

August 30, 2021

**BSE Limited**  
Floor 25, P. J. Towers  
Dalal Street,  
Mumbai - 400 001

**National Stock Exchange of India Limited**  
Exchange Plaza  
Bandra Kurla Complex  
Bandra (E),  
Mumbai - 400 051

Dear Sirs,

**Sub: Notice of the 43<sup>rd</sup> Annual General Meeting and Annual Report for the Financial Year 2020-21**

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

1. The Forty-Third Annual General Meeting ('AGM') of the Members of Jubilant Pharmova Limited will be held on Wednesday, September 22, 2021 at 11:00 A.M. through Video Conferencing ('VC')/ Other Audio Visual Means ('OAVM') in accordance with the circular dated May 5, 2020 read with circulars dated April 8, 2020, April 13, 2020 and January 13, 2021 issued by the Ministry of Corporate Affairs and circular dated May 12, 2020 read with circular dated January 15, 2021 issued by the Securities and Exchange Board of India.
2. Pursuant to the said Circulars, AGM notice and Annual Report for the Financial Year 2020-21 have been sent to all the members of the Company whose email addresses are registered with the Company / Depository Participant(s).
3. The Company has provided the facility to vote by electronic means (remote e-voting as well as e-voting at the AGM) on all the resolutions set out in the AGM Notice to the members, who are holding shares on the Cut-off date i.e. Wednesday, September 15, 2021. The remote e-voting will commence at 9:00 a.m. (IST) on Sunday, September 19, 2021 and end at 5:00 p.m. (IST) on Tuesday, September 21, 2021. Detailed instructions for registering email addresses(s) and voting/ attendance at the AGM are given in the AGM Notice.

**A Jubilant Bhartia Company**

OUR VALUES



**Jubilant Pharmova Limited**

1-A, Sector 16-A,  
Noida-201 301, UP, India  
Tel: +91 120 4361000  
Fax: +91 120 4234895-96  
[www.jubilantpharmova.com](http://www.jubilantpharmova.com)

Regd Office:  
Bhartiagram, Gajraula  
Distt. Amroha - 244 223  
UP, India  
CIN : L24116UP1978PLC004624



4. We also enclose the following documents for your record:
- i. Notice convening the 43<sup>rd</sup> AGM of the Company; and
  - ii. Annual Report of the Company for the Financial Year 2020-21

This is for your information and records.

Thanking you,

Yours faithfully,  
For Jubilant Pharmova Limited

Rajiv Shah  
Company Secretary

Encl.: as above

A Jubilant Bhartia Company

OUR VALUES



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Regd Office:  
Bhartiagram, Gajraula  
Distt. Amroha - 244 223  
UP, India  
CIN : L24116UP1978PLC004624



## JUBILANT PHARMOVA LIMITED

(CIN: L24116UP1978PLC004624)

Registered Office: Bhartiagram, Gajraula,  
District Amroha - 244 223,

Uttar Pradesh, India

E-mail: investors@jubl.com

Website: [www.jubilantpharmova.com](http://www.jubilantpharmova.com)

Phone : +91-5924-267200

## NOTICE

Notice is hereby given that the Forty-Third Annual General Meeting of Members of Jubilant Pharmova Limited will be held on Wednesday, September 22, 2021 at 11.00 A.M. through Video Conferencing ('VC')/Other Audio Visual Means ('OAVM'), to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt:
  - (a) the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2021 together with the Reports of the Board of Directors and the Auditors thereon; and
  - (b) the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2021 together with the Report of the Auditors thereon.
2. To declare dividend for the year ended March 31, 2021.
3. To appoint a Director in place of Mr. Shyam S. Bhartia [DIN: 00010484] who retires by rotation and, being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS

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

**“RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013 (the 'Act') and Schedule V thereto and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'SEBI Listing Regulations') including any amendment(s), statutory modification(s) or re-enactment(s) thereof for the time being in force and the Appointment and Remuneration Policy and the Articles of Association of the Company and subject to such approvals, consents, permissions and sanctions of the concerned authorities as may be necessary and subject to such other conditions and modifications as may be prescribed, imposed or suggested by such concerned authorities while granting such approvals, consents, permissions and sanctions and as may be agreed to by the Board of Directors of the Company (hereinafter referred to as 'the Board' which

term shall be deemed to include any committee which the Board may have constituted or hereinafter constitute to exercise the powers conferred by this resolution), approval of members of the Company be and is hereby accorded for payment of remuneration to Mr. Hari S. Bhartia (DIN: 00010499), Co-Chairman and Managing Director ('CCMD') as mentioned below for the financial year 2021-22:

### A. Salary, Allowances, Perquisites and Retiral Benefits

- a. Annual gross remuneration including Salary, House Rent Allowance/ Company Leased Accommodation, Allowances, Perquisites and Retiral Benefits not exceeding ₹ 9.00 Crore with such break-up as may be requested by CCMD.
- b. Fringe benefits and amenities stated below:
  - i. Conveyance Facilities: Suitable conveyance facilities as may be required by CCMD.
  - ii. Communication Facilities: Telephone, fax and other communication facilities at the residence of CCMD.
  - iii. Club Fees: Reimbursement of membership fees for clubs in India and/ or abroad including admission and life membership fees.
  - iv. Miscellaneous: Reimbursement of entertainment and other expenses incurred in the course of business of the Company and other benefits and amenities as per rules of the Company.

### B. Commission

CCMD shall also be entitled to receive commission annually not exceeding 1.25% of net profits of the Company.

**RESOLVED FURTHER THAT** all other terms and conditions of appointment of CCMD shall remain unchanged unless otherwise modified by the Board of Directors of the Company.

**RESOLVED FURTHER THAT** the remuneration stated above may be altered, varied or enhanced by the Board of Directors of the Company from time to time during the financial year 2021-22, considering the performance of CCMD, profitability of the Company and other relevant factors.

**RESOLVED FURTHER THAT** the remuneration payable to CCMD as mentioned above may exceed 5% of net profits of the Company and the aggregate remuneration paid to the Managing Director(s) and Whole-time Director(s) may exceed 10% of net profits of the Company, calculated in accordance with the provisions of Section 198 of the Act or any amendment thereto and if the Company has no profit or its profits are inadequate during the financial year 2021-22, the remuneration mentioned above (including any revision in the remuneration that may be approved by the Board of Directors from time to time) shall be paid as minimum remuneration to CCMD during the financial year 2021-22.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all such acts and deeds as it may consider necessary, expedient or desirable, in order to give effect to the foregoing resolution or otherwise as considered by the Board of Directors to be in the best interest of the Company.”

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

“**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013 (the ‘Act’) and Schedule V thereto and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the ‘SEBI Listing Regulations’) including any amendment(s), statutory modification(s) or re-enactment(s) thereof for the time being in force and the Appointment and Remuneration Policy and the Articles of Association of the Company and subject to such approvals, consents, permissions and sanctions of the concerned authorities as may be necessary and subject to such other conditions and modifications as may be prescribed, imposed or suggested by such concerned authorities while granting such approvals, consents, permissions and sanctions and as may be agreed to by the Board of Directors of the Company (hereinafter referred to as ‘the Board’ which term shall be deemed to include any committee which the Board may have constituted or hereinafter constitute to exercise the powers conferred by this resolution), approval of members of the Company be and is hereby accorded to the re-appointment of Mr. Hari S. Bhartia [DIN: 00010499] as Co-Chairman and Managing Director of the Company (‘CCMD’) for a period of three years effective from April 1, 2022 on the following terms and conditions including remuneration:

**A. Salary, Allowances, Perquisites and Retiral Benefits**

- a. Annual gross remuneration including Salary, House Rent Allowance/ Company Leased Accommodation, Allowances, Perquisites and Retiral Benefits not exceeding ₹ 9.00 Crore with such break-up as may be requested by CCMD.

- b. Fringe benefits and amenities stated below:
- i. Conveyance Facilities: Suitable conveyance facilities as may be required by CCMD.
  - ii. Communication Facilities: Telephone, fax and other communication facilities at the residence of CCMD.
  - iii. Club Fees: Reimbursement of membership fees for clubs in India and/ or abroad including admission and life membership fees.
  - iv. Miscellaneous: Reimbursement of entertainment and other expenses incurred in the course of business of the Company and other benefits and amenities as per rules of the Company.

**B. Commission**

CCMD shall also be entitled to receive commission annually not exceeding 1.25% of net profits of the Company.

**RESOLVED FURTHER THAT** the remuneration stated above may be altered and varied by the Board of Directors of the Company from time to time during the tenure of re-appointment of CCMD, considering the performance of CCMD, profitability of the Company and other relevant factors.

**RESOLVED FURTHER THAT** the remuneration payable to CCMD as mentioned above may exceed 5% of net profits of the Company and the aggregate remuneration paid to the Managing Director(s) and Whole-time Director(s) may exceed 10% of net profits of the Company, calculated in accordance with the provisions of Section 198 of the Act or any amendment thereto and where in any financial year during the tenure of re-appointment of CCMD, the Company has no profit or its profits are inadequate, the remuneration mentioned above (including any revision in the remuneration that may be approved by the Board of Directors from time to time) be paid as minimum remuneration to CCMD.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all such acts and deeds as it may consider necessary, expedient or desirable, in order to give effect to the foregoing resolution or otherwise as considered by the Board of Directors to be in the best interest of the Company.”

6. To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (the ‘Act’) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification or re-enactment



thereof for the time being in force) and the Appointment and Remuneration Policy of the Company, Mr. Pramod Yadav [DIN: 05264757] who was appointed as an Additional Director of the Company effective from February 5, 2021 in terms of Section 161(1) of the Act and whose term of office expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company and shall be liable to retire by rotation.”

7. To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (the ‘Act’) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force) and the Appointment and Remuneration Policy of the Company, Mr. Arvind Chokhany [DIN: 06668147] who was appointed as an Additional Director of the Company effective from April 1, 2021 in terms of Section 161(1) of the Act and whose term of office expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company and shall be liable to retire by rotation.”

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

“**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013 (the ‘Act’) and Schedule V thereto and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 including any amendment(s), statutory modification(s) or re-enactment(s) thereof for the time being in force and the Appointment and Remuneration Policy and the Articles of Association of the Company and subject to such approvals, consents, permissions and sanctions of the concerned authorities as may be necessary and subject to such other conditions and modifications as may be prescribed, imposed or suggested by such concerned authorities while granting such approvals, consents, permissions and sanctions and as may be agreed to by the Board of Directors of the Company (hereinafter referred to as ‘the Board’ which term shall be deemed to include any committee which the Board may have constituted or hereinafter constitute to exercise the powers conferred by this resolution), approval of members of the Company be and is hereby accorded to the appointment of Mr. Arvind Chokhany [DIN: 06668147] as Group Chief Financial Officer and Whole-time Director (‘Group CFO & WTD’) of the Company for a period of three years effective from April 1, 2021 on the following terms and conditions including remuneration:

**I. Salary, Allowances, Perquisites and Retiral Benefits**

Sr. No.	Particulars	Amount (in ₹) Per Annum
A	Basic Salary	1,30,00,080
B	House Rent Allowance	78,00,048
C	Special & Other Allowances	80,24,256

**D. Annual Variable Pay**

Performance linked Variable Pay of ₹ 1,30,00,000 shall be paid at 100% of performance achievement. Payout of the Performance Pay would be determined based on the performance parameters laid out in the Company’s Variable Pay Plan.

**E. Long Term Incentive Plan**

Group CFO & WTD shall be eligible for Long Term Incentive Plan as per the Company’s Employees Stock Option Plan.

**F. Perquisites**

The following perquisites shall be allowed in addition to salary:

**a) Car Expenses**

Payment of car expenses upto ₹ 3,36,000 per annum.

**b) Telephone**

Telephone at residence and mobile phone shall be provided.

**G. Retirals**

Provident Fund, Gratuity, etc. as per the rules of the Company.

**H. Others Benefits & Amenities**

- Leave Travel Assistance as per the rules of the Company.
- Other amenities and benefits like Club Membership, etc. as per the rules of the Company.
- Hard Furnishing, Personal Accident Insurance, Meal Card, Gift Coupons, Group Term Life Insurance and Medclaim Insurance as per the rules of the Company.

**II. Others**

The appointment may be terminated by either party by giving prior written notice of three months to the other party of such termination or by paying Basic Salary in lieu of the notice period.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to vary, alter or enhance (collectively referred to as ‘Variation’) the remuneration payable to Group CFO & WTD from time to time, considering the performance of Group CFO & WTD, profitability of the Company and other relevant factors, during the tenure of his appointment to the extent permitted under Section 197 read with Schedule V and other applicable provisions, if any, of the Act.

**RESOLVED FURTHER THAT** the remuneration payable to Group CFO & WTD as mentioned above may exceed 5% of net profits of the Company and the aggregate remuneration paid to the Managing Director(s) and Whole-time Director(s) may exceed 10% of net profits of the Company, calculated in accordance with the provisions of Section 198 of the Act or any amendment thereto and where in any financial year during the tenure of appointment of Group CFO & WTD, the Company has no profit or its profits are inadequate, the remuneration mentioned above (including any revision in the remuneration that may be approved by the Board of Directors from time to time) be paid as minimum remuneration to Group CFO & WTD.

**RESOLVED FURTHER THAT** the Board of the Company be and is hereby authorised to do all such acts and deeds as it may consider necessary, expedient or desirable, in order to give effect to the foregoing resolution or otherwise as considered by the Board to be in the best interest of the Company.”

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 (the ‘Act’), the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV to the Act (including any statutory modification or re-enactment thereof for the time being in force), Regulation 16(1)(b) and 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Appointment and Remuneration Policy of the Company, Mr. Sushil Kumar Roongta (DIN: 00309302), who was appointed as an Independent Director of the Company for a term upto May 22, 2022 and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company to hold office for a further term of 5 (five) years ending on May 22, 2027 and shall not be liable to retire by rotation.”

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 (the ‘Act’), the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV to the Act (including any statutory modification or re-enactment thereof for the time being in force), Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Appointment and Remuneration Policy of the Company, Mr. Vivek Mehra (DIN: 00101328), who was appointed as an Independent Director of the Company for a term upto May 22, 2022 and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of

Director, be and is hereby re-appointed as an Independent Director of the Company to hold office for a further term of 5 (five) years ending on May 22, 2027 and shall not be liable to retire by rotation.”

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

“**RESOLVED THAT** pursuant to the provisions of Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, approval of the Members of the Company be and is hereby accorded to the continuation of appointment of Dr. Ashok Misra (DIN: 00006051), as an Independent Director upto the completion of his present term ending on March 31, 2024, notwithstanding that he shall be completing 75 years of age during his present term.”

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

“**RESOLVED THAT** in suppression of the resolution passed by the Shareholders on August 29, 2017 and pursuant to the provisions of Section 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 (the ‘Act’) read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force), Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, approval of the members be and is hereby accorded to payment of commission to Directors other than Managing Director(s) / Whole-time Director(s) (hereinafter referred to as the ‘Non-Executive Directors’), in addition to sitting fees for attending meetings of the Board of Directors, Independent Directors, committee(s) of the Board, etc. not exceeding in the aggregate, three per cent per annum of the net profits of the Company calculated in accordance with the provisions of Section 198 and other applicable provisions, if any, of the Act, to be paid to and distributed amongst the Non-Executive Directors in such amounts or proportions and in such manner as the Board of Directors (hereinafter referred to as the ‘Board’ which term shall be deemed to include any committee which the Board has constituted to exercise its powers, including powers conferred by this resolution) may determine and such payment shall be made out of the profits of the Company.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all such acts and deeds as it may consider necessary, expedient or desirable, in order to give effect to the foregoing resolution or otherwise as considered by the Board to be in the best interest of the Company.

By Order of the Board  
For **Jubilant Pharmova Limited**

Noida  
June 4, 2021

**Rajiv Shah**  
Company Secretary

## NOTES:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (the 'Act'), in respect of the Special Business to be transacted at the 43<sup>rd</sup> Annual General Meeting ('AGM' or the 'Meeting') is annexed.
  2. Brief profile and other information of Directors proposed to be appointed/ re-appointed is annexed hereto.
  3. Considering the Covid-19 pandemic, the Ministry of Corporate Affairs ('MCA') has, vide its circular dated May 5, 2020 read with circulars dated April 8, 2020, April 13, 2020 and January 13, 2021 (collectively referred to as the 'MCA Circulars') and Securities and Exchange Board of India ('SEBI') vide its circular dated May 12, 2020 read with circular dated January 15, 2021 (collectively referred to as 'SEBI Circulars'), permitted convening the AGM through VC or OAVM, without the physical presence of the members at a common venue. In accordance with the MCA Circulars, provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'SEBI Listing Regulations'), the AGM of the Company is being held through VC / OAVM.
  4. Since this AGM is being held without the physical presence of the Members, the Proxy Form and the Attendance Slip are not annexed to this Notice.
  5. Members attending the AGM through VC / OAVM facility shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
  6. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
  7. In compliance with the aforesaid MCA Circulars and SEBI Circulars, Notice, inter alia, explaining the manner of attending AGM through VC/ OAVM and electronic voting (e-voting) along with the Annual Report for the Financial Year 2020-21 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company or Depository Participants or Registrar and Transfer Agents ('RTA') of the Company, M/s Alankit Assignments Limited. Members may note that the Notice and Annual Report 2020-21 will also be available on the Company's website [www.jubilantpharmova.com](http://www.jubilantpharmova.com), website of the stock exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com), respectively and on the website of National Securities Depository Limited ('NSDL') at [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  8. Since the AGM will be held through VC/OAVM without physical presence of the Members at a common venue, the route map is not attached.
  9. The Notice of AGM and Annual Report will be sent to those Members / beneficial owners whose names appear in the Register of Members / list of beneficiaries received from the Depositories as on Friday, August 20, 2021.
  10. The dividend, as recommended by the Board of Directors of the Company (₹ 5 per equity share of Re. 1 each), if declared at the Meeting, will be paid on or before Wednesday, October 20, 2021 to those members or their mandates:
    - whose names appear on the Company's Register of Members on Friday, August 6, 2021; and
    - whose names appear as Beneficial Owners as at the end of business hours on Friday, August 6, 2021 in the lists of Beneficial Owners furnished by National Securities Depository Limited ('NSDL') and Central Depository Services (India) Limited ('CDSL') in respect of shares held in dematerialised form.
  11. Payment of Dividend Electronically

Dividend will be paid, preferably through NECS, wherever such facility is available, under intimation to the members. In case dividend cannot be paid through NECS, it will be paid through dividend warrants/ demand drafts.

In cases where the payments to the members holding shares in dematerialized form are made by dividend warrants, particulars of bank account registered with their Depository Participants will be considered by the Company for printing the same on dividend warrant.

For those members who have not provided NECS details/ bank account details, the Company shall print the registered address of the members on the dividend warrant.
  12. Pursuant to the Finance Act, 2020, dividend income is taxable in the hands of shareholders with effect from April 1, 2020 and the Company is required to deduct tax at source from dividend paid to the shareholders at the prescribed rates. The TDS rate may vary depending on the residential status of the shareholder and the documents submitted to the Company in accordance with the provisions of the Income Tax Act, 1961. It is to be noted that dividend for the FY 2020-21 is subject to declaration by the Members in the AGM. Upon declaration, this dividend will be taxable in the hands of the shareholders in the FY 2021-22 (Assessment Year 2022-23). Accordingly, all the details and declarations are required to be furnished for FY 2021-22 (Assessment Year 2022-23). The rate of TDS for various categories of shareholders along with the required documents are available at the website of the Company at [www.jubilantpharmova.com](http://www.jubilantpharmova.com).
- Kindly note that the aforesaid documents, duly executed, can be sent to the company as under:
- (A) Executed documents can be sent through email at [pharmova.dividend@jubl.com](mailto:pharmova.dividend@jubl.com);

(B) Executed documents (in original) can be sent directly at the Corporate Office of the Company situated at Plot 1A, Sector 16A, Noida-201301.

The aforesaid executed documents must reach the Company on or before September 15, 2021 in order to enable the Company to determine and deduct appropriate TDS/withholding tax on payment of dividend. It is to be duly noted that the Members sending documents through email are also required to send the executed documents (in original) at the Corporate Office of the Company.

### 13. Bank Mandate

Members who hold shares in physical form are requested to intimate the Company's RTA under the signature of the Sole/ First holder, the following information relating to their bank accounts to enable the Company to pay the dividend electronically:

- Bank account number;
- Account type, whether savings or current;
- Name of the Bank and complete address of the branch with PIN Code;
- MICR and IFSC Codes; and
- Name of Sole/ First holder.

### 14. Change of Address or Other Particulars

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

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

15. Pursuant to Section 72 of the Act, read with Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, member(s) of the Company may nominate a person to whom the shares held by him/ them shall vest in the event of his/ their unfortunate death. Accordingly, members holding shares in physical form, desirous of availing this facility may submit nomination in Form SH-13 to RTA of the Company. In respect of shares held in dematerialised form, the nomination form may be filed with the concerned Depository Participant.

16. Dividends pertaining to the Financial Years upto and including 1993-94, remaining unpaid/ unclaimed, have been transferred to the General Revenue Account of the Central Government. Members having valid claims

of unpaid/ unclaimed dividend for any of these Financial Years may approach Investor Education and Protection Fund Authority ('IEPF Authority').

Dividends pertaining to the Financial Years 1994-95 to 2012-13 remaining unpaid/ unclaimed, have been transferred to the Investor Education and Protection Fund (the 'Fund'). No claims shall lie against the Company for the amounts transferred as above. Members having valid claims of unpaid/ unclaimed dividend for any of these financial years may approach the IEPF Authority.

Members may kindly note that unpaid/ unclaimed dividend for the year 2013-14 is due for transfer to the Fund on October 4, 2021. Members are, therefore, requested to lodge their claims with RTA, well in advance to avoid any hardship. Once transferred, Members having valid claims of unpaid/ unclaimed dividend for the year 2013-14 may approach the IEPF Authority.

**Attention of the members is drawn to the provisions of Section 124(6) of the Act which require a company to transfer all shares in respect of which dividend has not been paid or claimed for 7 (seven) consecutive years or more, in favour of the IEPF Authority.**

**In accordance with the aforesaid provisions of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the Company has transferred 19,89,243 shares, to the Fund, in respect of which dividend has not been paid or claimed by the members for 7 (seven) consecutive years or more with respect to the financial years 2008-09, 2009-10, 2010-11, 2011-12 and 2012-13. The Company shall be initiating similar action in respect of dividend declared for the financial year 2013-14. Members are advised to visit the web-link: <https://www.jubilantpharmova.com/investors/unclaimed-dividend-and-shares> to ascertain details of the shares to be transferred to the IEPF Authority.**

17. The Company has a dedicated E-mail address investors@jubl.com for members to e-mail their queries or lodge complaints, if any. We will endeavor to reply to your queries at the earliest.

The Company's website [www.jubilantpharmova.com](http://www.jubilantpharmova.com) has a dedicated section on Investors. It also answers your Frequently Asked Questions (FAQs).

18. SEBI has mandated that securities of listed companies can be transferred only in dematerialized form effective from April 1, 2019. Members are, therefore, requested to dematerialise their shareholding, if not already done, to avoid inconvenience in future.

19. The Company had sub-divided each equity share of ₹ 5 into five equity shares of ₹ 1 each w.e.f. March 24, 2006. Many members had not surrendered their old ₹ 10 denominated



share certificates of Ramganga Fertilizers Limited/ Vam Organic Chemicals Limited/ Jubilant Organosys Limited or ₹ 5 denominated share certificates of Jubilant Organosys Limited, for exchange with new ₹ 1 denominated share certificates.

Pursuant to Clause 5A of the erstwhile Listing Agreement with the Stock Exchanges, members who had not claimed share certificates as above were sent three reminder letters requesting them to claim their equity shares. Thereafter, in terms of the erstwhile Listing Agreement, 27,31,320 equity shares pertaining to 4,845 members, which remained unclaimed, were transferred during the year 2011-12 to Jubilant Pharmova Limited-Unclaimed Suspense Account. During the year 2020-21, 19,280 equity shares were transferred to the respective members and 5,620 equity shares were transferred to the Fund. The voting rights on the remaining shares lying in this Account will remain frozen till the rightful owners of such shares claim the shares. Members may approach RTA to get their shares released from this Account.

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

**Alankit Assignments Limited**  
(Unit: Jubilant Pharmova Limited)  
205-208 Anar Kali Complex,  
Jhandewalan Extension,  
New Delhi - 110 055, India  
Phone: +91-11-4254 1234  
E-mail: rta@alankit.com

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

21. Your feedback/ comments for further improvement of shareholder services are welcome. You may fill up and submit the Investor Feedback Form online on our website [www.jubilantpharmova.com](http://www.jubilantpharmova.com).
22. Relevant documents referred to in the Annual Report including AGM Notice and Explanatory Statement are available electronically for inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to [investors@jubl.com](mailto:investors@jubl.com).
23. During the AGM, Members may access scanned copy of (i) Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act; (ii) the Register of Contracts or arrangements in which Directors are interested under Section 189 of the Act and (iii) Certificate that the Stock Option Plan and General Employee Benefits Scheme have been implemented in accordance with the SEBI (Share Based Employee Benefits) Regulations, 2014 (iv) or any other documents as may be required, upon Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com>.

## 24. INSTRUCTIONS FOR E-VOTING AND JOINING THE AGM ARE AS FOLLOWS:

1. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and the MCA Circulars the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited ('NSDL') for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system i.e. facility to cast vote prior to the AGM and also e-voting during the AGM will be provided by NSDL.
2. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.jubilantpharmova.com](http://www.jubilantpharmova.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
3. The Members will be allowed to join the AGM through VC/ OAVM facility, thirty (30) minutes before the scheduled time of commencement of the AGM and shall be kept open throughout the proceedings of the AGM. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination, Remuneration and Compensation Committee and Stakeholders Relationship Committee, Auditors, etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

## THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-

The remote e-Voting period commences at 9:00 a.m. (IST) on Sunday, September 19, 2021 and ends at 5:00 p.m. (IST) on Tuesday, September 21, 2021. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Wednesday, September 15, 2021, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Wednesday, September 15, 2021.

## How do I vote electronically using NSDL e-Voting system?





The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

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

#### A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

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

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

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the “<b>Beneficial Owner</b>” icon under “Login” which is available under ‘<b>IDeAS</b>’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “<b>Access to e-Voting</b>” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to <b>e-Voting website of NSDL</b> for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “<b>Register Online for IDeAS Portal</b>” or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>Shareholders/Members can also download NSDL Mobile App “<b>NSDL Speede</b>” facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol> <p style="text-align: center;"><b>NSDL Mobile App is available on</b></p> <div style="display: flex; justify-content: center; align-items: center;"> <div style="text-align: center; margin-right: 20px;">  <p>App Store</p> </div> <div style="text-align: center; margin-right: 20px;">  <p>Google Play</p> </div> </div> <div style="display: flex; justify-content: center; align-items: center; margin-top: 10px;"> <div style="text-align: center; margin-right: 20px;">  </div> <div style="text-align: center;">  </div> </div>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi/Easiest the user will be also able to see the e-Voting Menu. The Menu will have links of <b>e-Voting service provider i.e. NSDL</b>. Click on <b>NSDL</b> to cast your vote.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. <b>NSDL</b> where the e-Voting is in progress.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their depository participants	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>



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

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

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 022-23058542-43

**B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/ Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

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

4. Your User ID details are given below :

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

5. Password details for shareholders other than Individual shareholders are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
- c) How to retrieve your ‘initial password’?
  - (i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.

- (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
6. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:
    - a) Click on “**Forgot User Details/Password?**”(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
    - b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
    - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
    - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
  7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
  8. Now, you will have to click on “Login” button.
  9. After you click on the “Login” button, Home page of e-Voting will open.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
  7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

#### **General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter, etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [sanjaygrover7@gmail.com](mailto:sanjaygrover7@gmail.com) or [investors@jubl.com](mailto:investors@jubl.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Mr. Amit Vishal, Senior Manager at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

#### **Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

#### **Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

#### **How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
  2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join General Meeting”.
  3. Now you are ready for e-Voting as the Voting page opens.
  4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
  5. Upon confirmation, the message “Vote cast successfully” will be displayed.
1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [investors@jubl.com](mailto:investors@jubl.com) or [rta@alankit.com](mailto:rta@alankit.com).
  2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [investors@jubl.com](mailto:investors@jubl.com) or [rta@alankit.com](mailto:rta@alankit.com). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
  3. Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.

4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.
5. For ease of conduct, the Company is pleased to provide two way video conferencing facility to the Members who would like to express their views/ ask questions at the AGM. The Members may register themselves atleast five (5) days in advance as a speaker by sending their request along with questions from their registered email address mentioning their name, DP ID and Client ID/ folio number, PAN, mobile number at investors@jubl.com. Those members who have registered themselves as a speaker will only be allowed to express their views/ ask questions at the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM. Members who do not wish to speak during the AGM but have queries regarding financial statements or other matters may send their queries five (5) days before the AGM mentioning their name, DP ID and Client ID/ folio number, PAN, mobile number at investors@jubl.com. These queries will be replied by the Company suitably by email.

**THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.
6. In case of any queries or grievances relating to e-Voting, you may contact Mr. Amit Vishal, Senior Manager, NSDL, Trade World, 4<sup>th</sup> Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai- 400013, India through e-mail at evoting@nsdl.co.in or on Toll Free No.: 18001020900/ 1800224430 or Mr. J.K. Singla, Senior Manager, M/s. Alankit Assignments Limited, 205-208, Anar Kali Complex, Jhandewalan Extension, New Delhi-110 055, India through email at rta@alankit.com or on Telephone No.: 011-42541234.

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

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under "**Join General meeting**" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
  2. Members are encouraged to join the Meeting through Laptops for better experience.
  3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
  4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- Other Instructions**
1. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes member of the Company after the notice is send through e-mail and holding shares as of the cut-off date i.e. Wednesday, September 15, 2021, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/RTA. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" or "Physical User Reset Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no. 1800 1020 990 and 1800 22 44 30. In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. Wednesday, September 15, 2021 may follow steps mentioned in the Notice of the AGM under "Access to NSDL e-Voting system".
  2. The Board of Directors has appointed Mr. Devesh Kumar Vasisht (CP No. 13700), Partner of M/s Sanjay Grover & Associates, Company Secretaries as 'Scrutinizer' to scrutinize the process of e-voting during the AGM and remote e-voting held before the AGM in a fair and transparent manner.

3. The Scrutinizer shall, immediately after the conclusion of e-voting at the AGM, unblock the votes cast through remote e-voting and e-vote cast during AGM and will make, not later than two working days of conclusion of the AGM, a consolidated Scrutinizer's Report of the total e-votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same and declare the result of the voting forthwith.
4. The results of voting will be declared within two working days from the conclusion of the AGM i.e. on or before September 24, 2021 and the result declared along with the report of the Scrutinizer shall be placed on the website of the Company [www.jubilantpharmova.com](http://www.jubilantpharmova.com) and on the website of NSDL immediately after declaration of result by the Chairman or a person authorised by him and the results shall also be communicated to the Stock Exchanges.
5. The recorded transcript of the AGM shall be placed on the Company's website [www.jubilantpharmova.com](http://www.jubilantpharmova.com) in the Investors Section, as soon as possible after conclusion of AGM.
6. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed at the 43<sup>rd</sup> AGM scheduled to be held on Wednesday, September 22, 2021.

## ANNEXURE TO NOTICE

### EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 IN RESPECT OF ITEM NOS. 4 to 12

#### ITEM NO. 4 AND 5

The members of the Company had, at the 38<sup>th</sup> Annual General Meeting ('AGM') held on August 30, 2016, approved re-appointment of Mr. Hari S. Bhartia as Co-Chairman and Managing Director ('CCMD') of the Company for a period of 5 years effective from April 1, 2017. His current tenure is upto March 31, 2022.

Pursuant to the Composite Scheme of Arrangement approved by the National Company Law Tribunal ('NCLT') by order dated December 23, 2020, the Life Science Ingredients business of the Company has been demerged into Jubilant Ingrevia Limited effective from February 1, 2021. Due to demerger, the standalone profit of the Company is likely to be on a lower side as the Company has its business and profitability in the subsidiaries and not in the Company itself. On a consolidated basis, the Company continues on its growth path and has healthy revenues and profitability.

The aggregate Managerial Remuneration i.e. remuneration of Mr. Hari S. Bhartia, CCMD and Mr. Arvind Chokhany, Group Chief Financial Officer and Whole-time Director may exceed 10% of the Standalone net profits of the Company.

Section 197 of the Companies Act, 2013 (the 'Act'), provides that a company may pay remuneration to any one Managing Director/ Whole-time Director upto 5% of net profits as calculated under Section 198 of the Act and if there is more than one Managing Director/ Whole-time Director, the Company may pay remuneration to the Managing Directors/ Whole-time Directors upto 10% of net profits by obtaining approval of the shareholders by passing Ordinary Resolution. Remuneration in excess of 5% or 10%, as applicable, may be paid by obtaining shareholders' approval by **Special Resolution**. Section 197 of the Act further provides that in case of no profits or inadequate profits, a company may pay remuneration to the Managing Director/ Whole-time Director pursuant to Schedule V to the Act, subject to approval of the shareholders by **Special Resolution** which would be valid for a period of 3 years.

Further, Regulation 17(6)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 provides that if the annual remuneration payable to an executive director who is a promoter exceeds ₹ 5 Crore or 2.5% of net profits of the listed entity, whichever is higher, the same shall be subject to approval of the shareholders by **Special Resolution** in general meeting.

#### **Remuneration of Co-Chairman and Managing Director - FY 2021-22**

The Board of Directors has, at its meeting held on June 4, 2021, pursuant to the recommendation of the Nomination, Remuneration and Compensation Committee ('NRC Committee'), approved the remuneration of CCMD for FY 2021-22 as mentioned in Resolution No. 4 and has recommended the same for approval of the shareholders by way of **Special Resolution**.

The Board of Directors of the Company shall have the authority to alter, vary and enhance the remuneration of CCMD during FY 2021-22, considering the performance of CCMD, profitability of the Company and other relevant factors. If the Company has no profit or its profits are inadequate during the said financial year, the remuneration stated in the Resolution No. 4 (including any revision in the remuneration as may be approved by the Board of Directors during FY 2021-22) shall be paid as minimum remuneration to CCMD.

#### **Re-appointment of Mr. Hari S. Bhartia as Co-Chairman and Managing Director**

It is proposed to re-appoint Mr. Hari S. Bhartia as Co-chairman and Managing Director for another term of 3 years effective from April 1, 2022 at the remuneration stated in the Resolution No. 5.

In terms of the Appointment and Remuneration Policy of the Company and pursuant to the recommendation of the Nomination, Remuneration and Compensation Committee,



the Board of Directors has, at its meeting held on June 4, 2021, approved the re-appointment of Mr. Hari S. Bhartia as the Co-Chairman and Managing Director of the Company for a period of three years with effect from April 1, 2022 on the terms and conditions including remuneration set out in the Notice. This is subject to applicable provisions of the Act, rules made thereunder and approval of the members by way of **Special Resolution**.

The Board of Directors recommends the resolution for reappointment of Mr. Hari S. Bhartia as Co-Chairman and Managing Director for a period of 3 years effective from April 1, 2022 for approval of the members of the Company by way of a **Special Resolution**.

The Board of Directors of the Company shall have the authority to alter, vary and enhance the remuneration of CCMD during the tenure of re-appointment, considering the performance of CCMD, profitability of the Company and other relevant factors. If the Company has no profit or its profits are inadequate during the tenure of re-appointment, the remuneration stated in the Resolution No. 5 (including any revision in the remuneration as may be approved by the Board of Directors from time to time) shall be paid as minimum remuneration to CCMD. He shall be liable to retire by rotation.

Mr. Hari S. Bhartia has rich and varied experience in the industry and has been involved in the operations of the Company for over 36 years. Keeping in view his contribution to the growth of the Company, it would be in the interest of the Company to re-appoint Mr. Hari S. Bhartia as the Co-Chairman and Managing Director.

Relevant information and disclosures prescribed in Schedule V to the Act are given below:

## I. GENERAL INFORMATION

### 1. Nature of Industry

Jubilant Pharmova Limited (the 'Company' or 'Jubilant Pharmova') is engaged in Pharmaceuticals, Contract Research and Development Services and Proprietary Novel Drugs businesses. Pharmaceuticals business through Jubilant Pharma Limited, Singapore is engaged in manufacturing and supply of Radiopharmaceuticals with a network of 48 radiopharmacies in the US, Allergy Therapy Products, Contract Manufacturing of Sterile Injectables and Non-sterile products, Active Pharmaceutical Ingredients ('APIs') and Solid Dosage Formulations through 6 manufacturing facilities that cater to all the regulated markets including the USA, Europe and other geographies. Jubilant Biosys Limited provides Contract Research and Development Services through 2 world class research centers in Bangalore and Noida in India. Jubilant Therapeutics is involved in Proprietary Novel Drugs business and is an innovative biopharmaceutical company developing breakthrough therapies in the area of oncology and

auto-immune disorders. Jubilant Pharmova Limited has a team of around 5,800 multicultural people across the globe. The Company is well recognized as a 'Partner of Choice' by leading pharmaceuticals companies globally.

2. **Date of Commencement of Commercial Production**  
Commercial operations commenced in the year 1982.

3. **In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus**  
Not applicable

4. **Financial Performance based on given indicators**  
As per Standalone Audited Financials

Particulars	(₹ in Million)
	FY 2020-21
Paid up Capital	159
Reserves excluding Revaluation Reserves	12,665
Total Revenue	27,574
Total Expenses	24,842
Profit before Tax	2,732
Tax Expenses	587
Profit after Tax	2,145

5. **Foreign investments or collaborators, if any**  
The Company has not entered into any foreign collaboration and no direct capital investment has been made in the Company in the last three financial years. Foreign investors, mainly comprising NRIs, FPIs, etc. are investors in the Company on account of past issuance of securities/secondary market purchase of the shares of the Company.

## II. INFORMATION ABOUT THE APPOINTEE

### 1. Background details

Mr. Hari S. Bhartia, 64 years, is the Co-Chairman and Managing Director of Jubilant Pharmova Limited. He holds a Bachelors' degree in Chemical Engineering from the Indian Institute of Technology, Delhi.

He, together with his brother Mr. Shyam S. Bhartia, is the Founder and Co-Chairman of Jubilant Bhartia Group headquartered in Noida, India. The Jubilant Bhartia Group, has a strong presence in diverse sectors like Pharmaceuticals, Contract Research and Development Services, Proprietary Novel Drugs, Life Science Ingredients, Agri Products, Performance Polymers, Food Service (QSR), Food, Auto, Consulting in Aerospace and Oilfield Services. Jubilant Bhartia Group has four flagship Companies- Jubilant Pharmova Limited, Jubilant FoodWorks Limited, Jubilant Ingrevia Limited and Jubilant

Industries Limited. He is also the Co-Chairman of Jubilant Foodworks Limited and Jubilant Ingrevia Limited.

**2. Past remuneration**

FY 2020-21- ₹ 12,18,03,665

**3. Recognition or awards**

Mr. Hari S. Bhartia was conferred the Distinguished Alumni Award from the Indian Institute of Technology, Delhi in 2000.

He, along with Mr. Shyam S. Bhartia, was felicitated with the Entrepreneur of the Year Award at the prestigious AIMA Managing India Awards 2013, presented by the President of India.

He also shared with Mr. Shyam S. Bhartia, Ernst & Young Entrepreneur of the Year Award 2010 for Life Sciences & Consumer Products category.

**4. Job profile and his suitability**

Mr. Hari S. Bhartia, Co-Chairman and Managing Director of the Company devotes his full time and attention to the business of the Company.

He has rich industrial experience of over 36 years in the pharmaceuticals and specialty chemicals, food, oil and gas (exploration and production) and aerospace sectors and has been instrumental in developing strategic alliances and affiliations with leading global companies. He has been associated in various capacities with the IIT system and with the Ministry of Human Resource Development, Government of India.

Keeping in view his contribution to the growth of the Company, it would be in the interest of the Company to re-appoint Mr. Hari S. Bhartia as the Co-Chairman and Managing Director.

**5. Remuneration proposed**

As mentioned in the resolution.

**6. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person**

Keeping in view the profile and the position of Mr. Hari S. Bhartia and his rich knowledge and experience, the remuneration is fully justifiable and comparable to that prevailing in the industry.

**7. Pecuniary relationship, directly or indirectly, with the Company or relationship with the managerial personnel, if any**

Mr. Hari S. Bhartia holds 3,60,885 equity shares of the Company. He is related to Mr. Shyam S. Bhartia, Chairman, being his brother. Mr. Arjun Shanker

Bhartia, Director is his son. He is not related to any other Director or Key Managerial Personnel of the Company.

**III. OTHER INFORMATION**

**1. Reasons of loss or inadequate profits**

Please refer the Explanatory Statement above, pursuant to the provisions of Section 102 of the Companies Act, 2013 for Item No. 4 and 5.

The Special Resolutions (No. 4 and 5) are proposed pursuant to Sections 196, 197, 198, 203 of the Companies Act, 2013 and Schedule V thereto as a matter of abundant precaution. Due to demerger of the Life Science Ingredients business, the standalone profit of the Company is likely to be on a lower side as the Company has its business and profitability in the subsidiaries and not in the Company itself. On a consolidated basis, the Company continues on its growth path and has healthy revenues and profitability.

**2. Steps taken or proposed to be taken for improvement**

The management has adopted focused business strategies in all spheres of business activities to improve the profitability of the Company.

**3. Expected increase in productivity and profits in measurable terms**

The Company is conscious about improvement in productivity and continually undertakes measures to improve its productivity and profitability. The Management is confident of achieving sustained revenue growth in the future.

**IV. DISCLOSURES**

The prescribed disclosures with respect to elements of remuneration package, details of fixed component and performance linked incentives, performance criteria, service contracts, notice period, severance fees and stock option details of all the Directors, as applicable, are given in the Corporate Governance section of the Annual Report for the Financial Year 2020-21.

Memorandum setting out the terms and conditions of re-appointment including remuneration is available for inspection electronically without any fee by the members from the date of circulation of this Notice up to the date of AGM and during the AGM. Members who wish to inspect the memorandum can send an email at the e-mail address: investors@jubl.com.

The disclosures prescribed under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the provisions of the Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India ('SS-2') are provided in Annexure-A of the Notice.



Except Mr. Hari S. Bhartia, Mr. Shyam S. Bhartia, Mr. Arjun Shanker Bhartia and their relatives, none of the Directors, Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the resolutions set out at Item No. 4 and 5.

The Board of Directors recommends the resolutions for remuneration and reappointment of Co-Chairman and Managing Director for approval of the members of the Company by way of **Special Resolutions** set out at Item No. 4 and 5.

#### **ITEM NO. 6**

In terms of the Appointment and Remuneration Policy of the Company (the 'Policy') and pursuant to the recommendation of the Nomination, Remuneration and Compensation Committee (the 'NRC Committee'), the Board of Directors has appointed Mr. Pramod Yadav as an Additional Director of the Company, effective from February 5, 2021. Pursuant to the provisions of Section 161 of the Companies Act, 2013 (the 'Act'), Mr. Pramod Yadav holds office upto the date of ensuing AGM and is eligible for appointment as Director of the Company.

Notice stipulated under Section 160 of the Act has been received from a member intending to propose the candidature of Mr. Pramod Yadav for appointment as Director of the Company. Mr. Yadav has given his consent to act as Director. He is not disqualified from being appointed as Director in terms of Section 164 of the Act. He would be liable to retire by rotation.

The Board considers that continued association of Mr. Yadav would be of immense benefit to the Company and it is desirable to continue to avail his services as Director of the Company.

The disclosures prescribed under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the provisions of the Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India ('SS-2') are provided in Annexure-A of the Notice.

None of the Directors or Key Managerial Personnel or their relatives except Mr. Pramod Yadav, the proposed appointee, is concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the Notice. The Board of Directors recommends the resolution set out at Item No. 6 of the Notice for approval of the members by way of Ordinary Resolution.

#### **ITEM NO. 7 AND 8**

In terms of the Appointment and Remuneration Policy of the Company (the 'Policy') and pursuant to the recommendation of the Nomination, Remuneration and Compensation Committee (the 'NRC Committee'), the Board of Directors has appointed Mr. Arvind Chokhany as an Additional Director of the Company, effective from April 1, 2021. Pursuant to the provisions of Section 161 of the Companies Act, 2013 (the 'Act'), Mr. Chokhany holds office upto the date of ensuing Annual General Meeting ('AGM') and is eligible for appointment as Director of the Company.

Notice stipulated under Section 160 of the Act has been received from a member intending to propose the candidature of Mr. Arvind Chokhany for appointment as Director of the Company. Mr. Chokhany has given his consent to act as Director. He is not disqualified from being appointed as Director in terms of Section 164 of the Act. He would be liable to retire by rotation.

Further, in terms of the Policy and pursuant to the recommendation of the NRC Committee, the Board has approved the appointment of Mr. Arvind Chokhany as Group Chief Financial Officer and Whole-time Director ('Group CFO & WTD') of the Company for a period of three years effective from April 1, 2021 on the terms and conditions including remuneration set out in the Notice. This is subject to applicable provisions of the Act, rules made thereunder and approval of the members by way of Special Resolution.

Pursuant to the Composite Scheme of Arrangement approved by the National Company Law Tribunal ('NCLT') by order dated December 23, 2020, the Life Science Ingredients business of the Company has been demerged into Jubilant Ingrevia Limited effective from February 1, 2021. Due to demerger, the standalone profit of the Company is likely to be on a lower side as the Company has its business and profitability in the subsidiaries and not in the Company itself. On a consolidated basis, the Company continues on its growth path and has healthy revenues and profitability.

The aggregate Managerial Remuneration i.e. remuneration of Mr. Hari S. Bhartia, CCMD and Mr. Arvind Chokhany, Group CFO & WTD may exceed 10% of the Standalone net profits of the Company.

Section 197 of the Companies Act, 2013 (the 'Act'), provides that a company may pay remuneration to any one Managing Director/ Whole-time Director upto 5% of net profits as calculated under Section 198 of the Act and if there is more than one Managing Director/ Whole-time Director, the Company may pay remuneration to the Managing Directors/ Whole-time Directors upto 10% of net profits by obtaining approval of the shareholders by passing Ordinary Resolution. Remuneration in excess of 5% or 10%, as applicable, may be paid by obtaining shareholders' approval by **Special Resolution**. Section 197 of the Act further provides that in case of no profits or inadequate profits, a company may pay remuneration to the Managing Director/ Whole-time Director pursuant to Schedule V to the Act, subject to approval of the shareholders by **Special Resolution** which would be valid for a period of 3 years.

The Board of Directors of the Company shall have the authority to alter, vary and enhance the remuneration of Group CFO & WTD from time to time, considering the performance of Group CFO & WTD, profitability of the Company and other relevant factors. If the Company has no profit or its profits are inadequate in any financial year during the period of appointment of Group CFO & WTD i.e. Financial Year 2022 to Financial Year 2024, remuneration stated above (including any revision in the remuneration as may be approved by the

Board of Directors from time to time) shall be paid as minimum remuneration to Group CFO & WTD.

Relevant information and disclosures prescribed in Schedule V to the Act are given below:

## I. GENERAL INFORMATION

### 1. Nature of Industry

Jubilant Pharmova Limited (the 'Company' or 'Jubilant Pharmova') is engaged in Pharmaceuticals, Contract Research and Development Services and Proprietary Novel Drugs businesses. Pharmaceuticals business through Jubilant Pharma Limited, Singapore is engaged in manufacturing and supply of Radiopharmaceuticals with a network of 48 radiopharmacies in the US, Allergy Therapy Products, Contract Manufacturing of Sterile Injectables and Non-sterile products, Active Pharmaceutical Ingredients ('APIs') and Solid Dosage Formulations through 6 manufacturing facilities that cater to all the regulated markets including the USA, Europe and other geographies. Jubilant Biosys Limited provides Contract Research and Development Services through 2 world class research centers in Bangalore and Noida in India. Jubilant Therapeutics is involved in Proprietary Novel Drugs business and is an innovative biopharmaceutical company developing breakthrough therapies in the area of oncology and auto-immune disorders. Jubilant Pharmova Limited has a team of around 5,800 multicultural people across the globe. The Company is well recognized as a 'Partner of Choice' by leading pharmaceuticals companies globally.

### 2. Date of Commencement of Commercial Production

Commercial operations commenced in the year 1982.

### 3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus

Not applicable

### 4. Financial Performance based on given indicators

As per Standalone Audited Financials

Particulars	(₹ in Million)
	FY 2020-21
Paid up Capital	159
Reserves excluding Revaluation Reserves	12,665
Total Revenue	27,574
Total Expenses	24,842
Profit before Tax	2,732
Tax Expenses	587
Profit after Tax	2,145

### 5. Foreign investments or collaborators, if any

The Company has not entered into any foreign collaboration and no direct capital investment has

been made in the Company in the last three financial years. Foreign investors, mainly comprising NRIs, FPIs, etc. are investors in the Company on account of past issuance of securities/secondary market purchase of the shares of the Company.

## II. INFORMATION ABOUT THE APPOINTEE

### 1. Background details

Mr. Chokhany, 49 years, is a Chartered Accountant and Cost Accountant with 25 years of post qualification experience.

Prior to joining the Company, Mr. Chokhany was working with Tata Projects Limited as Chief Financial Officer for the last 2 years. Prior to Tata Projects, Mr. Chokhany has worked as Chief Financial Officer of Tata Realty & Infrastructure Limited for 5 years. Mr. Chokhany has extensive experience in Banking and Finance operations. He has worked for 8 years with Standard Chartered Bank. Before joining Standard Chartered Bank, he has worked for 4 years with Deutsche Bank in the Global Custody business and in Deutsche Consulting for Asia & Middle East markets. He has also worked with HDFC Bank in banking operations and product development for 4 years.

### 2. Past remuneration

Mr. Arvind Chokhany has been appointed as Group CFO & WTD effective from April 1, 2021. Hence, not applicable.

### 3. Recognition or awards: Not applicable.

### 4. Job profile and his suitability

Mr. Arvind Chokhany has been appointed as Group CFO & WTD effective from April 1, 2021 and is entrusted with the overall responsibility of the finance function of Jubilant Group, subject to superintendence, control and directions of the Board. Mr. Chokhany has 25 years of experience in finance, accounts, treasury, taxation, secretarial and investment banking.

Taking into consideration the qualifications as well as varied and rich experience, it is felt that the Company would benefit under his leadership and guidance.

### 5. Remuneration proposed

As mentioned in the resolution.

### 6. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person

Keeping in view the profile and the position of Group CFO & WTD and rich knowledge and experience of the appointee, the remuneration is fully justifiable and comparable to that prevailing in the industry.

**7. Pecuniary relationship, directly or indirectly, with the Company or relationship with the managerial personnel, if any**

Besides the remuneration proposed, Mr. Arvind Chokhany does not have any pecuniary relationship with the Company. Further, he is not related to any managerial personnel of the Company.

### III. OTHER INFORMATION

**1. Reasons of loss or inadequate profits**

Please refer the Explanatory Statement above, pursuant to the provisions of Section 102 of the Companies Act, 2013 for Item No. 8.

The Special Resolution (No. 8) is proposed pursuant to Sections 196, 197, 198, 203 of the Companies Act, 2013 and Schedule V thereto as a matter of abundant precaution. Due to demerger of the Life Science Ingredients business, the standalone profit of the Company is likely to be on a lower side as the Company has its business and profitability in the subsidiaries and not in the Company itself. On a consolidated basis, the Company continues on its growth path and has healthy revenues and profitability.

**2. Steps taken or proposed to be taken for improvement**

The management has adopted focused business strategies in all spheres of business activities to improve the profitability of the Company.

**3. Expected increase in productivity and profits in measurable terms**

The Company is conscious about improvement in productivity and continually undertakes measures to improve its productivity and profitability. The Management is confident of achieving sustained revenue growth in the future.

### IV. Disclosures

Mr. Arvind Chokhany has been appointed as Group CFO & WTD effective from April 1, 2021. The prescribed disclosures with respect to elements of remuneration package, details of fixed component and performance linked incentives, performance criteria, service contracts, notice period, severance fees and stock option details of all the Directors, as applicable, are given in the Corporate Governance section of the Annual Report for the Financial Year 2020-21.

Memorandum setting out the terms and conditions of appointment including remuneration is available for inspection electronically without any fee by the members from the date of circulation of this Notice up to the date of AGM and during the AGM. Members who wish to inspect memorandum can send an email at the e-mail address: investors@jubl.com.

The disclosures prescribed under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the provisions of the Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India ('SS-2') are provided in Annexure-A of the Notice.

Except Mr. Arvind Chokhany and his relatives, none of the Directors, Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the resolutions set out at Item Nos. 7 and 8.

The Board of Directors recommends the resolutions set out at Item Nos. 7 and 8 of the Notice for approval of the members by way of Ordinary Resolution and **Special Resolution**, respectively.

#### ITEM NO. 9 AND 10

Pursuant to the provisions of Section 149, 150, 152 and other applicable provisions of the Companies Act, 2013 (the 'Act') read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'SEBI Listing Regulations'), Mr. Sushil Kumar Roongta (DIN: 00309302) and Mr. Vivek Mehra (DIN: 00101328) were appointed as Independent Directors of the Company to hold office upto May 22, 2022.

As per the provisions of Section 149 of the Act, Mr. Sushil Kumar Roongta and Mr. Vivek Mehra are eligible for reappointment as Independent Directors of the Company for another term of upto 5 years on passing of **Special Resolution** by the Company and disclosure of such appointment in the Board's Report.

Further, pursuant to the provisions of Regulation 17(1A) of the SEBI Listing Regulations, appointment or continuation of a non-executive director who has attained the age of 75 years shall require approval of the shareholders by way of **Special Resolution** and the Explanatory Statement to the Notice of the Annual General Meeting ('AGM') containing such resolution shall indicate justification for such appointment or continuation.

Mr. Roongta shall be attaining 75 years of age during the tenure of his re-appointment. It is, therefore, proposed to seek approval of the shareholders for re-appointment of Mr. Roongta in compliance with the provisions of Regulation 17(1A) of the SEBI Listing Regulations.

As per the reports of performance evaluation, Mr. Sushil Kumar Roongta and Mr. Vivek Mehra have effectively and efficiently discharged their duties, roles and responsibilities during their tenure as Independent Directors of the Company. Based on the reports of performance evaluation, Nomination, Remuneration and Compensation Committee (the 'NRC Committee') had recommended to the Board of Directors, the re-appointment of Mr. Sushil Kumar Roongta and Mr. Vivek Mehra as Independent Directors of the Company for a period of 5 (five) years ending on May 22, 2027.

In view of the reports of performance evaluation, recommendations of the NRC Committee and the specialization, expertise and experience of Mr. Sushil Kumar Roongta and Mr. Vivek Mehra, the Board of Directors is of the opinion that their continued association as Independent Directors will immensely benefit the Company.

In opinion of the Board of Directors, Mr. Sushil Kumar Roongta and Mr. Vivek Mehra fulfil the conditions for appointment as Independent Directors as specified in the Act, the rules made thereunder and the SEBI Listing Regulations and are independent of the Management.

Mr. Sushil Kumar Roongta and Mr. Vivek Mehra have given their consent to act as Directors. They have also given declarations to the effect that they are not disqualified from being appointed as Directors in terms of Section 164 of the Act and that they meet the criteria of Independence as specified under Section 149 of the Act and the SEBI Listing Regulations.

Notice stipulated under Section 160 of the Act has been received from a member proposing the candidature of Mr. Sushil Kumar Roongta and Mr. Vivek Mehra for appointment as Directors of the Company.

In pursuance of Regulation 36 of the SEBI Listing Regulations and the Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, brief resume and other details of Mr. Sushil Kumar Roongta and Mr. Vivek Mehra are provided in Annexure-A to this Notice.

Copy of the draft letters of appointment of Mr. Sushil Kumar Roongta and Mr. Vivek Mehra as Independent Directors setting out the terms and conditions of their appointment including remuneration are available for inspection electronically without any fee by members from the date of circulation of this Notice up to the date of AGM and during the AGM. Members who wish to inspect the same can send an email at the e-mail address: [investors@jubl.com](mailto:investors@jubl.com). The said terms and conditions are also posted on the Company's website [www.jubilantpharmova.com](http://www.jubilantpharmova.com).

