profit and loss under employee benefit expense:

(INR'000)

Particulars	31 March 2018	31 March 2017
Current service cost	2,043	2,125
Interest cost	1,060	674
Net expense recognised in the statement of profit and loss	3,103	2,799

Amount recognised in the statement of other comprehensive income:

(INR'000)

Particulars	31 March 2018	31 March 2017
Actuarial (Gain)/Loss due to Demographic Assumption change	(389)	(40)
Actuarial (Gain)/Loss due to Financial Assumption change	(93)	205
Actuarial (Gain)/Loss due to Experience Adjustment	(4,090)	3,411
Amount recognised in the statement of other comprehensive income	(4,572)	3,576

Company best estimate of contribution during next year is 3,366 Thousand (31 March 2017: 3,176 Thousand)

Sensitivity analysis (INR'000)

Particulars	**31 March 2018**		**31 March 2018**	
Assumptions	**Discount rate**		**Future salary increase**	
Sensitivity level	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Impact on defined benefit	(475)	508	511	(482)

The sensitivity analyses above have been determined based on reasonably possible changes of the respective assumption 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 assumption constant.

(C) Other long term benefits:

(INR'000)

	31 March 2018	**31 March 2017**
Present value of obligation at the end of the year	7,724	9,801

Note 34: Transfer Pricing

The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing regulation under sections 92-92F of the Income-tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company continuously updates its documentation for the domestic transactions entered into with the associated enterprises during the financial year and expects such records to be in existence latest by its due date. The management is of the opinion that its domestic 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.

Note 35: Earnings per share

(INR'000)

		Year ended 31 March 2018	Year ended 31 March 2017
Profit for basic and diluted earnings per share of Rs.10 each		**153,933**	**161,017**
Weighted average number of equity shares used in computing earnings per share			
For basic earnings per share/ diluted earnings per share	Nos	34,484,000	34,484,000
Earnings per share (face value of Rs.10 each)			
Basic (Rs.)	Rupees	4.46	4.67
Diluted (Rs.)	Rupees	4.46	4.67

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For B S R & Co. LLP.

Chartered Accountants

ICAI Firm registration number : 101248W/W-100022

For and on behalf of the Board of Directors of **Jubilant Infrastructure Limited**

Pravin Tulsyan
Partner
Membership No: 108044

Rajesh Kumar Srivastava
Whole Time Director
DIN: 02215055

Arun Kumar Sharma
Director
DIN:06991435

Place : Noida
Date : 7 May 2018

Govinda Garg
Company Secretary

Navneet Kumar Agarwal
Chief Financial Officer