Mr. Sushil Kumar Roongta and Mr. Vivek Mehra, the proposed appointees, may be deemed to be concerned or interested in their respective resolutions for appointment. None of the other Directors, Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the resolutions set out at Item Nos. 9 and 10 of the Notice. The Board of Directors recommends the resolutions set out at Item Nos. 9 and 10 of the Notice for approval of members by way of **Special Resolutions**.

#### **ITEM NO. 11**

The members of the Company had, at the 40<sup>th</sup> Annual General Meeting ('AGM') held on September 26, 2018, approved the re-appointment of Dr. Ashok Misra as an Independent Director of the Company for a term of five years effective from April 1, 2019. The current tenure of Dr. Misra is upto March 31, 2024.

Pursuant to the provisions of Regulation 17(1A) of the SEBI Listing Regulations, appointment or continuation of a non-executive director who has attained the age of 75 years shall require approval of the shareholders by way of **Special Resolution** and the Explanatory Statement to the AGM Notice containing such resolution shall indicate justification for such appointment or continuation.

Dr. Misra shall be attaining 75 years of age during the current tenure of his appointment. Therefore, approval of the shareholders is sought for continuation of appointment of Dr. Misra in compliance with the provisions of Regulation 17(1A) of the SEBI Listing Regulations.

Dr. Ashok Misra, 73 years, is B. Tech. in Chemical Engineering from the Indian Institute of Technology, Kanpur and M.S. in Chemical Engineering from Tufts University, Medford, MA, USA. He was conferred a Doctorate Degree in Polymer Science & Engineering by the University of Massachusetts, Amherst, USA in 1974.

He is awarded with the position of "NASI Platinum Jubilee Chair Distinguished Professor" by the National Academy of Sciences, India. He is also a Fellow of the Indian National Academy of Engineering (INAE) and a Fellow as well as past President of the National Academy of Sciences, India (NASI).

He is the Founder President of the Polymer Processing Academy and past President of the Society of Polymer Science, India. He has rich experience in the field of Polymer Science and Engineering.

Dr. Misra has been conferred with many awards of National and International importance for his contribution to education and the society. He is also the Founder President of the IIT Alumni Centre, Bengaluru.

He was the Chairman, Board of Governors of IIT Roorkee from 2014-17 and the Chairman of the Standing Committee of the IIT Council from 2015-17.

He has a rich and varied experience. It would, therefore, be in the interest of the Company to continue the directorship of Dr. Misra for the remainder of his present tenure i.e. upto March 31, 2024.

The Nomination, Remuneration and Compensation Committee and the Board of Directors have, at their meetings held on June 4, 2021, recommended the continuation of appointment of Dr. Misra as an Independent Director of the Company for the remainder of his present tenure i.e. upto March 31, 2024, considering his rich experience, expertise and valuable contribution made to the Board of Directors of the Company.

In pursuance of Regulation 36 of the Listing Regulations and the Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, brief resume and other details of Dr. Ashok Misra are provided in **Annexure-A** to this Notice.



Dr. Ashok Misra, the proposed appointee, is interested in the resolution set out at Item No. 11 of the Notice. None of the other Directors, Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the said resolution.

The Board of Directors recommends the **Special Resolution** set out at Item No. 11 of the Notice for approval of the Members.

#### ITEM NO. 12

Section 197 of the Companies Act, 2013 (the 'Act') read with Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 permits payment of remuneration to Non-Executive Directors (the 'NEDs'), inter alia, by way of commission, subject to approval of the members in the general meeting.

The members of the Company had, at the 39<sup>th</sup> Annual General Meeting ('AGM') held on August 29, 2017, approved payment of commission to NEDs of the Company, in addition to sitting fees for attending meetings of the Board of Directors or Committee(s) thereof, not exceeding in the aggregate, 1% per annum of the net profits of the Company, for each of the five years commencing from April 1, 2017. The said resolution is valid upto the Financial Year ending on March 31, 2022.

Due to demerger of the Life Science Ingredients business, the standalone profit of the Company is likely to be on a lower side as the Company has its business and profitability in the subsidiaries and not in the Company itself. On a consolidated basis, the Company continues on its growth path and has

healthy revenues and profitability. Therefore, approval of the Shareholders is sought as an abundant caution for payment of commission to the Non-executive Directors upto 3% of net profits of the Company, calculated under Section 198 of the Companies Act, 2013.

Considering the rich experience and expertise brought to the Board by the NEDs and to compensate them for their time and efforts in providing strategic inputs for growth of the business, approval of the members is sought to pay commission not exceeding 3% of the net profits of the Company per annum commencing from April 1, 2021, to be paid and distributed amongst the NEDs or some or any of them, as may be decided by the Board of Directors. Payment of commission shall be in addition to the sitting fees for attending meetings of the Board of Directors, Independent Directors, Board's Committee(s), etc.

Mr. Shyam S. Bhartia, Mr. S Sridhar, Ms. Sudha Pillai, Dr. Ashok Misra, Mr. Sushil Kumar Roongta, Mr. Vivek Mehra, Mr. Arun Seth, Mr. Priyavrat Bhartia, Mr. Arjun Shanker Bhartia and Mr. Pramod Yadav, Non-Executive Directors of the Company and Mr. Hari S. Bhartia, relative of Mr. Shyam S. Bhartia and Mr. Arjun Shanker Bhartia are concerned or interested in the Resolution. None of the other Directors, Key Managerial Personnel or their relatives are concerned or interested, financially or otherwise, in the resolution.

The Board of Directors recommends the resolution set out at Item No. 12 of the Notice for approval of the members by way of **Special Resolution**.

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## ANNEXURE-A

### Information pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the provisions of the Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India regarding the Directors proposed to be appointed/re-appointed

#### 1. Mr. Shyam S. Bhartia

Mr. Shyam S. Bhartia, 68 years, is the Chairman of Jubilant Pharmova Limited. He holds a Bachelor's degree in Commerce from St. Xavier's College, University of Calcutta. He is a qualified Cost Accountant and a fellow member of the Institute of Cost Accountants of India.

A leading industrialist of India, he has a rich industrial experience of over 43 years in the pharmaceuticals and specialty chemicals, food, oil and gas (exploration and production) and aerospace sectors and has been instrumental in developing strategic alliances and affiliations with leading global companies.

Mr. Shyam S. Bhartia is a strong proponent of Corporate Social Responsibility. He, along with his brother Mr. Hari S. Bhartia, established Jubilant Bhartia Foundation, whose efforts are

directed towards community development with a focus on Primary Education, Basic Healthcare services and Livelihood generation programs.

He has been associated with various institutions and has served as a member of the Board of Governors, Indian Institute of Technology, Mumbai and Indian Institute of Management, Ahmedabad. He has also been Chairman of the Chemicals Committee of Federation of Indian Chamber of Commerce & Industry ('FICCI') and is the Chairman of FICCI Singapore Council. He was also on the Board of Air India.

He was a member of the Executive Committee of FICCI, Confederation of Indian Industry (CII) and the Task Force on Chemicals appointed by the Government of India. Mr. Shyam S. Bhartia is a regular participant at the World Economic Forum Annual Meeting in Davos. He is also a member of Governors for Chemistry and Advanced Materials of the World Economic Forum.

His immense contributions have been recognized by various awards. He, along with Mr. Hari S. Bhartia, was felicitated with the Entrepreneur of the Year Award at the prestigious AIMA Managing India Awards 2013,

presented by the President of India. He also shared with Mr. Hari S. Bhartia, Ernst & Young Entrepreneur of the Year Award 2010 for Life Sciences & Consumer Products category. Mr. Shyam S. Bhartia was conferred Lifetime Achievement Award by CHEMEXCIL.

He is on the Board of the Company since June 21, 1978 and holds 13,99,925 equity shares of the Company. He also holds directorships in the following companies/bodies corporate:

- Jubilant Ingrevia Limited
- Jubilant FoodWorks Limited
- Jubilant Pharma Limited
- Jubilant Discovery Services LLC
- Jubilant Innovation (USA) Inc.
- Chambal Fertilisers and Chemicals Limited
- VAM Holdings Limited
- Jubilant Life Sciences International Pte. Limited
- Jubilant Drug Development Pte. Limited
- Jubilant Innovation Pte. Limited
- Jubilant Life Sciences (BVI) Limited
- Safe Foods Corporation
- Jubilant Bhartia Foundation
- Jubilant Pharma UK Limited
- Jubilant Capital Private Limited
- Jubilant Enpro Private Limited
- TrialStat Solutions Inc. (Formerly Jubilant Drug Discovery & Development Services Inc.)
- Drug Discovery & Development Solutions Limited
- Jubilant Biosys Innovation Research Services Pte. Limited
- SSBPB Investment Holding Private Limited
- HSSS Investment Holding Private Limited
- DP Eurasia NV
- Summit Sky Limited
- Sun Field Limited
- SPB Trustee Company Private Limited
- SSP Trustee Company Private Limited
- SS Trustee Company Private Limited
- SBS Trustee Company Private Limited
- SSBSB Realty Trustee Company Private Limited
- SBSSB Realty Trustee Company Private Limited

Details of his Committee Chairmanship/membership of the Indian public companies are given below:

Sr. No.	Name of Company	Name of Committee	Position Held (Chairperson/Member)
1	Jubilant Pharmova Limited	Sustainability & CSR Committee	Member
		Nomination, Remuneration & Compensation Committee	Member
		Stakeholders Relationship Committee	Member
		Finance Committee	Chairman
		Restructuring Committee	Chairman
		Capital Issue Committee	Chairman
		Fund Raising Committee	Chairman
2	Jubilant Ingrevia Limited	Nomination, Remuneration & Compensation Committee	Member
		Sustainability & CSR Committee	Member
		Listing Compliance Committee	Member
		Finance Committee	Chairman
3	Jubilant FoodWorks Limited	Risk Management Committee	Member
		Regulatory & Finance Committee	Chairman
		Nomination, Remuneration and Compensation Committee	Chairman
		Sustainability and Corporate Social Responsibility Committee	Member
		Investment Committee	Chairman
4	VAM Holdings Limited	Stakeholders Relationship Committee	Member
5	Chambal Fertilisers and Chemicals Limited	Banking and Finance Committee	Chairman
		Strategy Committee	Member

During the Financial Year ended March 31, 2021, Mr. Shyam S. Bhartia attended 4 meetings of Board of Directors of the Company held on May 29, 2020, September 4, 2020, November 4, 2020 and February 5, 2021.

On re-appointment, Mr. Shyam S. Bhartia shall be liable to retire by rotation. He is related to Mr. Hari S. Bhartia, Co-Chairman and Managing Director of the Company, being his brother. Mr. Priyavrat Bhartia, Director, is son of



Mr. Shyam S. Bhartia. He is not related to any other Director or Key Managerial Personnel of the Company. He has opted not to take any commission or sitting fees from the Company during the Financial Year 2020-21.

## 2. Mr. Hari S. Bhartia

Hari S. Bhartia, 64 years, is the Co-Chairman and Managing Director of Jubilant Pharmova Limited. He holds a Bachelors' degree in Chemical Engineering from the Indian Institute of Technology, Delhi.

He, together with his brother Mr. Shyam S. Bhartia, is the Founder and Co-Chairman of Jubilant Bhartia Group headquartered in Noida, India. The Jubilant Bhartia Group, has a strong presence in diverse sectors like Pharmaceuticals, Contract Research and Development Services, Proprietary Novel Drugs, Life Science Ingredients, Agri Products, Performance Polymers, Food Service (QSR), Food, Auto, Consulting in Aerospace and Oilfield Services. Jubilant Bhartia Group has four flagship Companies- Jubilant Pharmova Limited, Jubilant FoodWorks Limited, Jubilant Ingrevia Limited and Jubilant Industries Limited. He is also the Co-Chairman of Jubilant Foodworks Limited and Jubilant Ingrevia Limited.

He was conferred the Distinguished Alumni Award from the Indian Institute of Technology, Delhi in 2000. He has rich industrial experience of over 36 years in the pharmaceuticals and specialty chemicals, food, oil and gas (exploration and production) and aerospace sectors and has been instrumental in developing strategic alliances and affiliations with leading global companies. He has been associated in various capacities with the IIT system and with the Ministry of Human Resource Development, Government of India.

He is a former President of the Confederation of Indian Industry (CII) and a member of several educational, scientific and technological programs of the Government of India. He is the former Chairman of the Board of Governors of the Indian Institute of Management (IIM), Raipur and Indian Institute of Technology (IIT), Kanpur. He currently Chairs the Board of Governors, Indian Institute of Management, Vishakhapatnam. He is currently Member of the International Advisory Board of McGill University, Canada and Chairman of CII-Jubilant Food & Agriculture Centre of Excellence.

He is a member of several CEO Forums and prominent being the India-USA CEO Forum and India-France CEO Forum. He is a regular participant at the World Economic Forum Annual Meeting in Davos and is a member of the World Economic Forum's International Business

Council; Community of Chairpersons; Global Health and Healthcare Governors Community; Family Business Community. He was the Co-Chair of the Davos Annual Meeting of the World Economic Forum 2015. He is also a Founding Member of Centre for Social and Economic Progress (CSEP).

He is a strong proponent of Corporate Social Responsibility. He, along with Mr. Shyam S. Bhartia, established Jubilant Bhartia Foundation, whose efforts are directed towards community development with focus on Primary Education, Basic Healthcare services and Livelihood generation programs. He is also deeply involved in 'Social Entrepreneur of the Year Award - India', a joint initiative of Jubilant Bhartia Foundation and Schwab Foundation for Social Entrepreneurship, with an objective of recognizing promising and successful social entrepreneurs in India.

His immense contributions have been recognized by various awards. He, along with Mr. Shyam S. Bhartia, were felicitated with the Entrepreneur of the Year Award at the prestigious AIMA Managing India Awards 2013, presented by the President of India. He also shared with Mr. Shyam S. Bhartia, Ernst & Young Entrepreneur of the Year Award 2010 for Life Sciences & Consumer Products category.

He is on the Board of the Company since November 1, 1983. He holds 3,60,885 equity shares of the Company. He also holds directorships in the following companies/bodies corporates:

- Jubilant Ingrevia Limited
- Jubilant FoodWorks Limited
- Shriram Pistons and Rings Limited
- Jubilant Bhartia Foundation
- CSEP Research Foundation
- Jubilant Pharma Limited
- Jubilant Therapeutics Inc.
- Jubilant Enpro Private Limited
- Jaytee Private Limited
- Jubilant Securities Private Limited
- BT Telecom India Private Limited
- HSB Trustee Company Private Limited
- HKB Trustee Company Private Limited
- HS Trustee Company Private Limited
- KHB Trustee Company Private Limited
- Global Health Private Limited
- DP Eurasia NV

Details of his Committee Chairmanship/membership of the Indian public companies are given below:

Sr. No.	Name of Company	Name of Committee	Position Held (Chairperson/Member)
1	Jubilant Pharmova Limited	Sustainability & CSR Committee	Member
		Risk Management Committee	Member
		Finance Committee	Member
		Restructuring Committee	Member
		Capital Issue Committee	Member
		Fund Raising Committee	Member
2	Jubilant Ingrevia Limited	Sustainability & CSR Committee	Member
		Nomination, Remuneration & Compensation Committee	Member
		Listing Compliance Committee	Member
		Finance Committee	Member
		Risk Management Committee	Member
3	Jubilant FoodWorks Limited	Risk Management Committee	Chairperson
		Regulatory & Finance Committee	Member
		Nomination, Remuneration and Compensation Committee	Member
		Sustainability and Corporate Social Responsibility Committee	Chairperson
		Investment Committee	Member

During the Financial Year ended March 31, 2021, Mr. Hari S. Bhartia attended 4 meetings of Board of Directors of the Company held on May 29, 2020, September 4, 2020, November 4, 2020 and February 5, 2021.

The terms and conditions of his appointment as Co-Chairman and Managing Director including remuneration are given in the Notice of the AGM. During the Financial Year 2020-21, Mr. Hari S. Bhartia was paid remuneration of ₹ 12,18,03,665 including commission of ₹ 3,30,00,000 payable.

On re-appointment, Mr. Hari S. Bhartia shall be liable to retire by rotation. He is related to Mr. Shyam S. Bhartia, Chairman, being his brother. Mr. Arjun Shanker Bhartia, Director, is his son. He is not related to any other Director or Key Managerial Personnel of the Company.

### 3. Mr. Pramod Yadav

Mr. Pramod Yadav, 57 years, holds a bachelor's degree from the Institute of Chemical Technology, University of Mumbai, formerly known as Department of Chemical Technology, University of Bombay and a Masters in Marketing Management from Jamnalal Bajaj Institute of Management Studies, University of Mumbai, formerly known as University of Bombay.

He has over 34 years of industry experience. He was the Executive Committee Member of Indian Chemical Council (ICC), a member of National Chemicals Committee for Federation of Indian Chambers of Commerce & Industry (FICCI) and a member of National Committee on Chemicals for Confederation of Indian Industry (CII). He has been with Jubilant Group for more than 25 years.

He has previously worked for Garware Paints Limited, Shalimar Paints Limited and Bhansali Engineering Polymers Limited.

He is on the Board of the Company since February 5, 2021. He is the Chief Executive Officer and Director of Jubilant Pharma Limited, a wholly-owned subsidiary of the Company. He holds directorships in the following companies/bodies corporate:

- Jubilant DraxImage Limited
- Jubilant Generics Limited
- Jubilant Pharma Limited
- Jubilant Life Sciences NV
- Sofie Biosciences Inc.
- Jubilant Therapeutics Inc.
- Jubilant Pharma NV
- Jubilant Pharmaceuticals NV
- PSI Supply NV
- Jubilant Draximage Inc.
- Draximage (UK) Limited
- Jubilant Pharma Australia Pty Ltd.
- Jubilant Cadista Pharmaceuticals Inc.
- Jubilant Draximage (USA) Inc.
- Jubilant HollisterStier Inc.
- Jubilant HollisterStier LLC
- Jubilant Pharma Holdings Inc.
- Draxis Pharma LLC
- Jubilant Draximage Radiopharmacies Inc.
- Jubilant Pharma UK Limited

Details of his Committee Chairmanship/membership of Indian Public companies are given below:

Sr. No.	Name of Company	Name of Committee	Position Held (Chairperson/Member)
1	Jubilant Pharmova Limited	Risk Management Committee	Member
		Sustainability & CSR Committee	Member
2	Jubilant Generics Limited	Audit Committee	Member
		Nomination and Remuneration Committee	Member
		Corporate Social Responsibility Committee	Member
		Finance Committee	Chairman
		Allotment Committee	Chairman

The disclosures with respect to the Board meetings attended, remuneration paid or proposed to be paid are not applicable.

Mr. Yadav does not hold any shares of the Company by himself or for any other person on a beneficial basis.

Remuneration, if any, shall be paid to Mr. Yadav as may be decided by the Board from time to time. He shall be liable to retire by rotation. He is not related to any Director or Key Managerial Personnel of the Company.

#### 4. Mr. Arvind Chokhany

Mr. Chokhany, 49 years, is a Chartered Accountant and Cost Accountant with 25 years of post qualification experience. Prior to joining the Company, Mr. Chokhany was working with Tata Projects Limited as Chief Financial Officer for the last 2 years. Prior to Tata Projects, Mr. Chokhany has worked as Chief Financial Officer of Tata Realty & Infrastructure Limited for 5 years. Mr. Chokhany has extensive experience in Banking and Finance operations.

He has worked for 8 years with Standard Chartered Bank. Before joining Standard Chartered Bank, he has worked for 4 years with Deutsche Bank in the Global Custody business and in Deutsche Consulting for Asia & Middle East markets. He has also worked with HDFC Bank in banking operations and product development for 4 years.

He has been appointed as Additional Director and Group Chief Financial Officer & Whole-time Director of the Company effective from April 1, 2021. He does not hold equity shares of the Company. He also holds directorships in the following companies/ bodies corporates:

- Jubilant Pharma Limited
- Jubilant Bhartia Foundation
- Jubilant Generics Limited
- Jubilant Biosys Limited
- Jubilant Therapeutics India Limited
- Jubilant Business Services Limited
- Jubilant Crop Protection Limited

Details of his Committee Chairmanship/membership of the Indian public companies are given below:

Sr. No.	Name of Company	Name of Committee	Position Held (Chairperson/Member)
1	Jubilant Pharmova Limited	Audit Committee	Member
		Sustainability & CSR Committee	Member
		Stakeholders Relationship Committee	Member
		Risk Management Committee	Member
		Finance Committee	Member
		Fund Raising Committee	Member

Mr. Arvind Chokhany holds office of Additional Director upto the date of ensuing Annual General Meeting. In view of his appointment effective from April 1, 2021, disclosures with respect to the Board meetings attended and remuneration paid during Financial Year 2020-21 are not applicable. The terms and conditions of his appointment as Group CFO & Whole-time Director including remuneration are given in the Notice of the AGM.

Mr. Chokhany shall be liable to retire by rotation. He is not related to any Director or Key Managerial Personnel of the Company.

#### 5. Mr. Sushil Kumar Roongta

Mr. Sushil Kumar Roongta, 71 years, holds a Bachelor's degree in Electrical Engineering from the Birla Institute of Technology & Science (BITS), Pilani, and a Post Graduate Diploma in Business Management-International Trade,

from the Indian Institute of Foreign Trade (IIFT), New Delhi. He is a Fellow of All India Management Association (AIMA) and fellow of Indian National Academy of Engineering (INAE).

Mr. Roongta was Executive Chairman of Steel Authority of India Limited (SAIL) from August 2006 to May 2010. During his tenure, ranking of SAIL among 'World Class Steel Makers' moved upto second position, as per World Steel Dynamics, USA.

Mr. Roongta headed a 'Panel of Experts on the Reforms in the Central PSEs' constituted by the Planning Commission. He has also been a member of the Committee formed by the Ministry of Corporate Affairs to formulate Policy Document on Corporate Governance. Mr. Roongta is associated with several academic institutions and has been Chairman, Board of Governors, IIT Bhubaneswar

(2012-2015) and is a member of Board of Management, JKL University.

He is also associated with Apex Chambers, being Member of Executive Committee and Mentor of Non-Ferrous Metal Committee of FICCI and Member of Managing Committee of PHD Chamber of Commerce and Industry. Mr. Roongta is Non-Executive Chairman of Bharat Aluminium Company Limited.

He also holds directorships in the following companies/ bodies corporates:

- Jubilant Ingrevia Limited
- ACC Limited
- Bharat Aluminium Company Limited
- Hero Steels Limited
- Great Eastern Energy Corporation Limited
- JK Paper Limited
- Titagarh Wagons Limited
- PHD Chamber of Commerce and Industry

Details of his Committee Chairmanship/membership of Indian public companies are given below:

Sr. No.	Name of the Company	Name of Committee	Position Held (Chairperson/ Member)
1	Jubilant Pharmova Limited	Sustainability & CSR Committee	Member
		Nomination, Remuneration & Compensation Committee	Member
		Risk Management Committee	Chairman
		Restructuring Committee	Member
2	Jubilant Ingrevia Limited	Audit Committee	Chairman
		Stakeholders and Relationship Committee	Member
		Sustainability & CSR Committee	Member
		Risk Management Committee	Member
3	Hero Steels Limited	Audit Committee	Chairman
4	ACC Limited	Audit Committee	Member
5	Great Eastern Energy Corporation Limited	Audit Committee	Member

Mr. Sushil Kumar Roongta was first appointed on the Board of Directors of the Company on May 23, 2017. During the Financial Year ended March 31, 2021, he attended 4 meetings of Board of Directors of the Company held on May 29, 2020, September 4, 2020, November 4, 2020 and February 5, 2021. The Company has paid sitting fees of ₹ 4,35,000 to Mr. Roongta during the Financial Year 2020-21. Also, commission of ₹ 10.00 Lac for the Financial Year 2019-20 has been paid to him during the Financial Year 2020-21.

He is not related to any Director or Key Managerial Personnel of the Company. He does not hold any shares of the Company by himself or for any other person on a beneficial basis.

#### 6. Mr. Vivek Mehra

Mr. Vivek Mehra, 66 years, is a well-respected tax and regulatory professional with over 41 years of experience in tax, regulatory and M&A tax structuring and consulting space. He is a Chartered Accountant.

He has held various leadership roles in PriceWaterhouseCoopers Private Limited ('PWC'). He was Executive Director of PWC till April 2017. He is an Independent Director on the Board of Directors of various reputed companies including Chambal Fertilizers Limited, DLF Limited, HT Media Limited, Digicontent Limited,

Havells India Limited and Zee Entertainment Enterprises Limited.

He was also associated with FICCI Steering Committee and National Executive Committee.

Apart from Jubilant Pharmova Limited, he holds directorships in the following companies/ bodies corporates:

- DLF Limited
- HT Media Limited
- Chambal Fertilizers and Chemicals Limited
- Digicontent Limited
- Havells India Limited
- Zee Entertainment Enterprises Limited
- Embassy Office Parks Management Services Private Limited
- Jubilant Pharma Holdings Inc.
- DLF Assets Limited
- Jubilant Draximage Inc.
- Bharat Hotels Limited
- Hero Future Energies Private Limited (Formerly Clean Solar Power (Hiriyur) Private Limited
- Grassroot Trading Network for Women

Details of his Committee Chairmanship/membership of Indian public companies are given below:

Sr. No.	Name of the Company	Name of Committee	Position Held (Chairperson/ Member)
1	Jubilant Pharmova Limited	Audit Committee	Member
		Nomination, Remuneration & Compensation Committee	Member
		Restructuring Committee	Member
2	DLF Limited	Audit Committee	Member
3	HT Media Limited	Audit Committee	Chairman
		Risk Management Committee	Chairman
		Nomination and Remuneration Committee	Member
4	Chambal Fertilizers and Chemicals Limited	Audit Committee	Member
		Risk Management Committee	Chairman
		Banking and Finance Committee	Member
5	Digicontent Limited	Audit Committee	Chairman
6	Havells India Limited	Nomination and Remuneration Committee	Member
7	Zee Entertainment Enterprises Limited	Audit Committee	Chairman
		Finance Sub Committee	Member
8	DLF Assets Limited	Corporate Social Responsibility Committee	Chairman
9	Bharat Hotels Limited	Audit Committee	Member
10	Grassroot Trading Network for Women	Finance Committee	Member

Mr. Vivek Mehra was first appointed on the Board of Directors of the Company on May 23, 2017. During the Financial Year ended March 31, 2021, he attended 4 meetings of Board of Directors of the Company held on May 29, 2020, September 4, 2020, November 4, 2020 and February 5, 2021. The Company has paid sitting fees of ₹ 4,55,000 to Mr. Mehra during the Financial Year 2020-21. Also, commission of ₹ 10.00 Lac for the Financial Year 2019-20 has been paid to him during the Financial Year 2020-21.

He is not related to any Director or Key Managerial Personnel of the Company. He does not hold any shares of the Company by himself or for any other person on a beneficial basis.

#### 7. Dr. Ashok Misra

Dr. Ashok Misra, 73 years, is B. Tech. in Chemical Engineering from the Indian Institute of Technology, Kanpur and M.S. in Chemical Engineering from Tufts University, Medford, MA, USA. He was conferred a Doctorate Degree in Polymer Science & Engineering by the University of Massachusetts, Amherst, USA in 1974.

He is awarded with the position of "NASI Platinum Jubilee Chair Distinguished Professor" by the National Academy of Sciences, India. He is also a Fellow of the Indian

National Academy of Engineering (INAE) and a Fellow as well as past President of the National Academy of Sciences, India (NASI).

He is the Founder President of the Polymer Processing Academy and past President of the Society of Polymer Science, India. He has rich experience in the field of Polymer Science and Engineering.

Dr. Misra has been conferred with many awards of National and International importance for his contribution to education and the society. He is also the Founder President of the IIT Alumni Centre, Bengaluru.

He was the Chairman, Board of Governors of IIT Roorkee from 2014-17 and the Chairman of the Standing Committee of the IIT Council from 2015-17.

He also holds directorships in the following companies/bodies corporates:

- Jubilant Pharma Limited, Singapore
- SKG Terra Promenade Private Limited
- KELBUZZ Trading Private Limited
- Kirloskar Electric Company Limited
- Higher Education Financing Agency

Details of his Committee Chairmanship/membership of Indian public companies are given below:

<b>Sr. No.</b>	<b>Name of the Company</b>	<b>Name of Committee</b>	<b>Position Held (Chairperson/ Member)</b>
1	Jubilant Pharmova Limited	Audit Committee	Member
		Stakeholders Relationship Committee	Member
		Sustainability & CSR Committee	Chairman

Dr. Ashok Misra was first appointed on the Board of Directors of the Company on September 15, 2014. During the Financial Year ended March 31, 2021, he attended 4 meetings of Board of Directors of the Company held on May 29, 2020, September 4, 2020, November 4, 2020 and February 5, 2021. The Company has paid sitting fees of ₹ 3,95,000 to Dr. Misra during the Financial Year 2020-21. Also, commission of ₹ 10.00 Lac for the Financial Year 2019-20 has been paid to him during the Financial Year 2020-21.

He is not related to any Director or Key Managerial Personnel of the Company. He does not hold any shares of the Company by himself or for any other person on a beneficial basis.

By Order of the Board  
For **Jubilant Pharmova Limited**

Noida  
June 4, 2021

**Rajiv Shah**  
Company Secretary



**RENEWED  
VISION  
RENEWED  
VIGOUR**

**JUBILANT**

**PHARMOVA**

**LIMITED**



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## Board of Directors



**Shyam S. Bhartia**  
Chairman



**Hari S. Bhartia**  
Co-Chairman & Managing Director



**S Sridhar**  
Independent Director



**Sudha Pillai**  
Independent Director



**Dr. Ashok Misra**  
Independent Director



**Sushil Kumar Roongta**  
Independent Director



**Vivek Mehra**  
Independent Director



**Arun Seth**  
Independent Director



**Priyavrat Bhartia**  
Director



**Arjun Shanker Bhartia**  
Director



**Pramod Yadav**  
Director



**Arvind Chokhany**  
Group Chief Financial Officer and  
Whole-time Director





## Senior Leadership Team



**Shyam S. Bhartia**

Chairman

41 industry years in pharma, specialty chemicals, foods, oil and gas, aerospace and IT



**Hari S. Bhartia**

Co-Chairman & Managing Director

35 industry years in pharma, specialty chemicals, foods, oil and gas, aerospace and IT



**Ajay Khanna**

Group Ombudsperson &  
Group Chief – Strategic & Public Affairs

41 years of industry experience



**Arvind Chokhany**

Group Chief Financial Officer  
and Whole-time Director

25 years of industry experience



**Rohini Seth**

Chief Human Resources Officer

26 years of industry experience



**Pramod Yadav**

CEO -Jubilant Pharma

34 years of industry experience



**Syed Kazmi**

President & CEO –Jubilant  
Therapeutics

28 years of industry experience



## Towards New Horizons



**Hari S. Bhartia**  
Co-Chairman and  
Managing Director

**Shyam S. Bhartia**  
Chairman



## Dear Fellow Shareholders,

In FY 2021, in our continuing business we reported stable revenues, despite COVID-19 challenges, due to the diverse range of our businesses. While our Specialty Pharma business was impacted due to COVID-19 and competition in radiopharma, our CMO, Generics and Contract Research and Development Services businesses delivered strong growth during the year.

Effective from 1<sup>st</sup> Feb, 2021, the Life Science Ingredients business was demerged into Jubilant Ingrevia Limited and the name of the Company was changed to Jubilant Pharmova Limited from erstwhile Jubilant Life Sciences Limited.

During the last financial year the world's economic, social and health infrastructures were severely challenged by the COVID-19 pandemic, which adversely impacted the global economic output. Several developed and developing countries resorted to various degree of lockdowns and mobility constraints to control the COVID-19 pandemic, which led to major disruptions across sectors, such as manufacturing, construction, logistics, aviation, hospitality and tourism.

As per IMF's April 2021 World Economic Outlook report, in 2020 the global economy contracted by 3.3%, advanced economies by 4.7% and Emerging and Developing Markets by 2.2%. The Indian economy too had its share of turmoil as it contracted by 7.3% in FY 2021 with major impact on economy coming from the national lockdown during the first quarter and below normal economic activity in rest of the quarters. However, the advent of vaccines and adaptability against COVID-19 means that the global economy is expected to witness a strong rebound with an expected growth in output by 6% and 4.4% in 2021 and 2022 respectively. Indian economy too is expected to return to growth, with IMF forecasting the economic output to grow by 9.5% in FY 2022 and 8.5% in FY 2023. However, possibility of emergence of new mutants that are immune to available vaccines and are more virulent poses risk to the current growth forecasts.

As per IQVIA, the global pharmaceutical market size in CY 2020 was estimated at \$ 1.3 trillion and is expected to expand at a compounded annual growth rate (CAGR) of 3%-6% to \$ 1.6 trillion by 2025. The key factor driving the global medicine spending capacity will be based on the strong growth of 'Pharmerging' markets, and the consistent launch of high-end specialty innovative products in developed markets. This could possibly be offset with the

slower growth in developed markets as losses of exclusivity for original brands outweigh growth from new products.

As per Evaluate Pharma's annual 'World Preview', demand for innovative and effective therapies will continue to drive long-term growth. Prescription drugs are forecast to grow from an estimated \$ 0.9 trillion in 2020 to almost \$ 1.4 trillion in 2026 with orphan drugs and oncology products continuing to be high-performing segments. As per the report, oncology remains the leading area for R&D investment with a forecast spend of \$ 82 billion which is expected to result in 152 novel FDA approvals and \$ 311 billion of drug sales in 2026. The orphan drug market is expected to double from \$ 127 billion in 2019 to \$ 255 billion in 2026, with a projected CAGR of 10.8% from 2020-2026.

As per the Department of Commerce, India's pharmaceutical exports during FY 2021 grew by 18% YoY to \$ 24.4 billion. North America was the largest market for India accounting for over 34% of the pharmaceutical exports. Country-wise exports to USA, Canada and Mexico recorded growth of 13%, 30% and 21% respectively.

The Government of India (GoI), to promote domestic manufacturing, especially in sectors such as Pharmaceuticals and specialty chemicals, has announced several Production Linked Incentive (PLI) schemes. In March 2021 the GoI, with the aim to further encourage the domestic pharmaceuticals industry to enhance its manufacturing capabilities, announced a new scheme that is expected to offer a total of ₹ 150 billion in incentives to the selected applicants for the identified pharma products. In March 2020, the Government of India, announced a scheme of ₹ 30 billion to develop three mega Bulk Drug Parks in India and a Production Linked Incentive scheme of ₹ 69.4 billion for promoting of domestic manufacturing of critical KSMs/ Drug Intermediates and APIs in the country. We believe, these are steps in the right direction and will go a long way to further strengthen the domestic pharmaceuticals industry and reduce reliance on import of Key Starting Materials/Drug intermediates from other countries.



**The advent of vaccines and adaptability against COVID-19 means that the global economy is expected to witness a strong rebound with an expected growth in output by 6% and 4.4% in 2021 and 2022 respectively.**



## Business Objectives

We are an integrated global pharmaceuticals Company present across the entire pharmaceutical value chain. We take pride in our positioning as a one-stop-shop in the global pharmaceutical market supplying products and services to customers in over 85 countries. Our diversified businesses are segmented in three major verticals namely 'Pharmaceuticals', 'Contract Research and Development Services' and 'Proprietary Novel Drugs'. We are globally recognised as a 'Partner of Choice' by leading pharmaceuticals and our strength lies in the unique offerings of pharmaceutical and services, especially in Specialty Products. We are engaged in continuous improvement of products and processes to enhance quality and cost competitiveness to build value for our customers. As a responsible corporate citizen, we are committed to safeguarding the environment and maintaining a triple bottom line approach of sustainability through delivering a high social, environmental and economic performance.

The Pharmaceuticals segment is engaged in the manufacturing and supply of Radiopharmaceuticals with a network of 48 radiopharmacies in the US, Allergy Immunotherapy, Active Pharmaceutical Ingredients (APIs), Solid Dosage Formulations, and in the Contract Manufacturing of Sterile and Non-Sterile products through six manufacturing facilities that cater to all the regulated markets including USA, Europe and other geographies. We have created several competencies in the segment with strong R&D capabilities, which include an innovative product portfolio in specialty pharmaceuticals with high

entry barriers and limited competition, global competitive edge due to low cost from vertically integrated operations, market leadership in key products and business segments and de-risked business model. The differentiated business model focusing on specialty pharmaceuticals has enabled us to deliver robust results in the past and has ensured that we have a strong base for future growth in our Pharmaceuticals segment.

The 'Contract Research and Development Services' segment through Jubilant Biosys Limited provides collaborative research and partnership for Drug Discovery through two world-class research centres in India. The business has doubled its capacity at the Greater Noida facility, which became operational in August 2021.

In our Proprietary Novel Drugs business, we are developing breakthrough therapies in the area of oncology and autoimmune disorders.

The Company has decided to demerge its Active Pharmaceutical Ingredients business, currently an undertaking of Jubilant Generics Limited (JGL), and vesting of the same with the Company on an ongoing concern basis. This demerger is to be implemented through a scheme of arrangements between JGL and the Company along with their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013.





The business rationales behind this reorganisation plan are as below:

- Creation of a small molecule discovery and chemistry focused vertical present across value chain of CRO & CDMO of Innovative and Generic API.
- This will strengthen and sustain long-term growth, profitability, market share, customer service, risk management as it requires focused management attention, different skill sets and resources
- Synergies between CRO & CDMO businesses can be realised more effectively in a Holding/Subsidiary Company structure as compared to fellow subsidiary structure
- This would also help in supporting our customers and their needs from an early stage of research to commercialisation of active ingredients, which will provide a competitive edge to this business.

### Performance Review (Continuing Business)

Total Revenue from Operations in FY 2021 was at ₹ 60,985 million vs. ₹ 59,758 million in FY 2020. Continuing business' International revenue was at ₹ 58,274 million, contributing 96% to the continuing business' total revenue.

Pharmaceuticals revenue for FY 2021 was at ₹ 57,897 million vs. ₹ 57,143 million in FY 2020 and contributing 95% to the total revenue. Our strategy and the business model, through which we have been able to build multiple levers of exciting and differentiated businesses, are the pillars for the sustained strong performance in this business.

'Contract Research and Development Services' segment's revenue improved to ₹ 3,052 million from ₹ 2,515 million in FY 2020, contributing 5% to the total revenue.

Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) was at ₹ 14,141 million vs. ₹ 15,853 million, with a margin of 23.2% as compared to 26.5% in FY 2020.

Depreciation and amortisation in FY 2021 was at ₹ 3,490 million as compared to ₹ 3,398 million in FY 2020. Finance cost stood at ₹ 1,841 million vs. ₹ 1,997 million last year.

Profit After Tax stood at ₹ 5,739 million as against ₹ 6,778 million in FY 2020 with an Earnings Per Share (EPS) of ₹ 36.05.

During the year, Jubilant Pharma Limited (JPL), Singapore, a material wholly owned subsidiary of the Company, redeemed the entire principal amount of \$ 200 million notes together with accrued interest out of the \$ 200 million of the notes that were due in October 2021.

### Dividend

The Board has proposed a dividend of 500% per equity share of ₹ 1 face value for the year.

### Outlook

The Company in the near term is focused on sustaining its operational and financial performance in the current uncertain scenario unleashed by the COVID-19 pandemic with medium term focus on ensuring sustainable growth across its various businesses. We continue to stay focused on our strategy of being closer to the customer and of further strengthening our leadership position in defined businesses. The Company is focused on maintaining debt at optimum levels.

### Conclusion

We would like to thank all our valued stakeholders, including our customers, vendors, lenders and shareholders for continuing their support and upholding their confidence and trust in us. We remain deeply grateful to all our employees globally for their contribution and commitment to our organisation, especially during the lockdown periods. We wish for safety of all our stakeholders and their dear ones during these trying circumstances.

Warm regards,

**Shyam S. Bhartia**  
Chairman

**Hari S. Bhartia**  
Co-Chairman and Managing Director

## Management Discussion and Analysis



### Cautionary Statement

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

### Key Economic and Industry Trends

During the last financial year the world's economic, social and health infrastructures were severely challenged by the COVID-19 pandemic, which adversely impacted the global economic output. Several developed and developing countries resorted to various degrees of lockdowns and mobility constraints to control the COVID-19 pandemic, which led to major disruptions across sectors, such as manufacturing, construction, logistics, aviation, hospitality and tourism.

As per IMF's April 2021 World Economic Outlook report, in 2020 the global economy contracted by 3.3%, advanced

economies by 4.7% and Emerging and Developing Markets by 2.2%. The Indian economy too had its share of turmoil as it contracted by 7.3% in FY 2021 with major impact on economy coming from the national lockdown during the first quarter and below normal economic activity in rest of the quarters.

However, the advent of vaccines and adaptability against COVID-19 means that the global economy is expected to witness a strong rebound with an expected growth in output by 6% and 4.4% in 2021 and 2022 respectively. Indian economy too is expected to return to growth, with IMF forecasting the economic output to grow by 9.5% in FY 2022 and 8.5% in FY 2023. However, possibility of emergence of new mutants that are immune to available vaccines and are more virulent poses risk to the current growth forecasts.

As per IQVIA, the global pharmaceutical market size in CY 2020 was estimated at USD 1.3 trillion and is expected to expand at a Compounded Annual Growth Rate (CAGR) of 3%-6% to USD 1.6 trillion by 2025. The key factor driving the global medicine spending capacity will be based





**The global pharmaceutical market size in CY 2020 was estimated at USD 1.3 trillion and is expected to expand at a compounded annual growth rate (CAGR) of 3%-6% to USD 1.6 trillion by 2025. The key factor driving the global medicine spending capacity will be based on the strong growth of ‘Pharmerging’ markets, and the consistent launch of high-end specialty innovative products in developed markets.**

on the strong growth of ‘Pharmerging’ markets and the consistent launch of high-end specialty innovative products in developed markets. This could possibly be offset with the slower growth in developed markets as losses of exclusivity for original brands outweigh growth from new products.

As per Evaluate Pharma’s annual ‘World Preview’, demand for innovative and effective therapies will continue to drive long-term growth. Prescription drugs are forecast to grow from an estimated USD 0.9 trillion in 2020 to almost USD 1.4 trillion in 2026 with orphan drugs and oncology products continuing to be high-performing segments. As per the report, oncology remains the leading area for R&D investment with a forecast spend of USD 82 billion which is expected to result in 152 novel FDA approvals and USD 311 billion of drug sales in 2026. The orphan drug market is expected to double from USD 127 billion in 2019 to USD 255 billion in 2026, with a projected CAGR of 10.8% from 2020-2026.

As per the Department of Commerce, India’s pharmaceutical exports during FY 2021 grew by 18% YoY to USD 24 billion. North America was the largest market for India accounting

for over 34% of the pharmaceutical exports. Country wise exports to USA, Canada and Mexico recorded growth of 13%, 30% and 21% respectively.

The Government of India (GoI), to promote domestic manufacturing especially in sectors such as Pharmaceuticals and Specialty Chemicals has announced several Production Linked Incentive (PLI) schemes. In March 2021 the GoI, with the aim to further encourage the domestic pharmaceuticals industry to enhance its manufacturing capabilities, announced a new scheme that is expected to offer a total of ₹150 billion in incentives to the selected applicants for the identified pharma products. In March 2020, the Government of India, announced a scheme of ₹30 billion to develop three mega Bulk Drug Parks in India and a Production Linked Incentive scheme of ₹69.4 billion for promotion of domestic manufacturing of critical Key Starting Materials (KSMs)/Drug Intermediates and Active Pharmaceutical Ingredients (APIs) in the country. We believe, these are steps in the right direction and will go long way to further strengthen the domestic pharmaceuticals industry and reduce reliance on import of KSMs / Drug Intermediates from other countries.

## Pharmaceuticals Segment

The Pharmaceuticals segment is engaged in manufacturing and supply of Radiopharmaceuticals with a network of 48 radio-pharmacies in the US, Allergy Immunotherapy, Contract Manufacturing of Sterile Injectables and Non-sterile products, APIs and Solid Dosage Formulations through six manufacturing facilities that cater to all the regulated markets including USA, Europe and other geographies. The segment contributed 95% to the Total Revenue from Operations of Continuing business. The revenue generated from this segment stood at ₹ 57,897 million in FY 2021 as compared to ₹ 57,143 million in FY 2020.

### Specialty Pharmaceuticals

Our Specialty Pharmaceuticals business includes our Radiopharma (Radiopharmaceuticals and Radiopharmacies) and Allergy Immunotherapy businesses. Revenue for this segment stood at ₹ 23,035 million in FY 2021 vs. ₹ 30,191 million in FY 2020 with 40% contribution to total Pharmaceuticals segment revenues.

### Radiopharma

Our Radiopharma business is involved in the manufacture, supply and distribution of radiopharmaceutical products, which are used in the diagnosis, treatment and monitoring of various diseases. We specialise in lung, thyroid, bone and cardiac imaging products as well as thyroid disease therapy. It is our vision to be a leading player in nuclear medicine by demonstrating robust quality, value to our customers, sustainability to physicians/their patients and by building a healthy pipeline of products.

The Radiopharma business comprises the Radiopharmaceutical manufacturing business and the Radiopharmacies distribution business. Jubilant's Radiopharmacies business is the second largest radiopharmacy network in the US with 48 pharmacies distributing nuclear medicine products to the largest national Group Purchasing Organisations (GPOs), regional health systems, stand-alone imaging centres, cardiologists and hospitals. This business has over 30 years of experience in serving the US nuclear medicine community and its current geographical reach enables it to serve over four million patients yearly. The Radiopharmacies business complements the Company's niche Radiopharmaceuticals business and provides it with direct access to hospital networks.

During the year, with regards to Ruby-Fill® litigation, the Company received a favorable and unanimous judgment from the United States Court of Appeals summarily affirming Jubilant's earlier favorable rulings from the US Patent Office ("PTAB") and the US International Trade Commission ("ITC"). These two rulings by the Appellate Court denied the appeals filed by Bracco Diagnostics, Inc ("Bracco"). We are further

enhancing marketing and business development efforts for Ruby-Fill® in the US and expect a ramp-up of installations if the COVID-19 situation remains stable or improves. During the year, the Company commercially launched Ruby-Fill® in Europe and is expanding the distribution network for Ruby-Fill® in the region.

In FY 2021, the Company's subsidiary Jubilant Pharma Limited entered in a partnership with SOFIE Biosciences Inc., USA. Under the terms of the partnership, Jubilant with 25% of equity holding has become a strategic partner to SOFIE, enabling SOFIE to continue to grow production capacity, advance its theranostic pipeline and support novel PET diagnostic manufacturing and distribution within the US.

SOFIE is an innovation leader in molecular theranostic, one of the fastest growing fields in medicine. Theranostic is a combination of diagnostic and therapy, using the same target molecule. SOFIE has three lines of businesses that are highly synergistic to Jubilant Radiopharma. The first is a network of 14 radiopharmacies dedicated to PET tracers, which is complementary to Jubilant's work. The second business line is a specialised CMO facility in New Jersey, which is dedicated to early clinical developments of theranostic agent by which Jubilant can also partner with innovators early in the development phase. Finally, SOFIE owns 70% exclusive rights of a proprietary "Fibroblast Activation Protein Inhibitor" called FAPI. FAPI has received worldwide acclaim for its value as a key next-generation theranostic agent with the ability to greatly enhance the detection and treatment of a wide variety of oncology diseases. With our deep expertise in R&D, regulatory affairs, marketing and uncompromised quality, SOFIE and Jubilant are partnering to become a theranostic powerhouse.

In FY 2021, performance of the Radiopharma business was affected on account of lower elective procedures especially related to lung scans due to COVID-19 and competition. We are witnessing a gradual recovery in this business due to improving COVID-19 situation in the US, barring lung scans which are trailing the recovery curve.



**Jubilant's Radiopharmacies business is the second largest radiopharmacy network in the US with 48 pharmacies distributing nuclear medicine products to the largest national Group Purchasing Organisations (GPOs), regional health systems, stand-alone imaging centres, cardiologists and hospitals.**



During FY 2021, business reported a revenue of ₹ 19,150 million vs. ₹ 26,078 million last year.

The Company has successfully built an integrated ecosystem including a dedicated Research and Development team, specialised manufacturing facilities, best-in-class regulatory affairs, sales and marketing operations. This business has promising growth through our own vertically integrated Radiopharmacies as well as its radiopharmacy customers. The Company is working on several active pipeline projects, which it plans to launch in the next few years. In its Radiopharmacies business, the Company is executing a detailed turnaround plan to grow top line strongly with new customer wins, expand network to service newer geographies and enhance cost and procurement efficiencies.

The Company is well positioned in the North American nuclear medicine market, which is expected to grow across the therapeutic segments of Oncology, Neurology and Cardiology over the next five years. The Company aspires to be the leading manufacturer of nuclear medicine products in North America. With a strong presence in North America, it is expanding its distribution channels in the Latin America, European and Asian markets.

### Allergy Immunotherapy

The Allergy Immunotherapy business provides products in the US and also exports to several international markets such as Canada, Europe and Australia. We supply bulk extracts to physicians who then use the products for diagnostic testing and to administer immunotherapy treatment. Allergenic extracts in our portfolio are offered in

the form of consistent, high-quality, differentiated products along with a range of specialised diagnostic devices for skin testing.

A differentiated business of manufacturing and marketing of allergenic extracts is backed by one of the oldest and most trusted brands, HollisterStier, which is in existence for the last 100 years. The Company has been focusing on expanding market coverage and this has been bearing fruit with better performance. In addition, we have increased capacities in Lyophilisation and are further increasing capacities in the Allergy Immunotherapy manufacturing facility to ensure consistent and reliable supply of our flying insect venom products. We are the sole producers and suppliers of venom immunotherapy in the US.

Due to the pandemic, our Allergy Immunotherapy business was adversely impacted, venom diagnoses especially witnessed a decline due to state lockdowns and restrictions, which led to reduced office hours and patient visits. During FY 2021, the business revenue stood at ₹ 3,885 million as compared to ₹ 4,114 million in FY 2020.

This business continues to build on the development of innovative products to address various allergies. It is our endeavour to expand the leadership that our products enjoy on the back of a robust product pipeline along with hands-on production and an extensive presence in important markets. The Company is expanding its footprint beyond the US and is building networks in other countries such as Canada, France, Australia, New Zealand and South Korea with an aim to drive sales of our brands. We are also evaluating strategies to expand coverage mix.



## Contract Development and Manufacturing Organisation (CDMO)

Our CDMO business includes our Contract Manufacturing of Sterile Injectables and Non-sterile Products (CMO) and our Active Pharmaceutical Ingredients (APIs) businesses. CDMO revenues were at ₹ 20,099 million in FY 2021 as against ₹ 15,359 million in FY 2020.

### Contract Manufacturing of Sterile Injectables and Non-sterile Products (CMO)

We are a fully integrated leading CMO player based out of North America with operations in Spokane, Washington, US and Kirkland, Montreal, Canada. The facilities offer manufacturing services including sterile injectables (both liquid and lyophilisation), ampoules and sterile ointments, creams and liquids as well as non-sterile ointments, creams and liquids.

We are among the leading contract manufacturers in North America for sterile injectables. Our facilities have been approved by regulators across the world including the USFDA, Health Canada, ANVISA Brazil, PMDA Japan, Russia, MHRA, and various others. The products manufactured at both sites are sold in over 50 countries globally. We also lay strong emphasis on compliance and Intellectual Property Rights (IPR) and focus on the highest-level of compliance with a lean operation setup and supply of right quality products in a timely manner to our customers. These efforts are instrumental in helping us further grow the order book. Injectable forms an increasing proportion of new approvals by innovators for which there is shortage

of capacity in the industry for high-quality manufacturing sterile sites, which we have the capability to offer.

The CDMO business has played an integral role in the current pandemic, and we have established contracts with Gilead, Eli Lilly and Novavax for the manufacturing of vaccines and therapeutic drugs to fight the pandemic. The business witnessed strong growth during the year led by robust demand witnessed from key customers and COVID-19 related contracts. Revenues for FY 2021 were at ₹ 13,943 million as against ₹ 8,956 million in FY 2020.

Our analysis suggests another area of growth is sterile ophthalmic. With ageing population across the globe, eye ointments are gaining popularity and we are witnessing a lot of Request for Proposals (RFPs) in this field. Based on this assessment, we are setting up a 200 bottles per minute ophthalmic line in Montreal, Canada. The plan is undergoing the validation stage at the vendor's site and is scheduled to be installed at our Montreal site in the current fiscal year. Once operational, it is expected to further encourage growth for the CMO business.

We are also continuing to invest on sites to address future growth opportunities. At our Spokane, Washington facility, we have announced a \$ 92 million investment to expand sterile injectable manufacturing capacity. This investment is being made to setup a high speed 400 vials a minute injectable fill line with isolator technology, which will enhance Spokane facility's capacity by 50%. This expansion, which will also include two 300 sq ft Lyophilizers, will be spread over 50,000 sq feet at the Spokane facility and will be commercially operational by the end of CY 2024.





## Active Pharmaceutical Ingredients (APIs)

APIs, also known as drug actives, are responsible for rendering the therapeutic action to the final formulation of a drug. Jubilant is one of the world's most reputed manufacturers of APIs and we partner with numerous leading drug formulation companies world-wide to fulfil their requirements of high-quality APIs at affordable prices. We are a global market leader in a few APIs across various therapeutic areas and drug classes, e.g., Cardiovascular System (CVS), Central Nervous System (CNS), Anti-Infectives and Anti-depressants among others.


Our API business further adds value to the organisation by virtue of supplying cost-effective and high-quality APIs to our Solid Dosage Formulations business in the US, Europe, and Rest of the World (RoW). As a global market leader in a few APIs, we strive to consolidate our leadership with sizeable capacities and dedicated production streams for certain high-volume molecules. Our portfolio also includes numerous newly-approved molecules. This helps our clients be cost-effective in the market with high-quality products and strengthens our position as their partner-of-choice. We are highly committed to sustain our long-standing relationship with large formulation companies.

In FY 2021, during the first quarter, our Nanjangud plant operations were impacted due to COVID-19, which impacted our revenues and profitability during the year. In a very swift response, we further intensified our precautionary protocols for the safety of our employees and adapted agile strategies to bring operations back on track.

In FY 2021, revenue from the API business was ₹ 6,156 million as compared to ₹ 6,403 million in FY 2020.

As of April 2021, we have filed 98 Drug Master Files (DMFs) in the US, 45 Certification of Suitability (CEPs) in Europe, 40 DMFs in Canada, 15 DMFs in Japan and 14 DMFs in Australia. Additionally, we are on track to obtain approval from the European Directorate for the Quality of Medicines & HealthCare (EDQM) for two more APIs in FY 2022.

We implement the highest-levels of regulatory and quality compliance practices in the APIs industry with a series of successful inspections by various regulatory agencies. Our manufacturing facility at Nanjangud is approved by global regulatory agencies, including Health Canada, TGA Australia, EU GMP (from National Institute of Pharmacy and Nutrition Hungary), PMDA (Japan), FSSAPS (France), KFDA (Republic of Korea), ANVISA (Brazil) and COFEPRIS (Mexico). However, the USFDA has assigned the facility an Official Action Indicated (OAI) classification since 2019. We have completed the remediation activities and await USFDA inspection and are hopeful of resolution of the regulatory status.



**As of April 2021, we have filed 98 Drug Master Files (DMFs) in the US, 45 Certification of Suitability (CEPs) in Europe, 40 DMFs in Canada, 15 DMFs in Japan and 14 DMFs in Australia.**

In line with our commitment towards our partners, we are leading various initiatives to reduce costs by continuously streamlining our operations, enhancing yield, on-boarding alternative vendors, de-risking our operations and supply chain and optimising input material costs. Several cost improvement and process innovation programmes are being undertaken for various commercial APIs as a part of product life cycle management. This will help us improve profitability and maintain market share despite increasing competition and pricing pressure.

In FY 2019, nitrosoamine issues related to Sartans affected the whole industry. Stringent guidelines of non-detectable limits from the USFDA impacted the supplies. We diligently worked to meet the guidelines, which enabled us to supply these products to the key markets of US and Europe. We have further future-proofed our manufacturing process to address similar regulatory changes, while ensuring compliance with all guidelines.

Our new product development philosophy is innovation-led affordability and quality-by-design, giving our customers access to cost-effective APIs, while maintaining consistent global quality standards. Aided by strong process and analytical chemistry capabilities and IP and regulatory expertise, we will continue to focus on developing new products and filings for key markets. Our API development efforts will also enable our Solid Dosage Formulations business to create new formulations using in-house APIs. This will facilitate the ANDA/dossier filings and assure cost-competitiveness and supply continuity for the business.

The Company has decided to demerge its Active Pharmaceutical Ingredients business, currently an undertaking of Jubilant Generics Limited (JGL) and vesting of the same with the Company on a going concern basis. This demerger is to be implemented through a scheme of arrangement between JGL and the Company and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013.



The business rationales behind this reorganisation plan are as below:

- Creation of a small molecule discovery and chemistry focused vertical present across value chain of CRO & CDMO of Innovative and Generic API
- This will strengthen and sustain long-term growth, profitability, market share, customer service, risk management as it requires focused management attention, different skill sets and resources.
- Synergies between CRO & CDMO businesses can be realised more effectively in a Holding / Subsidiary Company structure as compared to fellow subsidiary structure.
- This would also help in supporting our customers for their needs from early stage of research to commercialisation of active ingredients and will provide competitive edge to this business.

## Generics

The Generics business includes our Solid Dosage Formulations. The Solid Dosage Formulations business includes manufacturing and marketing of formulations in the generics space. We have traditionally focused on the US market, which is the largest market for generics. In addition, we are also extensively expanding in RoW markets like Europe, Asia, Middle East, Latin America and Africa and we have promising plans for growth in Europe, Canada, Australia, Japan and China in the near future.

In the United States, we are the market leader in several key products. The business derives benefit of vertical integration with our commercial Solid Dosage Formulations partially integrated with in-house APIs. This helps us reduce costs and maintain optimal efficiency. The broad therapeutic areas covered include Cardiovascular System (CVS), Central Nervous System (CNS) and Gastrointestinal (GI).

We manufacture our products in Salisbury, US and Roorkee, India. A few products are also in-licensed from external partners. Our Roorkee facility is approved by FAMHP Belgium, PMDA Japan, TGA Australia, and SAHPRA South Africa. While our Salisbury facility is USFDA approved, our Roorkee facility received an Import Alert in July 2021 from USFDA. Earlier, the Roorkee facility received an Official Action Indicated classification status from USFDA in December 2018 and a Warning Letter in March 2019. The Company is engaging with the agency and is taking help from consultants to resolve the import alert at the earliest and ensure cGMP compliance. The agency has exempted Meclizine tablets, Olanzapine orally disintegrating tablets, Risperidone orally disintegrating tablets, Spironolactone tablets and Valsartan tablets from the import alert subject to the Company meeting a few conditions. The products that get impacted due to the import alert contributed to less than 3% of FY 2021 total revenues for the Company.

As of 31<sup>st</sup> March 2021, the business had 54 commercialised products, including 25 in US, 15 in Canada, 29 in Europe, and 32 in RoW. Also, we filed a total of 98 ANDA filings in US, 39 in Europe, 24 in Canada and 42 filings in other RoW countries so far. Additionally, we have received 61 ANDA approvals in the US, 33 in Europe, 23 in Canada and 40 in RoW markets.

Revenue growth during the year was aided by the launch of Remdesivir in India and other licensed countries and strong market position in select products in the US market. The Total revenue from this business in FY 2021 was ₹ 14,763 million as compared to ₹ 11,593 million in FY 2020.

We are expanding our product portfolio in oral solids and certain niches in Novel Drug Delivery System (NDDS) with an objective to increase the contribution to revenue as we grow beyond the traditional regulated markets. Our aim is to enhance our focus in the key RoW markets, wherein we foresee significant growth opportunities. Currently, we have obtained approvals in the key markets of Asia and Africa— including South Africa, Philippines, and Malaysia, and a number of these approved products are already commercialised. In Latin America, Middle East, and Commonwealth of Independent States (CIS) markets, our growth will be driven by new filings and new product launches in key markets, including UAE, Chile and Brazil.

Further, we continue to expand our operations in Europe, which has been a consistent revenue contributor for our global business over the year. UK continues to be a key growth market where we have established our subsidiary and are strengthening our team and product portfolio. We have built a strong base with more than 35 customers in Europe and we are continuously strengthening our product portfolio with them. Our businesses in Canada and Australia are expected to see significant growth based on new launches and new partnerships.

In our Generics business, we are witnessing pricing pressure in some of the product categories in the US market. In the US market, we plan to launch new products via in-licensing and contract manufacturing and are working towards expansion of geographical reach in new markets.

## Contract Research and Development Services Segment

The Contract Research and Development Services (CRDS) segment provides Drug Discovery and Development services under Jubilant Biosys Limited and Electronic Data Capture (EDC) software for clinical trials under the TrialStat brand. Jubilant Biosys Limited operates from Bengaluru and Noida offering integrated as well as functional drug discovery and development services to global innovators. Total revenue from this business in FY 2021 was ₹ 3,052 million compared to ₹ 2,515 million in FY 2020.



In our Contract Research and Development Services business, we focus on offering integrated solutions to our pharmaceutical customers which maximises speed to develop a new lead. Our service offering includes early Drug Discovery Services, GMP scale up of Intermediates and New Chemical Entity (NCE). This provides an integrated solution (from early phase discovery and development to commercialisation of the molecule) to pharmaceutical customers.

It is our objective to provide solutions and services to the pharmaceutical and biotechnology industry as well as academic institutions during the research and preclinical phases of drug development. Our therapeutic areas of expertise include Oncology, Metabolic Disorders, Central Nervous System (CNS), Pain and Inflammation.

We are continually strengthening our relationships in this sector by expanding our service offering through investments in new technologies and capabilities which will enhance our knowledge in select therapeutic areas. Our business presents a vastly capable and effective alternative to customers seeking world-class research and development services which are designed for speed to reach critical milestones. Our chemical development facility adheres to GMP and is capable of conducting multi-kilogram manufacturing campaigns for both pre-clinical toxicology and early clinical stage requirements.

We are strategically investing in capacity expansion and remain focused on integrated programmes as well as discrete Full Time Equivalent (FTE) and Fee For Service (FFS) services. The TrialStat business offers Cloud/SaaS (Software as a Service) software for clinical trials.

The eClinical Suite includes Trial Stat Orbit for electronic Database Capture, TrialStat CTMS for Clinical Trial Management Software and TrialStat Portal for Analytics and Customer Interface Software.

In August 2021, the business completed the chemistry research capacity expansion in Greater Noida and commissioned the new capacity. We expect this capacity to achieve full utilisation by end of FY 2022, which will drive growth for the business in FY 2022 and FY 2023.

### Proprietary Novel Drugs (Jubilant Therapeutics)

In our Proprietary Novel Drugs business through Jubilant Therapeutics, we are working to address unmet medical needs in oncology and autoimmune diseases. Our advanced discovery engine integrates structure-based design and computational architecture to discover and



**We are continually strengthening our relationships in this sector by expanding our service offering through investments in new technologies and capabilities which will enhance our knowledge in select therapeutic areas.**

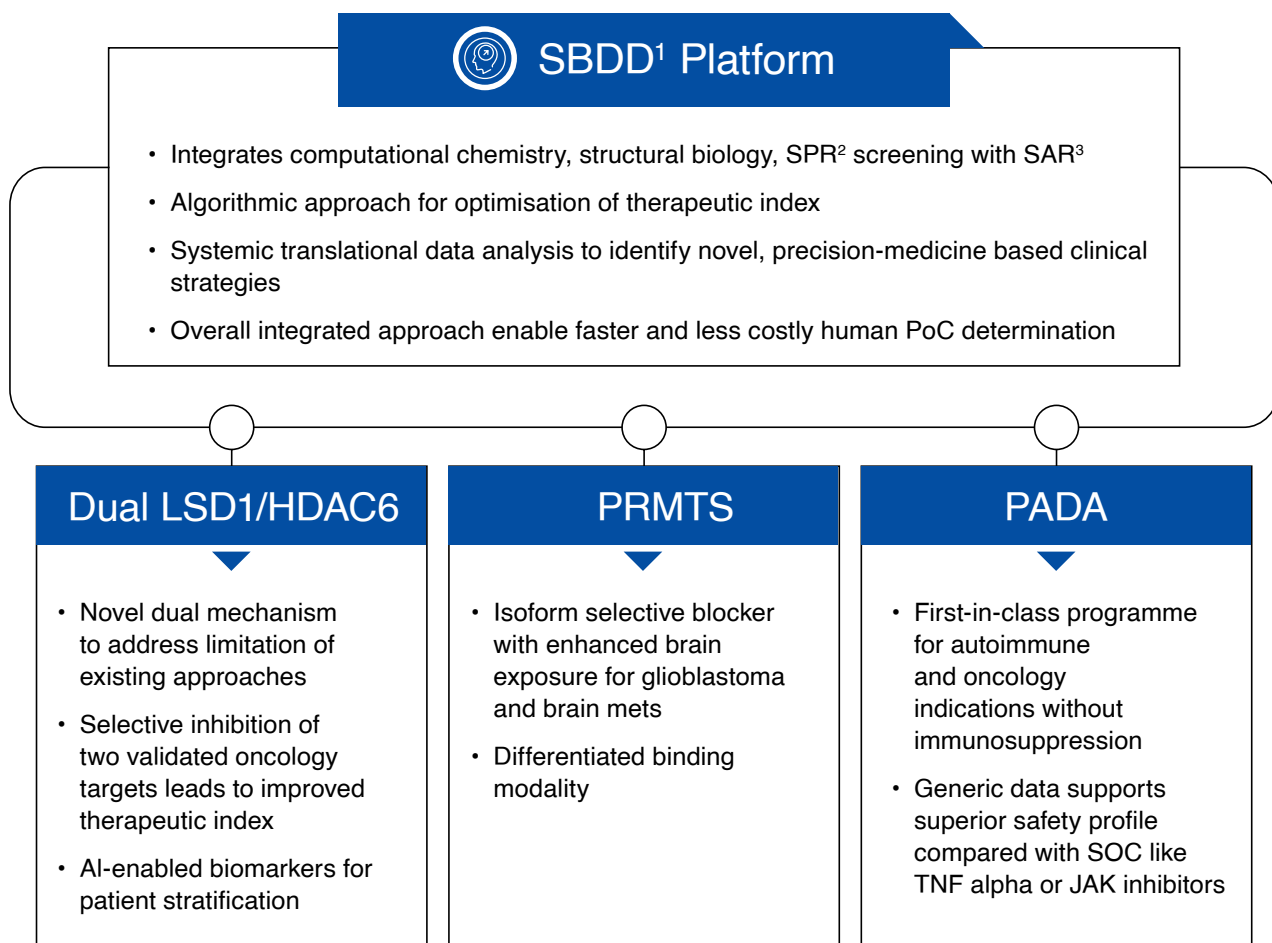
develop novel, precision therapeutics against first-in-class and validated but intractable targets in genetically-defined patient populations. We strive for speed and efficiency by employing a business model that positions Jubilant Therapeutics as a distinct business entity and leverages the proven and synergistic capabilities of the Company. Jubilant Therapeutics comprises a team of passionate and pioneering scientists.

The Company’s key strengths include:

- Diversified pipeline with lead programmes transitioning to clinical stage in 9–12 months providing significant value inflection

- Leadership team with large pharma and biotech pedigree, experienced in bringing novel compounds from discovery to clinics
- BOD, Key Opinion Leaders and Scientific Advisory Board from world-class institutions such as Memorial Sloan, Francis Crick and Dana Farber, large Pharma and Investment Banks
- Agile business model and value unlocking opportunity through partnering with global pharma/capital market transactions

**Powerful Integrated R&D Platform to Generate a High-value Clinical Portfolio:**



<sup>1</sup> Structure based drug design  
<sup>2</sup> Surface Plasmon Resonance  
<sup>3</sup> Structure Activity Relationship



## Pipeline Overview

Programmes	Indication	Pathway	Details
<b>Current pipeline</b>			
<b>LSD1/HDAC6</b>			
<b>-Dual Inhibitor</b>	Hematological malignancies and solid tumours	Epigenetics	First-in-class dual inhibitor of LSD1/HDAC6 to address unmet needs in haematological tumours like acute myeloid leukaemia (AML) and select solid tumours. IND-enabling studies ongoing. The Programme is expected to start Phase I clinical trial in 2022
<b>PRMT5</b>	Lymphoma, GBM, Brain mets	Epigenetics	Differentiated programme with potential best-in-class lead molecule that shows direct target interaction and sustained plasma and brain exposure with strong anti-tumour activity in both xenografts and orthotopic glioblastoma models. Potential to address tumours like GBM and brain metastasis. IND submission planned in 2022
<b>PAD4</b>	Rheumatoid arthritis, Acute indications	Epigenetics	First-in-class PAD4 inhibitor with potential to address unmet needs in auto-immune disorders like rheumatoid arthritis, as well as acute inflammatory indications like AAV, and oncology. Demonstrated efficacy in multiple animal models. IND submission planned in 2022
<b>PDL-1</b>	Multiple cancers	Immuno-oncology	Small molecule therapy with comparable efficacy to large molecules with potentially better safety profiles in initial studies. Series with organ-direct exposure in GI and brain. IND submission planned in 2022.
<b>Partnered programmes</b>			
<b>Undisclosed target</b>	Oncology	Undisclosed	Partnered with Frazier Healthcare Partners in FY 2020
<b>BRD4</b>	Oncology	Epigenetics	Partnered with Checkpoint Therapeutics in 2016 at lead stage with milestones.

In addition, there are multiple early-stage programmes targeting oncogenes and transcriptional factors in stealth mode.

During FY 2021, the Company progressed on multiple fronts:

- Path-breaking preclinical data presentation for lead programmes at key global scientific conferences such as American Association of Cancer Research, American Society of Haematology and at major global biotech investor conferences
- Strengthened scientific advisory board and Board of Directors with world-renowned leaders
- Research collaborations with Harvard Medical School and the Wistar Institute
- Introduced Artificial Intelligence (AI) platform collaboration for drug development
- 1<sup>st</sup> IND filing preparation

The US biotech market is witnessing very strong investor interest in precision therapeutics in oncology and auto-immune diseases based on the recent equity raises at attractive valuations. In its Proprietary Novel Drugs business, the Company is developing very high potential and first-in-class assets in these areas. Four of its assets under development are at an advanced pre-clinical stage and would transition to the clinics starting early next year. The Company is working towards creating shareholder value in this business through a private/public equity raise /partnering during coming 18-24 months



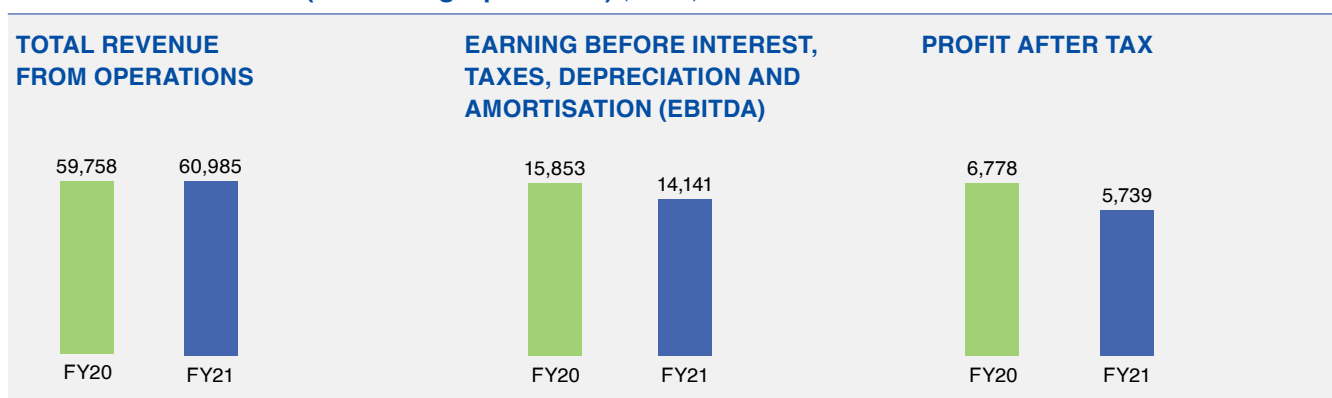
**Four of our assets under development are at an advanced pre-clinical stage and would transition to the clinics starting early next year.**



## Finance Review



### Financial Performance (Continuing Operations) (₹ in mn)



### Income Statement (Continuing operations)

	(₹ in mn)		
	FY20	FY21	% Growth
<b>Total Revenue from Operations</b>	59,758	60,985	2%
Other Income	374	176	(53%)
<b>Total Income</b>	60,132	61,161	2%
Material Cost and Change in Inventory	13,006	13,684	5%
Purchases of Stock-in-trade	1,546	1,676	8%
Employee Benefits Expense	18,432	19,229	4%
Power and Fuel Expense	1,122	1,058	(6%)
Other Expenditure	10,173	11,373	12%
<b>Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA)</b>	15,853	14,141	(11%)
<b>Depreciation, Amortisation and Impairment Expense</b>	3,398	3,490	3%
Finance Cost	1,997	1,841	(8%)
Share of profit/(loss) of an associate	0	113	-
<b>Profit Before Exceptional Items and Tax</b>	10,458	8,923	(15%)
Exceptional Item	329	212	
<b>Profit Before Tax</b>	10,129	8,711	(14%)
Tax Expenses	3,351	2,972	(11%)
<b>Profit After Tax (PAT)</b>	6,778	5,739	(15%)





## Consolidated Income Statement

	(₹ in mn)		
	FY20	FY21	% Growth
<b>Total Revenue from Operations</b>	91,544	89,055	(3%)
Other Income	474	298	(37%)
<b>Total Income</b>	92,018	89,353	(3%)
Material Cost and Change in Inventory	28,640	27,514	(4%)
Purchases of Stock-in-trade	2,766	2,511	(9%)
Employee Benefits Expense	21,277	21,728	2%
Power and Fuel Expense	4,738	3,776	(20%)
Other Expenditure	14,652	14,615	0.3%
<b>Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA)</b>	19,945	19,209	(4%)
<b>Depreciation, Amortisation and Impairment Expense</b>	4,619	4,517	(2%)
Finance Cost	2,874	2,473	(14%)
Share of Profit/(Loss) of an Associate		113	
<b>Profit Before Exceptional Items and Tax</b>	12,452	12,332	(1%)
Exceptional Item	347	212	(39%)
<b>Profit Before Tax</b>	12,105	12,120	0.1%
Tax Expenses	3,123	3,764	21%
<b>Profit After Tax (PAT)</b>	8,982	8,356	(7%)

### Revenue

Revenue from continuing operations during the year was at ₹ 60,985 million as compared to ₹ 59,758 million in FY 2020. Revenue from Pharmaceuticals segment grew 1% YoY at ₹ 57,897 million vs. ₹ 57,143 million in FY 2020 and contributed 95% to overall revenue. For Contract Research and Development Services, the revenue was at ₹ 3,052 million vs. ₹ 2,515 million in previous year. Revenue from Proprietary Novel Drugs stood at ₹ 37 million in the year.

Total Revenue from Operations during the year stood at ₹ 89,055 million as compared to ₹ 91,544 million in FY 2020. This includes Life Science Ingredients revenue of ₹ 28,070 million as compared to ₹ 31,786 million, which was demerged effective 1<sup>st</sup> Feb, 2021 into Jubilant Ingrevia Limited.

### Expenditure

Expenditure for Continuing operations was at ₹ 52,351 million in FY 2021 as compared to ₹ 49,674 million in the previous year. Material cost stood at ₹ 13,488 million vs. ₹ 14,380 million in FY 2020. Power and Fuel was at ₹ 1,058 million as compared to ₹ 1,122 million in FY 2020. Employee benefit expense in FY 2021 was at ₹ 19,229 million. Other expense was marginally higher at ₹ 11,373 million as compared to ₹ 10,173 million in FY 2020.

Expenditure (including Life Science Ingredients) stood at ₹ 77,134 million in FY 2021 as compared to ₹ 79,567 million in the previous year. Materials cost stood at ₹ 26,728 million in vs. FY 2021 ₹ 31,194 million in FY 2020. Power and Fuel expense was at ₹ 3,776 million in FY 2021 as compared to ₹ 4,738 million in FY 2020. Employee benefit expenses stood at ₹ 21,728 million during the year as compared to ₹ 21,277 million in FY 2020. Other expenses were at ₹ 14,615 million in FY 2021 vs. ₹ 14,652 million in the previous year.

### Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA)

The EBITDA from continuing operations was at ₹ 14,141 million in FY 2021 as compared to ₹ 15,853 million in the previous year. The EBITDA of Pharmaceuticals segment was at ₹ 13,863 million as against ₹ 15,555 million in FY 2020 with margins of 23.9% as against 27.2% in FY 2020. Contract Research and Development Services EBITDA was at ₹ 1,085 million as compared to ₹ 855 million in FY 2020, translating to EBITDA margin of 35.6%.

EBITDA (including Life Science Ingredients) in FY 2021 was ₹ 19,209 million translating to EBITDA margin of 21.6%. This includes Life Science Ingredients (Demerged Business) EBITDA in FY 2021, which was at ₹ 5,127 million as compared to ₹ 4,310 million in FY 2020.

### Finance Cost and Depreciation

From continuing operations, Depreciation and Amortisation was at ₹ 3,490 million in FY 2021 vs. ₹ 3,398 million in FY 2020. Finance cost was at ₹ 1,841 million as compared to ₹ 1,997 million in FY 2020. Average blended interest rate for FY 2021 stood at 5.07% as against 5.39% in FY 2020.

Depreciation and Amortisation (including Life Science Ingredients) in FY 2021 was at ₹ 4,517 million compared to ₹ 4,619 million in FY 2020. Finance cost in FY 2021 was at ₹ 2,473 million as compared with ₹ 2,874 million in FY 2020.

### Profit Before Tax

Profit Before Tax from continuing operations was at ₹ 8,711 million as compared to ₹ 10,129 million in FY 2020. Profit Before Tax (including Life Science Ingredients) for FY 2021 stood at ₹ 12,120 million, an increase from ₹ 12,105 million in the previous year.

## Tax Expenses

Tax Expenses from continuing operation were lower at ₹ 2,972 million in FY 2021 as compared to ₹ 3,351 million in the previous year. Tax Expense (including Life Science Ingredients) was at ₹ 3,764 million in FY 2021 as compared to ₹ 3,123 million in FY 2020.

## Profit After Tax

From continuing operations, Profit After Tax was at ₹ 5,739 million vs. ₹ 6,778 million in the previous year. Earnings per Share (EPS) from continuing operation was at ₹ 36.05 per equity share of ₹ 1 each.

The Profit After Tax (including Life Science Ingredients) was at ₹ 8,356 million in FY 2021 from ₹ 8,982 million in FY 2020. Earnings per Share (EPS) during the year was at ₹ 52.48 per equity share of ₹ 1 each.

## Review of Operations

Our continuing operations comprise products and services across Pharmaceuticals, Contract Research and

Development Services and Proprietary Novel Drugs. During the year, Jubilant Life Sciences Limited was renamed as Jubilant Pharmova Limited effective 1<sup>st</sup> February, 2021. The Company continues to remain listed on NSE and BSE.

1. Pharmaceuticals segment includes the following:
  - Specialty Pharmaceuticals, comprising Radiopharma (Radiopharmaceuticals and Radiopharmacies) and Allergy Immunotherapy businesses
  - CDMO, comprising Contract Manufacturing of Sterile Injectables and Non-sterile Products and Active Pharmaceutical Ingredients businesses
  - Generics, comprising Solid Dosage Formulations
2. Jubilant Biosys comprises Contract Research and Development Services business
3. Jubilant Therapeutics comprises Proprietary Novel Drugs

## Segmental Revenue Analysis

	FY20	FY21	(₹ in mn) % Growth
<b>Pharmaceuticals</b>	57,143	57,897	1%
<b>Specialty Pharmaceuticals</b>	30,191	23,035	(24%)
Radiopharma	26,078	19,150	(27%)
Allergy Immunotherapy	4,114	3,885	(6%)
<b>CDMO</b>	15,359	20,099	31%
CMO	8,956	13,943	56%
Active Pharmaceutical ingredients	6,403	6,156	(4%)
<b>Generics (Solid Dosage Formulations)*</b>	11,593	14,763	27%
<b>Contract Research and Development Services</b>	2,515	3,052	21%
<b>Proprietary Novel Products</b>	100	37	
<b>Continuing Operations, Total Revenue</b>	59,758	60,985	2%
<b>Life Science Ingredients (Demerged Business)</b>	31,786	28,070	(12%)
<b>Total Revenue from Operations</b>	91,544	89,055	(3%)

\* The Solid Dosage Formulations business includes India Branded Pharmaceuticals

## Key Financial Ratios (Consolidated)<sup>1,2</sup>

Particulars	Units	(₹ in mn)	
		FY20	FY21
Debtor Turnover	times	7.00	7.27
Inventory Turnover	times	5.50	5.28
Interest Coverage	times	6.94	7.68
Current Ratio	times	1.92	2.82
Debt Equity Ratio	times	0.58	0.41
Operating Profit Margin	%	22%	23%
Net Profit Margin	%	10%	10%
Return on Net Worth	%	17%	12%

### Note

1. Effective 1st February, 2021 the Lifescience Ingredients business demerged from Jubilant Pharmova Limited
2. FY 2020 financial ratios are calculated on erstwhile Jubilant Life Sciences Limited's consolidated financials. For FY 2021 financial ratios are calculated on the consolidated financials of the Continuing business of Jubilant Pharmova Limited. As such, the FY 2020 and FY 2021 financial ratios are not comparable



## Business Enablers

### Research & Development and Intellectual Property

#### Pharmaceuticals

Our Research & Development (R&D) is an ever-evolving centre for excellence and remains strong on its belief towards innovation and quality to magnify the Company's business aspirations.

The focus of our R&D is to enhance innovation, scientific efficiency and effectiveness in compliance with Jubilant's core values and support the execution of business strategies. The R&D centres are located in North America and India with expertise in the development of novel, robust and non-infringing processes for generics and APIs, as well as specialised and niche formulations and designs for radiopharmaceuticals and other products, which have been taken to commercialisation. Our R&D continues to lead to new, innovative processes and knowledge-driven products that increase the efficiencies of our production and allow us to capitalise on opportunities for growth in competitive markets.

The multi-skilled R&D teams, with specialisation across the value chain of pharmaceuticals, focuses on generics research, including APIs and dosage forms, novel drug delivery systems research, radiopharmaceuticals, allergenic extracts research, analytical research and biological support including pharmacokinetics and Bio Availability/Bio Equivalence research. R&D supports the activities of our various businesses by developing breakthrough technologies in new products, process chemistry, analytical chemistry, process intensification and establishing technologies at commercial scale. All the R&D

centres are process-driven and promote a disciplined work culture. Our strong internal audit framework ensures overall regulatory compliance. The R&D team keeps itself updated with the regulations, upcoming technological trends and proactively ensures pharmacopeial compliance while adopting best industry practices.

Our Radiopharmaceuticals business has a focused R&D team with radiochemistry expertise, based in Montreal, Canada, and the team works on nuclear medicine for the diagnosis, treatment and monitoring of various diseases.

It serves hospital-based customers (nuclear medicine physicians and technologists) and radiopharmacies, globally, with high quality and reliable specialty products. The business is backed by a dedicated R&D team, specialised manufacturing, strong regulatory and medical affairs and commercial operations using radiation safety protocols. The areas of specialisation include cardiac, lung, bone and thyroid diseases. This team supports existing products and leads the development of new products using its own resources by collaborating with our R&D team in India.

We are continually engaged in the development of new products that have yielded a pipeline of products that can be introduced in the future. We are expending efforts to enhance the product offerings across the diagnostics and therapeutics to increase the bandwidth of products and their applications.

Our highly experienced team of dedicated scientists focus on development of variety of niche generic products across the spectrum of available dosage formulation technologies. Using our strong R&D capabilities and manufacturing expertise in solid dosage formulation, the team focuses on development of immediate release, extended release







products and novel drug delivery system-based products. This includes ophthalmic products, injectable products and formulations for veterinary business. Our broad development pipeline comprises dosage formulations ranging from immediate release oral formulations to more complex generics based on matrix, reservoir, Multi-Unit Particulate (MUPS) technologies and powder or granules for oral suspension. Dosage R&D skill set includes development of various forms of immediate release of tablets, capsules, powder for oral suspensions, multi-unit particulate dosage forms, modified release dosage forms, inlay tablets, oral liquids, sterile dosage forms including prefilled syringes and lyophilized powders for injection, ophthalmic dosage forms, topical dosage forms and veterinary products. Our developed technologies and products are Intellectual Property (IP), regulatory and quality compliant and we intend to focus on continuous investment using our in-house capabilities and expertise.

Our API R&D focuses on developing commercially competitive, robust and eco-friendly technologies and it is capable of developing complex molecules having multiple chiral centres and has outstanding capabilities of carrying out PolyState characterisation. Our API R&D teams thrive on 'green chemistry culture' and have developed various environment friendly and disruptive technologies wherein many batch processes have been replaced by continuous processes and chemical processes with enzymatic/chemo catalysis processes. We continue to develop NCE-1 molecules meant for FTF opportunities and evaluate options for 505(b) (2) and Day 1/181 launches, focusing on sustainable and competitive offerings to customer. During the current financial year, we have enhanced our capability in mass spectrometry by adding T-quad LC-MS/MS, T-quad GC-MS/MS and S-quad GC-MS for the sub ppm

level determination of N-Nitrosomamines in various APIs to comply with the current stringent regulatory requirements.

API R&D is critical in ensuring development of Key Starting Materials (KSMs) to enhance the overall control over process, de-risking raw material availability and ensuring regulatory and quality compliance. We have a dedicated highly-experienced team of scientists focusing on development of variety of niche generic products across the spectrum of available dosage formulation technologies. Our product development pipeline comprises dosage formulations ranging from immediate release oral formulations to more complex generics based on matrix, reservoir, Multi-Unit Particulate (MUPS) technologies and powder or granules for oral suspension.

The Company is also working in the space of allergy diagnostics and therapeutics for treating allergies caused by companion animals (cats and dogs), mites, pollen, dust etc. Allergy R&D has expertise in biopharmaceuticals—specifically sterile liquid vaccines. The core focus is on allergen (natural) extracts for immunotherapy with a range of vaccines to immunise patients against IgE mediated allergen specific hypersensitivity. The Allergy Immunotherapy business has evolved into a global player in providing high quality products to the global immunotherapy market for diagnosis and treatment of allergies. Its cGMP facility manufactures products to meet the high-quality standards followed in the allergy industry. Over the years, the Company has extended its customer base to include allergists, ENT doctors and clinics, primary care physicians, hospitals and pharmacies in the US, Canada, Australia and many other international markets. It currently has over 200 allergenic extracts (standardised grass pollen extracts, non-standardised tree, grass and weed pollen extracts,





Acetone Precipitated (AP) product line of extracts, standard mite extract, standardised venom, mold extracts and foods and mixes and a line of specialised skin-test devices) in the market.

We have evolved our production technologies including specialised proprietary know-how over a period of time with the help of R&D. We keep our options to licence- in/licence-out technologies/know-how to accelerate businesses of interest.

Our Intellectual Property (IP) - enabled innovative R&D efforts helped us avoid IP disputes after developing outstanding designing capabilities by identifying newer opportunities, better understanding of emerging challenges, developing alternative/innovative research strategies and

creating intellectual property which is well-protected in the geographies of our business interests. Our efforts have fructified into intellectual properties, which have grown over the years creating a strong position for the generic pharmaceutical business in regulated markets.



**Drug discovery is driven by the passion of our scientists, to provide affordable drugs to patients worldwide in areas of unmet needs.**

We protect our inventions by filing patent applications in India, US, Europe, Canada, Australia, China, International Patent Applications (PCT) and other countries. We pursue them and maintain them in countries of business interest. Below is the list of Company's Patent Portfolio as on 31<sup>st</sup> March, 2021.

R&D	(₹ in mn)		
	Cumulative Inventions	Cumulative Patent Applications	Cumulative Patents Granted
Active Pharmaceutical Ingredients (APIs)	174	344	106
Dosage Formulations	97	186	22
Dosage Innovation	17	26	0
Radiopharmaceuticals	47	431	257
Allergy Immunotherapy	6	8	2
<b>Total</b>	<b>341</b>	<b>995</b>	<b>387</b>

Cumulative: Covers all active and inactive invention, patents and patent applications. Data also covers in-licensed inventions/Patent applications/granted patents by Jubilant Pharma or Subsidiaries

## Contract Research & Development Services (CRDS)

Contract Research & Development Services business offers state-of-the-art capabilities in small molecule discovery and preclinical development. These include capabilities in Discovery Informatics, Molecular Modelling, Structural Biology, Medicinal Chemistry, Synthetic Chemistry, in-vitro Biology, in-vivo Biology, DMPK studies, Pharmacology, Toxicology, Scale up and GMP. Our disease biology expertise spans across multiple therapy areas including oncology, metabolic disorders, neurological disorders and inflammation.

Drug discovery is driven by the passion of our scientists, to provide affordable drugs to patients worldwide in areas of unmet needs. Our scientists collaborate across technology and therapeutic platforms to identify and validate novel small molecules and platforms that will enable first or best-in-class healthcare solutions of our collaborators. The competence of our team has been demonstrated by the progression of molecules to candidates and beyond starting from targets in a span of less than three years. The ISO

27001-certified facility is designed to firewall collaborations for scientific, operational and data exclusivity.

In FY 2021, we have made significant progress in our AI/ML enabled drug design and validation and we have continued our investments in state-of-the-art technologies such as the BD FACSLyric™ Flow Cytometry System and Pioneer FE SPR system from ForteBio. Digital initiatives were rolled out to improvise day-to-day operations, notebook keeping and customer engagement. In parallel, numerous investments were made to enhance EHS standards in the laboratories. Together, these strategic actions and investments will pave the way for business growth in the coming years. The scientific achievements in FY 2021 include nomination of a preclinical candidate for IND application and achieving the milestone in a large pharma collaboration, initiation of multiple drug discovery collaborations with Biotech companies, as well as filling of numerous patent applications and publishing high-quality research articles. We continue to maintain a healthy pipeline of client programmes that can help offset attrition and we continue our efforts to expand the business base.

## Manufacturing

The manufacturing operations continue to be streamlined with strong focus on the key enablers.

- **Compliance:** Compliance with diverse international regulations to maintain high quality standards and global customer base
- **Customer service:** Heightened awareness of our customer needs and striving towards delivering a quality product in a timely manner
- **Capacity and Capabilities Enhancement:** Sufficient capacity to meet demand as well as respond to market opportunities while implementing technology advancements
- **Cost Leadership:** Continue to improve our conversion cost to remain competitive and establish long-term presence in the market
- **Continuous Improvement:** Review and revise our processes using business excellence models and lean strategies
- **Continuity:** Business continuity through risk mitigation and sustainability measures

## Compliance

We continue to improve and harmonise our quality systems to ensure compliance with ever evolving regulations. At Jubilant Pharmova Limited, we always strive to stay ahead of the curve to ensure compliance with regulations while meeting patient needs.

As the financial year ended on 31<sup>st</sup> March, 2021, our facilities were inspected by various regulatory authorities from US, Canada, Brazil and India among others.

The Jubilant HollisterStier CMO facility in Spokane, USA was inspected in March 2021 by the USFDA (CDER) and received zero 483 observations. Similarly, both our Spokane CMO and Allergy Immunotherapy facilities were subject to a form 4003 document review request from the USFDA (CBER) in March 2021. The FDA (CBER) document review has yielded no additional queries at this time. Likewise, FDA (CDER) inspection was deemed successful and is pending the Establishment Inspection Report (EIR). Our Jubilant HollisterStier General Partnership, CMO Montreal, Canada facility was also subject to a form 4003 document review request from the USFDA (Centre for Veterinary Medicine) for a client product filing in December 2020. The client product has since been approved and the review deemed successful.

The API Nanjangud facility underwent an inspection in June 2020 by CDSCO as well as the local state drug control authority for a preapproval inspection of Remdesivir API. Subsequently, the local state drug control authority performed a post-approval inspection for Remdesivir API in May 2021. Overall, the site received approval. In addition, the site also was subjected to a desktop assessment by

ANVISA in March 2021. With regards to the USFDA OAI classification, we have completed the remediation activities and await USFDA inspection and are hopeful of resolution of the regulatory status.

Our Roorkee facility received an Import Alert in July 2021 from the USFDA. Earlier, the Roorkee facility received an Official Action Classification status in December 2018 and a Warning Letter in March 2019. The Company is engaging with the agency and is taking help from consultants to resolve the import alert at the earliest and ensure cGMP compliance. The Jubilant DraxImage business unit underwent an inspection by Health Canada in January of 2021, which resulted in a Compliant rating.

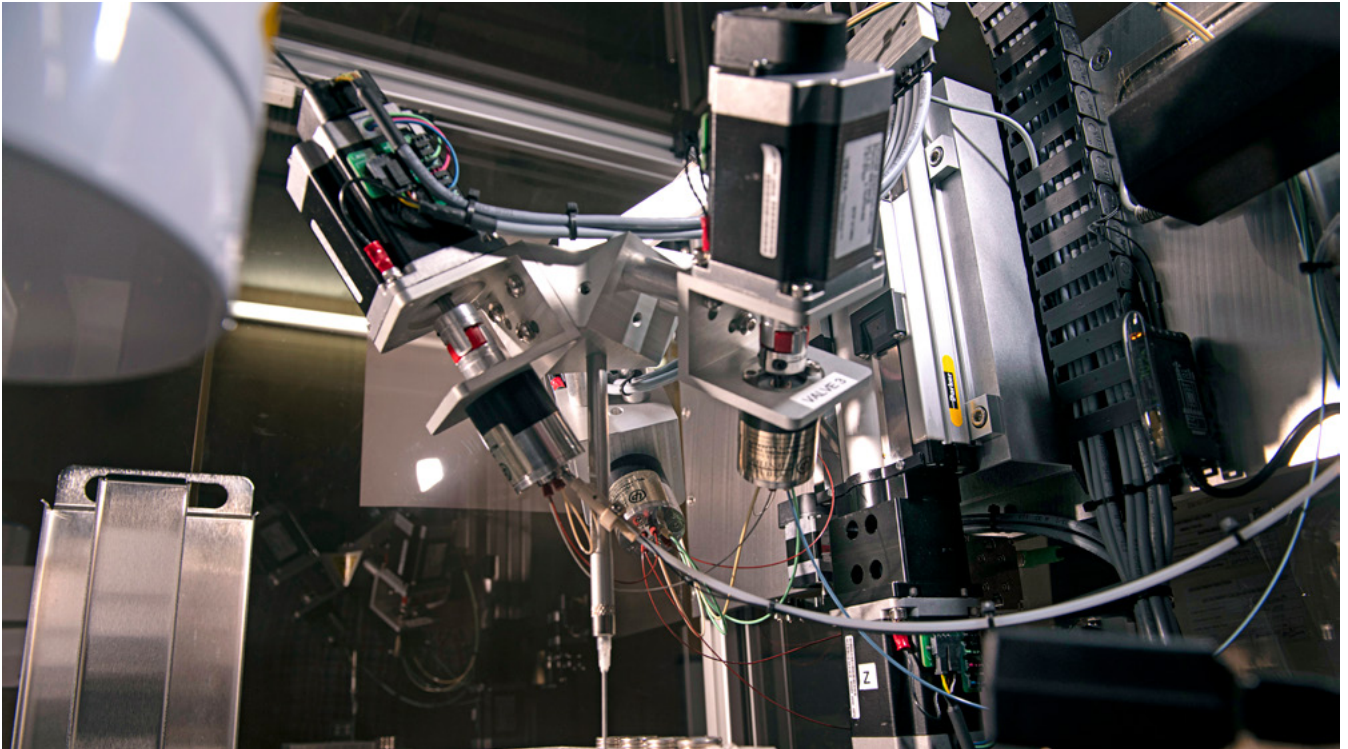
The Jubilant Radiopharma division operates 48 compounding nuclear pharmacies (Radiopharmacies) and three Positron Emission Tomography (PET) drug manufacturing facilities across twenty-two states in the US. Our products are viewed as reliable and trusted in the industry, as we procure, prepare and deliver the highest quality FDA-approved products, and fully support and comply with State Boards of Pharmacy (BOP) and USP compounding standards. Our pharmacies are 'open formulary', providing customers with a full array of options that allow clinicians to achieve the greatest benefits for their patients.

The regulatory standards for compounding radiopharmacy facilities have been undergoing constant and stringent changes over the past few years. During the end of the financial year on 31<sup>st</sup> March, 2021, many of our facilities underwent successful inspections by multiple regulatory agencies, including the State Boards of Pharmacy, USFDA, State Departments of Health and Radiation Safety, and Environmental Protection Agency.

No major observations were noted during the course of 69 regulatory inspections within the financial year. All minor observations during inspections have been corrected and confirmed as per the requisite standards. The business has a good compliance history and good standing with regulatory agencies.



**We always strive to stay ahead of the curve to ensure compliance with regulations while meeting patient needs. As the financial year ended on 31<sup>st</sup> March, 2021, our facilities were inspected by various regulatory authorities from US, Canada, Brazil and India among others.**



For Jubilant Pharma, Environment, Health & Safety (EHS) is one of the key decision enablers for any process implementation. Training sessions have been timely conducted to keep our employees, community, and other stakeholders educated on key EHS aspects relevant to their operations. The status of the EHS compliance with respect to various statutes, rules and regulations applicable to the Company is governed through an intranet based application, Conformity, to ensure that we always remain abreast with the guidelines.

The Compliance Manager tool uses contemporary technology and helps us with a single reporting framework across the Group for various clusters including: Environment, Health & Safety (EHS), Human Resources (HR), Regulatory Affairs, Finance Tax, and various licenses. It also helps in linking compliances to our processes and, where required, changing business processes/policies. The tool provides real-time MIS capability for the reviewer/approver and management. The compliance reports are reviewed by the Board on a periodic basis.

Jubilant HollisterStier facility at Spokane, Washington, US, successfully completed a periodic inspection by the State Department of Ecology. Jubilant Cadista Pharmaceutical Inc. facility at Salisbury, Maryland completed the periodic inspection by Maryland, US Department of the Environment/City of Salisbury, Maryland Kirkland, Montreal, Canada. The facility that was inspected by Standards, Fairness, Occupational Health and Safety Commission in FY 2020.

At Nanjangud, our facility runs on zero liquid discharge basis. Further improvement has been made in segregation of effluent streams, introduction of new technologies such as SCALEBAN and waste heat recovery project

that resulted in reducing operational cost of effluent management. The operation of the in-house liquid and solid waste incinerator has been completely suspended by disposing such incinerable hazardous waste through Cement Co-incineration and thereby mitigating risk of community health hazard. Successful in-house piloting has been conducted in the Effluent Treatment Plant (ETP) to further reduce Volatile Organic Compounds (VoC) emissions while handling the process effluent by carrying high-volatile compounds. This is being implemented at multiple stages of the effluent treatment plant. Changes have been implemented in the hazardous ETP sludge handling operations that has further improved the facility upkeep and safety of labour handling these wastes. Our Sewage Treatment Plan has been upgraded to meet the revised norms of Central and State Pollution Control Boards.

At all our sites we ensure that safety and health of the people is accorded paramount importance. We are committed to ensure that the health and safety of our employees, customers and the public at large are protected. We take pride in managing our operations with a high concern for EHS. Ever changing EHS regulations are being followed, and we understand these requirements are necessary and we are committed to comply with them by going the extra mile. Our Nanjangud site obtained Environmental clearance (EC) Consent for Expansion (CFE) followed by Consent for Operation (CFO) to meet the enhanced strategy volumes.

At all the manufacturing sites, we ensure that the process safety reviews are assessed through an external subject matter expert and the recommendations are effectively executed to enhance safer processes by effective process controls. Safety culture in terms of behaviour is being





promoted at the workplace. People capability is built within Line function to enhance knowledge on the safety management systems through various training programmes. Comprehensive safety improvement and capacity building exercises have been undertaken to improve the knowledge, competency, expertise, and commitment level of the people through an external safety consultant.

Our manufacturing sites are well-equipped with Occupational Health Centre (OHC) run by experienced professionals. A comprehensive health assessment programme is ensured for all the people working in our various facilities. The OHC provides curative, advisory and health promotion services to the employees. We have a full-fledged EHS team which continuously addresses the matters of environment and health and safety and also conducts periodical safety assessments and audits.

### Customer Service

Our operations fundamentally focus on Supply Level Adherence (SLA) and Right First Time (RFT). By achieving excellence in these two key metrics, high levels of customer service are automatically achieved. Bringing in customer-centricity in our Operations by leveraging excellence tools and methodology to unlock the 'overall plant efficiency' (OPE) and 'On time in full' (OTIF) is important to achieve competitive advantage to support the business growth.

As an organisation, we are able to demonstrate our promise of Caring, Sharing, and Growing by providing direct help to save enhance human lives through the launch of Remdesivir drug in India with an integrated development and manufacturing of intermediates, API and final dosage form.

### Capacity and Capabilities Enhancement

Our Roorkee, India, manufacturing facility completed its expansion and increased capacity to manufacture, test and warehouse oral dosage forms. We have made strategic and major investments in this plant to increase the capacity of bottle packaging to meet the rising market demand. We have introduced MUPS technology, sachet packing and European Union serialisation and expanded to three more packaging lines at Roorkee site. With state-of-the-art facility and machinery, the capacity will increase by one billion doses with large batch sizes. We are aiming to automate several other manual processes to enhance efficiencies and compliance while ensuring health and safety of our employees.

Our manufacturing facility in Salisbury has continued to invest capital to increase our capacity and capabilities for multiple unit operations, including roller compaction, blending, compression and tablet coating, to scale up for potential and acquired market opportunities requiring this technology. This has increased the overall installed capacity by 50% and has increased flexibility to take on additional products. The site has successfully commercialised an integrated blister and cartoning automated line with full serialisation capabilities. Additionally, an investment in FY 2021 on installing modular, multipurpose room type system will add to the GMP footprint and provide additional rooms to house future growth. The site is undergoing an upgrade in terms of overhauling the HVAC system for the GMP space.

Jubilant Radiopharma has undertaken several facility improvement initiatives over the course of FY 2021. These include implementation of ISO 7/8 classified cleanrooms in accordance with the impending USP <825> compounding





standards as well as ongoing facility improvement projects across the pharmacy network. Kansas City, Missouri, Pine Brook, New Jersey, and Dallas, Texas sites were relocated where a new office, laboratory, and modular clean rooms were installed and certified. The three new sites were inspected by their respective state Boards of Pharmacy with all three obtaining approval. Additional renovations were initiated in FY 2021 to include Atlanta (Georgia), Denver (Colorado) and Dayton (Ohio). Facility improvement projects were also initiated in FY 2020 to include Beltsville (Maryland) and St. Louis (Missouri).

We optimised the process with an added Isolator technology at our Montreal, Canada manufacturing facility resulting in a 100% capacity increase as well as reduced radiation exposure to our employees. We automated our RUBY-FILL® manufacturing processes by installing automated loading stations resulting in a 15% capacity expansion, efficiency gains and improved compliance.

At our CMO operations in Spokane, US, we are increasing our sterile liquid and lyophilisation capacity through the addition of a new filling line with lyophilisation capability. The planned expansion is set to get commissioned in CY 2024. The site continues to operate 24x7 across all production activities. At our Spokane, US manufacturing site for Allergy Immunotherapy business, an additional line is qualified to meet the higher market demand of the venom product. We have also installed a new Lyophilizer and commissioning of the same is expected in FY 2022 to further improve operation's reliability and capacities. Also, a new fill line has been purchased for the Allergy Immunotherapy business. Several capital investment projects will be initiated in FY 2022 to upgrade facilities for Allergy.

At our CMO operations at Montreal, Canada, we upgraded our filling line and are in the process of procuring additional Ophthalmic manufacturing and filling capacities. The new Ophthalmic line will have the capability to manufacture preservative-free Ophthalmic solutions and it is expected to be operational by the end of FY 2022. We continue to contribute during the pandemic by manufacturing both drugs and vaccines at both our injectable sites.



**At our CMO operations in Spokane, US, we are increasing our Sterile Liquid and Lyophilisation capacity through the addition of a new filling line with lyophilisation capability. The planned expansion is set to get commissioned in CY 2024.**

Several capacity de-bottlenecking projects have been implemented, and facilities and processes have been upgraded to enhance GMP at our formulations and APIs manufacturing facility at Roorkee and Nanjangud, India.

At Nanjangud, various capacity enhancement and cost improvement projects (Carbamazepine, Tramadol, Losartan, Irbesartan, Esomeprazole Trihydrate and Escitalopram Oxalate) have been implemented to minimise the Cost of Goods Manufactured (COGM) and improve the capacity utilisation as well as capability building.

### Cost Leadership

Our focus has been on conversion cost optimisation without compromising our quality and customer service standards and several initiatives have been undertaken to reduce the conversion cost. Our manufacturing facilities in Salisbury and Spokane have led structured improvement projects that have delivered significant conversion cost savings, while at the same time improving safety rate, deviation rate, productivity, batch rejections and service level. We have undertaken numerous energy-saving projects to reduce our utilities costs. Several automation projects and increased batch sizes in our operations are leading to efficient head count utilisation. Our bottoms-up Business Excellence initiative named 'Eureka' in North America and 'Sankalp' in India has allowed employees to come up with suggestions to reduce or eliminate waste in our processes. Our focus on training and process improvements led to a reduction in discards and improved 'Right First Time' (RFT).

At Nanjangud, as a part of the continuous improvement journey towards cost leadership/cost optimisation, our business excellence team along with CFT (Production, Technical Services and R&D) focusses on identification of waste across the value chain and eliminating it using structured approach to improve product quality, RFT, service levels, productivity, planning and yields. They have successfully executed process automation and digitalisation projects.

### Continuous Improvements

At Jubilant Pharmova, the Business Excellence function is proactively creating the framework for new improvement strategies which drives the competitive advantage backed by a strong execution mechanism and capability. These improvement strategies pertain to all the three critical pillars of the organisation, which are- customer, process, and people.

The continual effort of Business Excellence function is to understand processes and systems, model them using statistics and define crucial measurements which results in a superior co-ordination and integration of processes, learning and reconfiguration and transfiguration. This leads to a competitive advantage, which can be effectively used to leverage Company's competitive strategy. During this journey of continual improvement, we have adopted improvement methodologies in line with the organisation's

priorities like Lean Six Sigma, Total Productive Maintenance (TPM) and Business Intelligence (BI) tools like Power BI, Qlik Sense etc. This year, the Business Excellence function continued to extend efforts towards Lean Lab fundamentals for optimising the efficiencies in Quality Labs. Use of Internet of Things (IOT) for online Overall Equipment Efficiency (OEE) has helped in understanding our losses in detail and improvement of projects are executed around key losses. In addition, the team facilitated the deployment of Smartsheet for efficient project management across all businesses.

The Business Excellence infrastructure helps in creating a self-driven/Mission Directed Team (MDT), which drives their operational area towards excellence in alignment to business objective through right accountability and training.

Our Technical Services function is conducting more technology transfers than ever before. We understand that process robustness is a critical success factor for ensuring reliable supply chain and product quality. Key emphasis has been laid by senior management on 'Right First Time' transfers from R&D to manufacturing facilities or from one manufacturing facility to another. As part of its commitment to continuous improvement, knowledge transfers and enhanced product and process understanding, the Company established technology transfer groups at its manufacturing and corporate sites as part of its commitment to new product introduction, product launches and continuous process improvement.

The Technical Services/Technology transfer groups interface with key functions like R&D, Regulatory, Quality, Business, Supply Chain and Operations to ensure realisation of business objectives. Most importantly, the Technical Services functions ensure that fundamental knowledge gained during the development is transferred to the manufacturing scale using a robust Quality by Design (QbD) approach.

### Continuity

Business continuity is essential for sustenance and the Company has already established a sound strategy. We also executed several risk mitigation projects to qualify alternate sites for key products, qualification of alternate sources for key active ingredients, excipients and components. This provides greater confidence in our overall supply chain with our customers. We see our sustainability programmes as key enablers for ensuring business continuity. At Nanjangud, a comprehensive asset health assessment exercise is carried out to replace the ageing assets in a phased manner to avoid business interruptions and for enhanced compliance levels.

To bring about a cultural transformation across the organisation with a safety and quality mind set, programmes on the Company's values, safety management system and quality culture transformational are being carried out.

## Supply Chain


As we continued our journey into FY 2021, we focused on sustained cost optimisation as well as de-risking of supply chain to mitigate any supply chain disruption risks. Working capital reduction through better inventory management and improving on creditors management were areas where significant efforts were made. Advance analytics tools were developed to create a robust system for inventory management. Significant efforts were employed in harmonisation of supply chain process across all sites.

In FY 2021, we made important progress in de-risking our supply chain against any vulnerability from single sourced products as well as pandemics like COVID-19. Based on the material risk assessment, several initiatives were implemented across businesses to either initiate alternate vendor development programme or perform reassessment of inventory norms to avoid supply chain disruptions. The supply chain was successfully able to mitigate any risk from COVID-19 in product availability without any major impact on raw material prices.

The team worked extensively in developing multiple vendors and ensure seamless supply/production and distribution of Remdesivir in India and to many other countries.

It is worthwhile to mention that we have made great progress to reduce our direct dependence on countries impacted due to geopolitical disturbances for raw material supplies. The availability constraints had to be navigated through strategic negotiations with securing required quantities, even at higher prices, to ensure business continuity. Logistical challenges were overcome considering the reduced availability of cargo spaces in all modes of transportation.

During the year, special focus was on digitalisation initiatives, such as automation of supply chain performance dashboard through Qlikview/Power BI applications, global spend consolidation initiatives, vendor performance management, inventory management and sales and operations processes.



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## Business Excellence

We are striving towards customer-centricity in our operations by leveraging excellence in tools and methodologies. Our goal is to achieve overall plant efficiency. Identification of waste across the value chain and eliminating it by improving product quality, service levels, productivity, planning and yields is integral to our approach.

To bring about a cultural change across the organisation with 'safety and quality first' mindset, programmes such as values work-shop, safety management system trainings, and lean management projects were undertaken. Further, cross functional team collaboration has been actively encouraged for solving business problems.

There is high level of commitment from each team member across the value chain to leverage the new technologies and automation to deliver breakthrough results and achieve competitive advantage. Apart from using Power BI backed dashboards, with dynamic project management through Smartsheet, we began our digitalisation journey.

In our journey, we took a step forward during the year by using Artificial Intelligence and Machine Learning backed by logistic planning modules for all our North America Nuclear Pharmacies. For strengthening our project management practices, we migrated to Smartsheet for dynamic milestone control and monitoring through dashboards.

## Information Technology

Information Technology is the backbone of any business. A robust IT strategy that includes adequate IT infrastructure, integrity, data confidentiality and data availability, at all times, is important to achieve our business objectives. Occurrence of any unforeseen threats to information technology systems could have an adverse impact on data availability and continuity of business operations. Our IT processes are ISO 27001 certified and we follow NIST Cyber Security framework which ensures compliance to international standards and frameworks. Various components of information technology like network, operating system, firewall, software license compliance, applications controls, among others are covered under the annual audit plans and appropriate corrective and preventive actions are taken based on audit findings. Requisite redundancies have been built within the IT infrastructure to always ensure availability of information. There is a well-defined organisation-wide information security governance structure with the information security steering committee at the apex level which gives directions and resources to manage information security of the Company.

The Company has an incident management process which ensures all IT security events impacting critical IT infrastructure are getting logged and monitored round the clock by our Cyber Defence Centre (CDC).

Since employee awareness is an integral part of managing information security risk and creating a cyber aware culture, we provide structured training to the employees through internal and external training programmes.

Cyber disruptions are an inexorable reality, hence, it is imperative for businesses to function without disruptions caused by technology. We have a well-defined disaster recovery (DR) process to ensure that mission-critical applications are available and responsive when required. The DR process has been designed keeping in view global operations and business presence.

The Company adopted the cloud first strategy, which reduced turnaround time and made it possible for businesses to expand rapidly and embrace mobility without having to worry about incidents such as downtime and data loss, without compromising global compliance.

Software defined wide area network (SD-WAN) was deployed for high resiliency and centralised control function to securely and intelligently direct traffic across the network. This increased application performance and delivered high quality user experience, resulting in increased business productivity, agility, and reduced costs.

## Human Resources

In the midst of the crisis presented by COVID-19, our actions continue to be guided by our promise of Caring, Sharing, Growing. Our priority is the health and safety of our people while maintaining business continuity.

We implemented several safety and precautionary measures at all our workplaces, supported employees and their families with the necessary resources and assistance, established mechanisms for a personal and daily connect with all those effected. To maintain business continuity, we established safe boarding and meals within the workplace preventing the risk of exposure during the pandemic. In addition, work-from-home was encouraged. This demanded a new mindset, discipline, self-governance and protocols. Training and toolkits for employees and managers were provided to facilitate working from home. Sessions on mindfulness, yoga, meditation, and resilience were regularly conducted to assist employees in managing their emotional and mental well-being.

We continued to focus on our talent strategy and our annual exercise of succession planning for key positions through in-depth, rigorous discussions and application of a uniform potential assessment methodology.

A meritocratic, growth-oriented culture is key to an organisation's sustainable growth. We benchmarked our performance management process, critically examined its effectiveness, transparency, and simplicity. We then launched a renewed, upgraded and contemporary performance management process with a strong employee





communication plan and training. Towards the same objective, we revisited our promotion policy and introduced role-based promotions.

Within the first quarter, we revisited our learning strategy and shifted all our learning programmes to a Virtual Instructor Led Training (VILT) or to eLearning. Our annual learning calendar was replaced by a quarterly programme calendar. The monthly 'Leader Speak' series continued to provide our employees opportunities to learn from the best internal and external leaders and subject matter experts. Besides the internal speakers, we had a few external speakers who spoke on topics ranging from managing a crisis, communication, self-leadership and design thinking. We upgraded our eLearning from 100 courses to 3,000 courses across topics of business, functional, management and leadership skills to hone and foster a culture of continuous learning in the organisation. The learning management system reported about 80% employee usage. Additionally, we have mandatory programmes for employees on the Code of Conduct, Whistle Blower Policy and Policy on Prevention of Sexual Harassment at the workplace to reinforce our commitment to governance and adherence to the code of conduct and fair business practices.

The Chairman Annual Awards, the highest and most prestigious awards at the Company, was conducted over a digital platform this year. The ceremony was viewed across India and North America as a common platform to applaud our achievers.

Using digital ways allows us to simply do what we already do, but just more effectively. We adopted digitising across

four categories: cost reduction, improved customer service, new revenue sources, and informed decision-making. After digitising the key processes of Talent Acquisition (TA) in FY 2020, Global TA analytics with more than 35 data reports were put in place. With the click of a button, one can see the TA process health across the globe while making decisions. Further, global analytics helps in maintaining data integrity, ensuring better process governance and control, enhancing processes and delivering higher productivity.

In addition, we launched a gamified social 'Refer a Friend' tool in North America for deeper reach in the talent market. To strengthen our employer brand, we launched two digital programmes globally to enhance candidate experience and new hire experience.

In the area of compensation and benefits, a global job grading exercise was concluded to bring uniformity across geographies and businesses to deliver a well-defined career path framework by enabling smooth cross business movements for employees. From the organisation's perspective, a clear sizing and scoping of a role is important to determine the grade.

In our continuous effort to move into a fully digital environment, we globally launched a workforce budgeting tool. The system is well-integrated with our core HRMS and has made the entire process very simple and fast that leads to reduced man days and increase in productivity.

We reviewed and revamped our performance management process to further strengthen the culture of performance.





## Environment Health and Safety (EHS)

Our vision is to achieve and maintain highest standards of EHS performance that ensures compliance to regulatory requirements and strengthens our commitment to our stakeholders. Our promise is that with utmost care for the environment and safety we will always strive to excel in quality of our processes, products and services.

The Company's operations are spread across different geographical regions and are subject to a wide range of EHS laws and regulations. In North America, we are regulated by various safety, health and environmental agencies and authorities including the United States Environmental Protection Agency (US EPA), Occupational Safety and Health Administration (OSHA), United States Nuclear Regulatory Safety Commission, Committee on Standards, Equity, Health and Safety at Work (CNESST, Quebec), Canadian Nuclear Safety Commission (CNSC), United States Boards of Pharmacy and Environment and Climate Change Canada. In India, we are regulated by various environmental agencies and authorities including the Central Pollution Control Board (CPCB) and State Pollution Control Boards. We require certain statutory and regulatory permits and approvals to operate our business, including environmental clearances. Regulatory compliance is a responsibility we take very seriously. Any failure to procure, renew or maintain the required permits or approvals or any violations of EHS requirements may result in substantial fines or penalties, the imposition of other civil or criminal sanctions, clean-up costs, claims for personal injury or property damages, restrictions on or the suspension of our operating permits or activities. Any such violation may also lead to interruption of our operations and may have adverse effect on the Company's financial condition, results of operations and profitability. With this in mind, we have implemented a cloud-based compliance management and reporting system across key entities in locations of North America and India. The system includes a comprehensive check-list of applicable compliances for the businesses of Pharmova. The purpose of this robust system is to further strengthen the governance towards compliance management in line with our business objectives.



**Over the years, EHS excellence has been extensively promoted as a part our culture. It is also clearly reflected in our policies on sustainability, EHS, climate change, and green supply chain.**

We are aware of the rapid changes in the business environment such as increased global competition; more rigorous customer and societal demands; and extensive investor requirements. To tackle these challenges and ensure sustainability, excellence in cost, quality, services, and Environment, Health and Safety is of utmost importance. We are committed to protecting the environment and ensuring the health and safety of our employees, customers, and the public.

Over the years, EHS excellence has been extensively promoted as a part our culture. It is also clearly reflected in our policies on sustainability, EHS, climate change, and green supply chain. Our senior management has the ultimate responsibility and accountability for these initiatives. Performance reviews across the business regularly look at EHS key performance indicators (both lagging and leading) to reinforce leadership commitment towards employee safety, well-being, and environmental sustainability. Inputs are also integral to our major business decisions, such as new product development, facility enhancements and contractor/vendor relations.

The Company takes appropriate steps to ensure that our employees, the community at large, and the environment, including natural resources, are protected. Leaving minimal environmental footprint is integral to our EHS philosophy. On the road to achieving excellence, we have adopted a top down approach and have been enhancing the impact of initiatives by making it a line function responsibility through active employee consultation and participation. Efforts have been regularly implemented to drive a common governance approach on EHS across the board, and to adopt management programmes and systems that follow a standard framework for deployment, but with the flexibility to tailor-fit local regulatory and other location specific requirements.

Caring for the environment is a core corporate promise and as a part of this commitment, requisite capital expenditure is being incurred on process improvements as well as up-gradation of environmental management facilities using the latest technologies. While end-of-the-pipe solutions are implemented, we are also making progress on initiatives for reduction of waste at source. Efforts to process more by-products and waste to make them reusable are paying off in terms of ecological and economic impact.

Investments are regularly made for the up-gradation of process safety and enhanced process controls at our sites. We implemented a new EHS solution, GenSuite, which is a cloud-based management system that provides integrated EHS applications into a suite of tools specific for each business. The applications are related to management of corrective actions, incidents recording, incident investigation, data mining, auto notifications, compliance calendar among others. GenSuite allows for greater flexibility in data collection that matches our business

needs and helps drive consistency in terms of tracking EHS challenges and ultimately improve our overall performance.

Our personnel stay updated through various external and in-house training programmes, including special training programmes by external experts and consultants.

We engaged with an external expert agency for strengthening our safety management system as part of our Occupational Health and Safety Strategy. The two-year project includes implementation of global OH&S Standards, competency building of the people, development of safety KPIs and driving safety governance across all the levels of the organisation till top management level.

The programmes are critically evaluated by our clients and customers on a regular basis and have served as an important enabler to further improve our EHS performance. Our growing and capable team is proactively engaged in systematically assessing our operations by conducting audits, inspections, training, and awareness sessions, thereby ensuring our EHS safeguards are effective, efficient, and delivering the intended results.

Despite the unprecedented COVID-19 crisis, we have continued to spread awareness and ensured safety and health of the employees as well as neighbouring communities. Some of the steps taken by us are:

- Rapid Response Team created at the corporate office, manufacturing and research facilities
- Creating a resource centre on office intranet for accurate information on the pandemic
- Providing training and guidance on COVID-19 to employees, partners and vendors
- Distributions of leaflets at manufacturing facilities on COVID-19 awareness
- Advising self-isolation (14 days) and testing to employees experiencing any flu like symptoms
- Advised employees not to travel
- Continuous sanitisation and fumigation of all offices and manufacturing facilities
- Sanitisation of vehicles entering Company's premises
- Transportation facilities for employees to avoid using public transport
- Restricting entry of visitors
- Investigation process to track exposure in the event of a positive onsite COVID-19 case
- Hand sanitisers placed at all the common areas, entry and exit

- Daily monitoring of body temperature of working employees using Infra-Red (IR) thermometers
- Stopping biometric attendance for all the employees
- Introduction of Work from Home (WFH)
- Maintaining social distancing at work place including at manufacturing sites

## Corporate Social Responsibility (CSR)

Our approach towards sustainability rests on triple bottom line of Economic, Environmental, and Social performance. Corporate Social Responsibility (CSR) is an imperative part of our framework for sustainability. All CSR activities are in accordance with the provisions of Section 135 read with Schedule VII to the Act and are implemented through Jubilant Bhatia Foundation (JBF), the social development segment of Jubilant Bhartia Group, established in the year 2007.

The CSR interventions of our Company are also in line with the United Nations Sustainable Development Goals (SDGs). The CSR projects primarily lay emphasis on empowering the communities around the area of operations of our Company through 4P model (Public-Private-People-Partnership). Jubilant Pharmova Limited acts a catalyst and facilitates the implementation of the project and participation of community to bring out the optimal outcomes.

JBF's detailed activities are available on its website [www.jubilantbhartiafoundation.com](http://www.jubilantbhartiafoundation.com).

Our Company's vision is to create a positive impact on society through strategic multi-stakeholder engagement and bring about a 'social change' involving knowledge generation and sharing, experiential learning and entrepreneurial ecosystem through JBF.

Following are the highlights of CSR at Jubilant:

- CSR is extensively weaved-in the sustainable development charter of the Company. We consider community as one of the apex stakeholders and believes in inclusive growth
- Jubilant Pharmova Limited has been publishing its Corporate Sustainability Report every year from 2003. The report is externally verified and is in accordance with the Global Reporting Initiative (GRI) guidelines
- We have achieved and maintained level A+ by GRI for our Corporate Sustainability Report since 2007. FY 2018 onwards the Sustainability Report of the Company is aligned with the Global Reporting Initiatives' GRI Standards which is in accordance with the 'Comprehensive' option. All the reports are available on the Company's website [www.jubilantpharmova.com](http://www.jubilantpharmova.com)



- During FY 2021, the Company instinctively supported its people and the community around its manufacturing locations amidst the COVID-19 pandemic. The Company strategised and re-structured its development initiative for the people in marginalised and remote areas, supporting them to continue their life during the pandemic. The projects were designed keeping in the safety and vulnerability of the community around the manufacturing locations
  - Three major projects which helped the Company to sustain its engagement with the community are:
    - **JubiCare Tele-clinic**, a telemedicine application, conceptualised and developed by Jubilant Bhartia Foundation. This telemedicine interface provides a real-time patient-doctor consultation through text/audio/video. JubiCare app uses ICT for the exchange of information for the diagnosis and treatment of diseases by a certified medical professional. The application aims at addressing the health issues of patients by health workers without unnecessary exposure to infections. The application provides immediate support and delivery of healthcare services to the underprivileged communities in rural and urban areas without traveling
    - **E- Muskaan, supporting education through digital literacy** is ensuring the continuity in learning of students in rural areas by promoting the digital education inclusion of the last mile learners; thereby, facilitating cognitive growth. The Company has partnered with iDream Social Edtech Foundation and engaged in facilitating digital education in local languages to provide e-content free of cost to students at all project 'Muskaan' schools across the locations
    - **JubiFarm, strengthening livelihood by facilitating access for farmers to modern and sustainable farming methods.** This is a sustainable and multi-stakeholder initiative that is conceived to enhance the profitability and generate income opportunities in farming for migrants returning to their native homes. The initiative recognises both male and female as equal stakeholders of the farmland
  - Jubilant Pharmova Limited developed a strategy to mentor young adults as future Youth Leaders under Muskaan Fellowship project. They, in turn, will become goodwill ambassadors for the Company
  - Jan Sanchetna initiative has been formulated to focus on establishing village-level Emergency Preparedness Team (ERT) in line with Village Disaster Management Committee (VDMC). The ERT will work in coordination with the plants at each location to strengthen offsite emergency plan
- We look forward to continuing our CSR programmes with greater zeal and strong commitment. The organisation will continue adding value to the lives of the community, which it considers to be an apex stakeholder.



**The CSR interventions of our Company are also in line with the United Nations Sustainable Development Goals (SDGs). The CSR projects primarily lay emphasis on empowering the communities around the area of operations of our company through 4P model (Public-Private-People-Partnership).**





## Internal Control Systems and Risk Management

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

### Internal Financial Control Framework

Section 134(5)(e) of the Companies Act, 2013 requires a company to lay down Internal Financial Controls (IFC) system and to ensure that it is adequate and operating effectively. Internal Financial Controls means the policy and procedures adopted for ensuring the orderly and efficient conduct of its business. The above requirement has the following elements:

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

At Jubilant Pharmova Limited, the Internal Financial Controls (IFC) system has been established and incorporates all the above five elements. In addition, our Company has a transparent framework for periodic evaluation of the Internal Financial Controls in the form of perpetual internal audit exercises and quarterly online controls self-assessment

through Controls Manager software, thereby reinforcing the commitment to adopt best corporate governance practices.

Policy and procedure adopted by the Company to adhere to IFC elements are given below:

### Orderly and Efficient Conduct of Business

The Company has an established organisational structure, which defines the roles and responsibility relationship. The Company has a formal financial planning and budgeting system encompassing short-term as well as long-term planning. In order to ensure that decisions are made and action are taken at an appropriate level, the Board of Directors of the Company have formulated the Delegation of Authority, which has been designed to ensure that there, is judicious balance of authority and responsibility. The adherence to delegation of authority is part of internal audit plan. The Company also has a risk management framework which has been discussed under the heading 'Our Vision on Risk Management'.

We have implemented a web-based automated compliance management and reporting system. The objective of the system is to ensure that the compliances are regularly monitored and controlled with a view to support the Company's business objectives and corporate policy requirements. The system includes a comprehensive checklist for ensuring compliance with the laws and regulations applicable to all plants and offices of the Company. To ensure timely and effective compliances, the compliance status is monitored on a real-time basis by the respective functions. The status is presented by legal team and reviewed on a quarterly basis by the





Senior Management and the Board of Directors. Pursuant to the Listing Regulations, the Company Secretary and Compliance Officer present a compliance report to the Board of Directors on a quarterly basis.

### Safeguarding of its Assets

The Company has taken an Industrial All Risk (IAR) Policy for its plants as well as fire policy for Corporate Office to safeguard its assets. It also carries out a physical verification of its assets. Company has also obtained Cyber insurance policy during the year to protect its assets from cyber-attacks.

### Adherence to the Company's Policies

The Company has two-tier policies and procedures: Entity Level Controls and Process Level Controls. The entity level controls include a comprehensive Code of Conduct. The Company also has a Whistle Blower policy, and any employee of the Company can directly write to the Ombudsperson. We also have process level controls which cover a wide range of key operating, financial and compliance related areas like Accounting, Order to Cash, Procurement to Payment, Inventory and Production, Treasury, Legal, Forex, Fixed Assets, Direct and Indirect Tax, Research and Development (R&D) and Information Technology General Controls (ITGC).

Self-assessment certification of controls is being done by the control owners through a verifiable and transparent process and such a certification is reinforced by activity and location owners, as they give in-principle approval to the self-assessment by the control owners. Result of Controls Manager certification is prepared and presented to the audit committee every quarter by the Chief Financial Officer (CFO) for exception review.

Controls certification is also being validated by the in-house team through review of the assertions certified by the Control Owners on sample basis regularly across business units, plants, branches and corporate office and validation results of Controls Manager certification are prepared and presented annually to the audit committee. The policies are periodically reviewed and refreshed in line with the changes in business and regulatory requirements.

The audit committee, on a quarterly and annual basis, reviews the adequacy and effectiveness of the internal controls being exercised by various business and support functions.

### Prevention and Detection of Frauds and Errors

Due to the presence of strong Code of Conduct and Whistle Blower policy, it is generally expected that serious frauds will not take place. In order to prevent and detect frauds and errors, Ernst & Young LLP carries out perpetual internal audit activity. Action points and suggestions made by them are discussed in sub-audit committee meeting before presenting the same to the audit committee. Subsequently, follow-up audits are also carried out by in-house internal

audit team to ensure implementation of the suggestions. In addition, special audits are carried out by Ernst & Young LLP in areas that may be vulnerable to fraud.

### Accuracy and Completeness of the Accounting Records and Timely Preparation of Reliable Financial Information

The Company has a well-documented accounting manual. The accounting manual contains detailed guidelines on all aspects of accounting which helps in ensuring that the accounts and finance team is well updated on the accounting requirements. Financial consolidation is carried out through an Enterprise Resource Planning system called Hyperion, thereby minimising the chances of manual errors. The financial information is verified by the statutory auditors on a periodic basis as per the requirements of Companies Act, 2013, Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations'), Institute of Chartered Accountants of India (ICAI) guidelines, etc. The Company provides structured training to the accounts and finance team on a wide range of topics covering Ind AS (Indian Accounting Standards), IFRS (International Financial Reporting Standards), Companies Act, 2013, Direct & Indirect taxes, etc. through in-house and outside experts.

### Implementation of Internal Financial Controls

To compete globally, world-class Corporate Governance and financial control over operations is necessary for the Company. The Internal Financial Controls as mandated by the Companies Act not only require a certification from CEO and CFO but also put an obligation on the Board of Directors to ensure that the Internal Financial Controls are adequate and operating effectively. Besides this, the statutory auditors are also required to give an opinion on the adequacy and effectiveness of Internal Controls over Financial Reporting (ICFR).

To make the Internal Financial Controls framework robust, we have worked on three lines of defence strategy, which is as under:

- First Line of Defence: Build internal controls into operating processes - To this end, we have ensured that a detailed Delegation of Authority is issued, Standard Operating Procedures (SOPs) for the processes are created, financial decision making is done through Committees, IT controls are built into the processes, segregation of duties is done, strong budgetary control framework exists, the entity level controls including Code of Conduct, Ombudsperson office etc. are established.
- Second Line of Defence: Create an efficient review mechanism - We created a review mechanism under which all the business units and functions are reviewed for performance at least once a month by the respective Chief Executive Officers (CEOs) and once in

a quarter, by the corporate team. The formats for these reviews are detailed and finalised with the help of global consulting firms.

- Third Line of Defence: Independent assurance - We have appointed E&Y as our internal auditors to perform systematic independent audit of every aspect of the business to provide independent assurance on the effectiveness of the internal controls and highlight the gaps for continuous improvement.

A programme has been developed under which more than 1,500 financial controls have been established and certified on a quarterly basis by the relevant process owners before the financial results are closed for the quarter. A quarterly certification process is maintained through a work flow based IT tool called 'Controls Manager' and this certification is the basis of the 'CEO-CFO certification' of internal controls as per Regulation 17(8) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations')

The Company regularly updates the control library and risk and control matrix. The statutory auditors tested the updated control framework for operational effectiveness, and they have given an affirmative opinion about the adequacy and effectiveness of Internal Controls for financial reporting in the Company.

The Company has three business segments namely:

- Pharmaceuticals
- Contract Research & Development Services and
- Proprietary Novel Drugs

The segments have a complete management set up with CEO, Chief Financial Officer (CFO) and other functional heads who are responsible for running the operations and report to the Chairman/Co-Chairman and Managing Director (CCMD) and the Corporate Committee.

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

- Purchase Committee, which ensures high quality purchases at economical cost and maintains reliability of supplies from reputed suppliers with long-term relationships. This committee includes CEO, CFO, Head of Supply Chain and the relevant BU (Business Unit)/ Functional Head.
- Capex Committee, which ensures cost reduction with proper negotiation and monitors time and cost overrun. This committee includes CEO, CFO, Head of Project, Head of Supply Chain and the relevant BU Head/ Functional Head.

- Credit Committee, which evaluates the credit risk and approves the maximum credit, which can be provided to a customer. This committee approves the credit limits at the beginning of the year and is empowered to make changes as and when required. This committee includes CFO, CEO and the BU Head.
- Business Performance Committee, which reviews the business performance on a monthly basis. This committee includes CEO, CFO, Functional Heads and the relevant BU Head.

In addition, to maintain periodic review and control, we have a structured weekly meeting between the corporate team and the business leadership team. Through this meeting, the corporate team keeps itself abreast of the latest business developments and guides the business team to undertake mid-course corrections, if required. This meeting also provides a forum for obtaining the relevant approvals required from the corporate team as per Delegation of Authority. Participants at this meeting are Chairman/CCMD from Corporate side, CEOs, and CFOs from the business side.

Further, a detailed quarterly review of the business performance with the Chairman/CCMD and the corporate committee is organised to identify any gaps in performance and to consider mid-course corrections.

## Risk Management Vision

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

## Risk Management Strategy

We have formed a strong risk management framework that enables regular and active monitoring of business activities for identification, assessment and mitigation of potential internal or external risks. We have established processes and guidelines, along with a strong overview and monitoring system at the Board and senior management levels.

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

## Risk Management Structure

Our risk management structure comprises the Board of Directors, Risk Management Committee and Audit Committee at the apex level, supported by CEOs, CFOs, Functional Heads, Business Heads and Head of Management Assurance function. As risk owners, the Heads are entrusted with the responsibility of identification



and monitoring of risks. These are then discussed and deliberated at various review forums chaired by the CEOs and actions are drawn upon. Progress against the risk management plan is periodically monitored.

The Risk Management Committee, Audit Committee, CEOs, CFOs and Head of Management Assurance act as a governing body to monitor the effectiveness of the Risk Management and Internal Financial Controls framework.

### Risk Mitigation Methodology

We have in place a comprehensive internal audit plan and a robust Enterprise Risk Management (ERM) exercise which helps to identify risks at an early stage and take appropriate steps to mitigate the same.

Each Business head updates the risk register and identifies top risks for the business. The CEO and CFO then consolidate top risks and report them periodically to the Board of Directors along with a mitigation plan.

We have a quarterly certification process wherein, the concerned control/process owners certify the correctness of entity level and process level controls. The certification process has been in operation for more than 8 years and covers over 1,500 controls. The process level controls cover a wide variety of key operating, financial and compliance related areas while entity level controls cover integrity and ethical values, adequacy of audit and control mechanism and effectiveness of internal and external communication, thereby, strengthening the internal financial control systems and processes with clear documentation on key control points. This has made our internal controls and processes

stronger and serves as the basis for compliance with the provisions of the 'Listing Regulations'.

### Management's Assessment of Risk

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

#### 1. Pandemic Risk - Uncertainty Due to COVID-19

Since FY 2020-21, the world has been adversely affected by COVID-19. Besides the staggering humanitarian crisis across nations including India, the pandemic has had a significant impact on the economy and businesses. It has disrupted the supply, demand, and logistics front.

#### Risk Mitigation Plan

Jubilant Pharmova Limited, being part of the essential pharmaceutical value chain, with our effective business continuity plans and safety measures, our focus in FY 2020-21 was squarely on securing the well-being, health and safety of our people; developing and maintaining business continuity plans.

- Right at the onset of the pandemic, we mobilised efforts and established strict COVID-19 protection especially at our research and manufacturing sites.
- A work from home policy was announced for all the employees. We continue to monitor the situation, adapting our response to minimise the impact on employees, customers and suppliers.



- One of the key measures undertaken during the year was the formation of a COVID-19 task force, which is tasked with maintaining business continuity to augment the existing risk management activities
- During the reporting period, the Company strengthened its cybersecurity controls and focused on enabling swift action on risks emerging across the businesses

## 2. Manufacturing Operations Risk

As a pharmaceutical manufacturer, our manufacturing facilities are required to comply with extensive USFDA and comparable foreign regulatory authority requirements, including ensuring that quality and manufacturing processes conform to current Good Manufacturing Practices (cGMP).

During the financial year ending on 31<sup>st</sup> March, 2021, various regulatory authorities from the US, Canada, Brazil, India, etc. inspected our facilities. For example, the Jubilant HollisterStier CMO facility in Spokane, USA was inspected in March 2021 by the USFDA (CDER) and received zero 483 observations. Similarly, both our Spokane CMO and Allergy Immunotherapy facilities were subject to a form 4003 document review request from the USFDA (CBER) in March 2021. The FDA (CDER) inspection was deemed successful and is pending the Establishment Inspection Report (EIR). Likewise, the FDA (CBER) document review has yielded no additional queries at this time.

Our Jubilant HollisterStier General Partnership, CMO Montreal, Canada facility was also subject to a form 4003 document review request from the USFDA (Center for Veterinary Medicine) for a client product filing in December 2020. The client product has since been approved and the review deemed successful.

The API Nanjangud facility underwent an inspection in June 2020 by Central Drugs Standard Control Organisation (CDSCO) as well as the local state drug control authority for a preapproval inspection of Remdesivir API. Subsequently, the local state drug control authority performed a post approval inspection for Remdesivir API in May 2021 and received approval. In addition, the site also was subject to a desktop assessment by ANVISA in March 2021. The Nanjangud site continues its remediation efforts with respect to the Official Action Indicated (OAI) status with the USFDA. We continue to work with the USFDA to bring the regulatory status of this facility to a complete state of compliance.

Our Dosage Formulation facility at Roorkee which manufactures and distributes finished solid dosage pharmaceutical products, has received an import alert notification by the USFDA after the site was inspected by the agency in March 2021. FDA has exempted five products from being exported to US, which are subject to company meeting certain conditions.

The Jubilant DraxImage business unit underwent an inspection by Health Canada in January, 2021, and that has resulted in a Compliant rating.







### Risk Mitigation Plan

- We are committed to business process improvement by means of automation and providing timely training to workers, establishing clear Standard Operating Procedures (SOPs) and process guidelines, which will lead to reduction in cycle time, and improvement in productivity
- We continue to improve and harmonise our quality systems to ensure compliance with ever evolving regulations
- We have formed a dedicated team to address the import alert issue. This team includes highly specialised consultants, who have wide experience in resolving such issues. This team will not only remediate the gaps identified by USFDA but will also take a holistic approach towards further improve our cGMP quality systems, in addition to implementing a comprehensive programme to improve our processes, this team will also proactively address all the gaps identified
- We are working very closely with the Agency and are providing them with regular updates and progress on the highlighted findings during inspection
- We continue to deliver safe and effective products to our clients in a timely manner. In the true spirit of continuous improvement and to be in line with the latest industry standards and trends, we will continue to make significant investments in our people, strengthen our processes, bring state-of-the-art technologies, and further develop in-house expertise like computer system validation

### 3. Information Technology (IT) Risk

Today, Information Technology has become the backbone of any business. Robust IT strategy that includes adequate IT infrastructure, integrity, data confidentiality and data availability at all times is key to achieving our business objectives. Occurrence of any unforeseen threats to information technology systems could have adverse impact on data availability and continuity of business operations.

### Risk Mitigation Plan

- Our Information security framework is certified for ISO/IEC 27001 Standards, which ensures that all the information assets are adequately safeguarded
- New DR (Disaster Recovery) site has been setup on cloud for India side
- There is an information security steering committee at the apex level, which gives directions and resources to manage information security of the Company
- All the IT security events affecting critical IT infrastructure are being logged and monitored

round the clock by our Cyber Defence Centre (CDC)

- Most of the IT assets are hosted in the ISO certified data centres, which are subject to appropriate physical and logical access controls
- Requisite redundancies have been built within the IT infrastructure to ensure availability of information at all times
- We also publish a monthly information security newsletter to create end user awareness about information security risks and mitigation strategies

### 4. Dependence on Certain Key Products and Customer Risk

The Company depends on certain key products and key long-term contracts with customers for a significant portion of its total revenue and any events that adversely affects the markets for key products or key contracts may adversely affect its financial condition, results of operations and profitability.

### Risk Mitigation Plan

While we are not dependent on any single customer and have a broad and diversified customer base across businesses, we continue to launch new products with the help of R&D teams, which help in developing new cost-effective processes/products to meet customer demand and build market share.

### 5. Dependence on Single Manufacturing Facility Risk

Some of our products are produced by a single manufacturing facility. For instance, Allergy within Specialty Pharmaceuticals are solely produced by our manufacturing facility in Jubilant HollisterStier LLC Spokane, US and our Radiopharmaceutical products, which currently are solely produced by our Jubilant DraxImage Inc. - Montreal facility, Canada. Similarly, the manufacturing facility in Nanjangud, India of our subsidiary, Jubilant Generics Limited, is the sole manufacturing facility for APIs. On account of this facility being located in India, it may be subject to risks such as changes in regulatory, economic, fiscal and taxation policies, natural calamities, terrorist attacks, pandemics etc., which may affect the operations or profitability of our APIs manufacturing facility and other manufacturing facilities located in India.

The spread of the COVID-19 and the related quarantines and travel advisories had, for a few weeks, disrupted production at Nanjangud manufacturing facility.

### 6. Supply Interruptions Due to Few Suppliers Risk

In our Pharmaceuticals segment, which includes Solid Dosage Formulations, APIs, Radiopharmaceuticals and commercial Radiopharmacy businesses, for some of our key raw materials, we have only a single or a few

external sources of supply, and alternative sources of supply may not be readily available.

#### **Risk Mitigation Plan**

- We have an effective strategy to mitigate these risks by developing alternative suppliers on a continuous basis that minimises any order cancellations and decrease in revenues
- We identified common suppliers and initiatives were taken to consolidate spending between various businesses to leverage procurement from common suppliers
- We have established long-term supply arrangements with suppliers to ensure uninterrupted material availability

### **7. Human Resources - Acquire and Retain Talent Risk**

Given the nature and complexity of the regulatory regime of the pharmaceutical industry and our dependence on R&D activity, it is imperative that we recruit and retain high quality R&D specialists and Quality Control personnel. Lack of credible, talented successors or effective knowledge transition mechanism may adversely affect operations.

#### **Risk Mitigation Plan**

- As a part of our strategic talent and succession management process, the leadership invests valuable time in identifying high potential candidates and planning their development for succession to critical positions
- We conduct the leadership development programme and the 360-degree feedback mechanism for these employees based on the leadership competency framework
- Management employees at critical positions enrol in customised general management programmes at premier institutes to prepare for larger roles and build cross-functional capability in the organisation
- We have launched a Learning Management System (LMS), which comprises an extensive collection of training and learning resources and can be accessed by all employees through the online portal
- We conduct regular communication forums in the form of town halls, skip-level meetings and new joiner assimilation programmes to understand employee concerns and a structured mitigation process is developed for effective redressal
- We ensure that there is full adherence to the code of conduct and fair business practices are followed

### **8. Compliance and Regulatory Risk**

Our business operates within a highly regulated environment and regulatory affairs play a vital role in

the development of all businesses. Due to constantly increasing regulatory obligations, new requirements as well as globalisation of market, the demands and responsibilities of business in terms of regulatory readiness are becoming stringent. We deal with various international regulatory agencies like USFDA, EU agencies, Australian agency, Canadian agency, WHO, CDSCO India and various other international regulatory agencies in different parts of the world pertaining to drug substances and drug products.

#### **Risk Mitigation Plan**

- We have adopted measures to address these stringent regulations by increasing the efficiency of our R&D process, reducing the impact of extended testing, timely submission of dossiers and ensuring timely product availability
- We are proactively following-up with regulatory authorities regarding pending approvals and queries raised by authorities are addressed promptly
- We have also put in place a compliance management system to ensure compliance with all applicable laws and regulations
- We have a dedicated team of experts whose knowledge ensures that the global regulatory compliances are met and we can build competitive advantage
- We also undertake training and orientation programs to keep the relevant process owners updated on new regulations and changes in the existing laws

### **9. Competition, Cost Competitiveness and Pricing Risk**

Being a global manufacturer Jubilant Pharmova is exposed to pricing risk both as a buyer and seller. Concentration of raw material procurement to a few suppliers may lead to unfavorable and unethical price setting by suppliers, thereby eroding financial margins and affecting competitiveness. The competition we face in some of our businesses is described in detail below:

#### **Specialty Pharmaceuticals**

Many of our competitors have substantially greater experience in the development and marketing of branded, innovative and consumer oriented products. Other risks are the introduction of generic versions when our proprietary products lose their patent protection or any new entrants into a Generics market in which we are already a participant. In addition, distributors of our products could attempt to shift end-users to competing diagnostic modalities and products. Our current or future Radiopharmaceutical products could be rendered obsolete or uneconomical because of these activities.



### Risk Mitigation Plan

We aim to differentiate through improvement in our service quality, provision of added services such as product development, targeted formulation, laboratory analytical services as well as superior technical expertise.

### Contract Development and Manufacturing (CDMO)

There is intense competition in the market for CMO and API business. Once we develop an API, we need to identify and partner with a generic drug manufacturer that will use our APIs in their formulation or wait for our solid dosage formulations to receive the requisite approvals. The regulatory approval process for new suppliers of APIs to generic manufacturers imposes significant timing constraints in bringing products to market.

### Risk Mitigation Plan

- New products continue to be launched by experienced and talented R&D teams. The in-house R&D team further develops cost-effective products by redefining the production process
- For some of our generic formulations, we have captive manufacturing of APIs to ensure timely material availability and effective cost control to focus on improving profit margins

### Generics

Pricing pressure could arise from competitive products being introduced into a particular product market, price reductions by competitors, the ability of competitors to capitalise on their economies of scale to create excess product supply, the ability of competitors to produce or otherwise secure APIs at lower costs than what we are required to pay to our suppliers.

In our Solid Dosage Formulations business, any delay due to failure in bioavailability and bioequivalence studies or regulatory approvals may significantly reduce our capability to gain market share in this business.

### Risk Mitigation Plan

- Increasing penetration in other geographical regions and strengthening our supply position with our existing strategic customers through competitive offering to achieve a higher share of customers' business
- Building long-term relationships with key customers by offering improved quality and service experience
- Building economies of scale in manufacturing, distribution channels and procurement to maintain cost advantage and sustained entry barrier
- Introducing cost improvement initiatives and manufacturing efficiency improvement plans at

plants by undertaking projects under Business Excellence programmes

- Significant R&D has been done to improve raw material and utilities consumption and increase manufacturing efficiency
- Developing external manufacturing facilities to make the products expeditiously and at lower cost

### Contract Research & Development Services

In the Contract Research & Development Services area, the pharmaceutical industry is facing significant challenges such as escalating cost of R&D, patent expirations, pricing pressure, increased regulatory and safety hurdles as well as lower productivity.

A further risk in this business is the intrinsic discovery and development risk when programmes fail to meet efficacy, which leads to suspension of the efforts, and short-term decline in revenue until other compensatory programmes are developed.

### Risk Mitigation Plan

- To mitigate this risk, we are constantly reviewing our internal processes and organisational structure to ensure higher efficiency, increased scientific output and cost effectiveness.

### Proprietary Novel Drugs

In Proprietary Novel Drugs segment, we face significant competition in an environment of rapid technological and scientific change, and our failure to effectively compete may prevent us from achieving significant market penetration.





**Risk Mitigation Plan**

- Significant number of product are currently under development, and may become commercially available in the future, for the treatment of diseases and other conditions for which we may try to develop new products.
- Our precision medicine target and biomarker discovery platform and our scientific and technical know-how give us a competitive advantage in this space, though competition from many sources remains.

**10. Capacity Planning and Optimisation Risk**

Our production capacity may not be aligned with market demand. Insufficient capacity threatens our ability to meet demand and be competitive and excess capacity threatens the organisation's ability to generate competitive profit margins.

**Risk Mitigation Plan**

- The Company continues to invest in the optimisation of our manufacturing capacity utilisation. Such optimisation is driven by continuous de-bottlenecking our manufacturing plants and by value engineering through the application of Six Sigma, Lean Sigma and other value-added tools for productivity enhancement
- The business teams regularly track the trends for each product to ensure that there is sufficient capacity to meet demand
- We periodically undertake other initiatives to improve efficiency in terms of throughput, cost reduction and to build additional capacities without committing significant capital outlay thereby generating better return on investment
- We have developed a dedicated external manufacturing team, which can help to outsource some capacities and capabilities in order to ensure quicker response to unforeseen market demand

**11. Research and Development (R&D) Effectiveness Risk**

As a pharmaceutical manufacturer, our business growth is dependent on successful execution of R&D strategy. Our R&D is focused to develop commercially viable and sustainable new products, effectively improve and enhance our existing products, along with process improvements that can improve time, quality and cost efficiency.

**Risk Mitigation Plan**

- We have an effective strategy to mitigate potential risks and ensure R&D effectiveness with earmarked budgets and investments in R&D commensurate with the business plans. We routinely evaluate and prioritise our R&D programmes based on market dynamics and commercial viability

- We are continuously engaged in the development of new products for pipeline of products that can be introduced in future
- The focus is on development of processes within the deadlines at optimum cost with effective and efficient scalability

**12. Environment, Health, and Safety (EHS) Risk**

Company's operations are spread across different geographical regions and are subject to a wide range of EHS laws and regulations. In North America, various environmental agencies, authorities including the United States Environmental Protection Agency (US EPA), Environment, and Climate Change Canada regulate us. In India, various environmental agencies and authorities including the Central Pollution Control Board (CPCB) and State Pollution Control Boards regulate us.

**Risk Mitigation Plan**

- We implemented a new EH&S solution, GenSuite, which is a cloud-based EHS management system that provides integrated EHS applications into suite of tools specific for each business
- Performance reviews across the business regularly look at EH&S key performance indicators to reinforce leadership commitment towards employee safety, well-being and environmental sustainability
- Requisite capital expenditure is being incurred on process improvements as well as up-gradation of environmental management facilities using the latest technologies that have helped to reduce environmental footprint. While end-of-the-pipe solutions are implemented, we are also making progress on initiatives for reduction of waste at source
- We engaged an external expert agency for strengthening our safety management system as part of our Occupational Health and Safety Strategy

**13. Protecting Intellectual Property Rights (IPR) Risk**

There has been substantial patent related litigation in the pharmaceutical and medical device industries concerning the manufacture, use and sales of various products. We take all reasonable steps to ensure that our products do not infringe valid third-party IPRs. Any material litigation or other communication alleging such infringements could delay the sale of or prevent us from selling our products.

**Risk Mitigation Plan**

- We protect our products with patents in major markets. Depending on the jurisdiction, patent



protection may be available for individual active ingredients; specific compounds, formulations and combinations containing active ingredients; manufacturing processes; intermediates useful in the manufacture of products; and new uses for existing products

- The Company has filed intellectual property applications in various countries for innovations. The Company has trademarks primarily in India, US, Canada, Europe, Nigeria, South Africa, Mexico, Columbia, China and Australia
- Besides patents, the Company relies on trade secrets, knowhow and other proprietary information and, hence, our employees, vendors and suppliers sign confidentiality agreements
- We have a dedicated team of scientists whose primary task is to ensure that the products are manufactured using only non-infringing processes and compliance requirements are met by reviewing and monitoring IPR issues continuously

#### 14. Failure to Supply to Customers Risk

In the Pharmaceuticals segment, if we are unable to supply our products to customers as per the agreed timelines or specifications or other conditions, we may face penalties from our customers as per the terms of the agreement.

##### Risk Mitigation Plan

We ensure that such risks are monitored and mitigated on a continuous basis to avoid customer dissatisfaction, order cancellations and decreased revenues.

#### 15. Changes in Tax Legislation Risk

The Company's activities are subject to tax at various rates around the world computed in accordance with local legislation and practice. Actions by governments to increase tax rates or to impose additional taxes may reduce our profitability. Revisions to tax legislation or to its interpretation (whether with prospective or retrospective effect) may also affect our results and significant judgment is required in determining our provision for income taxes. Likewise, we are subject to audit by tax authorities in many jurisdictions. In such audits, our interpretation of tax legislation might be challenged and tax authorities in various jurisdictions may disagree with, and subsequently challenge, the amount of profits taxed in such jurisdictions.

##### Risk Mitigation Plan

We have a dedicated team of tax professionals whose primary task is to ensure that the tax liabilities are correctly computed and any revision in the tax legislation is monitored continuously.

#### 16. Liquidity, Solvency, Debt repayment/Bond holder Payment Risk

There may be risk that Company may not be able to raise funding from financial institutions in case of need or Company is unable to meet its short-term and long-term obligations in a timely manner.

##### Risk Mitigation Plan

- Liquidity risk is managed by regular monitoring through cash flow statements and financial ratio analysis
- There is a dedicated treasury team supported by finance team which ensures liquidity risk is managed and ensure working capital is optimised
- Capital expenditure is reviewed and approved by Senior Management to avoid any unplanned capital expenditure
- A thorough assessment of available funding and strength of the relationships with lenders, shareholders and investors is carried out to ensure liquidity and solvent risk is addressed
- Due to our significant operating cash flows, financial assets, access to capital markets and available lines of credit and revolving credit agreements, we continue to believe that we have, and will maintain, the ability to meet our liquidity needs for the foreseeable future

#### 17. Foreign Currency Exposure Risk

There has been significant movement in exchange rates over many years. An increasing amount of our sales, particularly in US, Canada and European countries, is recorded in local currencies, which exposes us to the direct risk of exchange rate fluctuations.

The Company did not use any derivative financial instruments or other hedging techniques to cover its potential exposure since net foreign exchange exposure is not significant.

## Directors' Report

Your Directors are pleased to present the Forty Third Annual Report together with the Audited Standalone and Consolidated Financial Statements for the year ended March 31, 2021.

### OVERVIEW

Jubilant Pharmova Limited (the 'Company' or 'Jubilant Pharmova') is a company engaged in Pharmaceuticals, Contract Research and Development Services and Proprietary Novel Drugs businesses. Pharmaceuticals business through Jubilant Pharma Limited, Singapore is engaged in manufacturing and supply of Radiopharmaceuticals with a network of 48 radiopharmacies in the US, Allergy Therapy Products, Contract Manufacturing of Sterile Injectables and Non-sterile products, Active Pharmaceutical Ingredients ('APIs') and Solid Dosage

Formulations through 6 manufacturing facilities that cater to all the regulated markets including the USA, Europe and other geographies. Jubilant Biosys Limited provides Contract Research and Development Services through 2 world class research centers in Bangalore and Noida in India. Jubilant Therapeutics is involved in Proprietary Novel Drugs business and is an innovative biopharmaceutical company developing breakthrough therapies in the area of oncology and auto-immune disorders. Jubilant Pharmova Limited has a team of around 5,800 multicultural people across the globe. The Company is well recognized as a 'Partner of Choice' by leading pharmaceuticals companies globally. For more information, please visit: [www.jubilantpharmova.com](http://www.jubilantpharmova.com).

## RESULTS OF OPERATIONS AND STATE OF COMPANY'S AFFAIRS

### FINANCIAL RESULTS

Particulars	(₹/ million)			
	Standalone		Consolidated	
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
Continuing Operations:				
Total Revenue from Operations	27,095	31,399	60,985	59,758
Total Operating Expenditure	22,824	27,690	47,020	44,279
EBITDA (before Other Income)	4,271	3,709	13,965	15,479
Other Income	479	1,732	176	374
EBITDA	4,750	5,441	14,141	15,853
Depreciation, Amortisation and Impairment Expense	1,000	1,074	3,490	3,398
Finance Costs	1,018	1,362	1,841	1,997
Exceptional Items	-	17	212	329
Share of profit of an associate	-	-	113	-
Profit before Tax	2,732	2,988	8,711	10,129
Tax Expenses	587	(223)	2,972	3,351
Profit for the year from continuing operations	2,145	3,211	5,739	6,778
Discontinued Operations:				
Profit from discontinued operations	-	-	3,409	1,976
Tax expense/(credit) of discontinued operations	-	-	792	(228)
Profit after tax of discontinued operations	-	-	2,617	2,204
Reported Net Profit After Tax	2,145	3,211	8,356	8,982
Attributable to:				
Owners of the Company	2,145	3,211	8,359	8,982
Non-Controlling Interests	-	-	(3)	-
Other Comprehensive Income	(18)	(18)	1,743	331
Total Comprehensive Income for the year	2,127	3,193	10,099	9,313
Retained Earnings brought forward from previous year	11,533	9,869	38,448	31,026
Profit for the year (attributable to owners of the Company)	2,145	3,211	8,359	8,982
Re-measurement of defined benefit obligations	(8)	(19)	(8)	(38)
Dividend on Equity Shares	-	(1,513)	-	(1,513)
Tax on Dividend on Equity Shares	-	(15)	-	(15)
Transfer (to)/ from Legal Reserve	-	-	(2)	6
Stock awards exercised	-	-	2	-
Adjustment on amalgamation of certain promoter controlled entities pursuant to the Composite Scheme of Arrangement	1	-	1	-
Adjustment on account of demerger pursuant to the Composite Scheme of Arrangement	(2,122)	-	(3,623)	-
Retained Earnings to be carried forward	11,549	11,533	43,177	38,448





## (I) Standalone Financials

### Revenue from Operations

In the Financial Year 2020-21, on standalone basis, the Company recorded total revenue from operations of ₹ 27,095 million.

### EBITDA

For the year ended March 31, 2021, Earnings before Interest, Taxes, Depreciation and Amortisation ('EBITDA') stood at ₹ 4,750 million with EBITDA margins at 17.5%.

### Reported Net Profit after Tax and EPS

Reported Net Profit after Tax was ₹ 2,145 million in the Financial Year 2020-21. Basic Earnings Per Share ('EPS') stood at ₹ 13.47.

## (II) Consolidated Financials

The Consolidated Financial Statements, prepared in accordance with the provisions of the Companies Act, 2013 (the 'Act'), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations') and Indian Accounting Standards (Ind-AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Act, form part of the Annual Report.

### Performance Review

In FY 2020-21, in our continuing business we reported stable revenues, despite COVID-19 challenges, due to the diverse range of our businesses. While our Specialty Pharma business was impacted due to COVID-19 and competition in radiopharma, our CMO, Generics and Contract Research and Development Services businesses delivered strong growth during the year.

Revenue from the continuing operations for the year was ₹ 60,985 million as compared to ₹ 59,758 million in the Financial Year 2019-20. Revenue from the Pharmaceuticals segment grew 1% YoY at ₹ 57,897 million as compared to ₹ 57,143 million in the Financial Year 2019-20. Revenue from the Contract Research and Development Services was ₹ 3,052 million for the year as compared to ₹ 2,515 million in the Financial Year 2019-20. Revenue from Proprietary Novel Drugs stood at ₹ 37 million during the year.

The overall revenue (including Life Science Ingredients business) for the year was ₹ 89,055 million as compared to ₹ 91,544 million in the Financial year 2019-20.

The EBITDA from the continuing operations was ₹ 14,141 million for the year as compared to ₹ 15,853 million in the Financial Year 2019-20. The EBITDA of the Pharmaceuticals segment was ₹ 13,863 million for the year as compared to ₹ 15,555 million in the Financial Year 2019-20 with margins of 23.9% as against 27.2% in the Financial Year 2019-20. Contract Research and

Development Services reported EBITDA of ₹ 1,085 million as compared to ₹ 855 million in the Financial Year 2019-20. This translates into EBITDA margin of 35.6% for the year.

The overall EBITDA (including Life Science Ingredients business) for the year was ₹ 19,209 million as compared to ₹ 19,945 million in the Financial Year 2019-20. This translates into the EBITDA margin of 21.6% for the year.

Profit after Tax from the continuing operations was ₹ 5,739 million as compared to ₹ 6,778 million in the Financial Year 2019-20. Earnings Per Share (EPS) from the continuing operations was ₹ 36.05 per equity share of ₹ 1 each.

Profit after Tax (including Life Science Ingredients business) for the year was ₹ 8,356 million as compared to ₹ 8,982 million in the Financial Year 2019-20. EPS for the year was ₹ 52.48 per equity share of ₹ 1 each.

The Company has considered the possible effects that may result from the COVID-19 pandemic on the carrying amounts of receivables, inventories, property, plant and equipment and intangible assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions, the Company has used internal and external sources of information, including economic forecasts and estimates from market sources, on the expected future performance of the Company.

On the basis of evaluation and current indicators of future economic conditions, the Company expects to recover the carrying amounts of these assets and does not anticipate any impairment to these financial and non-financial assets. However, the impact assessment of COVID-19 is a continuing process, given the uncertainties associated with its nature and duration. The Company will continue to monitor any material changes to the future economic conditions.

## DIVIDEND

The Board is pleased to recommend a dividend of 500% i.e. ₹ 5 per fully paid up equity share of ₹ 1 each amounting to ₹ 796.41 million for the year ended March 31, 2021. The payment of dividend is subject to approval of the shareholders at the forthcoming Annual General Meeting ('AGM') of the Company and shall be subject to deduction of income tax at source.

## CAPITAL STRUCTURE

### (a) Share Capital

Pursuant to the Composite Scheme of Arrangement, authorised share capital of the Company has increased from ₹ 655,000,000 divided into 655,000,000 equity shares of ₹ 1 each to ₹ 1,430,200,000 divided into 1,430,200,000 equity shares of ₹ 1 each during the year. There has been no change in the subscribed and paid-up share capital of the Company.

As on March 31, 2021, the paid-up share capital stood at ₹ 159,281,139 comprising 159,281,139 equity shares of ₹ 1 each.

#### (b) Employees Stock Option Plan and General Employee Benefits Scheme

The Company has an employee stock option plan namely JLL Employees Stock Option Plan 2018 ('Plan 2018'). During the year, Jubilant Employees Welfare Trust has purchased 1,07,140 shares of the Company for implementation of the Plan 2018. No options have been granted under the Plan 2018 during the year. There was no material change in the Plan 2018 during the year and the Plan is in compliance with the SEBI (Share Based Employee Benefits) Regulations, 2014 (the 'SEBI ESOP Regulations').

The Company has a general employee benefits scheme namely Jubilant General Employee Benefits Scheme-2019 ('JGEBS-2019'). During the year, the Nomination, Remuneration and Compensation Committee of the Company has approved implementation of JGEBS-2019. The Scheme is in compliance with the SEBI ESOP Regulations and there was no material change in the Scheme during the year.

The details of the Plan 2018 and JGEBS-2019 pursuant to the SEBI ESOP Regulations have been placed on the website of the Company and web-link of the same is [https://www.jubl.com/Uploads/image/893imguf\\_esop\\_disclosure2021.pdf](https://www.jubl.com/Uploads/image/893imguf_esop_disclosure2021.pdf).

#### (c) Debentures

During the year, the Company offered, issued and allotted Secured Redeemable Non-Convertible Debentures ('NCDs') of ₹ 1,000 Million on a private placement basis. NCDs were listed on the Whole-sale Debt Market Segment of National Stock Exchange of India Limited ('NSE'). The net proceeds of the NCDs were used for refinancing the existing debt, capital expenditure, maintenance capital expenditure, long term working capital and for other purposes in the normal course of business.

Pursuant to the Composite Scheme of Arrangement, the Company has transferred the NCDs to the Resulting Company, Jubilant Ingrevia Limited.

During the year, the Company has also offered, issued and allotted Secured Redeemable Unlisted Non-Convertible Debentures ('NCDs') of ₹ 950 Million on a private placement basis. The net proceeds of the NCDs have been used for refinancing the existing debt, capital expenditure, maintenance capital expenditure, long term working capital and for other purposes in the normal course of business.

### COMPOSITE SCHEME OF ARRANGEMENT

The Hon'ble National Company Law Tribunal, Allahabad Bench ('NCLT') by its Order dated December 23, 2020 sanctioned the Composite Scheme of Arrangement amongst HSB Corporate Consultants Private Limited, Jubilant Stock Holding

Private Limited, SSB Consultants & Management Services Private Limited, JCPL Life Science Ventures and Holdings Private Limited, JSPL Life Science Services and Holdings Private Limited (collectively 'Transferor Companies'), Jubilant Pharmova Limited (name of Jubilant Life Sciences Limited changed to Jubilant Pharmova Limited effective from February 1, 2021 - 'Transferee Company/ Demerged Company') and Jubilant Ingrevia Limited (name of Jubilant LSI Limited changed to Jubilant Ingrevia Limited effective from October 16, 2020 - 'Resulting Company') and their respective Shareholders and Creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (the "Scheme").

Demerger of the Life Science Ingredients ('LSI') business of the Company pursuant to the Scheme became effective from February 1, 2021. Consequently, the LSI business has been demerged into Jubilant Ingrevia Limited. The shareholders of the Company have been allotted Equity Shares of Jubilant Ingrevia Limited in the ratio of 1:1 i.e. for every 1 (One) Equity Shares of ₹ 1 each of the Company held as on the Demerger Record Date i.e. February 5, 2021, the shareholders have been allotted 1 (One) Equity Share of ₹ 1 each (fully paid-up) of Jubilant Ingrevia Limited.

### NAME CHANGE

Pursuant to the Composite Scheme of Arrangement, the name of the Company was changed to Jubilant Pharmova Limited effective from February 1, 2021.

### SUBSIDIARIES

As on March 31, 2021, the Company had 39 subsidiaries. Brief particulars of the principal subsidiaries on a stand-alone basis are given below:

#### Jubilant Pharma Limited

Jubilant Pharma Limited, Singapore ('Jubilant Pharma') is a wholly-owned subsidiary of your Company. Jubilant Pharma holds the global pharmaceutical business of the Company through its subsidiaries in USA, Canada, Europe, India and rest of the world. These subsidiaries of Jubilant Pharma are engaged in manufacturing, marketing and distribution of various pharmaceutical products and services including APIs, oral dosage forms (tablets and capsules), contract manufacturing of sterile injectables including vaccines, ointment, creams and liquids, allergy therapy products and radiopharmaceutical products. Jubilant Pharma also operates a network of radiopharmacies in the US, through its wholly-owned subsidiary with 48 pharmacies in 22 states of USA. Total income of the company during the Financial Year 2020-21 was ₹ 393.17 million as compared to ₹ 1,983.36 million during the Financial Year 2019-20.

During the year, Jubilant Pharma has redeemed the principal amount of US\$200 million on pro-rata basis out of US\$300 million Senior Notes due 2021 ("Notes 2021"). The company had earlier redeemed US\$100 million in FY 2019-20. With this, the Notes 2021 have been fully redeemed. The redemption of US\$200 million has been refinanced by a term loan of US\$150 million and the remaining US\$50 million has been paid out of cash balance.



During the year, Jubilant Pharma has entered into a strategic partnership with SOFIE Biosciences, Inc. ('SOFIE'), USA. Under the terms of the partnership, Jubilant Pharma with 25% of equity holding shall be a strategic partner to SOFIE, enabling SOFIE to continue to grow production capacity, advance its theranostics pipeline, and support novel PET diagnostic manufacturing and distribution within the US.

#### **Jubilant Generics Limited**

Jubilant Generics Limited (JGL) is a wholly-owned subsidiary of the Company through Jubilant Pharma. JGL owns two manufacturing facilities; one at Nanjangud, Karnataka and another at Roorkee, Uttarakhand which are engaged in APIs and Dosage Forms businesses, respectively. It has three state-of-the-art R&D Centres in Noida, Uttar Pradesh, which are equipped with world class infrastructure. These R&D centres are key to delivering innovative, quality products for various advanced regulated markets and providing sustainability to the organisational strategies across value chain of the technologically intensive pharmaceutical industry. With acquisition of the India Branded Pharmaceuticals ("IBP") business from Jubilant Pharmova Limited with effect from 31 March 2020, JGL also caters dosage formulations under its own brand name to the Indian market in therapeutic areas including chronic specialties like Cardiology and Diabetes.

The manufacturing location at Nanjangud, Karnataka, spread over 69 acres, is engaged in manufacturing of APIs and caters to the sales worldwide primarily to the regulated markets. The manufacturing facility is inspected by global regulatory agencies, which include USFDA, Health Canada, TGA Australia, EU GMP from National Institute of Pharmacy and Nutrition Hungary, Japan PMDA, FSSAPS France, KFDA Republic of Korea, ANVISA Brazil, COFEPRIS, Mexico among others. API portfolio is focused on Lifestyle driven Therapeutic Areas (CVS, CNS) and also targets complex and newly approved molecules. The company is among the leading global producers for five APIs in its portfolio helping it to maintain its competitive position in the industry.

The dosage formulations manufacturing location at Roorkee, Uttarakhand, with 5 acres of infrastructure, is inspected by global regulatory agencies such as USFDA, Japan PMDA, UK MHRA, Australia TGA, WHO and Brazil ANVISA. This facility primarily manufactures immediate and modified release oral solid dosage forms (Tablets, Capsules and Powder for Suspension) with capabilities on complex processes like fluid bed pellet coating, MUPS (Multi Unit Particulate System) and extended release drug delivery technology based on matrix formulations and functional coatings. In addition to manufacturing and supplies of finished formulations to the US market, JGL's non-US finished formulations business is focussed on various markets in EU, Japan, Canada, Australia as well as various countries in the emerging markets. In selected geographies, JGL also caters to the market under its own brand name. JGL's major therapy areas includes Cardiovascular, CNS and Gastrointestinal products with special focus on vertical integration and in-house APIs leading to greater competitiveness in the market place.

JGL has capabilities to develop and transfer the technology for APIs and dosage forms including immediate and modified

release oral solids, parenteral and ophthalmic products from its R&D centres at Noida, Uttar Pradesh.

During the Financial Year 2018-19, USFDA and Health Canada jointly inspected the Nanjangud facility of JGL. This facility was put under FDA's Inspection Classification status of "Official Action Indicated" ('OAI') in March 2019. As a result, supplies of the approved products to USA will continue while approvals of pending applications or supplements may be withheld. Health Canada issued a "non-conformance" rating for the facility. JGL undertook a holistic review to implement necessary corrective and preventive actions and also engaged third party cGMP consultants to support and identify areas of improvement and has been voluntarily updating USFDA. During the Financial Year 2019-20, TGA-Australia inspected the Nanjangud facility and granted GMP certificate with a compliant rating of "A1(Good)". Based on the actions taken on various commitments, Health Canada also changed its rating to "Compliant" for the Nanjangud facility in February, 2020.

During the Financial Year 2018-19, the USFDA inspected the Roorkee facility of JGL. Consequently, USFDA issued Warning Letter to the Roorkee facility in March, 2019. As a result, supplies of the approved products to USA will continue while approvals of the pending applications or supplements may be withheld. In October 2019, the USFDA conducted an inspection of the Roorkee facility and issued a Form 483 with six observations. JGL has responded to the observations with necessary corrective and preventive actions. JGL has engaged independent third party cGMP consultants to mitigate the gaps identified by the USFDA and is keeping the USFDA updated on its corrective and preventive actions. During the Financial Year 2019-20, TGA, Australia also inspected the Roorkee facility and provided GMP compliant certificate with a compliant rating "A1(Good)". In March 2021, the USFDA conducted an inspection of the Roorkee facility and issued a Form 483 with seven observations. JGL has responded to the observations with necessary corrective and preventive actions.

JGL continues manufacturing of the approved products at both Nanjangud and Roorkee facilities and distribution thereof globally, including US, and is committed to implement the necessary corrective actions required to address the USFDA concerns at the earliest.

During the Financial Year 2020-21, Jubilant entered into a non-exclusive voluntary licensing agreement with Gilead to register, manufacture and sell Gilead's investigational drug Remdesivir in 127 countries including India, as a potential therapy for COVID-19 treatment. After getting approval from the Drug Controller General of India to manufacture and market the antiviral drug Remdesivir, JGL successfully launched the lyophilized injection under its own brand name "JUBI-R". JGL was also able to manufacture in-house Remdesivir API.

Despite the challenges due to COVID 19 pandemic, JGL has been able to strongly withstand the intermittent operating challenges and continues to run its operations with appropriate precautionary measures. Total income of the company during the Financial Year 2020-21 was ₹ 14,771.53 million as compared to ₹ 11,670.19 million during the Financial Year 2019-20.



The Company is in compliance with Regulation 24A of the Listing Regulations. Secretarial Audit was conducted for JGL, an unlisted material subsidiary of the Company. Copy of Secretarial Audit Report of JGL is available on the website of the Company. The Secretarial Audit report of JGL does not contain any qualification, reservation or adverse remark or disclaimer.

#### **Jubilant Cadista Pharmaceuticals Inc.**

Jubilant Cadista Pharmaceuticals Inc., a corporation incorporated in Delaware, USA is a wholly-owned subsidiary of Jubilant Pharma Holdings Inc. This company is engaged in the business of manufacturing solid dosage forms of generic prescription pharmaceuticals at its USFDA approved manufacturing facility in Salisbury, Maryland, USA. Its customer base includes large wholesalers, retail and pharmacy chains. As on March 31, 2021, there were 25 products marketed in the US with focus in the therapeutic areas of CVS, CNS, Anti Allergic, Steroids, etc. Total income of the company during the Financial Year 2020-21 was ₹ 10,100.86 million as compared to ₹ 9,106.11 million during the Financial Year 2019-20.

#### **Jubilant HollisterStier LLC**

Jubilant HollisterStier LLC is a wholly-owned subsidiary of Jubilant Pharma Holdings Inc. This subsidiary is a fully integrated leading CMO player based out of North America with operations in Spokane, Washington, USA and Montreal, Canada. The facilities offer manufacturing services including sterile injectable (both liquid and lyophilisation), ampoules and sterile and non-sterile ointments, creams, and liquids. This company is among the leading Contract Manufacturers in North America for sterile injectable. Its facilities are approved by regulators across the world including US FDA, Health Canada, ANVISA Brazil, PMDA Japan, Russia, MHRA and various others. The products manufactured at both sites are sold in over 50 countries across the globe. The company lays strong emphasis on compliance and Intellectual Property Rights (IPR). The company will continue to focus on the highest level of compliance with a lean operation setup and supply of right quality products in a timely manner to its customers which helps it further grow the order book. Injectables form an increasing proportion of new approvals by innovators for which there is shortage of capacity for high quality manufacturing sterile sites as available with the company. Its CDMO business has played a very integral role in current pandemic with contracts from Gilead, Eli Lilly and Novavax for manufacturing vaccines and therapeutic drugs to fight the pandemic.

Another area of growth for this subsidiary is sterile ophthalmic. With ageing population across the globe, eye ointments are gaining popularity. The company is witnessing a lot of request for proposals in this area as well. Basis this assessment, the company has decided to set up a 200 bottles per minute ophthalmic line in Montreal. The line is currently in validation stage at the vendors site and the company plans to install the same at Montreal site in the current fiscal year. Once operational, the line is expected to further drive growth for the CMO business.

The company is also continuing to invest on its sites to address future growth opportunities. It has already placed orders for a brand new 400 vial a minute isolator injectable line at Spokane with 300 square feet lyophilizer.

Total income of the company during the Financial Year 2020-21 was ₹ 15,874.96 million as compared to ₹ 11,626.74 million during the Financial Year 2019-20.

#### **Jubilant DraxImage Inc.**

Jubilant DraxImage Inc. ('JDI') is a wholly-owned subsidiary of the Company through Jubilant Pharma. JDI has a solid foundation in speciality pharma. JDI is headquartered in Montreal, Canada, where it operates a highly specialised manufacturing facility approved by USFDA, Health Canada and selected EU countries. JDI develops, manufactures and commercialises radiopharmaceuticals used in Nuclear Medicine for the diagnosis, treatment and monitoring of a broad range of diseases. It serves hospital-based customers (Nuclear Medicine Physicians, Nuclear Cardiologists and Technologists) in addition to specialised commercial radiopharmacies in the United States and Canada. JDI employs about 220 highly skilled professionals dedicated to providing high quality, reliable products and services to healthcare providers around the globe. The foundation of the business is supported by an experienced research and development organisation, specialised radiopharmaceutical manufacturing, strong regulatory affairs, quality systems and marketing and commercial operations. The disease areas of specialisation include cardiology, oncology, neurology, and therapeutics for neuro-endocrine and thyroid diseases.

JDI is a market leader in North America in several specialty areas, including I-131 Therapeutic and Diagnostics (Theranostics) for imaging and treatment of thyroid diseases and thyroid cancer, Macro-Aggregated Albumin (MAA) for lung perfusion imaging and Diethylene Triamine Penta-acetic Acid (DTPA) for renal, brain and functional pulmonary imaging. RUBY-FILL®, a cutting edge, novel technology, for PET myocardial perfusion imaging (MPI) under rest and pharmacological stress conditions to evaluate regional myocardial perfusion in adult patients with suspected or known coronary artery disease is approved by USFDA, Health Canada, Swissmedic, Switzerland, BfArM, Germany and Le gouvernement du Grand-Duché de Luxembourg, Luxembourg. JDI's primary mission is to improve lives through nuclear medicine on a global scale. JDI is committed to the development of novel radiopharmaceutical products for diagnostic and therapy, which will enable early and accurate diagnosis and lead to the improved treatment of diseases for better patient management across the globe. Total income of the company during the Financial Year 2020-21 was ₹ 9,492.35 million as compared to ₹ 15,040.20 million during the Financial Year 2019-20.

#### **Jubilant Pharma NV**

This is a wholly-owned subsidiary of the Company through JGL and Jubilant Pharma. This company holds shares of Jubilant Pharmaceuticals NV (99.81%) and PSI Supply NV (99.50%) along with Jubilant Pharma which holds the balance shares.



### Jubilant Pharmaceuticals NV

This is a wholly-owned subsidiary of the Company through Jubilant Pharma NV, Belgium, which holds 99.81% of its shares and Jubilant Pharma holds the balance shares. This company is engaged in the business of licensing generic dosage forms and providing regulatory services to generic pharmaceutical companies. Total income of the company during the Financial Year 2020-21 was ₹ 7.81 million as compared to ₹ 0.46 million during the Financial Year 2019-20.

### PSI Supply NV

This is a wholly-owned subsidiary of the Company. 99.50% of its shares are held by Jubilant Pharma NV and the balance by Jubilant Pharma. It is engaged in the supply of generic dosage forms to the European markets. Total income of the company during the Financial Year 2020-21 was ₹ 330.99 million as compared to ₹ 285.69 million during the Financial Year 2019-20.

### Jubilant Biosys Limited

Jubilant Biosys Limited ('Biosys') provides Drug Discovery Services to global pharmaceutical and biotech companies in:

- Standalone Service Model including functional services in the areas of Medicinal Chemistry, In Vitro Biology, In Vivo Biology, Structural Biology, DMPK, Toxicology and Discovery Informatics on Full Time Equivalent (FTE) or Fee For Service (FFS) based model;
- Collaborative/Partnership Model with integrated discovery program across a single or a portfolio of molecules;
- Synthetic Organic Chemistry, Process Research & Development, Scale up and GMP supplies under Full Time Equivalent, or Fee for Service model

The Hon'ble National Company Law Tribunal, Allahabad Bench ('NCLT') by its Order dated June 29, 2020 (formal order received on July 2, 2020) sanctioned the Composite Scheme of Arrangement among Jubilant Chemsys Limited (Transferor Company), Jubilant Biosys Limited (Transferee Company/ Demerged Company) and Jubilant Therapeutics India Limited (Resulting Company) and their respective Shareholders and Creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder ('Scheme').

The Scheme became effective from July 28, 2020. On the effective date of the Scheme, 'discovery and development of novel small molecules for the treatment of cancer business' of Biosys has been demerged into Jubilant Therapeutics India Limited.

The shareholders of Biosys have been allotted Equity Shares of Jubilant Therapeutics India Limited in the ratio of 100:631 i.e. for every 631 (Six Hundred Thirty One) Equity Shares of ₹ 10 each of Biosys held as on the Demerger Record Date i.e. October 7, 2020, the shareholders have been allotted 100 (One Hundred) Equity Shares of ₹ 10 each (fully paid-up) of Jubilant Therapeutics India Limited.

Total income of the company during the Financial Year 2020-21 was ₹ 3,214.49 million as compared to ₹ 1,424.62 million during the Financial Year 2019-20.

### Jubilant DraxImage Radiopharmacies Inc.

Jubilant DraxImage Radiopharmacies Inc. ('JDRI') is a wholly-owned subsidiary of the Company through Jubilant Pharma Holdings Inc. JDRI undertakes radiopharmaceutical distribution business through a network of 48 pharmacies in the United States.

Total income of the company during the Financial Year 2020-21 was ₹ 12,118.23 million as compared to ₹ 13,952.10 million during the Financial Year 2019-20.

#### Other subsidiaries are mentioned below:

Jubilant Pharma Holdings Inc.  
 Jubilant Pharma Australia Pty Limited  
 Jubilant Life Sciences (BVI) Limited  
 Jubilant Innovation Pte. Limited  
 Jubilant Innovation (USA) Inc.  
 Jubilant HollisterStier Inc.  
 Jubilant First Trust Healthcare Limited  
 Jubilant Drug Development Pte. Limited  
 Jubilant DraxImage Limited  
 Jubilant DraxImage (USA) Inc.  
 Jubilant Discovery Services LLC  
 Jubilant Clinsys Inc.  
 Jubilant Clinsys Limited  
 Jubilant Therapeutics India Limited  
 Jubilant Business Services Limited  
 Jubilant Therapeutics Inc.  
 Jubilant Pharma SA Pty Limited  
 Jubilant Pharma UK Limited  
 Jubilant Episcribe LLC  
 Jubilant Epicore LLC  
 Jubilant Prodel LLC  
 Jubilant Epipad LLC  
 Drug Discovery and Development Solutions Limited  
 Draxis Pharma LLC  
 Draximage Limited, Ireland  
 Draximage (UK) Limited  
 6981364 Canada Inc. (Merged into Jubilant Draximage Inc. effective from May 31, 2021)  
 TrialStat Solutions Inc.  
 Jubilant Biosys Innovative Research Services Pte. Limited (Incorporated on July 22, 2020)

During the year, the following changes have taken place pertaining to the subsidiaries of the Company:

1. Jubilant Innovation (India) Limited, Vanthys Pharmaceutical Development Private Limited and Draximage Limited, Cyprus have been liquidated.
2. Jubilant Chemsys Limited has been merged into Jubilant Biosys Limited.
3. Pursuant to the Composite Scheme of Arrangement sanctioned by the Hon'ble National Company Law Tribunal, Allahabad Bench by its Order dated December 23, 2020, the following changes have taken place:
  - a) Jubilant Life Sciences International Pte. Limited, Jubilant Life Sciences (Shanghai) Limited, Jubilant Life Sciences (USA) Inc., Jubilant Infrastructure Limited and Jubilant Life Sciences NV have ceased to be subsidiaries of the Company, on demerger of the Life Science Ingredients business of the Company into Jubilant Ingrevia Limited.
  - b) Jubilant Ingrevia Limited ceased to be a subsidiary of the Company.

#### Associate Company

During the year, SOFIE Biosciences Inc., USA has become associate of the Company.

### PERFORMANCE AND FINANCIAL POSITION OF SUBSIDIARIES

The performance and financial position of the subsidiaries are given in Form AOC-1 attached to the Financial Statements for the year ended March 31, 2021.

### PARTNERSHIPS

#### Jubilant HollisterStier General Partnership

It is a Canada based partnership managed by two subsidiaries of the Company - Jubilant HollisterStier Inc. and Draxis Pharma LLC. This partnership provides contract manufacturing services. It manufactures products in two categories: sterile products and non-sterile products. Sterile products include liquid and freeze-dried (lyophilized) injectables, ampoules, ophthalmic tubes/ solutions and sterile ointments and creams. Non-sterile products include non-sterile ointments, creams and liquids. The products manufactured by this partnership are supplied to over 50 countries. The partnership is currently exploring to invest for growth and will be completing expansion of its ophthalmic offerings by setting up a brand new preservative free line by the end of the year. The manufacturing location at Montreal, Quebec, Canada is approved by Health Canada, USFDA and other regulatory authorities.

#### Draximage General Partnership

It was a Canada based partnership managed by two Canadian subsidiaries of the Company i.e. Jubilant Draximage Inc. and 6981364 Canada Inc. Consequent to merger of 6981364 Canada Inc. into Jubilant Draximage Inc., the partnership stands dissolved effective from May, 31, 2021.

### STATUTORY AUDITORS

In terms of provisions of Section 139 of the Act and the Rules made thereunder, the Shareholders of the Company have at the 40<sup>th</sup> Annual General Meeting ('AGM'), approved the re-appointment of M/s. B S R & Co. LLP, Chartered Accountants as Statutory Auditors of the Company for another term of 5 years from conclusion of the 40<sup>th</sup> AGM of the Company till conclusion of the 45<sup>th</sup> AGM of the Company to be held in the year 2023.

The Auditors' Reports for the Financial Year 2020-21 do not contain any qualification, reservation, adverse remark or disclaimer.

### COST AUDIT

In terms of Section 134 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014, the cost accounts and records are prepared and maintained by the Company pursuant to the provisions of Section 148(1) of the Act.

Pursuant to Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014, the Central Government has prescribed audit of cost records for certain products. Accordingly, the Company carries out cost audit of its products. Based on the recommendations of the Audit Committee, the Board of Directors has re-appointed M/s J. K. Kabra & Co., Cost Accountants as Cost Auditors of the Company to conduct cost audit for the Financial Year 2020-21.

### SECRETARIAL AUDIT

The Board had appointed M/s Sanjay Grover & Associates, Company Secretaries to conduct Secretarial Audit pursuant to the provisions of Section 204 of the Act for the Financial Year 2020-21. The Report of the Secretarial Auditors is attached as Annexure-1 to this Report and does not contain any qualification, reservation, adverse remark or disclaimer.

### DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. Shyam S. Bhartia retires by rotation at the ensuing AGM and being eligible, offers himself for re-appointment.

The Board has re-appointed Mr. Hari S. Bhartia as Co-Chairman and Managing Director of the Company for a period of 3 years effective from April 1, 2022 subject to approval of shareholders at the ensuing AGM.

The tenure of Mr. Sushil Kumar Roongta and Mr. Vivek Mehra as Independent Directors shall expire on May 22, 2022. The Board has, at its meeting held on June 4, 2021, recommended re-appointment of Mr. Sushil Kumar Roongta and Mr. Vivek Mehra as Independent Directors for another term of 5 consecutive years effective from May 23, 2022 for approval of Shareholders at the ensuing AGM. In the opinion of the Board, Mr. Sushil Kumar Roongta and Mr. Vivek Mehra possess the requisite expertise, integrity, experience and proficiency for re-appointment as Independent Directors of the Company.

Consequent to demerger of the Life Science Ingredients business of the Company into Jubilant Ingrevia Limited, the





following changes have taken place in the Board of Directors of the Company:

1. Mr. Pramod Yadav has been appointed as Non-Executive Non-independent Director of the Company effective from February 5, 2021 subject to approval of shareholders at the ensuing AGM.
2. Mr. Rajesh Kumar Srivastava and Mr. Anant Pande have resigned as Directors and Whole-time Directors of the Company effective from the close of working hours of February 5, 2021 pursuant to their appointment in Jubilant Ingrevia Limited.

The Board has appointed Mr. Arvind Chokhany as Group Chief Financial Officer and Whole-time Director of the Company for a period of 3 years in the category of Whole-time Key Managerial Personnel effective from April 1, 2021, subject to approval of the Shareholders at the ensuing AGM.

Mr. Arun Kumar Sharma has been appointed as Head-Group Treasury and Chief Financial Officer of the Company in the category of Whole-time Key Managerial Personnel effective from April 1, 2021.

Mr. Alok Vaish was appointed as the Chief Financial Officer of the Company in the category of Key Managerial Personnel effective from April 1, 2020. He resigned from the services of the Company during the year.

## MEETINGS OF THE BOARD

Four meetings of the Board of Directors of the Company were held during the Financial Year 2020-21.

## DECLARATION OF INDEPENDENT DIRECTORS

All Independent Directors have given declaration that they meet the criteria of independence as provided under Section 149 of the Act and Regulation 16 of the Listing Regulations.

## APPOINTMENT AND REMUNERATION POLICY

The Company has implemented Appointment and Remuneration Policy pursuant to the provisions of Section 178 of the Act and Regulation 19 read with Part D of Schedule II to the Listing Regulations. Salient features of the Policy and other details have been disclosed in the Corporate Governance Report attached to this Report. The Policy is available at the web-link: <https://www.jubilantpharmova.com/investors/corporate-governance/policies-and-codes/appointment-and-remuneration-policy>.

## ANNUAL PERFORMANCE EVALUATION OF THE BOARD

A statement on annual evaluation of the performance of the Board, its Committees and of individual Directors forms part of the Corporate Governance Report attached to this Report.

## DIRECTORS' RESPONSIBILITY STATEMENT

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

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
  - (ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on March 31, 2021 and of the profits of the Company for the year ended March 31, 2021;
  - (iii) the Directors have taken proper and sufficient care for the 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 fraud and other irregularities;
  - (iv) the Directors have prepared the annual accounts on a going concern basis;
  - (v) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively.
- Based on the framework of internal financial controls including the Controls Manager for financial reporting and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors and the reviews performed by the management and the relevant Board committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the Financial Year 2020-21; and
- (vi) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## COMPOSITION OF AUDIT COMMITTEE

As on date, the Audit Committee comprises Mr. S Sridhar, Chairman, Ms. Sudha Pillai, Dr. Ashok Misra, Mr. Vivek Mehra, Mr. Priyavrat Bhartia and Mr. Arvind Chokhany. The Board has accepted all the recommendations made by the Audit Committee.

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo required to be disclosed pursuant to Section 134 of the Act read with the Companies (Accounts) Rules, 2014 is given as Annexure-2 and forms part of this Report.

## EMPLOYEES

Particulars of Directors and Employees as required under Section 197(12) of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given as Annexure-3 and form part of this Report.

## RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS

Risk-taking is an inherent trait of any enterprise. However, if risks are not properly managed and controlled, they can affect the Company's ability to attain its objectives. Risk management and internal financial control systems play a key role in directing and guiding the Company's activities by continually preventing and managing risks. The Board, Audit Committee and Senior Management team collectively set the overall tone and risk culture of the Company by identifying the risks impacting the Company's business and documenting the process of risk identification, risk minimisation and risk optimisation as a part of the risk management policy through defined and communicated corporate values, clearly assigned risk responsibilities, appropriately delegated authority and a set of processes and guidelines.

There exists a critical risk management framework across the Company and the same is reviewed on a periodic basis by the Board. Some of the critical risks identified in various businesses of the Company are:

- Competition, Cost Competitiveness and Pricing
- Dependence on Certain Key Products and Customers
- Foreign Currency and Interest Rate Exposures
- Capacity Planning and Optimisation
- Manufacturing Operations
- Dependence on Single Manufacturing facility
- Research and Development (R&D) Effectiveness
- Risks Related to the Discovery and Development of Our Product Candidates
- Supply Interruptions due to few Suppliers
- Limited Product Pipeline
- Failure to Supply to Customers
- Human Resources- Acquire and Retain Talent
- Compliance and Regulatory
- Environment, Health and Safety (EHS)
- Protecting Intellectual Property Rights (IPR)
- Information Technology (IT)
- Changes in Tax Legislation
- Mergers and Acquisitions
- Political or Economic Instability or Acts of Terrorism
- Duties by Export Destination Countries
- Acceptance of Our Products in Market
- Policies regarding returns, allowances and charge backs in the United States
- Labour Unions
- Consolidation of Customer Base

- Business Interruption
- Dependence on Third Parties to conduct our Clinical Trials
- Establishing a collaboration
- Impact of Black Swan Events like COVID-19

The Company promotes strong ethical values and high levels of integrity in all its activities, which in itself is a significant risk mitigator. With the growth strategy in place, risk management holds the key to the success of the Company's journey of continued competitive sustainability in attaining the desired business objectives.

### Implementation of Internal Financial Controls

To compete globally, world class Corporate Governance and Financial Controls over operations are a must for the Company. The Internal Financial Controls as mandated by the Companies Act not only require a certification from CEO-CFO but also put an obligation on the Board of Directors to ensure that the Internal Financial Controls are adequate and are operating effectively. Besides this, the Statutory Auditors are also required to give an opinion on the adequacy and effectiveness of Internal Controls over Financial Reporting ('ICFR').

To make the Internal Financial Controls framework robust, the Company has worked on three lines of defence strategy which is as under:

- **First Line of Defence:** Build internal controls into operating processes - To this end, we have ensured that a detailed Delegation of Authority is issued, Standard Operating Procedures (SOPs) for the processes are created, financial decision making is done through Committees, IT controls are built into the processes, Segregation of Duties is done, strong budgetary control framework exists, the Entity level controls including Code of Conduct, Ombudsperson Office, etc. are established.
- **Second Line of Defence:** Create an efficient review mechanism - We have created a review mechanism under which all the business units and functions are reviewed for performance at least once in a month by the respective CEOs and once in a quarter, by the Corporate team. The formats for these reviews are detailed and finalised with the help of global consulting firms.
- **Third Line of Defence:** Independent assurance - A Big Four firm has been appointed as our internal auditors to perform systematic independent audit of every aspect of the business to provide independent assurance on the effectiveness of the internal controls and highlight the gaps for continuous improvement.

We have implemented a programme under which more than 1,500 internal controls have been established and certified on a quarterly basis by the relevant process owners before the financial results are closed for the quarter. A quarterly certification process is maintained through a work flow based IT tool called 'Controls Manager' and this certification is the basis of the CEO-CFO certification of internal controls as per Regulation 17(8) of the Securities and Exchange Board of India



(Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations').

We have implemented a web-based automated compliance management and reporting system. The objective of the system is to ensure that the compliances are regularly monitored and controlled with a view to support the Company's business objectives and corporate policy requirements. The system includes a comprehensive check-list for ensuring compliance with the laws and regulations applicable to all plants and offices of the Company. To ensure timely and effective compliances, the compliance status is monitored on a real-time basis by the respective functions. The status is presented by Legal Team and reviewed on a quarterly basis by the Senior Management and the Board of Directors. Pursuant to the Listing Regulations, the Company Secretary and Compliance Officer places a compliance report to the Board of Directors on a quarterly basis.

The Company regularly updates the controls library and Risk and Control Matrix. The updated controls framework was tested for operational effectiveness by the statutory auditors and they have given an affirmative opinion about the adequacy and effectiveness of Internal Controls for Financial Reporting in the Company.

The Company has three business segments namely (a) Pharmaceuticals (b) Contract Research & Development Services and (c) Proprietary Novel Drugs. These Segments have a complete management set up with CEO, CFO, and other functional heads who are responsible for running the operations and report to the Chairman/Co-Chairman and Managing Director (CCMD) and the Corporate Committee.

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

A detailed note on Internal Control Systems and Risk Management is given under 'Management Discussion and Analysis Report'.

## HUMAN RESOURCES

In the midst of the crisis presented by COVID-19 pandemic, our attempt has been to let our actions be guided by our core philosophy of Caring, Sharing, and Growing. Uppermost in our agenda is the health and safety of our people while maintaining business continuity.

We put all safety and precautionary measures in place at all our workplaces, supported employees and their family with the necessary resources and assistance, established mechanisms for a personal and daily connect with all those effected. To maintain business continuity, we established safe boarding and meals within the workplace which also prevented exposure of the employees to COVID-19. Work from home was encouraged. This demanded a new Mindset, Discipline, Self-governance and Protocols. Training and toolkits to employees and managers were provided to make work from home effective. Sessions on

Mindfulness, Yoga, Meditation, and Resilience were regularly conducted to assist employees in managing their emotional and mental well-being.

In the midst of the pandemic, we continued to focus on our talent strategy and our annual exercise of identification of successors for key positions through in-depth, rigorous discussions and application of a uniform potential assessment methodology.

A meritocratic, growth oriented culture is key to an organisation's sustainable growth. We benchmarked our Performance Management process, critically examined its effectiveness, transparency and simplicity. We launched a renewed, upgraded and contemporary Performance Management Process and backed it up with employee communication and training. Towards the same objective, we revisited our Promotion Policy and introduced role based promotions.

Within the first quarter, we revisited our learning strategy and shifted all our learning programs to a Virtual Instructor led training (VILT) or to eLearning. Our annual learning calendar was replaced by a Quarterly program calendar. The monthly "Leader Speak" series continued to provide our employees opportunities to learn from the best internal and external leaders and subject matter experts. Besides the internal speakers, we had T.N. Hari from Big Basket, R Gopalakrishnan, Patti Sanchez, Dr. Pavan Soni who spoke on topics ranging from managing a crisis, communication, self-leadership and design thinking. We upgraded our eLearning from 100 courses to 3000 courses across topics of business, functional management and leadership skills to hone and foster a culture of continuous learning in the organisation. The Learning Management System has about 80% employee usage. Additionally, we have mandatory programs for employees on the Code of Conduct, Whistle Blower Policy and Policy on Prevention of Sexual Harassment at workplace to reinforce our commitment to governance and adherence to the code of conduct and fair business practices. The Company has constituted Internal Complaints Committee in compliance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Chairmen Annual Awards, the highest and most prestigious awards at Jubilant were conducted over a digital platform this year. The ceremony telecasted at the same time across India and North America brought all of us to a common platform to applaud our achievers.

Using digital to simply do what you already do, but just better, falls into four categories i.e. cost reduction, improved customer service, new revenue sources, and better decision making. After digitizing the key processes of Talent Acquisition ('TA') in FY 2020, Global TA analytics with more than 35 data reports were put in place. On a click of a button, one can see the TA process health across the globe and can take faster and better decisions. Further, our global analytics help in maintaining data integrity, ensuring better process governance and control, enhancing processes and delivering higher productivity.

In addition to the above, we launched gamified social "Refer a Friend" tool in North America for deeper reach in the talent



market. Further, to strengthen our Employer Brand, we launched two digital programs globally to enhance candidate experience and new hire experience.

In the area of compensation and benefits, global job grading exercise was concluded to bring uniformity across geographies and businesses to deliver a well-defined career path framework by enabling smooth cross business movements for employees. From organisation perspective, a clear sizing and scoping of a job to determine grade helps organisation to stay right sized and agile.

In our continuous effort to move into a fully digital environment, we launched workforce budgeting tool globally. The system is well integrated with our core HRMS and has made the entire process very simple, easy and fast that leads to reduced man days and increase productivity.

We reviewed and revamped our performance management process to further strengthen the culture of performance.

A detailed note on Human Resource Management is given in the 'Management Discussion and Analysis Report'.

## INVESTOR SERVICES

With a view to keep the investors well informed of its activities, the Company has taken the following initiatives:

- E-mailing quarterly results and press releases to the Shareholders soon after they are sent to the stock exchanges and e-mailing Annual Reports. Maintaining user friendly Investor Section on the website of the Company [www.jubilantpharmova.com](http://www.jubilantpharmova.com);
- A dedicated e-mail address viz. [investors@jubl.com](mailto:investors@jubl.com) for interacting on various matters with respect to share transfer, transmission, dividends and other related issues with the Company Secretary and Compliance Officer;
- The Company has placed an Investor Feedback form on its website [www.jubilantpharmova.com](http://www.jubilantpharmova.com) under the head 'Investor Feedback Form' to obtain valuable feedback and suggestions of the investors;
- Earnings Presentation and Release detailing the quarterly results are uploaded on the website of the Company [www.jubilantpharmova.com](http://www.jubilantpharmova.com). Earnings call is typically conducted post announcement of the results to the stock exchanges as per the schedule mentioned in the Concall Invite which is also uploaded on the website of the Company. Earnings call playback is made available on the Dial-in numbers shared in the Concall Invite and transcripts are uploaded on the website of the Company;
- The presentation and meeting schedule of the Road Shows attended by the Company are uploaded on its website after intimating the same to the Stock Exchanges; and
- Disclosures made to the Stock Exchanges are promptly uploaded on the website of the Company for information of the Investors.

## VIGIL MECHANISM

The details of Vigil Mechanism adopted by the Company have been disclosed in the Corporate Governance Report, which is attached to and forms an integral part of this Report.

## CORPORATE SOCIAL RESPONSIBILITY

Jubilant's sustainability framework reflects the strong focus on Corporate Social Responsibility ('CSR'). The organisation approach towards sustainability is to work continuously on triple bottom line of Economic, Environmental and Social performance.

CSR activities at Jubilant are in line with the provisions of Section 135 read with Schedule VII to the Act. The CSR initiatives of the Company are implemented through Jubilant Bhartia Foundation ('JBF'), established in the year 2007, social wing of Jubilant Bhartia Group. CSR Policy of the Company is available on the web-link: <https://www.jubilantpharmova.com/investors/corporate-governance/policies-and-codes/corporate-social-responsibility-policy>.

The CSR interventions of the Company are also in accordance with the United Nations Sustainable Development Goals (SDGs), also known as Global Goals. The CSR projects focus on working towards empowering the communities around the area of operations of the Company. The projects work on 4P model (Public-Private-People-Partnership). Jubilant facilitates implementation of the projects and participation of community to bring out the optimal outcomes.

Jubilant has been publishing its Corporate Sustainability Report every year from 2003. The report is externally verified and is in accordance with the Global Reporting Initiative ('GRI') guidelines.

From 2007, the Company was receiving application level A+ by GRI for our Corporate Sustainability Report. From FY 2017-18, our Sustainability Report is aligned with the Global Reporting Initiatives' GRI Standards in accordance with the 'Comprehensive' option. All our reports are available on the Company's website at the weblink: <https://www.jubilantpharmova.com/sustainability/sustainability-report>.

JBF's detailed activities are available on its website [www.jubilantbhartiafoundation.com](http://www.jubilantbhartiafoundation.com).

The Company has a vision to bring progressive social change through strategic multi-stakeholders and bring about a 'social change' involving "knowledge generation & sharing, experiential learning and entrepreneurial ecosystem" through JBF.

JBF interventions cover population of more than 3,00,000 in and around the manufacturing locations of the Company.

During the Financial Year 2020-21, Jubilant geared up to be with the people and community around its manufacturing locations amidst COVID-19 pandemic. JBF strategized and re-structured its development initiatives for the people in marginalized and remote areas, supporting them to continue



their life during the pandemic. The projects were designed keeping in view the safety and vulnerability of the community around the manufacturing locations. To reach out as a support during the trying times, the Company allocated its CSR funds towards health project for the community around and PM CARES Fund as a contribution towards COVID-19 pandemic. The Company transformed its approach towards reaching out the community amidst pandemic by working on 3 essential parameters of Safety, Support and Sustainability:

#### **Saving Lives and Ensuring Safety by**

- Creating a safe workplace
- Facilitated sanitization of the workplace as well as surrounding community and government institutions like hospitals
- Launching Remdesivir under 'JUBI-R' and making it available to over 1,000 hospitals providing COVID 19 treatment in India through its distribution network. In order to increase accessibility of 'JUBI-R' to patients below the poverty line and to front line paramedical staff, JBF has launched unique programs aimed at distribution of the drug.

#### **Supporting Community and other stakeholders**

- Making a contribution towards PM CARES Fund
- Communication outreach with the community, schools and society through awareness camps at each manufacturing location and distribution of essential items like groceries, medicines, masks and sanitizers, etc. in the community.

#### **Sustaining Lives**

- An effort was made to sustain the lives of people in the community realm of education, health and livelihood. JBF strategized and restructured its development initiatives so that people in the marginalized and remote areas can continue their life during the pandemic.
- The projects were designed keeping in view the safety and vulnerability of the community around the manufacturing locations. The 3 key projects are given below:
  - i. **JubiCare Tele-clinic**- a telemedicine application, conceptualized and developed by JBF. This telemedicine interface provides a real-time Patient - Doctor consultation through text/audio/video. JubiCare app uses ICT for exchange of information for the diagnosis and treatment of diseases by a certified medical professional. The application aims at addressing the health issues of patients by health workers without unnecessary exposure to infections. The application provides immediate support and delivery of healthcare services to the underserved communities in rural and urban areas without travel.
  - ii. **E- Muskaan, Supporting Education through Digital Literacy**- ensuring the continuity in learning of students in rural areas by promoting the digital education inclusion of the last mile learners thereby facilitating cognitive growth of a child. Jubilant has

partnered with iDream Social Edtech Foundation engaged in facilitating digital education in local languages to provide e-content absolutely for no cost to the students. This facility is being provided to Project 'Muskaan' schools across the locations through iDream Learning App to help in continuity of academic learning.

- iii. **JubiFarm, strengthening livelihood by facilitating access of farmers to modern and sustainable farming methods**-JubiFarm is a sustainable and multi-stakeholder initiative that is conceived to enhance the profitability and generate income opportunities in farming for the migrants returning back to their natives. The initiative is recognising both the male and female as equal stakeholders of the farmland. It shall empower farmers by facilitating access to modern and sustainable farming methods.

Annual Report on CSR activities for the Financial Year 2020-21 including contents of the CSR Policy is attached as Annexure-4. In compliance with the Listing Regulations, Business Responsibility Report forms part of the Annual Report.

#### **OTHER DISCLOSURES**

- i. **Extracts of Annual Return:** Pursuant to the provisions of Section 134(3)(a) of the Act, the Annual Return for FY 2020-21 has been uploaded on the Company's website and can be accessed at <https://www.jubilantpharmova.com/investors/financials/annual-reports>.
- ii. **Public Deposits:** The Company has not accepted any deposits from the public during the year. The Company had no outstanding, overdue, unpaid or unclaimed deposits at the beginning and end of the Financial Year 2020-21.
- iii. **Loans, Guarantees and Investments:** Details of loans, guarantees/ securities and investments along with the purpose for which the loan, guarantee or security is proposed to be utilised by the recipient have been disclosed in Note nos. 5, 6 and 42 to the Standalone Financial Statements, as applicable.
- iv. **Particulars of Contracts or Arrangements with the Related Parties:** The Company has formulated a policy on Related Party Transactions ('RPTs'), dealing with the review and approval of RPTs. Prior omnibus approval is obtained for RPTs which are of repetitive nature. All RPTs are placed before the Audit Committee for review and approval.

All RPTs entered into during the Financial Year 2020-21 were in the ordinary course of business and on arm's length basis. No material RPTs were entered into during the Financial Year 2020-21 by the Company as defined in the Policy on Materiality of Related Party Transactions and Dealing with Related Party Transactions. Accordingly, the disclosure of RPTs as required under Section 134(3) (h) of the Act in Form AOC-2 is not applicable. Your Directors draw attention of the members to Note no. 38

to the Standalone Financial Statements which sets out the Related Party disclosures.

- v. **Material Changes in Financial Position:** No material change or commitment has occurred after the close of the Financial Year 2020-21 till the date of this Report, which affects the financial position of the Company.
- vi. **Orders passed by Courts/ Regulators:** No significant or material order has been passed by the regulators or courts or tribunals impacting the going concern status of the Company or its future operations.
- vii. **Secretarial Standards:** The Company has complied with the Secretarial Standards issued by the Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meetings.

## CORPORATE GOVERNANCE

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

A detailed Report on Corporate Governance is attached as Annexure-5 and forms part of this Report. A certificate from a Practising Company Secretary confirming compliance with the conditions of Corporate Governance, as stipulated in Clause E of Schedule V to the Listing Regulations is attached to the Corporate Governance Report.

The Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for Directors and Senior Management for the year ended March 31, 2021. A certificate from the Co-Chairman & Managing Director confirming the same is attached to the Corporate Governance Report.

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

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report on the operations of the Company as provided under the Listing Regulations has been given separately and forms part of this Report.

## ACKNOWLEDGMENTS

Your Directors acknowledge with gratitude the co-operation and assistance received from the Central and State Government authorities. Your Directors thank the shareholders, debentureholders, financial institutions, banks/ other lenders, debenture trustees, customers, vendors and other business associates for their confidence in the Company and its management and look forward to their continued support. The Board wishes to place on record its appreciation for the dedication and commitment of the Company's employees at all levels, which has continued to be our major strength. We look forward to their continued support in the future.

For and on behalf of the Board

**Shyam S. Bhartia**  
*Chairman*  
(DIN: 00010484)

**Hari S. Bhartia**  
*Co-Chairman & Managing Director*  
(DIN: 00010499)

Place: Noida  
Date: June 4, 2021





# Secretarial Audit Report

## Annexure 1

### FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021

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

To,

The Members,

**JUBILANT PHARMOVA LIMITED**

(CIN: L24116UP1978PLC004624)

Bhartiagram, Gajraula, District Amroha, Uttar Pradesh-244223

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

#### We report that-

- a) Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- b) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- c) We have not verified the correctness and appropriateness of the financial statements of the Company.
- d) Wherever required, we have obtained the Management representation about the compliances of laws, rules, regulations and standards and happening of events etc.
- e) The compliance of the provisions of the corporate and other applicable laws, rules, regulations and standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
- f) The Secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion,

the Company has, during the audit period covering the financial year ended on March 31, 2021 ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2021 according to the provisions of:

- (i) The Companies Act, 2013 ("the Act") and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, where applicable;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - (d) The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client;

- (g) \*The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (h) \*The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018; and
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

\*No event took place under these regulations during the audit period.

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

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

- (vi) Jubilant Pharmova Limited (the 'Company' or 'Jubilant Pharmova') is an integrated pharmaceuticals company having three business segments i.e. Pharmaceuticals, Contract Research and Development Services and Proprietary Novel Drugs Businesses. Pharmaceuticals business through Jubilant Pharma Limited, Singapore is engaged in manufacturing and supply of Radiopharmaceuticals with a network of 48 radio-pharmacies in the US, Allergy Therapy Products, Contract Manufacturing of Sterile Injectables and Non-sterile products, APIs and Solid Dosage Formulations through 6 USFDA approved manufacturing facilities in the US, Canada and India. Jubilant Biosys Limited provides Contract Research and Development Services through 2 world class research centers in Bangalore and Noida in India. Jubilant Therapeutics is involved in Proprietary Novel Drugs business and is an innovative biopharmaceutical company developing breakthrough therapies in the area of oncology and auto-immune disorders. Jubilant Pharmova Limited has a team of around 5,800 multicultural people across the globe. The Company is well recognized as a 'Partner of Choice' by leading pharmaceuticals companies globally. As informed by the management, there are no sector specific laws applicable on the Company effective from February 1, 2021 i.e. post demerger of Life Science Ingredients business of the Company.

Prior to demerger, the following were some of the laws specifically applicable to the Company:

- Narcotics Drugs and Psychotropic Substance Act, 1985 and rules made thereunder;
- Legal Metrology Act, 2009 and rules made thereunder;

- Boilers Act, 1923 and rules made thereunder;
- Essential Commodities Act, 1955 and rules made thereunder;

We have checked the compliance management system of the Company to obtain reasonable assurance about the adequacy of systems in place to ensure compliance of specifically applicable laws and this verification was done on test basis. We believe that the Audit evidence which we have obtained is sufficient and appropriate to provide a basis for our audit opinion. In our opinion and to the best of our information and according to explanations given to us, we believe that the compliance management system of the Company was adequate to ensure compliance of laws specifically applicable to the Company during the stated period.

**We further report that** the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

The changes in the board of directors that took place during the audit period were carried out in compliance with the provisions of the Act.

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

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

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

**We further report that during the audit period**

- The Board of Directors in its meeting held on May 29, 2020, accorded their consent to issue, offer, invite for subscription and to allot Secured, Rated, Listed, Redeemable, Non-Convertible Debentures ('NCDs'), on private placement basis, upto ₹ 100 Crore (Rupees One Hundred Crore) within the overall borrowing limits of the Company approved by the shareholders. Subsequently, Finance Committee at its meeting held on June 2, 2020 allotted 1,000 NCDs of ₹ 10,00,000 (Rupees Ten Lakh only) each for cash at par aggregating to ₹ 100,00,00,000 (Rupees One Hundred Crore only).



- The Board of Directors in its meeting held on November 4, 2020, accorded their consent to issue, offer, invite for subscription and allot upto 1,000 Secured, Redeemable, Unlisted Non-Convertible Debentures ('NCDs') of ₹ 10 Lac each for cash at par aggregating to ₹ 100 Crore (Rupees One Hundred Crore), on private placement basis, within the overall borrowing limits approved by the shareholders. Subsequently, Finance Committee at its meeting held on January 13, 2021 allotted 950 NCDs of ₹ 10,00,000 (Rupees Ten Lakh only) each for cash at par aggregating to ₹ 95,00,00,000 (Rupees Ninety Five Crore only).
- Restructuring Committee of the Board of Directors at its meeting held on January 8, 2021 approved the Cancellation of Cross-holdings and Allotment of 6,29,43,636 (Six Crore Twenty Nine Lakhs Forty Three Thousand Six Hundred and Thirty Six) Equity Shares to the Shareholders of Transferor Company 1, Transferor Company 2 and Transferor Company 3 pursuant to the Composite Scheme of Arrangement amongst HSB Corporate Consultants Private Limited ('Transferor Company 1'), Jubilant Stock Holding Private Limited ('Transferor Company 2'), SSB Consultants & Management Services Private Limited ('Transferor Company 3'), JCPL Life Science Ventures and Holdings Private Limited ('Transferor Company 4') and JSPL Life Science Services and Holdings Private Limited ('Transferor Company 5') [collectively, the 'Transferor Companies'], Jubilant Pharmova Limited (name of Jubilant Life Sciences Limited changed to Jubilant Pharmova Limited) (the 'Transferee Company' or the 'Demerged Company') and Jubilant Ingrevia Limited (the 'Resulting Company' - name of Jubilant LSI Limited changed to Jubilant Ingrevia Limited) and their respective Shareholders and Creditors ('the Scheme') pursuant to Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 as sanctioned by the Hon'ble National Company Law Tribunal, Allahabad Bench by its Order dated December 23, 2020 and upon the Scheme becoming effective, cross holdings among each of the Transferor Companies and the Company have been cancelled and Merger Shares of the Company in terms of Clause 1.18 of Part A of the Scheme, have been allotted to the Shareholders of Transferor Company 1, Transferor Company 2 and Transferor Company 3.
- Restructuring Committee of the Board of Directors at its meeting held on January 18, 2021 approved the Cancellation of Cross-holdings and Allotment of equivalent number of Equity Shares i.e. 6,29,43,636 (Six Crore Twenty Nine Lakhs Forty Three Thousand Six Hundred and Thirty Six) Equity Shares of ₹ 1 each, to the Shareholders of Transferor Company 4 and Transferor Company 5, pursuant to the Composite Scheme of Arrangement amongst HSB Corporate Consultants Private Limited ('Transferor Company 1'), Jubilant Stock Holding Private Limited ('Transferor Company 2'), SSB Consultants & Management Services Private Limited ('Transferor Company 3'), JCPL Life Science Ventures and Holdings Private Limited ('Transferor Company 4') and JSPL Life Science Services and Holdings Private Limited ('Transferor Company 5') [collectively, the 'Transferor Companies'], Jubilant Pharmova Limited (name of Jubilant Life Sciences Limited changed to Jubilant Pharmova Limited) (the 'Transferee Company' or the 'Demerged Company') and Jubilant Ingrevia Limited (the 'Resulting Company' - name of Jubilant LSI Limited changed to Jubilant Ingrevia Limited) and their respective Shareholders and Creditors ('the Scheme') as sanctioned by the Hon'ble National Company Law Tribunal, Allahabad Bench by its Order dated December 23, 2020 and upon effectiveness of amalgamation of JCPL Life Science Ventures and Holdings Private Limited ('Transferor Company 4') and JSPL Life Science Services and Holdings Private Limited ('Transferor Company 5') with Jubilant Life Sciences Limited ('Transferee Company') in terms of Clause 10.2.2(i) and Clause 10.2.2(ii) of Part B of the Scheme.

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

**Devesh Kumar Vasisht**

Partner

CP No.: 13700

FCS No.: F8488

UDIN: F008488C000420867

New Delhi  
June 4, 2021



## Disclosures Under Section 134(3)(m) of The Companies Act, 2013 Read With The Companies (Accounts) Rules, 2014

### A. CONSERVATION OF ENERGY

The Company is committed in conserving energy in its various operations. Energy efficiency improvement, waste heat recovery, process optimization and energy substitution are the major focus areas identified for energy conservation. Dedicated energy conservation team is consistently working with structured approach for reducing energy consumption across sites.

Gajraula and Bharuch sites have successfully upgraded Energy Management System to ISO: 50001:2018.

#### i) Steps taken or impact on conservation of energy

- Reduced energy consumption at power plant by improving power generation cycle with the introduction of high pressure heater in boiler at Gajraula.
- Reduced energy consumption in acetyl plants through column reflux, efficient tray, auxiliary column optimization and feed preheating at Nira Site.
- Waste heat recovery system installation at incinerator to preheat de-mineralised water and raffinate at Bharuch Site.
- Installation of Air pre-heater for recovery of waste heat from incinerator flue gas at Gajraula Site.
- Waste heat recovery boiler installation at Gajraula site to generate steam from process waste heat at Gajraula.
- Energy efficiency improvement in centralized instrument air system by replacement of old air compressor with energy efficient new air compressor at Gajraula.
- Combustion efficiency of process furnace improved with better combustion control at Bharuch.
- Reduced energy consumption in various products by process re-engineering, waste heat recovery and heat integration projects.
- Steam norm reduction in process plant by utilization of flash steam at Nira.
- Runtime optimization of utility equipment like nitrogen compressor, chilled water compressor, Cooling Tower pump.
- Reduction in harmonics and power loss at Bharuch.

- Reduced energy consumption in plant lighting with the use of LED lighting.
- Leveraging digitalization for improving energy efficiency in chilling system.

The above steps have resulted in savings of ₹ 158.30 million during the Financial Year 2020-21.

#### ii) Steps taken by the Company for utilising alternate sources of energy

The Company recognises the reality of climate change and its impact. To bring down the carbon foot print, the Company continuously strives to use renewable energy. Some of the initiatives are mentioned below:

Biogas remains the major renewable energy generated and consumed by the Company. With consistent monitoring and various improvement projects, the Company is enhancing biogas generation and its effective utilisation.

Agro waste (Ground nut shell and saw dust) are being used to meet thermal energy requirement of Savli Site.

Solar panels are used for remote lighting at Nira & Gajraula and also for canteen energy requirement at Bharuch.

#### iii) Capital investment on energy conservation equipment

Capital investment on energy conservation equipment during the Financial Year 2020-21 was ₹ 53.10 million.

**Note:** Pursuant to the Composite Scheme of Arrangement and demerger of the Life Science Ingredients business of the Company, all manufacturing facilities have been transferred to Jubilant Ingrevia Limited.

### B. TECHNOLOGY ABSORPTION

#### i) Efforts made towards technology absorption

Research and Development (R&D) in the technologically intensive industry is the lynchpin of innovation and plays a vital role in developing and adopting new technologies.

At Jubilant, the basic mission of R&D remains to enhance innovation level, scientific efficiency and effectiveness in compliance with Jubilant core values.



A team of 900 + diversely - qualified best-in-class R&D scientists is working cohesively in multi-located state-of-the-art 9 R&D centres spread across India, US and Canada focusing on delivering innovative, quality products and platforms across the value chain of pharmaceutical research.

Our R&D performance hinges on the coherence and cohesiveness among our R&D centres where rapid exchange of knowledge takes place to keep pace with competition and to develop disruptive technologies for future. The R&D keeps itself updated with the regulations, upcoming technological changes and trends and proactively aligns with pharmacopeia methods and industry best practices.

Our R&D centres conform to International Standards and are well equipped with world-class infrastructure. All multi-located dedicated R&Ds are diversified but internally integrated to leverage knowledge and innovation in allied scientific domains. The Company's consistent endeavors to invest in R&D have helped it create a robust product pipeline ensuring sustainable growth. All R&D centres support the execution of business strategies.

All R&D centres are process driven and have a disciplined work culture. We have a strong internal audit framework in place which ensures overall R&D regulatory compliance. Our internal audit framework monitors and controls all systems and processes within the R&D.

The multi-skilled R&D team specialised across value chain of pharmaceuticals focuses on generics research including APIs and across dosage forms, novel drug delivery systems research, radiopharmaceuticals, allergenic extracts research, chemistry/process development of advance intermediates, speciality ingredients, contract research, drug discovery research, analytical research and biological support including pharmacokinetics and Bioavailability (BA)/Bioequivalence (BE) research. The R&D team focuses on sustainable product/process development including process intensification, absorption of technologies, application of statistical tools viz. QbD/DoE and establishing technologies at commercial scale which in turn create value for our customers and ensures delivery of a sustainable pipeline of high-value drug products. Our R&D thrives on "green chemistry culture" and has developed various environment friendly and disruptive technologies wherein many batch processes have been replaced by continuous processes, incorporated optimum atom efficiencies, recycling and reuse of solvents/reagents/by-products targeting towards zero discharge of effluents, removal/substitution/minimisation of hazardous chemicals and replacing chemical processes with enzymatic/chemo catalysis processes.

We have evolved our production technologies including specialised proprietary know-how over a period of time with the help of R&D. We keep our options to licence-in/ licence-out technologies/know-how to accelerate businesses of interest.

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

Jubilant has an effective strategy to develop products which are compliant with accepted standards documentation with earmarked budgets and to invest in R&D commensurate with the business plans. New products continue to get developed by experienced and talented R&D teams which work to deliver in line with the marketing strategy by developing new cost effective processes/ products. R&D set up at various plant locations continuously works on cost reduction of existing products and development of new products using the same assets. We dedicate considerable resources to R&D in order to develop new as well as improved products and processes, which in turn create value for our customers.

Through our investment in R&D, together with our implementation of management tools and strategies in manufacturing, design and project management, we continue to improve our cost competitiveness and quality of production by improving the efficiency of our supply chain management and developing better processes and product development and manufacturing capacities to reduce process inefficiencies, process variations, plant inefficiencies, assets under utilisation and the time required for product and process development.

We develop new technologies at the lab scale and the scientists and manufacturing engineers work in close coordination to ensure parameters established during lab development are within the determined design space leading to seamless scale-up to commercial scale without losing on the proficiency of the process with a lead-time comparable to the best in the industry. Six Sigma initiatives at plants and R&D support the adoption of new technologies and enhance the efficiencies of our manufacturing plants to provide better services to our customers.

We continually develop new products that provide our customers with better solutions for existing problems and new solutions for emerging problems. This requires us to expend significant effort on research, development, manufacturing and marketing. To preserve the value of our investment, we rely on the patent laws of the jurisdictions where we do business. In addition, we need to continue to improve our production efficiency. Our production technologies typically incorporate specialised proprietary know-how. We have both developed intellectual property internally and acquired intellectual property through acquisitions. From time to time, we may grant licenses to third parties to use our patents and know-how and may obtain licenses from others to manufacture and sell products using their technology and know-how.

The Company's R&D strategy is centered on improving the speed and yield of generic products by improved automation in the lab and practicing advanced disruptive engineering and on developing sustainable technologies. We have always demonstrated our commitment to support humanitarian efforts by bringing quality and affordable generic medicines in the market.

Our R&D continues to lead to new, innovative processes and new knowledge-driven products that increase the efficiencies of our production and allow us to capitalise on opportunities for growth in competitive markets.

Our IP-enabled innovative R&D efforts have helped us avoiding any intellectual property (IP) disputes after developing outstanding designing capabilities around third party IP by identifying newer opportunities, better understanding of emerging challenges, developing alternative/innovative research strategies and creating intellectual property which is well protected in defined geographies of our business interests. Our efforts have fructified into intellectual properties, which have grown over the years creating a strong position in generic pharmaceutical businesses in regulated markets. We protect our inventions by filing

patent applications in India, US, Europe, Canada, Australia, China, International Patent Applications (PCT) etc. We pursue them till grant and maintain them in countries of business interest.

We have been conferred with various prestigious awards nationally for R&D work.

iii) **Imported Technology:** Not Applicable

iv) **Expenditure incurred on Research and Development**

		(₹/ million)	
Sr. No.	Particulars	2020-21	2019-20
(a)	Capital	9.74	31.98
(b)	Recurring	155.76	185.05
<b>Total</b>		<b>165.50</b>	<b>217.03</b>

### C. FOREIGN EXCHANGE EARNINGS AND OUTGO

		(₹/ million)	
Particulars	2020-21	2019-20	
Foreign exchange outgo in terms of actual outflows	9,117	13,515	
Foreign exchange earned in terms of actual inflows	11,207	15,515	





## Annexure 3

### Particulars Prescribed Under Section 197(12) Of The Act Read With The Companies (Appointment And Remuneration Of Managerial Personnel) Rules, 2014

#### PART A:

- i) The ratio of remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2020-21 and the percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary, in the Financial Year 2020-21 are as under:

Sr. No.	Name and Designation of Director/ Key Managerial Personnel	Remuneration during Financial Year 2020-21 (In ₹)	% increase in Remuneration	Ratio of Remuneration of each Director to Median Remuneration of Employees
1	Mr. Shyam S. Bhartia, Chairman	-	-	-
2	Mr. Hari S. Bhartia, Co-Chairman & Managing Director	121,803,665	(3.10)	22.25
3	Mr. S Sridhar, Non-Executive Independent Director	1,475,000	(3.28)	0.27
4	Ms. Sudha Pillai, Non-Executive Independent Director	1,505,000	(3.21)	0.27
5	Dr. Ashok Misra, Non-Executive Independent Director	1,395,000	(0.71)	0.25
6	Mr. Sushil Kumar Roongta, Non-Executive Independent Director	1,435,000	8.71	0.26
7	Mr. Vivek Mehra, Non-Executive Independent Director	1,455,000	(1.69)	0.27
8	Mr. Arun Seth, Non-Executive Independent Director	1,315,000	1.94	0.24
9	Mr. Priyavrat Bhartia, Non-Executive Director	-	-	-
10	Mr. Arjun Shanker Bhartia, Non-Executive Director	-	-	-
11	Mr. Pramod Yadav, Non-Executive Director	-	-	-
12	Mr. Rajesh Kumar Srivastava, Whole-time Director	40,763,556	2.29	7.45
13	Mr. Anant Pande, Whole-time Director	22,367,099	4.77	4.09
14	Mr. Alok Vaish, Chief Financial Officer	15,931,581	-	Not Applicable
15	Mr. Rajiv Shah, Company Secretary	10,933,613	12.86	Not Applicable

#### Notes:

- Mr. Shyam S. Bhartia, Chairman, Mr. Priyavrat Bhartia, Mr. Arjun Shanker Bhartia and Mr. Pramod Yadav, Non-Executive Directors have opted not to take commission and sitting fees for the Financial Year 2020-21.
- Remuneration of Mr. Hari S. Bhartia includes commission payable, which is lower compared to the previous year due to lower profits.
- Mr. Pramod Yadav has been appointed as Non-Executive Director effective from February 5, 2021.
- Mr. Rajesh Kumar Srivastava and Mr. Anant Pande have resigned as Directors and Whole-time Directors effective from the close of working hours of February 5, 2021 pursuant to their appointment in Jubilant Ingrevia Limited (JVL) on account of demerger of the Life Science Ingredients business of the Company into JVL.
- Mr. Alok Vaish was appointed as the Chief Financial Officer-Designate effective from October 25, 2019. He was appointed as Chief Financial Officer of the Company in the category of Key Managerial Personnel effective from April 1, 2020. He resigned from the services of the Company effective from September 11, 2020.

6. Remuneration of Non-Executive Independent Directors consists of sitting fees and commission payable.
7. 36 permanent employees were on the rolls of the Company as on March 31, 2021. Median of Total Cost to Company (CTC) on payable basis has been taken for all on-roll employees as on March 31, 2021. Median salary of all on-roll employees is ₹ 5,474,562.
8. Ratio of remuneration of the Directors to the Median Remuneration of Employees is not comparable with previous year numbers as employees pertaining to the Life Science Ingredients business have been transferred to Jubilant Ingrevia Limited effective from February 1, 2021, pursuant to the Composite Scheme of Arrangement.
- (ii) The percentage increase in the median remuneration of employees in the Financial Year 2020-21 was 8%.
- (iii) Average percentage increase already made in the salaries of employees other than the managerial personnel in the last Financial Year and its comparison with the percentage increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:
- Average increase in the remuneration of employees other than managerial personnel was 8% in the Financial Year 2020-21. Details of remuneration paid to the Managerial Personnel is given in the table above. The remuneration has been paid to the Managerial Personnel in line with the resolutions approved by the Board of Directors and Shareholders, as applicable.

(iv) Affirmation that the remuneration is as per the remuneration policy of the Company:

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

Sr. No.	Employee Name	Designation & Nature of Duties	Qualification	Total Work Experience (Years)	Date of Commencement of Employment	Age	Remuneration (₹)	Previous Employment held	
								Designation	Name of the Company
<b>A. Top Ten Employees in terms of remuneration drawn during the Financial Year 2020-21</b>									
1	Ajay Khanna	Group Ombudsperson & Group Chief-Strategic & Public Affairs	B.Com, LL.B	41	1-Jun-09	61	35,169,485	Partner	Accenture India Pvt. Limited
2	Anant Pande	Whole-time Director	B.E., M.Sc.	36	25-Jul-18	58	22,367,099	President- Technical & Manufacturing	Atul Limited
3	Anil Khubchandani*	President & SBU Head - Speciality Ingredients & CDMO	B.Tech., MGMNT	29	19-Jul-02	51	17,191,053	Plant Manager- Technical	Duncans Industries Limited
4	Arun K Sharma	Head-Group Treasury and Chief Financial Officer	B.Sc., CA	32	04-Oct-17	55	20,939,235	CFO	Jubilant Pharma Limited
5	Chandan Singh Sengar*	President - Life Science Chemicals	B.Sc., MBA	35	13-Jul-88	57	19,338,806	Assistant Officer	J.K. Synthetics Limited
6	Hari S. Bhartia	Co-Chairman & Managing Director	IT Delhi - Chemical Engineering	39	1-Jan-82	64	121,803,665	-	-
7	Praveen Kumar Gupta	Senior VP & Head-Direct Taxation	FCA, FCS, LL.B.	24	25-Jan-05	47	16,976,908	DGM Taxation	Ballarpur Industries Limited
8	Rajesh Kumar Srivastava	Whole-time Director	B.Tech., MMM	34	19-Aug-00	56	40,763,556	Marketing Manager	Ranbaxy Fine Chemicals Limited
9	Rohini Seth	Chief of Human Resources	Masters in HR, Bachelor (Economics)	26	01-Jul-20	51	16,666,936	HR Director	Diageo - UK



Sr. No.	Employee Name	Designation & Nature of Duties	Qualification	Total Work Experience (Years)	Date of Commencement of Employment	Age	Remuneration (₹)	Previous Employment held	
								Designation	Name of the Company
10	Alok Vaish	President and Chief Financial Officer	MBA, ACA	26	25-Oct-19	52	15,931,581	CFO	Yatra Online Pvt. Limited
<b>B. Employed for full year and in receipt of remuneration for the year which in aggregate was not less than ₹ 10,200,000 per annum (other than those mentioned in Para A above)</b>									
1	Devarajan Jagannathan	Senior VP-Indirect Taxation	B.Com, ACS, AICWA	29	1-Sep-14	51	11,951,033	Senior VP-Indirect Taxation	Indiabulls Group
2	Rajiv Shah	Vice President & Head - Secretarial	B.Com, ACS	35	16-Feb-15	56	10,933,613	AVP - Secretarial	Reliance Infrastructure Limited
3	Sanjay Gupta	Senior VP-Head Legal	B.Com. (H), LL.B., FCS, ACMA	33	25-Nov-14	56	14,953,144	Partner	Hammurabi & Solomon Advocates
4	Shyam Pattabiraman	CFO-Therapeutics Business	MS, MSC	16	10-Jan-18	41	10,321,826	AVP-Strategy	Welspun Group-Energy Business
5	Umesh Mehta	CIO	B.Sc. (Computer Science), PGLSCM	32	1-Sep-10	55	14,436,053	Vice President	Asia Motor Work Limited
6	Vinita Koul	Vice President & Head - Organisation Development	PGDBM, B.Sc.	25	17-Nov-16	49	11,224,426	Consultant	Freelancer
<b>C. Employed for part of the year and in receipt of remuneration which in aggregate was not less than ₹ 850,000 per month (other than those mentioned in Para A above)</b>									
1	Anand Gupta	Vice President & Head Strategy - LSI	UNKN, PGDM	19	01-Jul-19	48	6,661,394	Executive Vice President	Deepak Fertilisers & Petrochemicals
2	Ashok Varma*	Sr Vice President & Head HR - LSI	PGDM	29	01-Aug-14	54	9,817,597	Head - HR Operations	Heinz India
3	Ashish Kumar Sinha*	Vice President & SBU Head- Animal & Human Nutrition	MBA, ICWA (Inter)	23	10-Jun-19	47	9,053,678	Business Head-Child Nutrition	Reckitt Benckiser
4	C B Bhardwaj*	Chief of Manufacturing- LSI	B.E., M.E.	25	15-Oct-10	56	11,562,078	VP-Operations	Bhansali Engineering Polymers Limited
5	Dhileep Krishnamurthy*	Executive Vice President & Chief Scientific Officer	PHD, M.Sc.	23	04-Sep-20	55	6,827,417	CSO	NHU
6	KVS Satish Kumar	Chief Sustainability Officer	PGD, M. Tech.	24	14-Nov-18	44	2,305,916	VP	Sun Pharma
7	M N Nataraj*	Senior Vice President-Projects	DIPL, BEG	33	13-Feb-08	56	9,390,481	Head - Engg. & Projects	AstraZeneca (AZ) India



Sr. No.	Employee Name	Designation & Nature of Duties	Qualification	Total Work Experience (Years)	Date of Commencement of Employment	Age	Remuneration (₹)	Previous Employment held	
								Designation	Name of the Company
8	Neeraj Katare*	Executive VP & Head Nutritional Products Business	DIPL, BEG	26	25-Nov-19	50	12,390,778	CEO	Drstore.in
9	Neeraj Tiwari*	Sr. Vice President - Design & Engineering	B.TECH.	34	7-Dec-89	56	10,210,315	Engineer	Hindustan Aluminium Corp
10	Pradeep Kumar Verma	Senior VP & Head R&D - LSI	DOC. DIPL	34	8-May-00	58	13,782,982	GM Tech.	Hiran Orgochem Gujrat
11	Prasad Vasant Joglekar*	EVP-Supply Chain	B.E. MBA	28	20-Aug-14	52	11,235,436	Senior GM-Procurement	Jindal Films Limited
12	Radheshyam Singh*	Site Head-Gajraula	B.E., PGD	33	22-Feb-06	55	10,461,392	Production Manager	Duncans Industries Limited
13	R Kumar*	Senior VP and SBU Head-Advance Intermediates	B.Com., MBA	35	03-Feb-14	57	11,429,011	Director	Management Consultant
14	Satish Bhat*	Site Head-Nira	B.E., MBA	23	16-Jun-17	55	9,753,817	AVP	United Breweries Limited
15	Shoubhik Sen	Senior VP and Head- BE & Six Sigma	B.E.	36	22-Dec-14	59	10,320,647	Senior Director-GB Excellence	Flextronics
16	Sumit Das*	Vice President & SBU Head - Vitamins	MIB, MBA	27	05-Jun-12	54	10,847,839	GM-International Marketing- Business Head	Gujarat Fluorochemicals Limited
17	Suresh Kumar Sirohi*	Senior Vice President- Commercial	MBA, MMM	36	02-Oct-98	58	87,82,990	Asst. Manager - Commercial	Bhor Ind. Ltd.
18	Vimal Deep Kulshrestha*	Senior VP and SBU Head-Ethanol & Speciality Gases	B.Tech. (Chemical Engg.)	34	28-Jun-95	57	11,626,825	Asstt. Manager-Poly	Modipon Fibres Company

**Notes:**

- Employment of Mr. Hari S. Bhartia is contractual. Employment of other officials is governed by the rules and regulations of the Company from time to time.
- Mr. Rajesh Kumar Srivastava and Mr. Anant Pande have resigned as Directors and Whole-time Directors effective from the close of working hours of February 5, 2021 pursuant to their appointment in Jubilant Ingrevia Limited. (JVL) on account of demerger of the Life Science Ingredients business of the Company into JVL.
- All above persons are/ were full time employees of the Company.
- Mr. Hari S. Bhartia is a relative of Mr. Shyam S. Bhartia, Chairman and Mr. Arjun Shanker Bhartia, Director. None of the other employees is related to any Director of the Company.
- None of the above employees is covered under Rule 5 (2) (iii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
- Remuneration comprises salary, allowances, perquisites/ taxable value of perquisites, etc. Remuneration of Mr. Hari S. Bhartia includes commission payable.
- Abbreviations: BE - Business Excellence; CEO - Chief Executive Officer; CFO - Chief Financial Officer; CIO - Chief Information Officer; DGM - Deputy General Manager; EVP - Executive Vice President; GB - Global Business; GM - General Manager; HR - Human Resources; LSI - Life Science Ingredients; SBU - Strategic Business Unit; VP - Vice President

\*Transferred to Jubilant Ingrevia Limited pursuant to the Composite Scheme of Arrangement effective from February 1, 2021.



## Annexure 4

### Annual Report On Corporate Social Responsibility Activities - Financial Year - 2020-21

1. **Brief outline on CSR Policy of the Company:** Recognizing companies are part of society, Jubilant conducts activities with a holistic approach to not only create but also sustain corporate values.

At Jubilant, CSR is rooted in putting the society at the center. Its strength lies in its unique offerings of Pharmaceutical products and services across the value chain. In addition, we strive to maintain and improve sound business processes, and to engage in activities to promote a sustainable society as a good corporate citizen.

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

In this regard, the Company has taken the following steps:

- > CSR Policy revised and uploaded on the Company's website ([www.jubilantpharmova.com](http://www.jubilantpharmova.com))
- > Approval by the Sustainability & CSR Committee (the 'Committee') to implement CSR activities through 'Jubilant Bhartia Foundation', a not-for-profit organisation registered under Section 25 of the Companies Act, 1956 (corresponding to Section 8 of the Act)
- > While implementing CSR projects, the Company shall give priority to the area around its manufacturing locations in India
- > The Committee approved the following CSR activities which are in line with Schedule VII to the Act:
  - **Project Arogya and Swasthya Prahari:** Improving health indices through innovative services and promoting health seeking behavior;
  - **Project Muskaan:** Universalising elementary education and improving quality parameters for primary education through community involvement;
  - **Nayee Disha:** Enhancing employability through vocational training; and
  - **Rural Development:** Supporting local infrastructure development.
- > Looking to the COVID-19 pandemic, the Committee approved contribution to PMCARES fund directly by the Company

### 2. Composition of Sustainability & CSR Committee:

Sr. No.	Name of Director	Designation in CSR Committee	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Dr. Ashok Misra	Chairman	2	2
2	Mr. Shyam S. Bhartia	Member	2	2
3	Mr. Hari S. Bhartia	Member	2	2
4	Mr. S. Sridhar	Member	2	2
5	Ms. Sudha Pillai	Member	2	2
6	Mr. Sushil Kumar Roongta	Member	2	2
7	Mr. Priyavrat Bhartia	Member	2	2
8	Mr. Arjun Shanker Bhartia	Member	2	2
9	Mr. Rajesh Kumar Srivastava	Member	2	2

**Note:** Mr. Arvind Chokhany, Group CFO and Whole-time Director and Mr. Pramod Yadav, Director were appointed as members of the Committee effective from April 1, 2021. Mr. Rajesh Kumar Srivastava ceased to be a member of the Committee effective from February 6, 2021.

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company <https://www.jubilantpharmova.com/investors/corporate-governance/policies-and-codes/corporate-social-responsibility-policy>
4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report) Not Applicable
5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sr. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be setoff for the financial year, if any (in ₹)
Not Applicable			

6. Average net profit of the Company as per section 135(5) ₹ 2,833.22 Million
7. (a) Two percent of average net profit of the Company as per section 135(5) ₹ 56.66 Million
- (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years Nil
- (c) Amount required to be set off for the financial year, if any Nil
- (d) Total CSR obligation for the financial year (7a+7b-7c) ₹ 56.66 Million
8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (₹ in Million)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
58.30	Not Applicable				

- (b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the Project		Project Duration	Amount allocated for the project (in ₹)	Amount spent in the current financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per section 135(6) (in ₹)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
Not Applicable												

- (c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the Project		Amount spent for the project (₹ in Million)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration number
1	PMCARES Fund	Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government	No	India	NA	21.45	Yes	NA	NA





(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the Project		Amount spent for the project (₹ in Million)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration number
2	Health (Arogya and Swasthya Prahari)	Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation and making available safe drinking water	Yes	Uttar Pradesh, Maharashtra, Gujarat	Gajraula - Distt. Amroha and Noida-Distt. Gautambuddha Nagar, Nira - Distt. Pune and Ambernath - Distt. Thane, Samlaya, Distt. Vadodara and Vilayat, Distt. Bharuch	14.27	No	Jubilant Bhartia Foundation	CSR00001657
3	Education (Muskaan)	Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly and the differently abled and livelihood enhancement projects	Yes	Uttar Pradesh, Maharashtra, Gujarat	Gajraula - Distt. Amroha and Noida-Distt. Gautambuddha Nagar, Nira - Distt. Pune and Ambernath - Distt. Thane, Samlaya, Distt. Vadodara and Vilayat, Distt. Bharuch	7.74	No	Jubilant Bhartia Foundation	CSR00001657
4	Livelihood (Nayee Disha)	Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly and the differently abled and livelihood enhancement projects	Yes	Uttar Pradesh, Maharashtra, Gujarat	Gajraula - Distt. Amroha and Noida-Distt. Gautambuddha Nagar, Nira - Distt. Pune and Ambernath - Distt. Thane, Samlaya, Distt. Vadodara and Vilayat, Distt. Bharuch	8.63	No	Jubilant Bhartia Foundation	CSR00001657
5	Rural Development (Local Area Development)	Rural Development (Local Area Development)	Yes	Uttar Pradesh, Maharashtra, Gujarat	Gajraula - Distt. Amroha and Noida-Distt. Gautambuddha Nagar, Nira - Distt. Pune and Ambernath - Distt. Thane, Samlaya, Distt. Vadodara and Vilayat, Distt. Bharuch	6.21	No	Jubilant Bhartia Foundation	CSR00001657
		<b>Total</b>				<b>58.30</b>			

- (d) Amount spent in Administrative Overheads : Nil
- (e) Amount spent on Impact Assessment, if applicable : Nil
- (f) Total amount spent for the Financial Year (8b+8c+8d+8e) : ₹ 58.30 Million
- (g) Excess amount for set off, if any:

Sr. No.	Particulars	Amounts (₹ in Million)
(i)	Two percent of average net profit of the company as per section 135(5)	56.66
(ii)	Total amount spent for the Financial Year	58.30
(iii)	Excess amount spent for the financial year [(ii)-(i)]	1.64
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NA
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	NA

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
Not Applicable							

- (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sr. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project Completed/ Ongoing
Not Applicable								

- 10 In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details)

- (a) Date of creation or acquisition of the capital asset(s) : NA
- (b) Amount of CSR spent for creation or acquisition of capital asset : NIL
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. : NIL
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset) : NIL

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

For Jubilant Pharmova Limited

**Hari S. Bhartia**  
**Co-Chairman & Managing Director**  
 (DIN: 00010499)

**Ashok Misra**  
**Chairman - Sustainability & CSR Committee**  
 (DIN: 00006051)



# Report on Corporate Governance

## Annexure 5

### A) COMPANY'S PHILOSOPHY

At Jubilant Pharmova Limited (the 'Company' or 'Jubilant'), Corporate Governance is both a tradition and a way of life. We believe in delivering on Our Promise of Caring, Sharing, Growing, which spells:

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

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

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

#### Highlights of Jubilant's Corporate Governance regime are:

- Appropriate mix of Executive and Non-Executive Directors on the Board;
- Constitution of several committees for focused attention and proactive flow of information;
- Emphasis on ethical business conduct by the Board, management and employees;
- Employees Stock Option Plans - to attract, reward and retain key senior executives;
- Active employee participation in place; one top executive on the Board of Directors;
- Our business operates within a highly regulated environment and ensuring compliances play a vital role in the development of all businesses. In order to address this requirement, the Company has implemented cloud based compliance management and reporting system across key entities at North America and India locations.
- Online monitoring of internal controls on all operations spanning more than 1,500 control assertions through a specially designed software to institutionalise a

quarterly system of certification to enable CEO/CFO certification of internal controls as per Regulation 17(8) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations');

- Robust Risk Management and Control Mapping for each of the businesses and for the Company as a whole;
- Timely, transparent and regular disclosures;
- Paperless meetings of Board and Committees;
- Comprehensive Corporate Sustainability Management System;
- Established Code of Conduct for Directors and Senior Management as also for other employees;
- Robust Vigil Mechanism and Ombudsperson Process;
- Detailed Policy for Disclosure of Material Events and Information;
- Code of Conduct for Prevention of Insider Trading;
- Focus on hiring, retaining and nurturing best talent and to promote a culture of excellence across the organisation. Exhaustive HR policies cover succession planning, training and development, employee grievance handling, etc.; and
- Regular communication with shareholders including e-mailing of quarterly results and press releases just after release to the Stock Exchanges, e-mailing of Annual Reports and Corporate Sustainability Reports and obtaining online feedback from the shareholders.

The Securities and Exchange Board of India ('SEBI') regulates Corporate Governance practices and disclosure for the listed companies through the Listing Regulations. Jubilant is in full compliance with the Listing Regulations.

### B) BOARD OF DIRECTORS

#### (i) Composition

The Board of Jubilant presently comprises twelve members of which six are Non-Executive Independent Directors including an Independent Woman Director, four Non-Executive Non-Independent Directors and one Managing Director and one Whole-time Director.

The tenure of Independent Directors is five consecutive years from the date of their appointment/re-appointment. The dates of appointment/re-appointment and tenure of the Independent Directors are given below:

Sr. No.	Name of Independent Director	Date of Appointment/ Re-appointment	Date of Completion of Tenure
1	Mr. S Sridhar	April 1, 2019	March 31, 2024
2	Ms. Sudha Pillai	April 1, 2019	March 31, 2024
3	Dr. Ashok Misra	April 1, 2019	March 31, 2024
4	Mr. Sushil Kumar Roongta	May 23, 2017	May 22, 2022
5	Mr. Vivek Mehra	May 23, 2017	May 22, 2022
6	Mr. Arun Seth	October 22, 2018	October 21, 2023

**Notes:**

- Shareholders have, at the Annual General Meeting ('AGM') held on September 26, 2018, approved re-appointment of Mr. S Sridhar, Ms. Sudha Pillai and Dr. Ashok Misra as Independent Directors for another term of five consecutive years effective from April 1, 2019.
- The Board has recommended re-appointment of Mr. Sushil Kumar Roongta and Mr. Vivek Mehra as Independent Directors for another term of five consecutive years effective from May 23, 2022, for approval of shareholders at the ensuing AGM of the Company.

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

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

**(ii) Key functions of the Board**

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

- Reviewing and guiding corporate strategy, major plans of action, annual budgets and business plans, setting performance objectives, monitoring corporate performance and overseeing major capital expenditures, acquisitions and divestments.
- Monitoring effectiveness of the Company's governance practices and making changes as needed.
- Selecting, compensating, monitoring and when necessary, replacing Key Managerial Personnel and overseeing succession planning.
- Aligning remuneration of the Key Managerial Personnel and the Board with long term interests of the Company and its shareholders.

- Ensuring a transparent Board nomination process with the diversity of thought, experience, knowledge, perspective and gender in the Board.
- Monitoring and managing potential conflicts of interest of management, Board members and shareholders, including misuse of corporate assets and abuse in related party transactions.
- Ensuring integrity of the Company's accounting and financial reporting systems, including the independent audit and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational controls and compliance with the law and relevant standards.
- Overseeing the process of disclosure and communications.
- Monitoring and reviewing Board Evaluation framework.

**(iii) Meetings of the Board**

Meetings of the Board are normally held at the Corporate Office of the Company at 1A, Sector 16A, Noida-201 301, Uttar Pradesh, India. During the year, Jubilant's Board met four times i.e. on May 29, 2020, September 4, 2020, November 4, 2020 and February 5, 2021.

The Company has held a minimum of one Board Meeting in each quarter and maximum gap between two consecutive meetings did not exceed 120 days which is in compliance with the Listing Regulations and provisions of the Companies Act, 2013 (the 'Act').

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

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

Agenda papers are sent electronically to the Directors, well in advance, before the meetings. Draft minutes of the Board and Committee meetings are circulated to the Directors of the Company for their comments and thereafter, noted by the Board/Committees at the next meeting.





Composition of the Board of Directors as on March 31, 2021 and attendance at the Board meetings held during the Financial Year ended March 31, 2021 and at the last AGM are given below:

Name and Designation	Category	Attendance at Meetings		
		No. of Board Meetings		Last AGM Attended
		Held During Tenure	Attended	
Mr. Shyam S. Bhartia Chairman	Non-Executive and Promoter	4	4	Yes
Mr. Hari S. Bhartia Co-Chairman & Managing Director	Executive and Promoter	4	4	Yes
Mr. S Sridhar Director	Non-Executive Independent	4	4	Yes
Ms. Sudha Pillai Director	Non-Executive Independent	4	4	Yes
Dr. Ashok Misra Director	Non-Executive Independent	4	4	Yes
Mr. Sushil Kumar Roongta Director	Non-Executive Independent	4	4	Yes
Mr. Vivek Mehra Director	Non-Executive Independent	4	4	Yes
Mr. Arun Seth Director	Non-Executive Independent	4	4	Yes
Mr. Priyavrat Bhartia Director	Non-Executive and Promoter	4	4	Yes
Mr. Arjun Shanker Bhartia Director	Non-Executive and Promoter	4	4	Yes
Mr. Pramod Yadav Director	Non-Executive Non-Independent	1	1	Not Applicable
Mr. Rajesh Kumar Srivastava Whole-time Director	Executive	4	4	Yes
Mr. Anant Pande Whole-time Director	Executive	4	4	Yes

**Notes:**

1. Mr. Shyam S. Bhartia and Mr. Hari S. Bhartia are related to each other, being brothers. Further, Mr. Priyavrat Bhartia is son of Mr. Shyam S. Bhartia and Mr. Arjun Shanker Bhartia is son of Mr. Hari S. Bhartia.
2. Mr. Pramod Yadav has been appointed as Non-Executive Non-Independent Director effective from February 5, 2021.
3. Mr. Rajesh Kumar Srivastava and Mr. Anant Pande have resigned as Directors and Whole-time Directors effective from the close of working hours of February 5, 2021 pursuant to their appointment in Jubilant Ingrevia Limited ('JVL') on account of demerger of the Life Science Ingredients business of the Company into JVL.

**(iv) Other Directorships**

Details of directorships in other bodies corporate and chairmanship/ membership of the Board Committees held by the Directors as on March 31, 2021 are given below:

Name of Director	No. of Directorships in Other Bodies Corporate				No. of Chairmanships/ Memberships of Committees		Directorships in other listed companies and Category of Directorships
	Public Listed	Public Unlisted	Private	Foreign	Chairmanship	Membership	
Mr. Shyam S. Bhartia	3	2	10	12	0	2	1. Jubilant FoodWorks Limited - Non-Executive Director 2. Chambal Fertilisers and Chemicals Limited - Non-Executive Director 3. Jubilant Ingrevia Limited - Non-Executive Director
Mr. Hari S. Bhartia	3	1	10	2	0	0	1. Jubilant FoodWorks Limited - Non-Executive Director 2. Shriram Pistons and Rings Limited - Independent Director 3. Jubilant Ingrevia Limited - Non-Executive Director

Name of Director	No. of Directorships in Other Bodies Corporate				No. of Chairmanships/ Memberships of Committees		Directorships in other listed companies and Category of Directorships
	Public Listed	Public Unlisted	Private	Foreign	Chairmanship	Membership	
Mr. S Sridhar	2	5	5	0	5	6	1. Strides Pharma Science Limited - Independent Director 2. Shriram Transport Finance Company Limited - Independent Director
Ms. Sudha Pillai	5	4	1	0	3	10	1. Dalmia Bharat Limited (Formerly Odisha Cement Limited) - Independent Director 2. Amber Enterprises India Limited - Independent Director 3. International Travel House Limited - Independent Director 4. Indian Energy Exchange Limited- Independent Director 5. Jubilant Ingrevia Limited- Independent Director
Dr. Ashok Misra	1	0	3	1	0	2	1. Kirloskar Electric Company Limited - Independent Director
Mr. Sushil Kumar Roongta	4	5	0	0	2	5	1. Titagarh Wagons Limited - Independent Director 2. ACC Limited - Independent Director 3. JK Paper Limited - Non-Executive Director 4. Jubilant Ingrevia Limited- Independent Director
Mr. Vivek Mehra	6	3	2	2	3	7	1. DLF Limited - Independent Director 2. HT Media Limited - Independent Director 3. Chambal Fertilisers and Chemicals Limited - Independent Director 4. Digicontent Limited - Independent Director 5. Havells India Limited- Independent Director 6. Zee Entertainment Enterprises Limited- Independent Director
Mr. Arun Seth	3	4	8	0	0	5	1. Narayana Hrudayalaya Limited - Independent Director 2. Jubilant Ingrevia Limited - Independent Director 3. Cyber Media (India) Limited- Independent Director
Mr. Priyavrat Bhartia	5	1	9	0	0	7	1. Jubilant Industries Limited - Non-Executive Director 2. HT Media Limited - Non-Executive Director 3. Hindustan Media Ventures Limited - Non-Executive Director 4. Digicontent Limited - Non-Executive Director 5. Jubilant Ingrevia Limited - Non-Executive Director
Mr. Arjun Shanker Bhartia	0	0	2	0	0	0	-
Pramod Yadav	0	2	0	18	0	1	-



### Notes:

1. Directorships include Directorships in Section 8 companies.
2. Pursuant to Regulation 26 of the Listing Regulations, Chairmanship/ Membership of the Audit Committee and the Stakeholders Relationship Committee of Indian Public Companies (excluding Section 8 companies), whether listed or not, have been considered. Chairmanship/Membership of the Audit Committee and Stakeholders Relationship Committee held by the Directors in Jubilant are also included.
3. Mr. Pramod Yadav has been appointed as Non-Executive Non-Independent Director effective from February 5, 2021.
4. Mr. Rajesh Kumar Srivastava and Mr. Anant Pande have resigned as Directors and Whole-time Directors effective from the close of working hours of February 5, 2021 pursuant to their appointment in JVL on account of demerger of the Life Science Ingredients business of the Company into JVL.

### (v) Information given to the Board

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

- Annual operating plans, budgets and updates thereon;
- Capital budgets and updates thereon;
- Quarterly results of the Company and its operating divisions and business segments;
- Minutes of the meetings of Audit Committee and other committees of the Board of Directors;
- Information on recruitment and remuneration of senior officers just below the Board level, including appointment or removal of the Chief Financial Officer and the Company Secretary;
- Show cause, demand, prosecution notices and penalty notices, which are materially important;
- Fatal and serious accidents, dangerous occurrences, any material effluent and pollution problems;
- Material defaults in financial obligations to and by the Company or substantial non-payment for goods sold by the Company;
- Issues which involve possible public or product liability claims of substantial nature;
- Details of any joint venture or collaboration agreement;
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property;
- Significant labour problems and their proposed solutions including any significant development in Human Resources/ Industrial Relations front;
- Sale of investments, subsidiaries, assets which are material in nature and not in normal course of business;

- Quarterly details of foreign exchange exposures and steps taken by the Management to limit the risks of adverse exchange rate movement, if material;
- Minutes of Board Meetings of unlisted subsidiary companies;
- Statement of significant transactions or arrangements made by unlisted subsidiary companies;
- Non-compliance of any regulatory, statutory or listing requirements and shareholder services such as non-payment of dividend, delay in share transfer, etc.;
- Compliance reports pertaining to applicable laws and steps taken to rectify instances of non-compliances, if any; and
- Quarterly Compliance Report on Corporate Governance.

### (vi) Independent Directors' Meeting

The Independent Directors met on June 3, 2021 without attendance of the Non-Independent Directors and members of the Management of the Company. The Independent Directors, inter alia, evaluated performance of Non-Independent Directors, Chairperson of the Company and the Board of Directors as a whole for the Financial Year ended March 31, 2021. They also assessed quality, content and timeliness of the flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

### (vii) Familiarisation Programme for Independent Directors

The Independent Directors are familiarised about their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, legal updates, etc. In this regard, the Company follows a structured familiarisation programme for the Independent Directors. The details related thereto are displayed on the Company's website [www.jubilantpharmova.com](http://www.jubilantpharmova.com). The web-link for the same is: [https://www.jubilantpharmova.com/Uploads/image/1939imguf\\_JMPFamiliarisationProgramme-2021.pdf](https://www.jubilantpharmova.com/Uploads/image/1939imguf_JMPFamiliarisationProgramme-2021.pdf)

**(viii) List of core skills/ expertise/ competencies identified by the Board**

The following core skills/ expertise/ competencies identified by the Board of Directors for effective functioning of the Company are available with the Directors:

Skills and Expertise of the Board	Mr. Shyam S. Bhartia	Mr. Hari S. Bhartia	Mr. S Sridhar	Ms. Sudha Pillai	Dr. Ashok Misra	Mr. Sushil Kumar Roongta	Mr. Vivek Mehra	Mr. Arun Seth	Mr. Priyavrat Bhartia	Mr. Arjun Shanker Bhartia	Mr. Pramod Yadav	Mr. Arvind Chokhany
Deep understanding of Company's business/ strategy and structure	√	√	√	√	√	√	√	√	√	√	√	√
Financial acumen	√	√	√	√	√	√	√	√	√	√	√	√
Knowledge in Accounting and Auditing Standards and tax matters	√	√	√	√		√	√		√			√
Knowledge of the Companies Act, applicable SEBI and Stock Exchange Regulations	√	√	√	√	√	√	√		√	√		√
Knowledge of Employee Benefit Schemes and matters related to employee hiring/ skill development, gender diversity, etc.	√	√	√	√		√	√	√	√	√	√	√
Entrepreneurial skills to evaluate risk and rewards and perform advisory role	√	√	√	√	√	√	√	√	√	√	√	√
Focus on compliance	√	√	√	√	√	√	√	√	√	√	√	√
Understanding of the processes and systems for defining high corporate governance standards	√	√	√	√	√	√	√	√	√	√	√	√
Understanding rights of Shareholders and obligations of the Management	√	√	√	√	√	√	√	√	√	√		√
Knowledge in global standards on Corporate Sustainability and Sustainability Reporting based on Global Reporting Initiatives (GRI) Standards	√	√	√	√	√	√		√	√	√	√	√

**(ix) Confirmation of Independence**

In the opinion of the Board, Independent Directors fulfil the conditions of independence specified in the Listing Regulations and are independent of the Management of the Company.

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

The Company has obtained a certificate from the Practicing Company Secretary, Mr. Tanuj Vohra, Partner, TVA & Co. LLP, Company Secretaries confirming that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as Directors of companies by SEBI/ Ministry of Corporate Affairs or any such statutory authority. The Certificate is attached as **Annexure-A**.

**C) COMMITTEES OF THE BOARD**

To focus effectively on the issues and ensure expedient resolution of diverse matters, the Board has constituted several Committees of Directors with specific terms of reference. The Committees operate as empowered agents of the Board as per their terms of reference that set forth

their purposes, goals and responsibilities. Committee members are appointed by the Board with the consent of individual Directors. These Committees meet as often as required or as statutorily required.

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

The Committees of the Board are:

- Audit Committee
- Nomination, Remuneration and Compensation Committee
- Stakeholders Relationship Committee
- Sustainability & CSR Committee
- Risk Management Committee
- Restructuring Committee
- Capital Issue Committee
- Finance Committee
- Fund Raising Committee

Recommendations made by these Committees have been accepted by the Board. The Company Secretary officiates





as the Secretary of these Committees. Terms of reference, composition, quorum, meetings, attendance and other relevant details of these Committees are as under:

### **Audit Committee**

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

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

#### **(i) Terms of Reference**

The Audit Committee functions according to its terms of reference that define its authority, responsibility and reporting functions in accordance with the provisions of the Act and Regulation 18 read with Part C of Schedule II to the Listing Regulations. The terms of reference of the Committee have been revised to align the same with the Listing Regulations, as amended. The terms of reference of the Committee, inter alia, include the following:

1. Oversight of the Company's financial reporting process and disclosure of the financial information to ensure that the financial statements are correct, sufficient and credible.
  2. Recommendation for appointment, remuneration and terms of appointment of cost auditors and statutory auditors including their replacement or removal.
  3. Approval for payment to statutory auditors for any other permitted services rendered by statutory auditors.
  4. Reviewing with the management, the annual financial statements and auditors' report thereon before submission to the Board for approval, with particular reference to:
    - a. Matters required to be included in the Directors' Responsibility Statement forming part of the Board's report.
    - b. Changes, if any, in accounting policies and practices and reasons for the same.
    - c. Major accounting entries involving estimates based on the exercise of judgement by management.
    - d. Significant adjustments made in the financial statements arising out of audit findings.
  - e. Compliance with listing and other legal requirements relating to financial statements.
  - f. Disclosure of any related party transactions.
  - g. Draft auditors' reports including modified opinion(s), if any.
5. Reviewing with the management, the quarterly financial statements before submission to the Board for approval.
  6. Reviewing with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue and making appropriate recommendations to the Board to take steps in this matter.
  7. Reviewing and monitoring with the management, independence and performance of statutory and internal auditors, adequacy of internal control systems and effectiveness of the audit processes.
  8. Reviewing adequacy of internal audit function including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
  9. Discussion with internal auditors on any significant findings and follow up thereon.
  10. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
  11. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
  12. To look into the reasons for substantial defaults in payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
  13. To review functioning of the Whistle Blower Policy (Vigil Mechanism).
  14. Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate.

15. Approval or any subsequent modification of transactions of the Company with related parties.
16. Scrutiny of inter-corporate loans and investments.
17. Valuation of undertakings or assets of the Company, wherever it is necessary.
18. Evaluation of internal financial controls and risk management system.
19. Review of management discussion and analysis of financial condition and results of operations.
20. Review of management letters/ letters of internal control weaknesses issued by the statutory auditors.
21. Review of internal audit reports relating to internal control weaknesses.
22. Review of financial statements, in particular, investments made by the subsidiary company(ies).
23. Reviewing the utilisation of loans and/ or advances from / investment by the Company in any subsidiary exceeding ₹ 100 Crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments.
24. Review compliance with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015 and verify that the systems for internal controls are adequate and are operating effectively.
25. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation, etc. on the Company and its shareholders.
26. Discharge any other duties or responsibilities as may be prescribed by law or as may be delegated by the Board from time to time.

## (ii) Composition

As on date, the Audit Committee comprises Mr. S Sridhar, Chairman, Ms. Sudha Pillai, Dr. Ashok Misra, Mr. Vivek Mehra, Mr. Priyavrat Bhartia and Mr. Arvind Chokhany. Mr. Arvind Chokhany has been appointed as a member of the Committee effective from April 1, 2021.

### Invitees

Mr. Pramod Yadav, Director and Mr. Arun Kumar Sharma, Head-Group Treasury and Chief Financial Officer are permanent invitees to the Audit Committee meetings.

The Statutory Auditors, representatives of the Internal Audit firm and Head of the Management Assurance Services Department attend the Committee

meetings. The Cost Auditors and other executives, as desired by the Committee, attend the Committee meetings as invitees.

## (iii) Meetings, Quorum and Attendance

The Audit Committee meets at least four times in a year with a gap of not more than 120 days between two consecutive meetings. The quorum for the meetings is two members or one-third of members whichever is higher, with atleast two Independent Directors.

During the year, the Committee met four times i.e. on May 29, 2020, September 4, 2020, November 4, 2020 and February 5, 2021.

Attendance details of the members are given in the table below:

Name of the Committee Member	Meetings Held During Tenure	Meetings Attended
Mr. S Sridhar, Chairman	4	4
Ms. Sudha Pillai	4	4
Dr. Ashok Misra	4	4
Mr. Vivek Mehra	4	4
Mr. Priyavrat Bhartia	4	4

## Nomination, Remuneration and Compensation Committee

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

### (i) Terms of Reference

The role of the NRC Committee is:

1. To identify persons who are qualified to become directors in accordance with the criteria laid down and recommend to the Board, their appointment/removal.
2. To identify persons who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board, their appointment/removal.
3. Specify manner for effective evaluation of performance of the Board, its committees and Directors and review its implementation and compliance.
4. To formulate the criteria for determining qualifications, positive attributes and independence of a director.
5. Devising a policy on Board diversity.
6. To formulate and recommend to the Board, policies relating to the remuneration of Directors, Key Managerial Personnel and other employees of the Company.
7. To discharge the role envisaged under the SEBI (Share Based Employee Benefits) Regulations, 2014.



8. Recommend to the board, all remuneration, in whatever form, payable to the senior management.
9. Extend or continue the term of appointment of the independent directors on the basis of report of the performance evaluation.
10. Discharge any other duties or responsibilities as may be prescribed by law or as may be delegated by the Board from time to time.

## (ii) Composition

As on date, the Committee comprises Ms. Sudha Pillai, Chairperson, Mr. Shyam S. Bhartia, Mr. Sushil Kumar Roongta and Mr. Vivek Mehra.

### Invitees

Mr. Hari S. Bhartia, Co-Chairman and Managing Director and Mr. Arvind Chokhany, Group Chief Financial Officer and Whole-time Director are permanent invitees to the NRC Committee meetings.

## (iii) Meetings, Quorum and Attendance

The Committee meets as frequently as circumstances necessitate with atleast one meeting in a year. The quorum for the meetings is two members or one-third of members, whichever is greater including atleast one Independent Director.

During the year, the Committee met three times i.e. on May 29, 2020, September 4, 2020 and February 5, 2021.

Attendance details of the members are given in the table below:

Name of the Committee Member	Meetings Held During Tenure	Meetings Attended
Ms. Sudha Pillai, Chairperson	3	3
Mr. Shyam S. Bhartia	3	3
Mr. Sushil Kumar Roongta	3	3
Mr. Vivek Mehra	3	3

## Stakeholders Relationship Committee

The Stakeholders Relationship Committee oversees various aspects of interest of security holders like review of adherence to the service standards adopted for shareholder services, measures taken for reducing the quantum of unclaimed dividends, redressal of shareholder and investor grievances and related matters in accordance with the provisions of the Act and Regulation 20 read with Part D of Schedule II to the Listing Regulations. Additionally, the Board has authorised the Chief Financial Officer and the Company Secretary to jointly exercise the powers of approving transfer/ transmission of shares. Normally, transfers/ transmissions are approved once in a fortnight.

## (i) Terms of Reference

The role of the Committee is:

1. Resolving grievances of the security holders of the Company including complaints related to transfer/

transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/ duplicate certificates, general meetings, etc.

2. Review of measures taken for effective exercise of voting rights by the shareholders.
3. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
4. Review of various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/ statutory notices by the shareholders of the Company.
5. To discharge any other duties or responsibilities as may be prescribed by law or as may be delegated by the Board from time to time.

## (ii) Composition

As on date, the Committee comprises Mr. S Sridhar, Chairman, Mr. Shyam S. Bhartia, Dr. Ashok Misra, Mr. Arun Seth and Mr. Arvind Chokhany. Mr. Arvind Chokhany has been appointed as a member of the Committee effective from April 1, 2021.

### Compliance Officer

Mr. Rajiv Shah, Company Secretary and Compliance Officer, officiates as the Secretary to the Committee.

## (iii) Meetings, Quorum and Attendance

The Committee meets as frequently as circumstances necessitate with atleast one meeting in a year. The quorum for the meetings is two members or one-third of members, whichever is higher.

During the year, the Committee met on May 29, 2020. All members attended the meeting.

## (iv) Investor Complaints

During the year, the Company received 10 complaints, which were duly resolved to the satisfaction of the shareholders. No complaint was pending as on March 31, 2021.

## (v) Transfers and Transmissions approved

During the year, the Company received 45 cases representing 28,570 shares for share transfer/ transmission, of which, 40 cases representing 25,130 shares were approved and 5 cases representing 3,440 shares were rejected on technical grounds.

The Company had 63,440 shareholders as on March 31, 2021.

## Sustainability & CSR Committee

Sustainability & CSR Committee has been constituted to review and oversee the Sustainability and Corporate Social Responsibility ('CSR') initiatives of the Company.

### (i) Terms of Reference

Terms of reference of the Committee have been revised to align the same with the provisions of the Companies (Corporate Social Responsibility) Rules, as amended. The role of the Committee is:

#### i. Sustainability:

- To take all steps and decide all matters relating to triple bottom line indicators viz. Economic, Environmental and Social factors.

#### ii. CSR:

- To formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company.
- To recommend the Annual Action Plan including amount of expenditure to be incurred on the activities referred to in the CSR Policy and review the same.
- To monitor the CSR Policy including CSR projects/ programmes.

#### iii. Business Responsibility Policies:

- To review and implement Business Responsibility policies; and

#### iv. Any other role as may be decided by the Board from time to time.

### (ii) Composition

As on date, the Committee comprises Dr. Ashok Misra, Chairman, Mr. Shyam S. Bhartia, Mr. Hari S. Bhartia, Ms. Sudha Pillai, Mr. S Sridhar, Mr. Sushil Kumar Roongta, Mr. Priyavrat Bhartia, Mr. Arjun Shanker Bhartia, Mr. Pramod Yadav and Mr. Arvind Chokhany. Mr. Pramod Yadav and Mr. Arvind Chokhany have been appointed as members of the Committee effective from April 1, 2021.

### (iii) Meetings, Quorum and Attendance

The Committee meets atleast once in every six months. The quorum for the meetings is two members or one-third of members, whichever is higher.

During the year, the Committee met on May 29, 2020 and November 4, 2020.

Attendance details of the members are given in the table below:

Name of the Committee Member	Meetings Held During Tenure	Meetings Attended
Dr. Ashok Misra, Chairman	2	2
Mr. Shyam S. Bhartia	2	2
Mr. Hari S. Bhartia	2	2
Ms. Sudha Pillai	2	2
Mr. S Sridhar	2	2
Mr. Sushil Kumar Roongta	2	2
Mr. Priyavrat Bhartia	2	2
Mr. Arjun Shanker Bhartia	2	2
Mr. Rajesh Kumar Srivastava	2	2

**Note:** Mr. Rajesh Kumar Srivastava has resigned as Director and Whole-time Director effective from the close of working hours of February 5, 2021 pursuant to his appointment in JVL on account of demerger of the Life Science Ingredients business of the Company into JVL.

## Risk Management Committee

The Risk Management Committee has been constituted in compliance with the provisions of the Listing Regulations.

### (i) Terms of Reference

The terms of reference of the Committee have been revised to align the same with the Listing Regulations, as amended. The role of the Committee is:

- To formulate a Risk Management Policy which shall include:
  - A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
  - Measures for risk mitigation including systems and processes for internal control of identified risks.
  - Business continuity plan.
- To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;





- d) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- e) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- f) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.
- g) To safeguard the shareholders' interests and the Company's assets, and assist the Board in determining the nature and extent of the significant risks, including credit risk, liquidity and funding risk, market risk, product risk and reputational risk, as well as the guidelines, policies and processes for monitoring and mitigating such risks.
- h) To receive and review, as and when appropriate, reports from the Company's internal audit function on the results of risk management reviews and assessments as well as all relevant risk reports of the Company.
- i) Review the Company's procedures for detection and resolution of fraud. The Committee shall ensure that these arrangements allow proportionate and independent investigation of such matters and appropriate follow up action.
- j) To discharge any other duties or responsibilities as may be prescribed by the law or as may be delegated to the Committee by the Board, from time to time.

## (ii) Composition

As on date, the Committee comprises Mr. Sushil Kumar Roongta, Chairman, Mr. Hari S. Bhartia, Ms. Sudha Pillai, Mr. S Sridhar, Mr. Arun Seth, Mr. Pramod Yadav and Mr. Arvind Chokhany. Mr. Arvind Chokhany has been appointed as a member of the Committee effective from April 1, 2021.

### Invitee

Mr. Arun Kumar Sharma, Head-Group Treasury and Chief Financial Officer is permanent invitee to the meetings of the Committee.

## (iii) Meetings, Quorum and Attendance

The Risk Management Committee meets at least twice in a year with a gap of not more than 180 days between two consecutive meetings. The quorum for the meetings is two members or one-third of members, whichever is higher, with atleast one Independent Director.

During the year, the Committee met on May 29, 2020 and August 28, 2020.

Attendance details of the members are given in the table below:

Name of the Committee Member	Meetings Held During Tenure	Meetings Attended
Mr. Sushil Kumar Roongta, Chairman	2	2
Mr. Hari S. Bhartia	2	2
Mr. S. Sridhar	2	2
Ms. Sudha Pillai	2	2
Mr. Arun Seth	2	2
Mr. Rajesh Kumar Srivastava	2	2
Mr. Pramod Yadav	2	2
Mr. Alok Vaish	2	2

### Notes:

- Mr. Rajesh Kumar Srivastava has resigned as Director and Whole-time Director effective from the close of working hours of February 5, 2021 pursuant to his appointment in JVL on account of demerger of the Life Science Ingredients business of the Company into JVL.
- Mr. Alok Vaish has resigned as Chief Financial Officer effective from September 11, 2020.

## Restructuring Committee

The Restructuring Committee functions according to its terms of reference that define its authority and responsibility which, inter alia, include the following:

### (i) Terms of Reference

The role of the Committee is to facilitate in-depth evaluation of various options of corporate restructuring including demerger/ transfer of undertakings, businesses and operations of the Company on a going concern basis and their respective implications and to take other consequential actions including allotment of securities for facilitating restructuring.

### (ii) Composition

As on date, the Committee comprises Mr. Shyam S. Bhartia, Chairman, Mr. Hari S. Bhartia, Mr. S. Sridhar, Mr. Sushil Kumar Roongta and Mr. Vivek Mehra.

### Invitee

Mr. Arvind Chokhany, Group Chief Financial Officer and Whole-time Director is a permanent invitee to the meetings of the Committee.

### (iii) Meetings and Attendance

The Committee meets as frequently as circumstances necessitate. During the year, the Committee met on January 8, 2021 and January 18, 2021.

Attendance details of the members are given in the table below:

Name of the Committee Member	Meetings Held During Tenure	Meetings Attended
Mr. Shyam S. Bhartia, Chairman	2	2
Mr. Hari S. Bhartia	2	1
Mr. S. Sridhar	2	2
Mr. Sushil Kumar Roongta	2	2
Mr. Vivek Mehra	2	2

### Capital Issue Committee

The Capital Issue Committee functions according to its terms of reference that define its authority and responsibility which, inter alia, include the following:

#### (i) Terms of Reference

The role of the Committee is to decide about the following with reference to fund raising:

1. Type of instruments.
2. Size of the issue within the overall limit approved by the Board of Directors.
3. Terms and conditions of the issue / allotment/ conversion.
4. Appointment of merchant bankers, lawyers, auditors, depositories, printers and various other agencies.
5. Other consequential actions as may be necessary for implementing the above referred proposal.

#### (ii) Composition

As on date, the Committee comprises Mr. Shyam S. Bhartia, Chairman, Mr. Hari S. Bhartia, Mr. S Sridhar, Mr. Priyavrat Bhartia and Mr. Arjun Shanker Bhartia.

##### Invitee

Mr. Arvind Chokhany, Group Chief Financial Officer and Whole-time Director is a permanent invitee to the Capital Issue Committee meetings.

#### (iii) Meetings and Quorum

The Committee meets as frequently as circumstances necessitate. The quorum for the meetings is two members or one-third of members, whichever is higher.

During the year, no Committee meeting was held.

### Finance Committee

The Board of Directors of the Company has delegated the powers to borrow money and to avail financial assistance from banks, financial institutions, etc. to the Finance Committee.

#### (i) Terms of Reference

1. To avail financial assistance from banks, financial institutions, NBFCs, mutual funds, insurance companies or any other lender by way of term loans, working capital loans or any other funding method.
2. To approve creation of mortgages / charges in favour of lenders.
3. To give corporate guarantees to banks/financial institutions for financial assistance availed by wholly-owned subsidiaries.
4. To open, operate, transfer and close accounts with banks/ institutions outside India from time to time.

#### (ii) Composition

As on date, the Committee comprises Mr. Shyam S. Bhartia, Chairman, Mr. Hari S. Bhartia, Mr. Priyavrat Bhartia, Mr. Arjun Shanker Bhartia and Mr. Arvind Chokhany. Mr. Arvind Chokhany was appointed as member of the Committee effective from April 1, 2021.

##### Invitee

Mr. Arun Kumar Sharma, Head-Group Treasury and Chief Financial Officer is a permanent invitee to the Finance Committee meetings.

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

The Committee meets as frequently as circumstances necessitate. The quorum for the meetings is two members.

During the year, the Committee met seven times i.e. on June 2, 2020, June 30, 2020, August 27, 2020, September 22, 2020, January 8, 2021, January 13, 2021 and February 5, 2021.

Attendance details of the members are given in the table below:

Name of the Committee Member	Meetings Held During Tenure	Meetings Attended
Mr. Shyam S. Bhartia, Chairman	7	5
Mr. Hari S. Bhartia	7	6
Mr. Priyavrat Bhartia	7	7
Mr. Arjun Shanker Bhartia	7	5
Mr. Rajesh Kumar Srivastava	7	5

**Note:** Mr. Rajesh Kumar Srivastava has resigned as Director and Whole-time Director effective from the close of working hours of February 5, 2021 pursuant to his appointment in JVL on account of demerger of the Life Science Ingredients business of the Company into JVL.

### Fund Raising Committee

The Fund Raising Committee functions according to its terms of reference that define its authority and responsibility which, inter alia, include the following:



### (i) Terms of Reference

The Committee is authorised to take all steps and decide all matters to explore the options and opportunities for raising money by listing the Pharma business and to finalise and execute the consolidation, reorganisation and listing of the Pharma business and to give loans to, make investments in and provide guarantee/ security to wholly-owned subsidiaries or any other person/ body corporate.

### (ii) Composition

As on date, the Committee comprises Mr. Shyam S. Bhartia, Chairman, Mr. Hari S. Bhartia, Mr. Priyavrat Bhartia, Mr. Arjun Shanker Bhartia and Mr. Arvind Chokhany. Mr. Arvind Chokhany has been appointed as a member of the Committee effective from April 1, 2021.

#### Invitee

Mr. Arun Kumar Sharma, Head-Group Treasury and Chief Financial Officer is a permanent invitee to the meetings of the Committee.

### (iii) Meetings and Attendance

The Committee meets as frequently as circumstances necessitate. During the year, the Committee met twice i.e. on November 20, 2020 and March 30, 2021.

Attendance details of the members are given in the table below:

Name of the Committee Member	Meetings Held During Tenure	Meetings Attended
Mr. Shyam S. Bhartia, Chairman	2	2
Mr. Hari S. Bhartia	2	1
Mr. Priyavrat Bhartia	2	1
Mr. Arjun Shanker Bhartia	2	0

## D) PERFORMANCE EVALUATION AND ITS CRITERIA

Pursuant to the provisions of the Act, the Listing Regulations and the Performance Evaluation Policy of the Company, the Board has carried out annual evaluation of its performance, its committees, Chairperson and Directors through structured questionnaire.

Performance of the Board was evaluated by each Director on the parameters such as its role and responsibilities, business risks, contribution to the development of strategy and effective risk management, understanding of operational programmes, availability of quality information in a timely manner, regular evaluation of progress towards strategic goals and operational performance, adoption of good governance practices and adequacy and length of meetings, etc. Independent Directors also carried out evaluation of the Board performance.

Board committees were evaluated by the respective committee members on the parameters such as its role and responsibilities, effectiveness of the committee vis-a-vis assigned role, appropriateness of committee composition, timely receipt of information by the committee, effectiveness of communication by the committee with the Board, Senior Management and Key Managerial Personnel.

Performance of the Chairperson was evaluated by the Independent Directors on the parameters such as demonstration of effective leadership, contribution to the Board's work, communication with the Board, use of time and overall efficiency of Board meetings, quality of discussions at the Board meetings, process for settling Board agenda, etc.

Directors were evaluated individually by the Board of Directors (excepting the Director himself) on the parameters such as his/ her preparedness at the Board meetings, attendance at the Board meetings, devotion of time and efforts to understand the Company and its business, quality of contribution at the Board meetings, application of knowledge and experience while considering the strategy, effectiveness of follow-up in the areas of concern, communication with Board members, Senior Management and Key Managerial Personnel, etc. Independent Directors were additionally evaluated for their performance and fulfilment of criteria of independence and their independence from the Management. Also, the performance evaluation of the Non Independent Directors was carried out by the Independent Directors.

Outcome of the evaluation was submitted to the Chairman of the Company. The Chairman briefed the outcome of the performance evaluation to the Board.

## E) REMUNERATION OF DIRECTORS

The details of remuneration paid to Executive and Non-Executive Directors during the Financial Year 2020-21 are given below:

### (i) Remuneration to Managing/ Whole-Time Directors

(Amount in ₹)				
Sr. No.	Particulars	Mr. Hari S. Bhartia, Co-Chairman and Managing Director	Mr. Rajesh Kumar Srivastava, Whole-time Director (April 1, 2020 to February 5, 2021)	Mr. Anant Pande, Whole-time Director (April 1, 2020 to February 5, 2021)
1	Salary	27,000,000	12,134,158	7,478,834
2	Commission Payable (as a % of profit)	33,000,000	-	-
3	House Rent Allowance	-	7,280,495	4,487,300
4	Contribution to Provident Fund	3,240,000	1,456,099	897,460
5	Gratuity	-	-	-
6	Leave Encashment	-	-	-
7	Perquisite Value of Stock Options	-	-	-
8	Allowances/ Perquisites	58,563,665	8,170,304	4,829,854
9	Variable Pay	-	11,722,500	4,673,651
	<b>Total</b>	<b>121,803,665</b>	<b>40,763,556</b>	<b>22,367,099</b>

**Note:** Remuneration comprises salary, allowances, commission, perquisites/ taxable value of perquisites, etc.

### Service Contracts, Notice Period and Severance Fees

Appointments of Managing Director and Whole-time Directors are contractual. Appointment of Whole-time Directors is terminable on 3 months' notice or by payment of Basic Salary in lieu thereof. No severance fee is payable to Managing Director and Whole-time Directors.

### (ii) Remuneration to Non-Executive Directors

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

Details of Equity Shares held, commission and sitting fees of the Non-Executive Directors for the year ended March 31, 2021 are given in the table below:

Name of Director	No. of Equity Shares of ₹ 1 held	Sitting Fees (₹)	Commission Payable (₹)	Total (₹)
Mr. Shyam S. Bhartia	1,399,925	-	-	-
Mr. S Sridhar	Nil	475,000	1,000,000	1,475,000
Ms. Sudha Pillai	Nil	505,000	1,000,000	1,505,000
Dr. Ashok Misra	Nil	395,000	1,000,000	1,395,000
Mr. Sushil Kumar Roongta	Nil	435,000	1,000,000	1,435,000
Mr. Vivek Mehra	Nil	455,000	1,000,000	1,455,000
Mr. Arun Seth	2,000	315,000	1,000,000	1,315,000
Mr. Priyavrat Bhartia	3,085	-	-	-
Mr. Arjun Shanker Bhartia	Nil	-	-	-
Mr. Pramod Yadav	Nil	-	-	-
<b>Total</b>	<b>1,405,010</b>	<b>2,580,000</b>	<b>6,000,000</b>	<b>8,580,000</b>

#### Notes:

- Mr. Shyam S. Bhartia, Chairman, Mr. Priyavrat Bhartia, Mr. Arjun Shanker Bhartia and Mr. Pramod Yadav, Directors have opted not to take commission and sitting fees for the Financial Year 2020-21.
- Other than holding Shares and remuneration indicated above, the Non-Executive Directors did not have any pecuniary relationship or transactions with the Company during the year.





## F) GENERAL BODY MEETINGS

### (i) Date, time and location of the Annual General Meetings held during the last three years

Financial Year	Date	Time	Location
2017-18 (40 <sup>th</sup> AGM)	September 26, 2018	11:30 a.m.	Registered Office: Bhartiagram, Gajraula, District Amroha-244 223, Uttar Pradesh
2018-19 (41 <sup>st</sup> AGM)	September 25, 2019		
2019-20 (42 <sup>nd</sup> AGM)	September 11, 2020	10:00 a.m.	Video Conferencing/ Other Audio Visual Means

Following are the Special Resolutions passed at the Annual General Meetings held in the last three years

Meeting	Subject Matter of Special Resolutions Passed
40 <sup>th</sup> AGM	<ol style="list-style-type: none"> <li>1. Re-appointment of Mr. S Sridhar as an Independent Director for a term of 5 years effective from April 1, 2019.</li> <li>2. Re-appointment of Ms. Sudha Pillai as an Independent Director for a term of 5 years effective from April 1, 2019.</li> <li>3. Re-appointment of Dr. Ashok Misra as an Independent Director for a term of 5 years effective from April 1, 2019.</li> <li>4. Appointment of Mr. Rajesh Kumar Srivastava as a Whole-time Director for a period of 5 years effective from January 17, 2018.</li> </ol>
41 <sup>st</sup> AGM	<ol style="list-style-type: none"> <li>1. Appointment of Mr. Anant Pande as a Whole-time Director for a period of 5 years effective from October 22, 2018.</li> <li>2. Approval for implementation of 'Jubilant General Employee Benefits Scheme - 2019' ('JGEBS').</li> <li>3. Approval for extending the benefits of JGEBS to the employees of the holding company and subsidiary companies of the Company.</li> </ol>
42 <sup>nd</sup> AGM	Nil

### (ii) Special Resolutions passed through Postal Ballot in Financial Year 2020-21

No Special Resolution was passed through Postal Ballot during the Financial Year 2020-21.

### (iii) Whether any Special Resolution is proposed to be passed through Postal Ballot

Special Resolution(s) as may be necessary under the Act and/ or the Listing Regulations would be passed through Postal Ballot.

### (iv) Procedure for Postal Ballot

- The notices containing the proposed resolutions and explanatory statement are sent to the shareholders at the addresses registered with the Company alongwith a Postal Ballot Form and a postage pre-paid envelope containing the address of the Scrutiniser appointed by the Board for carrying out the Postal Ballot process;
- The Postal Ballot Forms received within 30 days of despatch are considered by the Scrutiniser;
- The Scrutiniser submits his report to the Chairman/ Co-Chairman of the Company or a person authorised by them, who on the basis of the report, announces the results; and
- The Company has entered into an agreement with National Securities Depository Limited ('NSDL') and Central Depository Services (India) Limited ('CDSL') for providing e-voting facility to its shareholders. Under this facility, shareholders are provided an electronic platform to participate and vote on the resolutions to be passed through Postal Ballot.

## G) CODES AND POLICIES

The Company has established a robust framework of Codes and Policies that facilitates and reflects adoption of good governance practices. The salient Codes and Policies adopted by the Company are mentioned below:

### i. Code of Conduct for Directors and Senior Management

The Company has formulated and implemented a Code of Conduct for the Board members and Senior Management. Requisite annual affirmations of compliance with the Code have been received from the Directors and Senior Management of the Company. A declaration to this effect signed by Mr. Hari S. Bhartia, Co-Chairman & Managing Director is enclosed as Annexure-B. The Code of Conduct is posted on the Company's website [www.jubilantpharmova.com](http://www.jubilantpharmova.com).

**ii. Code of Conduct for Prevention of Insider Trading**

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities of the Company by the Designated Persons. During the year, the Code has been revised by the Board, pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015 (the 'SEBI Insider Trading Regulations'). Salient changes in the revised Code include additional requirements for the Structured Digital Database, prescribed format for reporting of trading in the securities of the Company, reporting of violations to the stock exchanges instead of SEBI, etc. The Company has also implemented the Policy and Procedure for inquiry in case of leak or suspected leak of Unpublished Price Sensitive Information ('UPSI'), pursuant to the SEBI Insider Trading Regulations.

Dealing in the shares of the Company by the Designated Persons is effectively monitored for ensuring compliance with the Code. Report on dealing in the shares of the Company by the Designated Persons is placed before the Chairman of the Audit Committee and the Board on a quarterly basis. Pursuant to the SEBI Insider Trading Regulations, the Company has established a Structured Digital Database with adequate internal controls and checks such as time stamp and audit trails. The Company has also established effective internal controls to ensure compliance with the SEBI Insider Trading Regulations. These internal controls are reviewed annually by the Audit committee and the Board of Directors to ensure effectiveness of such controls. The compliances with the SEBI Insider Trading Regulations for the financial year ended March 31, 2021 were independently reviewed by the Secretarial Auditors of the Company.

**iii. Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information**

The Company has adopted a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information with a view to facilitate prompt, uniform and universal dissemination of unpublished price sensitive information. The Code also includes the Policy for Determination of Legitimate Purposes. The Code is posted on the Company's website [www.jubilantpharmova.com](http://www.jubilantpharmova.com).

**iv. Policy for Determining Materiality of Events and Information**

The Company has adopted the Policy for Determining Materiality of Events and Information. This policy aims to ensure timely and adequate disclosure of all material and price sensitive information to the Stock Exchanges. The Policy is displayed on the Company's website [www.jubilantpharmova.com](http://www.jubilantpharmova.com).

**v. Whistle Blower Policy**

Jubilant has a robust Whistle Blower Policy and Ombudsman Process to make the workplace at Jubilant conducive to open communication regarding business practices. The Board has revised the Whistle Blower Policy to make the process more robust. It enables the Directors and full time employees to voice their concerns or disclose or report fraud, unethical behavior, violation of the Code of Conduct, questionable accounting practices, grave misconduct, etc. without fear of retaliation/ unlawful victimisation/ discrimination which is a sine qua non for an ethical organisation.

The Whistle Blower Policy has been posted on the Company's website [www.jubilantpharmova.com](http://www.jubilantpharmova.com). The Audit Committee periodically reviews the functioning of the Policy and the Ombudsperson Process. During the year, no Director or full time employee was denied access to the Chairman of the Audit Committee.

**vi. Appointment and Remuneration Policy**

The Company has a Policy on appointment and remuneration of Directors, Key Managerial Personnel ('KMP') and Senior Management/ other employees ('Employees') of the Company. The Policy aims to ensure that the persons appointed as Directors, KMPs and Employees possess the requisite qualifications, experience, expertise and attributes commensurate to their positions and level and that the remuneration of such persons is fair, reasonable and sufficient to attract, retain and motivate the personnel to manage the Company successfully. The Policy contains, inter alia, provisions pertaining to qualification, attributes and process of their appointment and removal as well as remuneration. The Policy is displayed on the Company's website and web-link for the same is: <https://www.jubilantpharmova.com/investors/corporate-governance/policies-and-codes/appointment-and-remuneration-policy>.

**vii. Policy for Determining Material Subsidiaries**

Policy for Determining Material Subsidiaries is displayed on the Company's website. The web-link for the same is: <https://www.jubilantpharmova.com/investors/corporate-governance/policies-and-codes/policy-for-determining-material-subsidiaries>.

**viii. Policy on Materiality of Related Party Transactions and Dealing with Related Party Transactions**

Policy on Materiality of Related Party Transactions and Dealing with Related Party Transactions is displayed on the Company's website. The web-link for the same is: <https://www.jubilantpharmova.com/investors/corporate-governance/policies-and-codes/policy-on-rpts>.



#### ix. Dividend Distribution Policy

The Company has formulated and implemented the Dividend Distribution Policy in accordance with the Listing Regulations. The Policy is displayed on the Company's website. The web-link for the same is: <https://www.jubilantpharmova.com/investors/corporate-governance/policies-and-codes/dividend-distribution-policy>.

#### x. Policy for Preservation of Documents

The Company has a Policy for Preservation of Documents. The Policy facilitates preservation of documents in compliance with the laws applicable to various functions and departments of the Company. During the year, the Policy has been revised to align the same with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended.

#### xi. Archival Policy

The Company has an Archival Policy that lays down the process and manner of archiving the disclosures made to the Stock Exchanges under the Listing Regulations. The Policy provides that such disclosures shall be hosted on the website of the Company for a period of five years from the date of disclosure to the Stock Exchanges. The Policy also lays down the manner of archiving these disclosures after the period of 5 years. The Policy has been posted on the Company's website [www.jubilantpharmova.com](http://www.jubilantpharmova.com).

- xii. 'Corporate Social Responsibility Policy' is displayed on the Company's website [www.jubilantpharmova.com](http://www.jubilantpharmova.com).
- xiii. Risk Management Policy.
- xiv. Policy on Board Diversity.
- xv. Succession Plan for Board Members and Senior Management.
- xvi. Performance Evaluation Policy.
- xvii. Code of Conduct for Employees.
- xviii. Policy for Prevention of Sexual Harassment.

### H) DISCLOSURES

- (i) There are no materially significant transactions with the related parties viz. promoters, directors, their relatives or the management, subsidiaries, etc. that may have a potential conflict with the interests of the Company at large. Related Party Transactions are given at Note No. 38 to the Standalone Financial Statements;
- (ii) The Securities and Exchange Board of India ('SEBI') had, by Adjudication Order dated January 31, 2018, (the 'Adjudication Order') imposed a penalty of ₹ 1,000,000 each on the Company and Mr. Shyam S. Bhartia, Mr. Hari S. Bhartia and Jubilant Stock

Holding Private Limited, a promoter group entity (collectively referred to as 'Promoter Group') as well as Mr. Amit Arora, an ex-employee of the Company (who is now employed with a group company).

The Adjudication Order states that the Company had violated the applicable provisions of the erstwhile Listing Agreement by making delayed disclosures to the stock exchanges in respect of material price sensitive information of certain events.

In terms of the Adjudication Order, SEBI had imposed penalty on the Promoter Group for purchasing equity shares of the Company while they were in possession of certain unpublished price sensitive information. Similarly, penalty had been imposed on the ex-employee for selling and purchasing equity shares of the Company while in possession of unpublished price sensitive information.

The Company, the Promoter Group and the ex-employee had filed appeals against the Adjudication Order on April 24, 2018 before the Securities Appellate Tribunal ('SAT'), Mumbai.

SAT, by its Order dated November 7, 2019, reduced the penalty on Jubilant Pharmova Limited from ₹ 1,000,000 to ₹ 500,000 and dismissed the appeals of the Promoter Group and Mr. Amit Arora. The penalty as imposed has been paid by the Company, Promoter Group and Mr. Amit Arora along with interest and hence the matter has been closed.

No other penalties or strictures have been imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter relating to capital markets during the last 3 years;

- (iii) Listing fees for the Financial Year 2021-22 have been paid to the Stock Exchanges on which securities of the Company are listed;
- (iv) Detailed note on the risk management is included in the Management Discussion and Analysis section;
- (v) Commodity Price Risks/ Foreign Exchange Risk and Hedging Activities: Your Company was exposed to foreign exchange risks on its import of raw materials/ trading goods/ capital items, export receivables and borrowings denominated in foreign exchange during the Financial Year 2020-21.

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

As per the Company's Policy for Determination of Materiality of Events and Information, your Company does not have material exposure of any commodity and accordingly, no hedging activities for the same are carried out. Therefore, there is no disclosure to offer in terms of SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2018/000000141 dated November 15, 2018.

- (vi) **Fees paid to Statutory Auditors:** The Company and its subsidiaries have paid aggregate fees of ₹ 13.31 million to the Statutory Auditors and its network firms/entities for audit and non-audit services availed during the Financial Year 2020-21;
- (vii) Disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is as under:

Sr. No.	Particulars	Details
1	Number of complaints filed during the Financial Year 2020-21	1
2	Number of complaints disposed of during the Financial Year 2020-21	1
3	Number of complaints pending as on end of the Financial Year 2020-21	0

- (viii) The Company has complied with the requirements pertaining to Corporate Governance specified in Regulations 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.

## I) MEANS OF COMMUNICATION

- (i) The quarterly results are regularly submitted to the Stock Exchanges and are published in leading business newspaper of the country 'Mint' and regional newspaper 'Hindustan' in compliance with the Listing Regulations.
- (ii) The official news releases including the quarterly, half yearly and annual results and presentations are posted on the Company's website [www.jubilantpharmova.com](http://www.jubilantpharmova.com).
- (iii) Various sections of the Company's website [www.jubilantpharmova.com](http://www.jubilantpharmova.com) keep the investors updated on material developments of the Company by providing key and timely information like details of Directors, financial information, press releases, presentations, stock information, etc.
- (iv) Regular communications are sent to the shareholders including e-mailing of quarterly results and press release just after release to the Stock Exchanges, e-mailing of Annual Reports and Corporate Sustainability Reports.
- (v) Online feedback form is placed on the website of the Company to enable the shareholders to provide feedback about shareholder services.
- (vi) The Company diligently works towards excellence in stakeholder and investor communication. It believes in sharing all material information that may directly or indirectly affect the financial and operational performance of the Company and consequently the share price.

A detailed docket on the financials and business highlights is released to the stock exchanges after the Board approves the results every quarter. The Company also hosts a quarterly conference call every quarter after the release of its financial results along with discussion on the performance of the businesses by its leadership team. This is followed by question and answer session such that whosoever has a question for the management can raise it in the forum. During the Financial Year 2020-21, we conducted 4 post results conference calls, wherein over 100 participants from leading brokerage houses, foreign and domestic institutional investors, banks, insurance and portfolio management companies and rating agencies, besides media and others logged into the conference each time to listen to the management's discussion and analysis. Transcripts of the conference calls are also made available on the Company's website. The Company, as a process, disseminates material information on specific business updates through business or press releases, as appropriate.

## J) GENERAL SHAREHOLDER INFORMATION

### (i) Date, time and venue of 43<sup>rd</sup> Annual General Meeting

As per the notice of 43<sup>rd</sup> Annual General Meeting.

### (ii) Financial Year and Financial Calendar

The Company observes April 1 to March 31 as its Financial Year. The Financial Calendar for the year 2021-22 is as follows:

Item	Tentative Dates*
First Quarter Results	Friday, July 23, 2021
Second Quarter Results	Friday, October 22, 2021
Third Quarter Results	Friday, February 4, 2022
Audited Annual Results for the year	Friday, May 20, 2022

\*As approved by the Board. These dates are subject to change.

### (iii) Dividend Payment Dates

As per the Notice convening the 43<sup>rd</sup> Annual General Meeting. The Dividend, if declared, will be paid within 30 days from the date of the Annual General Meeting.

### (iv) Listing

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





Sr. No.	Name and Address of the Stock Exchange	Security Listed	Stock Code
1.	<b>BSE Limited</b> Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001	Equity Shares	530019
2.	<b>National Stock Exchange of India Limited</b> Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051	Equity Shares	JUBLPHARMA

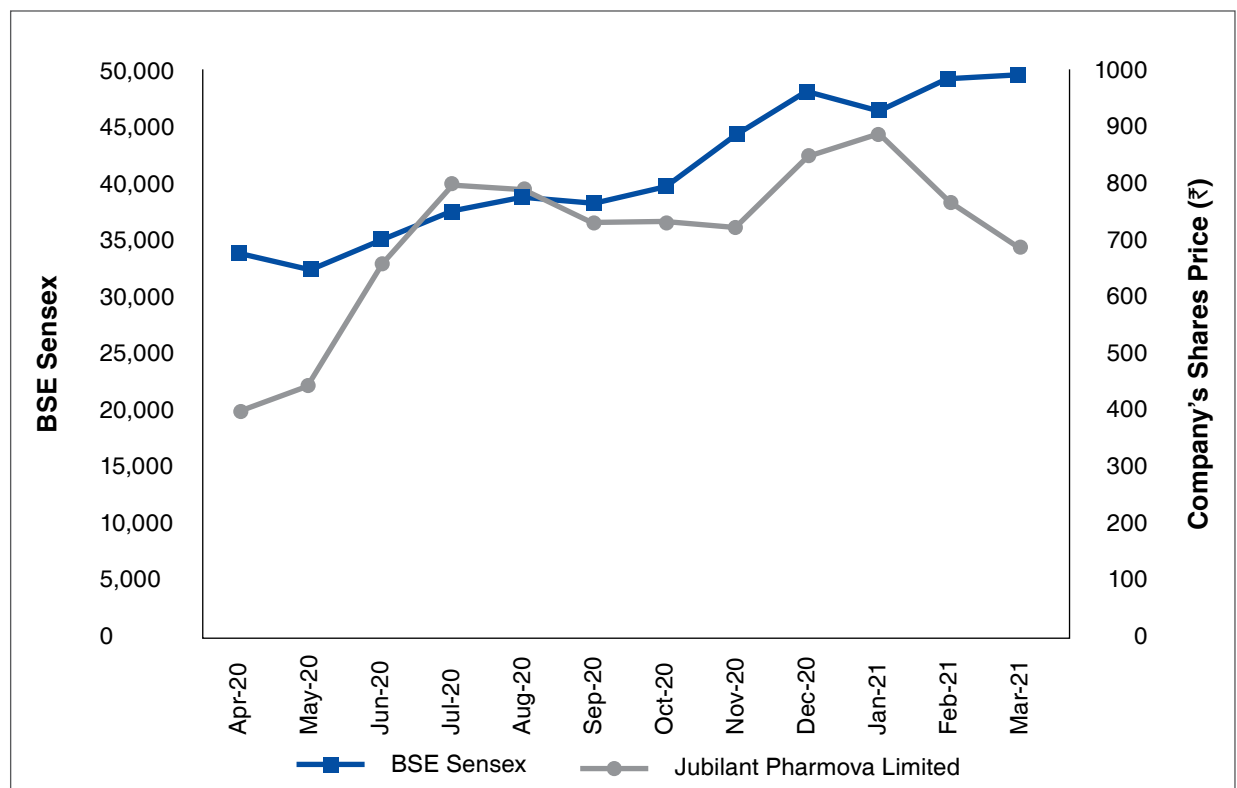
(v) **Market Information**

Monthly high/ low of the market price of the Company's Equity Shares (of ₹1 each) traded on the Stock Exchanges during the year 2020-21 is given hereunder:

(Amount in ₹)

Month	BSE Limited		National Stock Exchange of India Limited	
	High	Low	High	Low
Apr-20	440.00	251.15	443.00	251.75
May-20	497.60	358.00	496.00	363.00
Jun-20	696.40	464.35	695.90	464.25
Jul-20	814.70	653.05	814.50	653.00
Aug-20	909.75	756.60	909.00	762.00
Sep-20	840.00	686.45	840.00	686.00
Oct-20	784.70	682.00	784.40	682.55
Nov-20	746.00	675.00	746.95	679.00
Dec-20	896.00	713.60	897.90	712.75
Jan-21	1012.85	839.50	1010.00	838.85
Feb-21	1046.75	727.00	1046.95	638.30
Mar-21	810.00	635.05	806.70	634.10

(vi) **Performance of the Company's Equity Shares vis-a-vis BSE Sensex during 2020-21**



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

**(vii) Growth in Equity Capital**

Year	Particulars	Increase in Number of Shares	Cumulative Number of Shares	Face Value (₹)/Per Share
1978	Issue of Shares to initial subscribers	1,200	1,200	10
1981	Issued to Indian promoters	608,370	609,570	10
1981	Issued to Foreign collaborators	655,430	1,265,000	10
1981	Issued to Public through public issue	2,200,000	3,465,000	10
1982-1983	Rights Issue 1:5	693,000	4,158,000	10
1984-1985	Forfeited on account of non-payment of allotment money	(3,200)	4,154,800	10
1986-1987	Conversion of loan into Equity Shares	1,006,180	5,160,980	10
1995-1996	Issued to shareholders of Ramganga Fertilizers Limited upon merger with the Company	256,522	5,417,502	10
1999-2000	Issued to shareholders of Anichem India Limited and Enpro Speciality Chemicals Limited upon merger with the Company	839,897	6,257,399	10
2001-2002	Conversion of 1,500,000 Warrants issued to promoters on preferential basis	1,500,000	7,757,399	10
2002-2003	Sub-division of shares from ₹ 10 to ₹ 5	7,757,399	15,514,798	5
2002-2003	Cancellation of shares as per Scheme of Amalgamation of the Company with Vam Leasing Limited and Vam Investments Limited	-851,234	14,663,564	5
2003-2004	Issue of Bonus Shares in the ratio of 3:5	8,798,139	23,461,703	5
2004-2005	Issued to foreign investors on preferential basis	2,424,273	25,885,976	5
2004-2005	Part conversion of FCCBs	27,379	25,913,355	5
2005-2006	Part conversion of FCCBs	1,448,348	27,361,703	5
2005-2006	Issued to foreign investors on preferential basis	990,000	28,351,703	5
2005-2006	Sub-division of shares from ₹ 5 to ₹ 1	113,406,812	141,758,515	1
2005-2006	Part conversion of FCCBs	684,480	142,442,995	1
2006-2007	Part conversion of FCCBs	999,339	143,442,334	1
2006-2007	Issue of shares upon exercise of Options under Jubilant Employees Stock Option Plan, 2005	3,000	143,445,334	1
2007-2008	Part conversion of FCCBs	2,675,375	146,120,709	1
2007-2008	Issue of shares upon exercise of Options under Jubilant Employees Stock Option Plan, 2005	65,205	146,185,914	1
2008-2009	Issue of shares upon exercise of Options under Jubilant Employees Stock Option Plan, 2005	46,630	146,232,544	1
2008-2009	Part conversion of FCCBs	1,309,714	147,542,258	1
2009-2010	Issue of Shares to Qualified Institutional Buyers	11,237,517	158,779,775	1
2010-2011	Issue of Shares under Scheme of Amalgamation & Demerger with Jubilant Industries Limited and Others	501,364	159,281,139	1

**Note:** Pursuant to the Composite Scheme of Arrangement between the Company, JVL and others, the Company has issued and cancelled equivalent number of shares i.e. 6,29,43,636 equity shares of ₹ 1 each to the equity shareholders of the Transferor Companies in two stages, during the year 2020-21. Therefore, there is no change in the paid up share capital of the Company on account of allotment of the equity shares.

**(viii) Appreciation in Share Price**

A person who invested ₹ 1 Lac in the Company in April, 2001 has holdings worth approximately ₹ 241 lac now as computed below:

Date	Action	No. of Resultant Shares of JPM	Face Value of JPM Shares (₹)	No. of Resultant Shares of JIL/JVL	Face Value of JIL/JVL Shares (₹)
April 2, 2001	Purchased shares @ ₹ 62.90 per share (BSE Opening Price)	1,589.83	10	NA	NA
November 21, 2002	Sub-division of shares from ₹ 10 to ₹ 5	3,179.65	5	NA	NA
March 18, 2004	Issue of Bonus Shares 3:5	5,087.44	5	NA	NA
March 24, 2006	Sub-division of shares from ₹ 5 to ₹ 1	25,437.20	1	NA	NA
November 26, 2010	Issue of Shares by JIL pursuant to Demerger	–	–	1,271.86	10
February 15, 2021	Issue of Shares by JVL pursuant to Demerger	–	–	25,437.20	1



Market Value of 25,437.20 Equity Shares of JPM as at the end of Financial Year 2020-21 @ ₹ 681.10 per share was ₹ 17,325,277, Market Value of 1,271.86 Equity Shares of JIL as at the end of Financial Year 2020-21 @ ₹ 187.20 per share was ₹ 238,092 and Market Value of 25,437.20 Equity Shares of JVL as at the end of Financial Year 2020-21 @ ₹ 259.70 per share was ₹ 6,606,041 resulting in an aggregate of ₹ 24,169,410. Thus, the shareholder has multiplied his wealth over 241 times in 20 years, implying a Compounded Annual Growth Rate of approximately 32%. In addition, the shareholder also got attractive dividends.

(Note: JPM means Jubilant Pharmova Limited, JIL means Jubilant Industries Limited and JVL means Jubilant Ingrevia Limited)

**(ix) Compliance Officer**

Mr. Rajiv Shah, Company Secretary, is the Compliance Officer. He can be contacted for any investor related matter relating to the Company. His contact no. is +91-120-4361000; Fax no. +91-120-4234895 and e-mail ID is investors@jubl.com.

**(x) Registrar and Transfer Agent**

For securities related matters, investors are requested to correspond with the Company's Registrar and Transfer Agents - Alankit Assignments Limited quoting their Folio No. / DP ID & Client ID at the following address: Alankit Assignments Limited (Unit: Jubilant Pharmova Limited), 205-208 Anar Kali Complex, Jhandewalan Extension, New Delhi-110055; Tel: +91-11-42541234; E-mail: rta@alankit.com.

**(xi) Share Transfer System**

Trading in equity shares of the Company is permitted only in dematerialised form. The dematerialised shares are directly transferred by the depositories to the beneficiaries. Members holding shares in physical form are, therefore, advised to convert their shares in dematerialised form.

**(xii) Shareholder Satisfaction Survey**

The Company offers the facility of online survey to assess the shareholders' satisfaction level for investor services rendered by the Company. The shareholders can submit their feedback for investor services on the following parameters by accessing the web-link: <https://www.jubilantpharmova.com/investors/investor-feedback-form>

1. Timely receipt of Annual Report, Dividend and other documents/ correspondence
2. Quality and contents of Annual Report
3. Dissemination of information about the Company
4. Response time and satisfaction level experienced
5. Interaction with the Company officials
6. Interaction with Registrar and Transfer Agents
7. Investor service section of the Company's website
8. Overall rating of our investor services

The Shareholders are asked to give one of the following four possible ratings to each of the above criteria:

- Outstanding
- Very Good
- Good
- Poor

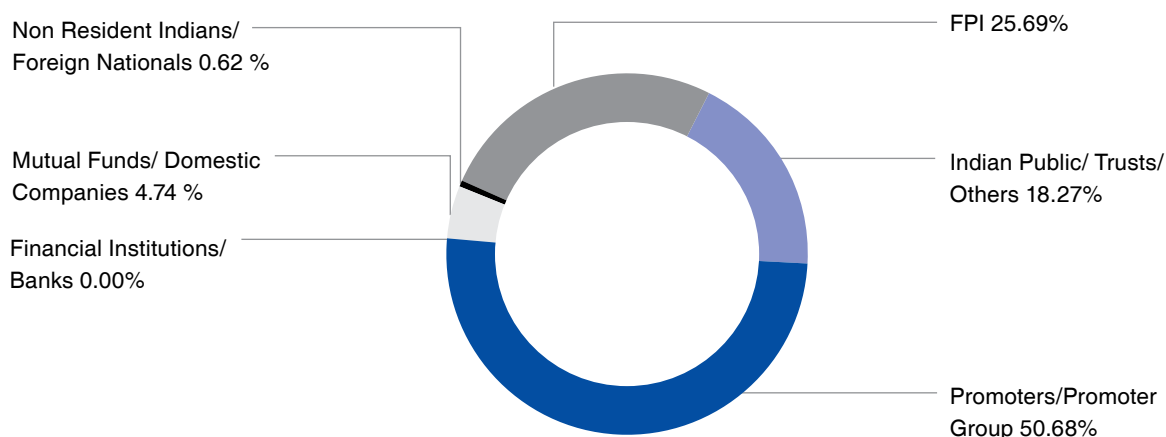
**(xiii) Distribution of Shareholding as on March 31, 2021****(a) Value wise**

Shareholding of Nominal Value in (₹)	Shareholders		Shareholding	
	Number	% of Total	Number	% of Total
Upto 5,000	62,836	99.05	11,687,456	7.34
5,001 to 10,000	247	0.39	1,859,678	1.17
10,001 to 20,000	128	0.20	1,855,959	1.16
20,001 to 30,000	47	0.07	1,131,764	0.71
30,001 to 40,000	22	0.03	745,595	0.47
40,001 to 50,000	24	0.04	1,098,424	0.69
50,001 to 100,000	42	0.07	2,884,651	1.81
100,001 and above	94	0.15	138,017,612	86.65
<b>Total</b>	<b>63,440</b>	<b>100.00</b>	<b>159,281,139</b>	<b>100.00</b>

**(b) Category wise**

Sr. No.	Category	No. of Shares	Shareholding as a Percentage of Total Number of Shares
A	Promoters & Promoter Group	80,717,056	50.68
B	Public Shareholding:		
	1. Financial Institutions/ Banks	3,115	0.00
	2. Mutual Funds/ Domestic Companies	7,547,323	4.74
	3. Non Resident Indians/ Foreign Nationals	984,596	0.62
	4. FPI	40,921,200	25.69
	5. Indian Public/ Trusts/ Others	29,107,849	18.27
	<b>Grand Total</b>	<b>159,281,139</b>	<b>100.00</b>

Graphic depiction of the shareholding:

**(xiv) Unclaimed Dividends**

Dividends pertaining to the financial years upto and including 1993-94, remaining unpaid/ unclaimed, have been transferred to the General Revenue Account of the Central Government. Shareholders having valid claims of unpaid/ unclaimed dividend for any of these financial years may approach the Investor Education and Protection Fund Authority constituted by the Central Government.

Dividends pertaining to the Financial Years 1994-95 to 2012-13 remaining unpaid and shares pertaining to unpaid dividends upto the Financial Year 2012-13 have been transferred to the Investor Education and Protection Fund (the 'Fund').

In respect of unpaid/ unclaimed dividends for the Financial Year 2013-14 onwards, the shareholders are requested to write to the Registrar and Transfer Agent. Dividends remaining unclaimed for seven years from the date of transfer to the unpaid dividend account shall be transferred alongwith the underlying shares to the Fund.





Shareholders who have not encashed their warrants relating to the dividends mentioned below are requested to immediately approach the Registrar and Transfer Agent for claiming the dividend:

Financial Year	Date of Dividend Declaration	Due Date for Transfer to the Fund
2013-14	September 2, 2014	October 4, 2021
2014-15	September 1, 2015	October 3, 2022
2015-16	August 30, 2016	October 1, 2023
2016-17	August 29, 2017	October 5, 2024
2017-18	September 26, 2018	November 1, 2025
2018-19	September 25, 2019	October 31, 2026
2019-20 (Interim Dividend)	February 27, 2020	April 3, 2027

**(xv) Compliance Certificate of Practicing Company Secretary**

The Company has obtained a certificate from the Practicing Company Secretary, Mr. Tanuj Vohra, Partner, TVA & Co. LLP, Company Secretaries, confirming compliance with the conditions of Corporate Governance as stipulated in Schedule V(E) of the Listing Regulations. The Certificate is attached as Annexure-C.

**(xvi) (a) Dematerialisation of Shares**

The equity shares of the Company fall under the category of compulsory delivery in dematerialised mode by all categories of investors. The Company has signed agreements with NSDL and CDSL for dematerialisation connectivity. As on March 31, 2021, 158,589,363 Equity Shares of the Company (99.57% of the Paid-up capital) were in dematerialised form.

Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's equity shares is INE700A01033.

**(b) Liquidity**

The equity shares of the Company are frequently traded on the National Stock Exchange of India Limited as well as on BSE Limited and are in the category of Group A scrips on BSE Limited.

**(xvii) Outstanding GDRs/ ADRs/ Warrants or any Convertible Instruments, Conversion Date and Likely Impact on Equity**

- (a) As on March 31, 2021, no FCCBs / GDRs / ADRs / Warrants or convertible instruments were outstanding.
- (b) Paid-up Share Capital

The Paid-up Share Capital as on March 31, 2021 stands at ₹ 159,281,139 comprising of 159,281,139 equity shares of ₹ 1 each. There was no change in the issued and paid-up share capital during the year.

**(xviii) Location of the Manufacturing Facilities**

During the year, manufacturing facilities of the Company have been transferred to JVL pursuant to demerger of the Life Science Ingredients business of the Company into JVL.

**(xix) Address for Correspondence**

Jubilant Pharmova Limited  
1A, Sector 16A  
Noida - 201 301, Uttar Pradesh  
Tel: +91-120-4361000  
Fax: +91-120-4234895  
E-mail: investors@jubl.com  
Website: www.jubilantpharmova.com

**(xx) Corporate Identification Number (CIN)**

L24116UP1978PLC004624

**(xxi) Details of Credit Ratings obtained by the Company alongwith revisions thereof during the year are mentioned below:**

Sr. No.	Instrument	Amount in ₹/ Crore	Rating Agency	Rating	Outlook	Remarks
1	Bank Loan	1,390.00	India Ratings & Research	IND AA	Rating Watch Evolving	Rating has been maintained on RWE by India Ratings & Research vide letter dated August 6, 2020.
		1,247.50	India Ratings & Research	IND AA	Rating Watch Evolving	Rating has been maintained on RWE by India Ratings & Research vide letter dated October 29, 2020.
2	Non-Convertible Debentures	3,95.00	India Ratings & Research	WD		Rating has been withdrawn vide letter dated August 6, 2020.

Sr. No.	Instrument	Amount in ₹/ Crore	Rating Agency	Rating	Outlook	Remarks
3	Non-Convertible Debentures	350.00	India Ratings & Research	WD		Rating has been withdrawn vide letter dated August 6, 2020.
			CRISIL	Withdrawn		Rating has been withdrawn vide letter dated April 8, 2020.
4	Bank Loan Facilities (Long Term)	510.00	CRISIL	CRISIL AA	Rating Watch with Developing Implications	Rating has been assigned vide letter dated April 8, 2020
			CRISIL	CRISIL AA	Rating Watch with Developing Implications	Rating continues on Rating Watch with Developing Implications by CRISIL Limited vide Rating Rationale dated May 29, 2020.
			CRISIL	CRISIL AA	Rating Watch with Developing Implications	Rating continues on Rating Watch with Developing Implications by CRISIL Limited vide letter dated August 28, 2020.
			CRISIL	CRISIL AA	Rating Watch with Developing Implications	Rating continues on Rating Watch with Developing Implications by CRISIL Limited vide letter dated November 11, 2020.
5	Non-Convertible Debentures	100.00	CRISIL	CRISIL AA	Rating Watch with Developing Implications	Rating has been assigned by CRISIL Limited vide Rating letter dated May 29, 2020
			CRISIL	CRISIL AA	Rating Watch with Developing Implications	Rating reaffirmed by CRISIL Limited vide letter dated August 28, 2020.
			CRISIL	CRISIL AA	Rating Watch with Developing Implications	Rating reaffirmed by CRISIL Limited vide letter dated November 11, 2020.
6	Commercial Paper	400.00	India Ratings & Research	IND A1+	Rating Watch Evolving	Rating is maintained on IND A1+/RWE by India Ratings & Research vide letter dated August 6, 2020.
			India Ratings & Research	WD		Rating has been withdrawn by India Ratings & Research vide letter dated October 29, 2020.
			CRISIL	CRISIL A1+	-	Rating reaffirmed by CRISIL Limited vide letter dated April 8, 2020
			CRISIL	CRISIL A1+	-	Rating reaffirmed by CRISIL Limited vide Rating Rationale dated May 29, 2020.
			CRISIL	CRISIL A1+	-	Rating reaffirmed by CRISIL Limited vide letter dated August 28, 2020.
			CRISIL	CRISIL A1+	-	Rating reaffirmed by CRISIL Limited vide letter dated November 11, 2020.

**Notes:**

1. Non-Convertible Debentures of ₹ 395 Crore and ₹ 350 Crore were redeemed on January 7, 2020 alongwith accrued interest thereon.
2. Non-Convertible Debentures of ₹ 100 Crore were transferred to JVL pursuant to the Composite Scheme of Arrangement.

**(xxii) Equity Shares in Suspense Account**

Pursuant to Clause 5A of the erstwhile Listing Agreement (corresponding to Schedule VI to the Listing Regulations), shareholders holding shares in physical form and not having claimed share certificates were sent three reminder letters requesting them to claim their equity shares. In terms of the aforesaid clause, equity shares which remained unclaimed were transferred in the year 2012 to Jubilant Pharmova Limited-Unclaimed Suspense Account. Details required under Schedule V(F) of the Listing Regulations are given below:



Particulars	Number of Shareholders	Number of Equity Shares
Aggregate number of shareholders and outstanding shares in the Unclaimed Suspense Account lying as on April 1, 2020	299	244,630
Number of shareholders who approached the Company for claiming shares from the Unclaimed Suspense Account during 2020-21	23*	19,280
Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during 2020-21	23*	19,280
Number of shares transferred to Investors Education and Protection Fund (the 'Fund') during 2020-21	15	5,620
Aggregate number of shareholders and outstanding shares lying in the Unclaimed Suspense Account as on March 31, 2021	261	219,730

\*Excludes 2 shareholders who have lodged claim for part of their shareholding.

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

(xxiii) Pursuant to the provisions of Regulation 53 of the Listing Regulations, disclosure about details of Debenture Trustee is not applicable as the Company has no outstanding listed NCDs, as on the date of this Report.

## K) COMPLIANCE WITH THE REGULATIONS RELATED TO CORPORATE GOVERNANCE IN THE LISTING REGULATIONS

### (a) Mandatory Requirements

The Company has complied with the mandatory requirements relating to Corporate Governance as prescribed in the Listing Regulations.

### (b) Extent to which Non-Mandatory requirements have been adopted

The status of adoption of non-mandatory requirements as specified in Regulation 27(1) read with Part E of Schedule II to the Listing Regulations is given below:

#### 1. The Board

##### – Non-Executive Chairman's Office

The Chairman is Non-Executive Promoter Director.

#### 2. Shareholders' Rights

Quarterly and year to date results along with press releases are sent to those shareholders whose e-mail addresses are available with the Company.

#### 3. Modified opinion(s) in the audit reports

Audit Reports on the Financial Statements of the Company do not contain any modified opinion.

#### 4. Reporting of Internal Auditors

Internal Auditors report to the Audit Committee.

### (c) CEO/CFO Certification

In compliance with Regulation 17(8) read with Schedule II (B) of the Listing Regulations, a declaration by CEO i.e. the Co-Chairman & Managing Director and Chief Financial Officer, is enclosed as Annexure-D which, inter alia, certifies to the Board about accuracy of the financial statements and adequacy of internal controls for the financial reporting purpose.

For and on behalf of the Board

**Shyam S. Bhartia**  
**Chairman**  
 (DIN: 00010484)

**Hari S. Bhartia**  
**Co-Chairman & Managing Director**  
 (DIN: 00010499)

Place: Noida  
 Date: June 4, 2021

## Annexure A

**Certificate of Non-Disqualification Of Directors**

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
**The Members of**  
**Jubilant Pharmova Limited**  
**CIN: L24116UP1978PLC004624**  
**Bhartiagram, Gajraula**  
**District Amroha - 244223**  
**Uttar Pradesh, India**

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Jubilant Pharmova Limited (CIN: L24116UP1978PLC004624) having registered office at Bhartiagram, Gajraula, District Amroha - 244223, Uttar Pradesh, India (hereinafter referred to as 'the Company') and produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company and its officers and the representations made by the management, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2021 have been debarred or disqualified from being appointed or continuing as Director of the companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority:

Sr. No.	Name of Director	DIN	Date of appointment
1	Mr. Shyam S. Bhartia	00010484	21/06/1978
2	Mr. Hari S. Bhartia	00010499	01/11/1983
3	Mr. Srinivasan Sridhar	00004272	15/06/2013
4	Ms. Sudha Pillai	02263950	03/09/2013
5	Dr. Ashok Misra	00006051	15/09/2014
6	Mr. Sushil Kumar Roongta	00309302	23/05/2017
7	Mr. Vivek Mehra	00101328	23/05/2017
8	Mr. Priyavrat Bhartia	00020603	23/05/2017
9	Mr. Arjun Shanker Bhartia	03019690	23/05/2017
10	Mr. Arun Seth	00204434	22/10/2018
11	Mr. Pramod Yadav	05264757	05/02/2021

It is solemnly the responsibility of Directors to submit relevant declarations and disclosures with complete and accurate information in compliance with the relevant provisions. Further, ensuring the eligibility for the appointment/ continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these, based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For TVA & Co. LLP**  
**Company Secretaries**

Date: June 4, 2021  
Place: Delhi

**Tanuj Vohra**  
**Partner**  
M. No.: F5621, C.P. No.: 5253  
UDIN: F005621C000421410  
RP L2015UP000900





## Annexure B

### To Whomsoever It May Concern

This is to confirm that all the Board members and senior management personnel have affirmed compliance with the Code of Conduct for Directors and Senior Management of the Company for the year ended March 31, 2021.

For **Jubilant Pharmova Limited**

Place: Noida  
Date: June 4, 2021

**Hari S. Bhartia**  
*Co-Chairman & Managing Director*

## Annexure C

### Certificate By Practicing Company Secretary On Compliance With The Conditions Of Corporate Governance As Per Schedule V(E) Of The Listing Regulations

To,  
The Members of  
**Jubilant Pharmova Limited**  
CIN: L24116UP1978PLC004624  
Bhartiagram, Gajraula  
District Amroha - 244223  
Uttar Pradesh, India

1. We have examined the compliance of the conditions of Corporate Governance by Jubilant Pharmova Limited (the 'Company') for the Financial Year ended on March 31, 2021, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
2. The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to the review of the procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us and the representation made by the directors and the management, we certify that the Company has complied with the mandatory conditions of Corporate Governance as stipulated under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **TVA & Co. LLP**  
Company Secretaries

Date: June 4, 2021  
Place: Delhi

**Tanuj Vohra**  
*Partner*  
M. No.: F5621, C.P. No.: 5253  
UDIN: F005621C000419091  
RP L2015UP000900

## Annexure D

### Certificate of CEO - CFO

This is to certify that:

- A. We have reviewed the financial statements and the cash flow statement for the year ended March 31, 2021 and that to the best of our knowledge and belief:
1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  2. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit Committee:
1. significant changes in internal control over financial reporting during the year;
  2. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  3. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For Jubilant Pharmova Limited

Date: June 4, 2021

**Arun Kumar Sharma**  
*Head - Group Treasury & Chief Financial Officer*

**Hari S. Bhartia**  
*Co-Chairman & Managing Director*



# Business Responsibility Report

The Directors are pleased to present the Business Responsibility ('BR') Report of Jubilant Pharmova Limited ('Company' or 'Jubilant') for the Financial Year ended March 31, 2021. The Company also publishes annually, a comprehensive Sustainability Report following GRI (Global Reporting Initiative) Sustainability Reporting Standards.

The details on the aspects discussed in this Report are available in the Company's Sustainability Report for the Financial Year 2020-21. The Sustainability Report of the Company is available on the Company's website [www.jubilantpharmova.com](http://www.jubilantpharmova.com).

## Commitment to Sustainable and Inclusive Growth

Jubilant's continued focus on sustainability aims at improving stakeholders' value through optimum use of capital and natural resources. Our Promise of Caring, Sharing, Growing is the essence of our activities that are directed towards sustainable growth. Jubilant's approach to sustainable development focuses on the triple bottom line of Economic, Environment and Social performance. We are committed and working on various areas of energy conservation, climate change mitigation and water conservation measures. Our sustainability efforts are being reported through Corporate Sustainability Report since 2003 and the Report has been receiving GRI G3.1 A+ level and application level check since 2007 from GRI. Our Sustainability Report for the Financial Year 2019-20 onwards have been prepared following the latest GRI Standards in accordance with the 'Comprehensive' option and was assured by Ernst & Young Associates LLP. We additionally received the Content Index Services Logo from GRI making our report more credible and transparent. The Sustainability Report of the Company for the Financial Year 2020-21 is prepared on the similar lines. This reflects our commitment towards sustainable development and continued efforts directed towards protecting the environment wherever we operate.

## SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the Company	L24116UP1978PLC004624
2. Name of the Company	Jubilant Pharmova Limited
3. Registered Address	Bhartiagram, Gajraula, District Amroha-244 223, Uttar Pradesh, India
4. Website	<a href="http://www.jubilantpharmova.com">www.jubilantpharmova.com</a>
5. E-mail Address	<a href="mailto:arvind.chokhany@jubl.com">arvind.chokhany@jubl.com</a>
6. Financial Year Reported	2020-21
7. Sector(s) that the Company is engaged in (industrial activity code-wise)	Basic Organic Chemicals (2011)
8. List three key products / services that the Company manufactures / provides (as in balance sheet)	(i) Organic Chemicals including specialty chemicals and its intermediates (ii) Dry and aqueous choline chloride (iii) Feed Premixes
9. Total number of locations where business activity is undertaken by the Company	
(a) Number of International Locations (Provide details of major 5)	The Company's businesses and operations are spread across the country. The manufacturing facilities of the Company have been transferred to Jubilant Ingrevia Limited pursuant to demerger of the Life Science Ingredients business of the Company.
(b) Number of National Locations	
10. Markets served by the Company – Local / State / National / International	The Company's products have both national and international presence.

## SECTION B: FINANCIAL DETAILS OF THE COMPANY

1.	Paid up Capital (in ₹)	159.28 million
2.	Total Turnover (in ₹)	27,094.98 million
3.	Total profit after taxes (in ₹)	2,144.75 million
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	2.72% (CSR expenses of the Company for the Financial Year 2020-21 were ₹ 58.30 million)
5.	List of activities in which expenditure in 4 above has been incurred:	<p><b>(a) PMCARES FUND</b> – Looking to the current COVID 19 pandemic during the Financial Year 2020-21, the Company contributed to the PMCARES fund.</p> <p><b>(b) Project Arogya &amp; Swasthya Prahari</b> – Improving health indices through innovative services and promoting health seeking behavior.</p> <p><b>(c) Project Muskaan</b> – Universalising elementary education and improving quality parameters for primary education through community involvement.</p> <p><b>(d) Nayee Disha</b> – Enhancing employability through vocational training.</p> <p><b>(e) Rural Development</b> – Local area development.</p>

## SECTION C: OTHER DETAILS

### 1. Does the Company have any Subsidiary Company/ Companies?

Yes, the Company had 39 Subsidiaries as on March 31, 2021.

### 2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, indicate the number of such subsidiary company(s).

Business Responsibility Report also includes sustainability performance of subsidiaries of the Company which have a significant impact on the sustainability performance of the organisation. The key subsidiary companies covered in the report are as follows:

1. Jubilant Pharma Limited, Singapore
2. Jubilant HollisterStier LLC, Spokane, USA
3. Jubilant DraxImage Inc., Montreal, Canada
4. Jubilant Cadista Pharmaceuticals Inc., Salisbury, USA
5. Jubilant Draximage Radiopharmacies Inc., USA
6. Jubilant Generics Limited, India
7. Jubilant Biosys Limited, India

### 3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

Jubilant does engage with all its key stakeholders (e.g. suppliers, employees, investors, community, etc.) and take note of their concerns while designing its business strategy. The Company also communicates its business responsibility policies and approaches to the concerned stakeholders from time to time. For example, holding meeting with suppliers, publication of Annual Sustainability Report, participate in customer's CSR assessment, etc. The Green Supply Chain Policy is an example of engaging our suppliers in Jubilant's business responsibility journey. The percentage of such stakeholders is < 30%.

## SECTION D: BR INFORMATION

### 1. Details of Director/Directors responsible for BR

#### (a) Details of the Director/Directors responsible for implementation of the BR policy/policies

The Board of Directors has assigned implementation of the BR Policies to the Sustainability & CSR Committee of the Board of Directors.



(b) Details of the BR Head

Name	Mr. Arvind Chokhany
Designation	Group Chief Financial Officer and Whole-time Director
Director Identification Number	06668147
Phone Number	+91-120-4361000
Email ID	arvind.chokhany@jubl.com

2. (a) **Principle-wise (as per NVGs) BR Policy/policies**

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These are as follows:

- Principle 1: (P1) Businesses should conduct and govern themselves with Ethics, Transparency and Accountability
- Principle 2: (P2) Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
- Principle 3: (P3) Businesses should promote the well-being of all employees
- Principle 4: (P4) Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised
- Principle 5: (P5) Businesses should respect and promote human rights
- Principle 6: (P6) Businesses should respect, protect and make efforts to restore the environment
- Principle 7: (P7) Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
- Principle 8: (P8) Businesses should support inclusive growth and equitable development
- Principle 9: (P9) Businesses should engage with and provide value to their customers and consumers in a responsible manner

(b) **Details of compliance (Reply in Y/N)**

Principle-wise Policies		P1	P2	P3	P4	P5	P6	P7	P8	P9
1	<b>Do you have a policy/ policies for:</b>	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	<b>Has the policy been formulated in consultation with the relevant stakeholders?</b>	Y	Y	Y	Y	Y	Y	Y	Y	Y
		The relevant policies have evolved over a period of time by taking inputs from the concerned internal stakeholders. The Company engages with the key external stakeholders on a regular basis and their concerns are noted and discussed internally which help in shaping our policies.								
3	<b>Does the policy conform to any national / international standards? If yes, specify? (50 words)</b>	Y	Y	Y	Y	Y	Y	Y	Y	Y
		All applicable national and international laws as well as international conventions are captured in the policies articulated by the Company. In addition, they reflect the purpose and intent of the United Nations Global Compact (UNGC) principles and Sustainable Development Goals (SDGs), GRI standards and international standards such as ISO 14001, ISO 9001, ISO 50001, OHSAS 18001 / ISO 45001 and others.								
4	<b>Has the policy been approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?</b>	Y	Y	Y	Y	Y	Y	Y	Y	Y
		The policies are approved by the Board/Competent Authority to which the requisite authority has been delegated by the Board.								
5	<b>Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?</b>	Y	Y	Y	Y	Y	Y	Y	Y	Y
		The Company has set-up various Committees of the Board of Directors or of Senior Executives to oversee implementation of these policies. Sustainability & CSR Committee is one such committee which reviews Sustainability and CSR performance of the Company on a half-yearly basis.								
6	<b>Indicate the link for the policy to be viewed online?</b>	All employee related policies are uploaded on the intranet portal of the Company for communication and implementation. Other policies are uploaded on the Company's website www.jubilantpharmova.com.								

Principle-wise Policies		P1	P2	P3	P4	P5	P6	P7	P8	P9
7	<b>Has the policy been formally communicated to all relevant internal and external stakeholders?</b>	Y	Y	Y	Y	Y	Y	Y	Y	Y
		Policies are communicated to the relevant stakeholders through Company website, meetings, emails, annual report, etc.								
8	<b>Does the company have in-house structure to implement the policy/policies?</b>	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	<b>Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?</b>	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	<b>Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?</b>	Y	Y	Y	Y	Y	Y	Y	Y	Y

### List of Existing Policies

Following are the key policies which provide broad guidelines for smooth and transparent functioning of the Board	Approved by	On-line view
Code of Conduct for Directors and Senior Management	Board	<a href="http://www.jubilantpharmova.com">www.jubilantpharmova.com</a>
Code of Conduct for Prevention of Insider Trading	Board	Intranet portal of the Company
Policy on Materiality of Related Party Transactions and dealing with Related Party Transactions	Board	<a href="http://www.jubilantpharmova.com">www.jubilantpharmova.com</a>
Corporate Social Responsibility Policy	Board	<a href="http://www.jubilantpharmova.com">www.jubilantpharmova.com</a>
Policy for Determination of Materiality of Events and Information	Board	<a href="http://www.jubilantpharmova.com">www.jubilantpharmova.com</a>
Policy on Board Diversity	Board	-
Succession Plan for Board Members and Senior Management	Board	-
Performance Evaluation Policy	Board	-
Appointment and Remuneration Policy	Board	<a href="http://www.jubilantpharmova.com">www.jubilantpharmova.com</a>
Whistle Blower Policy	Board	<a href="http://www.jubilantpharmova.com">www.jubilantpharmova.com</a> and Intranet portal of the Company
Policy for Determining Material Subsidiaries	Board	<a href="http://www.jubilantpharmova.com">www.jubilantpharmova.com</a>
Archival Policy	Board	<a href="http://www.jubilantpharmova.com">www.jubilantpharmova.com</a>
Policy for Preservation of Documents	Board	-
Dividend Distribution Policy	Board	<a href="http://www.jubilantpharmova.com">www.jubilantpharmova.com</a>
Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information ('UPSI')	Board	<a href="http://www.jubilantpharmova.com">www.jubilantpharmova.com</a>
Policy and Procedure for inquiry in case of leak or suspected leak of UPSI	Board	Intranet portal of the Company
Code of Conduct for Employees	Board	Intranet portal of the Company
Policy for Prevention of Sexual Harassment	Board	Intranet portal of the Company
Risk Management Policy	Board	-

Other policies adopted by the Company for ensuring effective governance in regular operations	Approved by	On-line view
Sustainability Policy	Chairman and Co-Chairman & Managing Director	<a href="http://www.jubilantpharmova.com">www.jubilantpharmova.com</a>
Climate Change Mitigation and Energy Conservation Policy	Chairman and Co-Chairman & Managing Director	<a href="http://www.jubilantpharmova.com">www.jubilantpharmova.com</a>
Environment, Health and Safety Policy	Chairman and Co-Chairman & Managing Director	<a href="http://www.jubilantpharmova.com">www.jubilantpharmova.com</a>



### 3. Governance related to BR

**(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year**

There are several committees of the Board of Directors and of Senior Executives which meet at regular frequency to review the BR performance of the Company. Sustainability & CSR Committee of the Board reviews the Sustainability and CSR performance of the Company on a half-yearly basis. This Committee comprises Executive, Non-Executive and Independent Directors.

**(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

The Company is publishing its Sustainability Report annually following GRI standards since the Financial Year 2002-03. Every year, the Report is assured by a third party. Sustainability Report for the Financial Year 2019-20 was prepared following GRI Standards in accordance with the 'Comprehensive' option and was assured by Ernst & Young Associates LLP. The Report for the Financial Year 2020-21 is published on similar lines along with the Annual Report of the Company for the Financial Year 2020-21. Sustainability Reports of the Company are available on the Company's website at the following link: <https://www.jubilantpharmova.com/sustainability/sustainability-report>.

#### Business Responsibility Report Index on Social, Environmental and Economic Issues

BRR Principle	Section in BR Report	Page	Details in Company's Sustainability Report
P1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability	103	√
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle	104	√
P3	Businesses should promote the well-being of all employees	105	√
P4	Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised	106	√
P5	Businesses should respect and promote human rights	106	√
P6	Businesses should respect, protect and make efforts to restore the environment	107	√
P7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner	107	√
P8	Businesses should support inclusive growth and equitable development	107	√
P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner	107	√

## SECTION E: PRINCIPLE-WISE PERFORMANCE

### Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

#### Corporate Governance – Ethics, Transparency & Accountability:

**Composition of the Board:** The Board of Directors (the 'Board') is the apex and highest governing body in Jubilant Pharmova Limited. The Board along with its Committees provides leadership and strategic guidance to the Company's management while discharging its fiduciary responsibilities thereby ensuring that the management adheres to high standards of ethics, transparency and disclosures. The Board's objective is to create sustainable value for all stakeholders, provide vision to the Company and oversee implementation of the Board's decisions.

The Company is led by a team of eminent professionals who inspire, lead and contribute to the growth of the Company. The Board of Directors of the Company has an optimal mix of Executive, Non-Executive, Independent and Non-Independent Directors. As on June 4, 2021, the Board comprised 2 Executive Directors and 10 Non-Executive Directors. The Board had 6 Independent Directors including 1 Woman Director. All members of the Board are well experienced and bring expertise in the fields of Pharmaceuticals, Banking, Accounts, Taxation, Administration, etc. to the table.

The Independent Directors are not associated with the Company in any executive capacity. The Independent Directors, by furnishing a Certificate of Independence to the Board, affirm their independence on an annual basis.

**Senior Leadership Team:** Co-Chairman and Managing Director ('CCMD') is the highest Executive Officer of the Company. He belongs to the promoter group and along with the Chairman, has led the Company to its present growth and success. The Chief Executive Officers ('CEOs') of various businesses of the Company are responsible for smooth functioning of their respective businesses. They are responsible for development of business strategies keeping in view the interests of all the stakeholders. The business strategies and plans are reviewed during the Annual Strategy Meet by the Chairman, CCMD, Group Chief Financial Officer and Whole time Director, Chief Financial Officer and CEOs.

**Board Committees for effective governance:** To focus effectively on the issues and to ensure expedient resolution of diverse matters, the Board has constituted several Committees with clearly defined terms of reference and scope. The Committee members are appointed by the Board with the consent of the individual Directors. Committees of the Board are:

- Audit Committee
- Nomination, Remuneration and Compensation Committee
- Stakeholders Relationship Committee
- Sustainability & CSR Committee
- Risk Management Committee
- Restructuring Committee
- Capital Issue Committee
- Finance Committee
- Fund Raising Committee

**Codes and Policies:** The Company has a detailed framework of codes and policies framed by the Board in compliance with the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations'). Following are the salient codes and policies which provide broad guidelines for smooth and transparent functioning of the Board and the Company:

- Code of Conduct for Directors and Senior Management
- Code of Conduct for Prevention of Insider Trading

- Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information ('UPSI')
- Policy and Procedure for inquiry in case of leak or suspected leak of UPSI
- Policy for Determining Materiality of Events and Information
- Policy on Materiality of Related Party Transactions and Dealing with Related Party Transactions
- Corporate Social Responsibility Policy
- Policy on Board Diversity
- Succession Plan for Board Members and Senior Management
- Performance Evaluation Policy
- Appointment and Remuneration Policy
- Whistle Blower Policy
- Policy for Determining Material Subsidiaries
- Dividend Distribution Policy
- Policy for Preservation of Documents
- Archival Policy
- Risk Management Policy
- Policy on Prevention of Sexual Harassment
- Code of Conduct for Employees on issues like prohibition of child labour, forced & compulsory labour, non-discrimination, anti-bribery & corruption, preventing money laundering and others.

At Jubilant, good governance is a tradition and a way of life and 'Our Promise' and 'Our Vision' set the overall direction for corporate governance of the Company. The Vision, Values and Promise statements of the Company are adopted by the businesses and all other functions of the Company. In addition to the above mentioned policies framed by the Board, there are several other policies adopted by the Company for ensuring effective corporate governance in regular operations. These include:

- Sustainability Policy
- Climate Change Mitigation and Energy Conservation Policy
- Environment, Health and Safety Policy

**Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle**

#### **Sustainability of Products and Services across Life-Cycle**

Jubilant Pharmova Limited is engaged in pharmaceuticals, contract research and development services and proprietary novel drugs businesses. Pharmaceuticals business through Jubilant Pharma Limited Singapore (JPL) is engaged in





manufacturing and supply of Radiopharmaceuticals with a network of 48 radiopharmacies in the US, Allergy Therapy Products, Contract Manufacturing of Sterile Injectables and Non-sterile products, APIs and Solid Dosage Formulations through 6 manufacturing facilities that cater to all the regulated markets including the USA, Europe and other geographies. Jubilant Biosys Limited provides Contract Research and Development Services through two world class research centers in Bangalore and Noida in India. Jubilant Therapeutics is involved in Proprietary Novel Drugs business and is an innovative biopharmaceutical company developing breakthrough therapies in the area of oncology and autoimmune disorders. Jubilant Pharmova Limited has a team of around 5,800 multicultural people across the globe. The Company is well recognized as a 'Partner of Choice' by leading pharmaceuticals companies globally.

Jubilant's progress in diverse businesses has been made possible through the contribution of R&D which is focused on products development and cost reduction through process innovation. Innovation at Jubilant is backed by strong chemistry, bio science expertise and the knowledge bank created over the years. We have harnessed our strengths - a strong R&D team, modern R&D facilities, command over cost effective technologies and economies of scale into a synergistic organic entity, continuously creating and nurturing high quality products and technologies.

### Material in Use

Our progress towards the sustainability goals was encouraging. We reduced consumption of specific energy by 10.1%, specific water consumption by 24.8% and Greenhouse Gas (GHG) emissions by 13.6% with respect to the baselines of FY 2018-19. For further details on resource use, please visit Sustainability Report of the company.

### Energy Consumption and Conservation

Jubilant is focused on improving energy efficiency. The Company implemented 23 energy saving projects in the reporting year that have directly contributed towards reduction of approximately 11.24 Terajoules (TJ) of energy consumption. This is equivalent to 1662 Tonne CO<sub>2</sub>e, resulting in total savings of ₹ 38.8 million.

### Water and Waste Water Management

Jubilant is continuously monitoring, reviewing and optimising water consumption through process modifications and adoption of new technologies.

The Company strives to recycle usable water from the effluents after treatment in order to reduce fresh water consumption. Our North American manufacturing facilities discharges its treated effluent to external Common Effluent Treatment Plant (CETP) for further treatment. Final discharge is in line with the quality and quantity prescribed as per the authorisations granted by the respective local regulatory authorities.

Please refer the Sustainability Report of the Company for details of water and waste water performance.

### Waste Management

We adopted the 3R approach for waste minimization. The Company follows the methods mentioned below for proper disposal of the hazardous waste generated at its facilities, depending on their nature and local regulations:

- Recycle and Reuse through authorised third party
- Co-processing at cement kiln
- Secured land fill
- Incineration (both solid and liquid)

At the Company, non-hazardous wastes are either recycled or reused by the third parties. Metal scrap, plastic scrap, paper and wooden material scraps are a few major contributors of non-hazardous waste.

Further, the Company is highly committed about minimising plastic waste and avoiding littering. The Company believes in supporting circular consumption patterns of reusing, restoring and repairing rather than buying new products; e.g. some products are sent in drums and carboys, which are reused wherever feasible.

### Sustainable Supply Chain

The principal goal of Supply Chain Management (SCM) function at Jubilant is to provide a substantial and sustainable value contribution for the success of our businesses. The guiding principles for our supply chain have been set under our Sustainability policy. All suppliers of the Pharma business have been communicated about Supplier Code of Conduct of the Company which mandates ethical business conduct. The same has been also uploaded on our Company's website.

Annual supplier audits are conducted internally to cover critical vendors at least once in three years. Supplier quality audits include performance assessment against parameters such as environment, labour practice, human rights and social impact. The Company is in the process of revising the sustainability evaluation of the critical suppliers for the Pharma business.

During FY 2020-21, approximately 46% of the suppliers were assessed for their sustainability performance through self-assessment questionnaire (SAQ).

### Principle 3: Businesses should promote the well-being of all employees

#### Employee Well-Being

We primarily manufacture healthcare products and it is our promise to continue to enhance value of our customers by providing innovative products and economically efficient solutions while providing the safest and healthiest workplace for our employees. Our workforce is the most important asset and greatly contributes to our success. We ensure our Occupational Health and Safety (OHS) standards are bench-marked with global best practices and standards at all locations.

#### Employee Benefits

Our benefits apply to employees globally at every level of the organisation. Due to local laws and regulations, some benefits vary by location.

Long term employee benefits include Pension, Provident Fund, Superannuation and Gratuity. These constitute the key elements of employee's post-retirement benefits in India. All permanent employees across India sites are covered under retirement plans and schemes according to the local regulations. International subsidiaries of the Company make contribution to various social security plans and insurance schemes as per local requirements and generally accepted practices in their respective country of incorporation.

For India operations, our benefit schemes include disability and invalidity coverage as per the Employee Compensation Act, Group Mediciam insurance for employees and their dependents and parental leaves. In all our North American operations, parental leaves are a voluntary action under the Family and Medical Leave Act and all employees are entitled to this. All female employees in India are eligible to avail maternity leaves during and post pregnancy as per the Maternity Benefit Act of India.

### Head Count and Break-up

Records of all permanent employee are maintained in our PeopleSoft database in HRIS system. Details of category-wise head count, attrition and new joiners of the Company are available in the Sustainability Report of the Company. API (Active Pharmaceutical Ingredients) facility under a subsidiary of the Company in India employed one differently abled person as on March 31, 2021.

### Employee Association

The Company engages in open and continuous dialogue with the employee associations at its manufacturing facilities. At Nanjangud facility in India, 206 employees are covered by collective bargaining agreements with trade unions and worker committee. At Kirkland facility in Canada, 156 employees were covered by Trade Unions/ Collective Bargaining Agreements as on March 31, 2021.

There are no operations where the right to exercise freedom of association and collective bargaining are at significant risk.

### Safety and Skill Upgradation Training

Our training and development initiatives offer training to employees around the globe. It helps our employees develop personal skills, to think strategically, support managers in team development, assist those in charge of key operations and to improve procedures and processes. Training needs are rigorously identified and delivered through internal and external workshops as well as web based modules. This is included in the Company's training calendar and courses are designed to help employees perform their roles at their highest potential. This also helps us systematically improve the quality of our workforce.

Senior management employees at critical positions are also nominated for customised general management programs at premier institutes to prepare them for larger roles and also build cross-functional capability in the organisation. We have robust training management system 'Compliance Wire' which comprises an extensive collection of training and learning

resources and can be accessed by all employees through the online portal.

Please refer the Sustainability Report of the Company for details of training imparted to the employees.

**Principle 4: Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised**

### Stakeholder Prioritisation and Engagement

The Company is continually working towards making stakeholder engagements framework more focused and structured year on year to identify challenges material for long term sustainable business of the Company. The stakeholder engagement framework is based upon established long-term relationships with key stakeholders such as investors, shareholders, customers, suppliers, vendors, employees, local communities and regulatory bodies.

The material challenges are identified, prioritised and integrated within the overall business strategy to make business sustainable in the long run. From FY 2014-15, we started stakeholder prioritisation and materiality assessment involving top management, who continuously engages with different stakeholders at different intervals. List of key stakeholders, mode of engagement and a list of key topics raised through these engagements are given in the Sustainability Report.

The subsidiaries of the Company have operations in various locations across North America and India. The Company supports local culture and heritage of the respective regions. There have been no violations involving rights of indigenous people or those related to human rights in Jubilant during the reporting period.

**Principle 5: Businesses should respect and promote human rights**

### Promote Human Rights

Jubilant recognises and promotes universal respect for and observance of human rights and fundamental freedom. At Jubilant, we are committed to our Sustainability Policy and are signatory to the United Nations Global Compact (UNGC). We have formulated policies and developed systems to ensure protection of Human Rights for all concerned; these principles are defined in the Code of Conduct. Jubilant's policies on Human Rights cover issues of Child Labour, Forced and Compulsory Labour, Non Discrimination, Bribery and Corruption. The Company has made the Code of Conduct available to all employees through intranet portal of the Company.

The Company has well established Whistle-blower Policy and a dedicated Ombudsperson team for addressing the grievances reported by the Directors and employees. During the financial year 2020-21, one case of sexual harassment was reported to Ombudsperson Office and was redressed satisfactorily. No complaint of corruption was reported during the year. No cases of human rights violation were reported during the year.



## Principle 6: Businesses should respect, protect and make efforts to restore the environment

### Respect, Protect and Restore the Environment

For a sustainable world, environmental protection is the need of the hour. Knowing that, Jubilant proactively works towards implementing initiatives to balance environmental and business needs of the Company and the community. The management has adopted and implemented international management systems and technologies to mitigate environmental challenges arising due to operations. The top management is committed towards environmental sustainability, considering which various policies have been adopted:

- Sustainability Policy
- Climate Change Mitigation and Energy Conservation Policy
- Environment, Health & Safety (EHS) Policy

The Company sets environmental targets to monitor its environmental performance on an ongoing basis. The performance against these targets are reported to the Board of Directors and presented in the Corporate Sustainability Report.

## Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

### Public Policy Advocacy

The Company engages with a variety of stakeholders like government, regulatory agencies, NGOs and industry associations. Through its interactions with these stakeholders, the Company participates in identifying and framing public policy matters. The Company also engages with the industry association forums to voice its views about policies. Some of such business associations and NGOs are as follows:

- Advanced Neuroblastoma Research Association
- All India Management Association (AIMA)
- American Chemical Society
- American Society of Nuclear Cardiology
- Canadian Association of Nuclear Medicine
- Confederation of Indian Industry
- Federation of Indian Chambers of Commerce & Industries
- Global Reporting Initiative
- Society of Nuclear Medicine and Molecular Imaging
- US-India Business Council
- US India Strategic Partnership Forum
- Indo-Canadian Business Chamber (ICBC)
- World Economic Forum\*
- United Nations Global Compact (UNGC)
- Global Reporting Initiative (GRI)

\* At Group level

## Principle 8: Businesses should support inclusive growth and equitable development

### Corporate Social Responsibility (CSR)

Corporate Social Responsibility ('CSR') is deeply imbibed in Jubilant's approach towards sustainable development where 'community' is considered as one of its apex stakeholders. CSR is the commitment of the Company to contribute towards inclusive growth. Jubilant as a responsible corporate, works in the line of Sustainable Development Goals with a thrust on social performance. The CSR activities at Jubilant are in sync with the Companies Act, 2013.

**CSR Policy:** The Company has formulated its Corporate Social Responsibility ('CSR') Policy and Sustainability & CSR Committee of the Board of Directors has accorded its approval to the Policy and implementation of the CSR activities through Jubilant Bhartia Foundation ('JBF'). The CSR Policy is uploaded on the website [www.jubilantpharmova.com](http://www.jubilantpharmova.com). The CSR activities at Jubilant are in line with the provisions of Section 135 read with Schedule VII to the Companies Act, 2013 and the CSR Policy. Major community projects implemented during the reporting period are given below:

- Project Arogya and Swasthya Prahari: Improving health indices through innovative services and promoting health seeking behavior;
- Project Muskaan: Universalising elementary education and improving quality parameters for primary education through community involvement;
- Nayee Disha: Enhancing employability through vocational training; and
- Rural Development: Local area development.

Looking to the COVID 19 pandemic during the year, the Company also contributed to the PMCARES fund.

Total expenditure on CSR activities during the Financial Year 2020-21 was Rs. 58.30 million which was in line with the expenditure prescribed under the Companies Act, 2013.

Besides, the Company confers 'Social Entrepreneur of the Year Award' in association with the Schwab Foundation to recognise exceptional social entrepreneur of the nation.

## Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

### Customer Satisfaction

Maintaining a reliable and strong customer base is the key for sustainable business. Every customer expects good product quality, health and safety and other needs to be met while having their queries addressed swiftly and promptly. We always aspire to build mutual trust with the customers through transparency while addressing any queries raised by our customers from every part of the world.

The Company is determined to improve processes to enhance the quality of production and cost competitiveness and is well recognised as a 'Partner of Choice' by leading pharmaceuticals companies worldwide.

### Customer Relationship Management

To provide an effective digital platform in addressing customer queries more efficiently, the Company implemented Salesforce.com, a Customer Relationship Management (CRM) software in FY 2014-15. Any customer can float a product query and dedicated business personnel responds to the query online.

Customer feedback is taken both in formal and informal ways depending upon the type of business and products. A standard customer feedback form has been prepared under the already existing customer feedback system. Feedback forms are sent to all customers and feedback is taken at least once a year.

Based on the feedback received, customer satisfaction index is calculated at the end of the year. This customer satisfaction index paves the way forward for respective businesses and gives direction to the sales and marketing team to improve customer satisfaction.

The company displays product information on the product label, over and above what is mandated as per local laws. During reporting year, there have been no legal actions concerning any anti-competitive behavior, antitrust and monopoly practices by the Company and its subsidiaries.





# Independent Auditors' Report

## To the Members of Jubilant Pharmova Limited

### Report on the Audit of the Standalone Financial Statements

#### Opinion

We have audited the standalone financial statements of Jubilant Pharmova Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2021, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("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 2021, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Demerger of Life Science Ingredients (LSI) business See note 32 to the standalone financial statements

The key audit matter	How the matter was addressed in our audit
<p>During the year, the Company has demerged its Life Science Ingredients (LSI) Business pursuant to Composite Scheme of Arrangement ("Composite Scheme") approved by National Company Law Tribunal (NCLT). The Company filed the NCLT approved Composite Scheme with Registrar of Companies</p> <p>The demerger of the LSI business has significant measurement and disclosure impacts on the Company's standalone financial statements. This involves identification of assets and liabilities to be transferred which is subject to the provisions of the Composite Scheme.</p> <p>Thus, we have identified the demerger of LSI business as a key audit matter given it is a complex, non-routine transaction and material to the standalone financial statements.</p>	<p>To address this key audit matter, our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• Evaluated the design and tested the operative effectiveness of the internal financial controls to record the impact of the Composite scheme.</li> <li>• Evaluated the appropriateness of the accounting treatment followed by the Company for identification, recognition and measurement of assets and liabilities of LSI Business as at the effective date in accordance with the Composite Scheme and generally accepted accounting principles in India including Indian Accounting Standards notified under the Companies Act, 2013.</li> <li>• Tested the allocation of assets and liabilities between LSI Business and the rest of the Group in accordance with the Composite Scheme.</li> <li>• Assessed and tested the adequacy of the Company's disclosures for compliance with applicable Indian Accounting Standards and accounting principles generally accepted in India.</li> </ul>

#### Basis for Opinion

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

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

## Independent Auditors' Report (Continued)

### Investment in Subsidiaries

See note 5 to the standalone financial statements

#### The key audit matter

The Company's investments in subsidiaries represents 89 % of total assets. These investments are reviewed at the end of the reporting period to determine whether there is any indication of impairment and the consequential impairment loss, if any.

We have identified the assessment of impairment (including evaluation of impairment indicators) in respect of investment in subsidiaries as a key audit matter because of its quantitative significance and since it involves significant judgement and is dependent on external factors such as future market conditions and the economic environment.

#### How the matter was addressed in our audit

In view of the significance of the matter following audit procedures were applied in this area, among others to obtain sufficient appropriate audit evidence:

- Assessed the appropriateness of accounting policy for impairment of investment in subsidiaries as per relevant accounting standard.
- Evaluated the design implementation of key internal financial controls with respect to impairment including assessment of impairment indicators and determination of recoverable value and tested the operating effectiveness of such controls.
- Evaluated the impairment indicator assessment performed by the Company considering internal/ external sources of information.
- Where an impairment indicator was identified, we:
  - assessed the appropriateness of the valuation methodology and assumptions such as revenue forecast, growth rate, discount rate, etc. used by the Company.
  - performed sensitivity analysis of key assumptions which includes future revenue growth rates, costs and the discount rates used in the valuation models

### Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the standalone financial statements and our auditors' report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

### Management's and Board of Directors' Responsibility for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss and 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) specified 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always



## Independent Auditors' Report (Continued)

detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone financial statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) 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 standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act.

## Independent Auditors' Report (Continued)

- e. On the basis of the written representations received from the directors as on 31 March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 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 standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) With respect to the other matters to be included in the Auditors' 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 as at 31 March 2021 on its financial position in its standalone financial statements - Refer Note 39 to the standalone 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 has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
  - iv. The disclosures in the standalone 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 in these standalone financial statements since they do not pertain to the financial year ended 31 March 2021.
- (C) With respect to the matter to be included in the Auditors' Report under section 197(16):
- In our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **BSR & Co. LLP**

Chartered Accountants

ICAI Firm's Registration No.101248W/W-100022

**Manish Gupta**

Partner

Membership No. 095037

Place: Delhi

Date: 4 June 2021

ICAI UDIN No.: 21095037AAAABR4983





## Annexure A to the Independent Auditors' Report of even date on standalone financial statements of Jubilant Pharmova Limited.

### We report that:

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of its fixed assets.
- (b) According to the information and explanations given to us, the Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. Pursuant to the demerger (also refer note 32), the management has revised its regular programme of physical verification designed to cover all the items to every year. According to the information and explanations given to us, the Company has physically verified all its fixed assets during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. As informed to us, the discrepancies noticed on such verification were not material and have been properly adjusted in the books of account.
- (c) According to the information and explanations given to us and on the basis of our examination of the books of account, the title deeds of immovable property are held in the name of the Company.
- (ii) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. There were no stock lying with third parties and goods-in-transit at the year-end. As informed to us, the discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly adjusted in the books of account.
- (iii) (a) According to the information and explanations given to us, during the year, the Company has not granted any loans, secured or unsecured, to the companies, limited liability partnership or other parties covered in the register maintained under section 189 of the Act. Also, as informed to us, there are no firms covered in the register maintained under section 189 of the Act. Accordingly, para 3(iii)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us, the Company had granted a loan to Body Corporate (an other party) covered in the register maintained under section 189 of the Act, that was repayable on demand. The terms of repayment of principal and payment of interest has been stipulated and the repayments and receipts were regular.
- (c) According to the information and explanations given to us, no loan is outstanding as at 31 March 2021, hence provision of paragraph 3(iii) (c) of the order is not applicable.
- (iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the provisions of section 185 of the Act, is not applicable to the Company. In respect of loans and investments made by the Company, the provisions of 186 of the Act to the extent applicable have been complied with. As informed to us, the Company has not provided any guarantee or security as specified under Section 186 of the Act.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits as mentioned in the directives issued by Reserve Bank of India and the provisions of section 73 to 76 of the Act or any other relevant provision of the companies Act 2013, and the rules framed there under. Accordingly, paragraph 3(v) of the order is not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules specified by the Central Government for maintenance of cost records under section 148(1) of the Act, in respect of its products and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.
- (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 provident fund, employees' state insurance, income-tax, goods and services tax (GST), duty of customs, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities.
- According to the information and explanations given to us, no amounts payable in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, GST, duty of customs, cess, and other material statutory dues were in arrears as at 31 March 2021 for a period of more than six months from the date they became payable.

## Annexure A to the Independent Auditors' Report of even date on standalone financial statements of Jubilant Pharmova Limited. (Continued)

- (b) According to the information and explanations given to us, there are no dues of sales tax or income tax or service tax or duty of customs or duty of excise or value-added tax that have not been deposited on account of any dispute. Further, dues in respect of Life Science Ingredient business transferred to the resulting company pursuant to the Composite Scheme of Arrangement though the claims may be continuing in the name of the Company (also refer note 32).
- (viii) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to its bankers or to any financial institutions and dues to debenture holders. The Company did not have any loans or borrowings from government during the year.
- (ix) Based on our examination of books of account and according to the information and explanations given to us, the Company has not raised any moneys by way of term loan. Further, money raised through issue of non-convertible debentures have been applied for the purposes for which they were obtained during the year. As informed to us, the Company has not raised any other moneys by way of initial public offer or further public offer (including debt instruments).
- (x) Based on our examination of the books of account and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) Based on our examination of the books of account and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provision of section 197 read with Schedule V of the Act.
- (xii) 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.
- (xiii) Based on our examination of the books of account and according to the information and explanations given to us, all transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the standalone financial statements, as required by the applicable accounting standards.
- (xiv) Based on our examination of the books of account and according to the 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.
- (xv) According to the 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.
- (xvi) According to the 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

ICAI Firm's Registration No.101248W/W-100022

**Manish Gupta**

Partner

Membership No. 095037

Place: Delhi

Date: 4 June 2021

ICAI UDIN No.: 21095037AAAABR4983



## Annexure B To The Independent Auditors' Report On The Standalone Financial Statements Of Jubilant Pharmova Limited For The Period Ended 31 March 2021.

**Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013**

**Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date**

### Opinion

We have audited the internal financial controls with reference to standalone financial statements of Jubilant Pharmova Limited ("the Company") as of 31 March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to standalone 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 (the "Guidance Note").

### Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. 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 standalone financial statements were established and maintained and whether 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 with reference

to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of such internal financial controls, 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 standalone 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 with reference to standalone financial statements.

### Meaning of Internal Financial controls with Reference to Standalone Financial Statements

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

### Inherent Limitations of Internal Financial controls with Reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone 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 standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**

Chartered Accountants

ICAI Firm's Registration No.101248W/W-100022

**Manish Gupta**

Partner

Place: Delhi

Membership No. 095037

Date: 4 June 2021

ICAI UDIN No.: 21095037AAAABR4983

# Balance Sheet

as at 31 March 2021

(₹ in million)

	Notes	As at	
		31 March 2021	31 March 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	1,000.56	17,589.45
Capital work-in-progress	3	3.27	584.14
Other intangible assets	4	-	51.80
Intangible assets under development	4	-	6.80
Right-of-use assets	41	270.24	1,005.94
Financial assets			
i. Investments	5	16,459.84	17,640.25
ii. Loans	6	17.25	43.35
iii. Other financial assets	7	-	73.92
Income tax assets (net)		32.32	99.85
Other non-current assets	9	-	17.08
<b>Total non-current assets</b>		<b>17,783.48</b>	<b>37,112.58</b>
<b>Current assets</b>			
Inventories	10	-	6,563.80
Financial assets			
i. Trade receivables	11	-	4,254.51
ii. Cash and cash equivalents	12(a)	403.27	967.02
iii. Other bank balances	12(b)	-	1,610.28
iv. Loans	6	-	66.64
v. Other financial assets	7	258.24	1,830.17
Other current assets	13	0.96	1,928.88
<b>Total current assets</b>		<b>662.47</b>	<b>17,221.30</b>
<b>Total assets</b>		<b>18,445.95</b>	<b>54,333.88</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	14	159.30	159.30
Other equity		12,665.15	25,913.65
<b>Total equity</b>		<b>12,824.45</b>	<b>26,072.95</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
i. Borrowings	16(A)	4,200.00	13,279.14
ii. Lease liabilities		78.06	447.91
Provisions	17	53.35	668.45
Deferred tax liabilities (net)	8	88.56	113.13
<b>Total non-current liabilities</b>		<b>4,419.97</b>	<b>14,508.63</b>
<b>Current liabilities</b>			
Financial liabilities			
i. Borrowings	16(B)	730.00	6,229.71
ii. Lease liabilities		29.05	36.19
iii. Trade payables	18		
Total outstanding dues of micro enterprises and small enterprises		4.37	96.93
Total outstanding dues of creditors other than micro enterprises and small enterprises		154.64	6,088.89
iv. Other financial liabilities	19	153.25	804.78
Other current liabilities	20	17.19	205.57
Provisions	17	79.65	217.25
Current tax liabilities (net)		33.38	72.98
<b>Total current liabilities</b>		<b>1,201.53</b>	<b>13,752.30</b>
<b>Total liabilities</b>		<b>5,621.50</b>	<b>28,260.93</b>
<b>Total equity and liabilities</b>		<b>18,445.95</b>	<b>54,333.88</b>

The accompanying notes form an integral part of the standalone financial statements

As per our report of even date attached

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

For **B S R & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 101248W/W-100022

**Manish Gupta**

Partner

Membership No.: 095037

**Shyam S. Bhartia**

Chairman

DIN:00010484

**Hari S. Bhartia**

Co-Chairman and Managing Director

DIN: 00010499

**Arun Kumar Sharma**

Chief Financial Officer

Place: Noida

Date: 4 June 2021

**Rajiv Shah**

Company Secretary

Place: Delhi

Date: 4 June 2021





# Statement of Profit and Loss

for the year ended 31 March 2021

(₹ in million)

	Notes	For the year ended	
		31 March 2021	31 March 2020
Revenue from operations	21	27,094.98	31,399.02
Other income	22	478.81	1,732.32
<b>Total income</b>		<b>27,573.79</b>	<b>33,131.34</b>
<b>Expenses</b>			
Cost of materials consumed	23	13,289.21	16,832.87
Purchases of stock-in-trade	24	662.31	1,094.55
Changes in inventories of finished goods, stock-in-trade and work-in-progress	25	552.09	(1,083.15)
Employee benefits expense	26	2,206.72	2,649.04
Finance costs	27	1,018.00	1,361.97
Depreciation and amortisation expense	28	999.71	1,073.97
Other expenses	29	6,114.08	8,196.68
<b>Total expenses</b>		<b>24,842.12</b>	<b>30,125.93</b>
<b>Profit before exceptional items and tax</b>		<b>2,731.67</b>	<b>3,005.41</b>
Exceptional items	51	-	17.03
<b>Profit before tax</b>		<b>2,731.67</b>	<b>2,988.38</b>
<b>Tax expense</b>	30		
- Current tax		454.44	261.31
- Deferred tax charge/(credit)		132.48	(484.34)
<b>Total tax expense/(benefit)</b>		<b>586.92</b>	<b>(223.03)</b>
<b>Profit for the year</b>		<b>2,144.75</b>	<b>3,211.41</b>
<b>Other comprehensive (loss)/income</b>			
<i>Items that will not be reclassified to profit or loss</i>			
Changes in fair value of equity investments which are classified at fair value through other comprehensive income (OCI)		(10.38)	0.85
Remeasurement of defined benefit obligations		(10.88)	(30.22)
Income tax relating to items that will not be reclassified to profit or loss	30	3.80	10.56
<b>Other comprehensive loss for the year, net of tax</b>		<b>(17.46)</b>	<b>(18.81)</b>
<b>Total comprehensive income for the year</b>		<b>2,127.29</b>	<b>3,192.60</b>
<b>Earnings per equity share of ₹ 1 each</b>	53		
Basic (₹)		13.47	20.16
Diluted (₹)		13.47	20.16

The accompanying notes form an integral part of the standalone financial statements

As per our report of even date attached

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

For **B S R & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 101248W/W-100022

**Manish Gupta**

Partner

Membership No.: 095037

**Shyam S. Bhartia**

Chairman

DIN:00010484

**Hari S. Bhartia**

Co-Chairman and Managing Director

DIN: 00010499

**Arun Kumar Sharma**

Chief Financial Officer

Place: Noida

Date: 4 June 2021

**Rajiv Shah**

Company Secretary

Place: Delhi

Date: 4 June 2021

## Statement of Changes in Equity

for the year ended 31 March 2021

### A. Equity share capital

	(₹ in million)
<b>Balance as at 1 April 2019</b>	<b>159.30</b>
Changes in equity share capital during the year	-
<b>Balance as at 31 March 2020</b>	<b>159.30</b>
Changes in equity share capital during the year (refer note 14 and note 32)	-
<b>Balance as at 31 March 2021</b>	<b>159.30</b>

### B. Other equity

	Reserves and surplus (2)							Items of Other Comprehensive Income (2)	Total	
	Capital reserve	Securities premium	Capital redemption reserve	Amalgamation reserve	General reserve	Debtenture redemption reserve	Share based payment reserve (refer note 48)			Retained earnings
<b>Balance as at 1 April 2019</b>	83.10	5,878.41	9.86	13.21	6,074.39	1,300.83	0.50	9,869.27	14.23	23,243.80
Profit for the year	-	-	-	-	-	-	-	3,211.41	-	3,211.41
Other comprehensive (loss)/income	-	-	-	-	-	-	-	(19.66)	0.85	(18.81)
<b>Total comprehensive income for the year</b>	-	-	-	-	-	-	-	3,191.75	0.85	3,192.60
Sale of business in a common control transaction (refer note 50)	1,005.63	-	-	-	-	-	-	-	-	1,005.63
Employee stock option exercised/forfeited/lapsed	-	-	-	-	0.50	-	(0.50)	-	-	-
Dividend	-	-	-	-	-	-	-	(1,513.18)	-	(1,513.18)
Tax on dividend (1)	-	-	-	-	-	-	-	(15.20)	-	(15.20)
Transfer from debtenture redemption reserve (refer note 51)	-	-	-	-	1,300.83	(1,300.83)	-	-	-	-
<b>Balance as at 31 March 2020</b>	<b>1,088.73</b>	<b>5,878.41</b>	<b>9.86</b>	<b>13.21</b>	<b>7,375.72</b>	<b>-</b>	<b>-</b>	<b>11,532.64</b>	<b>15.08</b>	<b>25,913.65</b>
Profit for the year	-	-	-	-	-	-	-	2,144.75	-	2,144.75
Other comprehensive (loss)/income	-	-	-	-	-	-	-	(7.08)	(10.38)	(17.46)
<b>Total comprehensive income for the year</b>	-	-	-	-	-	-	-	2,137.67	(10.38)	2,127.29
Adjustment on amalgamation of certain promoter controlled entities (refer note 32)	-	-	-	-	-	-	-	0.62	-	0.62
Adjustment on account of demerger (refer note 32)	-	(5,878.41)	-	-	(7,375.72)	-	-	(2,121.78)	-	(15,375.91)
Cancellation of investment in Jubilant Ingrevia Limited (refer note 32)	(0.50)	-	-	-	-	-	-	-	-	(0.50)
<b>Balance as at 31 March 2021</b>	<b>1,088.23</b>	<b>-</b>	<b>9.86</b>	<b>13.21</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,549.15</b>	<b>4.70</b>	<b>12,665.15</b>



## Statement of Changes in Equity

for the year ended 31 March 2021 (Continued)

### Notes:

- (1) During the year ended 31 March 2020, the Company has paid dividend to its shareholders that result in payment of dividend distribution tax in terms of Section 115-O of the Income Tax Act, 1961 on the amount of dividends paid as reduced by the amount of dividend received by it from its subsidiaries. As the tax on dividends represents additional payment on behalf of the shareholder, the same has been charged to equity.
- (2) Refer note 15 for nature and purpose of other equity.

The accompanying notes form an integral part of the standalone financial statements

As per our report of even date attached

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

For **B S R & Co. LLP**

*Chartered Accountants*

ICAI Firm Registration Number: 101248W/W-100022

**Manish Gupta**

*Partner*

Membership No.: 095037

**Shyam S. Bhartia**

*Chairman*

DIN:00010484

**Hari S. Bhartia**

*Co-Chairman and Managing Director*

DIN: 00010499

**Arun Kumar Sharma**

*Chief Financial Officer*

Place: Noida

Date: 4 June 2021

**Rajiv Shah**

*Company Secretary*

Place: Delhi

Date: 4 June 2021

# Statement of Cash Flows

for the year ended 31 March 2021

	(₹ in million)	
	For the year ended	
	31 March 2021	31 March 2020
<b>A. Cash flow from operating activities</b>		
<b>Net profit before tax</b>	<b>2,731.67</b>	<b>2,988.38</b>
Adjustments:		
Depreciation and amortisation expense	999.71	1,073.97
Loss on sale/ disposal/ discard of property, plant and equipment (net)	2.36	36.91
Finance costs	1,018.00	1,361.97
Exceptional items	-	17.03
Unrealised foreign exchange loss	1.41	86.29
Interest income	(57.00)	(26.67)
Dividend income	-	(1,519.42)
	<b>1,964.48</b>	<b>1,030.08</b>
<b>Operating cash flow before working capital changes</b>	<b>4,696.15</b>	<b>4,018.46</b>
Decrease in trade receivables, loans, other financial assets and other assets	77.13	871.17
Decrease/(increase) in inventories	1,534.32	(1,671.71)
Increase in trade payables, other financial liabilities, other liabilities and provisions	202.15	149.94
<b>Cash generated from operations</b>	<b>6,509.75</b>	<b>3,367.86</b>
Income tax paid (net of refund)	(425.98)	(200.27)
<b>Net cash generated from operating activities</b>	<b>6,083.77</b>	<b>3,167.59</b>
<b>B. Cash flow from investing activities</b>		
Purchase of property, plant and equipment and other intangible assets (including capital work-in-progress and intangible assets under development)	(928.02)	(1,975.58)
Proceeds from sale of property, plant and equipments	4.49	7.59
Investment in subsidiaries	(157.77)	(0.50)
Loans repaid by/(given to) subsidiaries (net)	36.47	(35.93)
Proceeds from sale of business (Refer note 50)	1,285.00	-
Movement in other bank balances	1,486.57	(1,518.75)
Interest received	52.81	26.65
Dividend received	-	1,519.42
<b>Net cash generated from/(used in) investing activities</b>	<b>1,779.55</b>	<b>(1,977.10)</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from long term borrowings	988.63	7,420.44
Repayments of long term borrowings	(2,350.00)	(9,025.00)
Payment of lease liabilities	(41.83)	(34.34)
(Repayments of)/proceeds from short term borrowings (net)	(5,499.75)	1,113.59
Loans taken from subsidiaries	1,117.40	2,622.50
Repayment of loans taken from subsidiaries	(997.40)	-
Proceeds from short term borrowings taken from subsidiaries (net)	-	489.00
Dividend paid (including dividend distribution tax)	(14.75)	(1,528.14)
Finance costs paid	(1,018.75)	(1,468.50)
<b>Net cash used in financing activities</b>	<b>(7,816.45)</b>	<b>(410.45)</b>





# Statement of Cash Flows

for the year ended 31 March 2021 (Continued)

(₹ in million)

	For the year ended	
	31 March 2021	31 March 2020
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>46.87</b>	<b>780.04</b>
Add: cash and cash equivalents at the beginning of year	967.02	186.98
Cash and cash equivalents transferred pursuant to the Composite Scheme (refer note 32)	(610.67)	-
Cash and cash equivalents received pursuant to the Composite Scheme (refer note 32)	0.05	-
<b>Cash and cash equivalents at the end of the year (Refer note 12 (a)).</b>	<b>403.27</b>	<b>967.02</b>

## Notes:

- Statement of Cash Flows has been prepared under the indirect method as set out in the Ind AS 7 "Statement of Cash Flows".
- During the year, the Company paid in cash ₹ 58.30 million (31 March 2020: ₹ 44.40 million) towards corporate social responsibility (CSR) expenditure (refer note 43(a)).
- For non-cash transaction pursuant to the Composite Scheme, refer note 32.

The accompanying notes form an integral part of the standalone financial statements

As per our report of even date attached

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

For **B S R & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 101248W/W-100022

**Manish Gupta**

Partner

Membership No.: 095037

**Shyam S. Bhartia**

Chairman

DIN:00010484

**Hari S. Bhartia**

Co-Chairman and Managing Director

DIN: 00010499

**Arun Kumar Sharma**

Chief Financial Officer

Place: Noida

Date: 4 June 2021

**Rajiv Shah**

Company Secretary

Place: Delhi

Date: 4 June 2021

## Notes to the financial statements

for the year ended 31 March 2021

### Note 1. Corporate information

Jubilant Pharmova Limited ("the Company") is a public limited company domiciled in India and incorporated under the provisions of Companies Act, 1956. Its shares are listed on BSE Limited and National Stock Exchange of India Limited. The registered office of the Company is situated at Bhartiagram, Gajraula, District Amroha, Uttar Pradesh – 244223.

The Company is an integrated global pharmaceutical and life sciences company engaged in pharmaceuticals, life science ingredients, contract research and development services and proprietary novel drugs. The pharmaceuticals segment, through wholly owned subsidiary Jubilant Pharma Limited, is engaged in manufacture and supply of APIs, solid dosage formulations, radiopharmaceuticals, allergy therapy products and contract manufacturing of sterile injectables and non-sterile products through 6 USFDA approved manufacturing facilities in India, USA and Canada and a network of over 50 radiopharmacies in the USA. The life science ingredients segment is engaged in specialty intermediates, nutritional products and life science chemicals through 5 manufacturing facilities in India. The contract research and development segment provides drug discovery and development services as well as clinical data software and service solutions. Proprietary novel drugs segment is a patient-focused biopharmaceutical business working to address unmet medical needs in oncology and autoimmune diseases. The Company is well recognised as a 'Partner of Choice' by leading pharmaceuticals and life sciences companies globally.

The Composite Scheme of Arrangement ("Composite Scheme") for amalgamation of certain promoter controlled entities into the Company and demerger of the Life Science Ingredients business into Jubilant Ingrevia Limited, the Resulting entity, was approved by Honourable National Company Law Tribunal ("NCLT"), Allahabad Bench vide its order dated 23 December 2020, formal order received on 6 January 2021. The said NCLT order was filed with the Registrar of Companies by the Company and the Resulting entity on 1 February 2021, thereby making the Composite Scheme effective. Accordingly, all assets and liabilities of the Life Science Ingredients business stand transferred and vested into Jubilant Ingrevia Limited on 1 February 2021, being the Appointed date as per the Composite Scheme for the demerger of Life Sciences Ingredients business. Effective that date, the name of the Company has changed to Jubilant Pharmova Limited from Jubilant Life Sciences Limited (refer note 32).

### 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.

### (a) Basis of preparation

#### (i) Statement of compliance

These Standalone 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 the Companies Act, 2013, ("the Act"), relevant provisions of the Act and other accounting principles generally accepted in India.

All the amounts included in the financial statements are reported in millions of Indian Rupees ('Rupees' or '₹') and are rounded to the nearest million, except per share data and unless stated otherwise.

The financial statements have been authorised for issue by the Company's Board of Directors on 04 June 2021.

#### (ii) Historical cost convention

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

### (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.



# Notes to the financial statements

for the year ended 31 March 2021 (Continued)

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

## (c) Property, plant and equipment (PPE) and intangible assets

### (i) Property, plant and equipment

Freehold land is carried at cost. All other items of property, plant and equipment are stated at cost, which includes capitalised 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) Intangible assets

- Internally generated goodwill is not recognised as an asset. With regard to other internally generated intangible assets:
  - Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in the Statement of Profit and Loss as incurred.
  - Development expenditure including regulatory cost and legal expenses leading to product registration/ market authorisation relating to the new and/or improved product and/or process

development capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use the asset. The expenditure capitalised includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use, and directly attributable finance costs (in the same manner as in the case of tangible fixed assets). Other development expenditure is recognised in the Statement of Profit and Loss as incurred.

- Intangible assets that are acquired and 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.

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

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

Category of assets	Management estimate of useful life	Useful life as per Schedule II
Vehicles – owned	5 years	8 years
Computer servers and networks (included in office equipment)	5 years	6 years
Dies and punches for manufacture of dosage formulations (included in plant and equipment)	1-2 years	15 years
Employee perquisite related assets (except end user computers) (included in furniture and fixtures)	5 years, being the period of perquisite scheme	10 years

Software systems are being amortised over a period of five years being their useful life. Rights are amortised over the useful life.

Depreciation and amortisation 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/month of addition/disposal.

## Notes to the financial statements

for the year ended 31 March 2021 (Continued)

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

### (iv) **Derecognition**

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

### (d) **Non-current assets held for sale**

Non-current assets are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets are generally measured at the lower of their carrying amount and fair value less cost to sell. Losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognised in the Statement of Profit and Loss.

Once classified as held-for sale, property, plant and equipment and intangible assets are no longer 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 in flows (i.e. corporate assets) are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash in flows that are largely independent of the cash in flows of other assets or CGUs.

The recoverable amount of an asset or 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 asset or CGU.

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

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

### (f) **Financial instrument**

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

#### (i) **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. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of





## Notes to the financial statements

for the year ended 31 March 2021 (Continued)

the financial instrument to the gross carrying amount of the financial asset or the amortised cost of the financial liability. 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. This category generally applies to trade and other receivables.

### *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 FVOCI debt instrument is reported as interest income using the EIR method.

### *Debt instrument at FVPL*

FVPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVOCI, is classified as at FVPL. In addition, at initial recognition, the Company may irrevocably 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 to retained earnings.

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

### *Investments in subsidiaries*

Equity investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognised in the Statement of Profit and Loss.

### *Impairment of financial assets*

The Company recognises loss allowance using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount 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 ECL (or reversal) that is required to adjust the loss allowance at the reporting date is 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 derecognised (i.e., removed from the Company's balance sheet) when:

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

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-

## Notes to the financial statements

for the year ended 31 March 2021 (Continued)

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.

### (ii) 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 method of determining cost of various categories of inventories are as follows:

Raw materials	Weighted average method
Stores and spares	Weighted average method
Work-in-progress and finished goods (manufactured)	Direct materials, direct labour and an appropriate proportion of variable and fixed production overheads, the latter being allocated on the basis of normal operating capacity
Fuel, consumables, packing material etc.	Weighted average method
Finished goods (traded)	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.

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

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the 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 recognised as a finance cost.

The amount recognised 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



# Notes to the financial statements

for the year ended 31 March 2021 (Continued)

third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

### *Contingent liability*

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

### (j) Revenue recognition

Revenue from sale of products is recognised when the Company satisfies a performance obligation upon transfer of control of products to customers at the time of shipment to or receipt of goods by the customers. Service income is recognized when the Company satisfies a performance obligation as and when the underlying services are performed.

The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc. Invoices are issued as per the general business terms and are payable in accordance with the contractually agreed credit period.

Revenues are measured based on the transaction price allocated to the performance obligation, which is the consideration, net of taxes or duties collected on behalf of the government and applicable discounts and allowances including expected sales return etc. The transaction price is allocated to each performance obligation in the contract on the basis of the relative standalone selling prices of the promised goods or services. The transaction price may be fixed or variable and is adjusted for time value of money if the contract includes significant financing component.

Contract assets are recognised when there is excess of revenue earned over billings on contracts, excluding amounts classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash and only passage of time is required as per contractual terms. Contract liabilities are recognised when there are billings in excess of revenues. Contract liabilities relate to the advance received from customers and deferred revenue against which revenue is recognised when or as the performance obligation is satisfied.

Income in respect of entitlement towards export incentives is recognised in accordance with the relevant scheme

on recognition of the related export sales. Such export incentives are recorded as part of other operating revenue.

### (k) Employee benefits

(i) **Short-term employee benefits:** All employee benefits falling due within twelve months from 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 account 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) *Superannuation*

Certain employees of the Company are also participants in the superannuation plan, a defined contribution plan. Contribution made by the Company to the superannuation plan during the year is charged to Statement of Profit and Loss.

#### c) *Provident fund*

- The Company makes contribution to the recognised provident fund - "VAM Employees Provident Fund Trust" (a multiemployer trust) for most of its employees in India, which is a defined benefit plan to the extent that the Company has an obligation to make good the shortfall, if any, between the return from the investments of the trust and the notified interest rate. The Company's obligation in this regard is determined by an independent actuary and provided for if the circumstances indicate that the Trust may not be able to generate adequate returns to cover the interest rates notified by the Government.

## Notes to the financial statements

for the year ended 31 March 2021 (Continued)

For other employees in India, provident fund is deposited with Regional Provident Fund Commissioner. This is treated as defined contribution plan.

- Company's contribution to the provident fund is charged to Statement of Profit 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.

### (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.

### (v) Actuarial valuation

The liability in respect of all defined benefit plans and other long term benefits 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. 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 on other long term benefits are recognised in the Statement of Profit and Loss in the year in which they arise. 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 other equity 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 payments

The Company has adopted the policy to account for Employees Welfare Trust as a legal entity separate from the Company but as a subsidiary of the Company. Any loan from the Company to the trust is accounted for as a loan in accordance with its term.

The grant date fair value of options granted (net of estimated forfeiture) to employees of the Company is recognised as an employee expense, and those granted to employees of subsidiaries is considered as the Company's equity contribution and is added to the carrying value of investment in the respective subsidiaries, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the options. 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 recognised in connection with share based payment transaction is presented as a separate component in equity under "share based payment reserve". The amount recognised 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 share based payment 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 and finance income

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





# Notes to the financial statements

for the year ended 31 March 2021 (Continued)

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 capitalised 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 capitalisation. 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.

Finance income consists of interest income. Interest income or expense is recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset or the amortised cost of the financial liability. In calculating interest income or expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

## (n) Exceptional items

Exceptional items refer to items of income or expense within the Statement of Profit and Loss from ordinary activities which are non-recurring and are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance of the Company.

## (o) Income tax

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

### • Current tax:

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect

of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received after considering uncertainty related to income taxes, if any. It is measured using tax rates enacted or 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 (DTA) include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. MAT is a tax liability of a company computed at specified rate on adjusted book profits as per applicable provisions of the Income Tax Act. A company is liable to pay MAT, if the income tax payable under normal provisions of the Income Tax Act is less than tax payable under MAT.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied 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

## Notes to the financial statements

for the year ended 31 March 2021 (Continued)

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.

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

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.

### (p) Leases - Company as a lessee

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (1) the contract involves the use of an identified asset; (2) the Company has substantially all of the economic benefits from use of the asset through the period of the lease; and (3) the Company has the right to direct the use of the asset.

The Company's lease asset classes primarily consist of leases for land, buildings, plant and machinery and vehicles which typically run for a period of 3 to 25 years, with an option to renew the lease after that date. For certain leases, the Company is restricted from entering into any sub-lease arrangements. At the date of commencement of the lease, the Company recognises a right-of-use asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases). For these short-term leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Right-of-use assets and lease liabilities includes the options to extend or terminate the lease when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently

measured at cost less accumulated depreciation and impairment losses, if any.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the Statement of Profit and Loss.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates based on information available as at the date of commencement of the lease. Lease liabilities are remeasured with a corresponding adjustment to the related right-of-use asset if the Company changes its assessment of whether it will exercise an extension or a termination option. Lease liability and right-of-use asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

### Transition to Ind AS 116

Effective 1 April 2019, the Company applied Ind AS 116 "Leases" applied to all lease contracts existing on 1 April 2019 using the modified retrospective approach on the date of initial application. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right-of-use asset an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the Balance Sheet immediately before the date of initial application.



## Notes to the financial statements

for the year ended 31 March 2021 (Continued)

On transition to Ind AS 116, the adoption of new standard resulted in recognition of right-of-use assets of ₹ 671.30 million and lease liabilities of ₹ 405.76 million with no material impact on the equity. The nature of expenses changed from lease rent in previous periods to depreciation expense for the right-of-use asset and finance cost for interest accrued on lease liability. The effect of this adoption was insignificant on the profit for the previous year.

For transition, the Company elected not to apply the requirements of Ind AS 116 to leases which were expiring within 12 months from the date of transition on a lease-by-lease basis. The Company also used practical expedient and therefore, did not reassess, under Ind AS 116, whether a contract is, or contains, a lease at the date of initial application. Further, as a practical expedient, on a lease-by-lease basis, the Company relied on its assessment as at 31 March 2019 as to whether leases are onerous applying Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets, as an alternative to performing an impairment review. The Company used a single discount rate to a portfolio of leases with similar characteristics. For leases that were classified as finance leases applying Ind AS 17, the carrying amount of the right-of-use asset and the lease liability at the date of initial application is the carrying amount of the lease asset and lease liability immediately before that date measured applying Ind AS 17. For those leases, the Company accounted for the right-of-use asset and the lease liability applying Ind AS 116 from the date of initial application.

### (q) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Chairman and Co-Chairman and Managing Director (CCMD) of the Company are 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.

### (r) Foreign currency translation

#### (i) Functional and presentation currency

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

### (s) Government grants

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

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

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

### (t) Earnings per share

#### (i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- 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.

#### (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

## Notes to the financial statements

for the year ended 31 March 2021 (Continued)

### (u) Measurement of fair values

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

Fair values are categorised into different 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.

### (v) Critical estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities,

income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised 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 recognised 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)
- Impairment of financial assets and non-financial assets – Note 2(f) and 2(e)
- Lease term: whether the Company is reasonably certain to exercise extension options – Note 2(p) and 41.
- Recognition and estimation of tax expense including deferred tax – Note 8 and 30
- Fair value measurement – Note 2(u)
- Estimation of assets and obligations relating to employee benefits – Note 2(k) and 33
- Recognition and measurement of contingency: Key assumption about the likelihood and magnitude of an outflow of resources – Note 40

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, inventories, property, plant and equipment and intangible assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions, the Company, as at the date of approval of these financial statements, has used internal and external sources of information, including economic forecasts and estimates from market sources, on the expected future performance of the Company. On the basis of evaluation and current indicators of future economic conditions, the Company expects to recover the carrying amounts of these assets and does not anticipate any impairment to these financial and non-financial assets. However, the impact assessment of COVID-19 is a continuing process, given the uncertainties associated with its nature and duration. The Company will continue to monitor any material changes to future economic conditions.





# Notes to the financial statements

for the year ended 31 March 2021 (Continued)

## Note 3. Property, plant and equipment and capital work-in-progress

	Land-freehold	Land-leasehold (4)	Building-factory	Building-others	Plant and equipment	Furniture and fixtures	Vehicles-owned	Vehicles-leased	Office equipment	Railway sidings	Total	Capital work-in-progress
<b>Gross carrying amount as at 1 April 2019</b>	227.01	324.83	1,008.67	1,791.45	14,011.46	118.72	37.58	58.34	406.01	108.43	18,092.50	2,898.21
Additions (5)	-	-	330.27	443.55	3,256.28	17.88	-	-	28.59	-	4,076.57	1,822.50
Reclassified on account of adoption of Ind AS 116	-	(324.83)	-	-	-	-	-	(58.34)	-	-	(383.17)	-
Deductions	-	-	(0.02)	-	(54.38)	(7.34)	(0.77)	-	(5.82)	-	(68.33)	(4,076.57)
<b>Gross carrying amount as at 31 March 2020</b>	227.01	-	1,338.92	2,235.00	17,213.36	129.26	36.81	-	428.78	108.43	21,717.57	584.14
<b>Accumulated depreciation as at 1 April 2019</b>	-	18.04	134.96	169.78	2,529.86	58.06	21.07	26.38	210.95	44.32	3,213.42	-
Depreciation charge for the year	-	-	41.52	98.72	769.27	13.35	4.24	-	45.79	11.08	983.97	-
Reclassified on account of adoption of Ind AS 116	-	(18.04)	-	-	-	-	-	(26.38)	-	-	(44.42)	-
Deductions	-	-	-	-	(14.81)	(4.68)	(0.73)	-	(4.63)	-	(24.85)	-
<b>Accumulated depreciation as at 31 March 2020</b>	-	-	176.48	268.50	3,284.32	66.73	24.58	-	252.11	55.40	4,128.12	-
<b>Net carrying amount as at 31 March 2020</b>	227.01	-	1,162.44	1,966.50	13,929.04	62.53	12.23	-	176.67	53.03	17,589.45	584.14

	Land-freehold	Land-leasehold (4)	Building-factory	Building-others	Plant and equipment	Furniture and fixtures	Vehicles-owned	Vehicles-leased	Office equipment	Railway sidings	Total	Capital work-in-progress
<b>Gross carrying amount as at 1 April 2020</b>	227.01	-	1,338.92	2,235.00	17,213.36	129.26	36.81	-	428.78	108.43	21,717.57	584.14
Additions (5)	-	-	-	66.21	745.54	5.39	-	-	20.96	-	838.10	894.58
Deductions	-	-	-	-	(3.32)	(6.94)	(0.02)	-	(5.91)	-	(16.19)	(838.10)
Transferred pursuant to the Composite Scheme (refer note 32)	(226.89)	-	(1,338.92)	(1,253.83)	(17,955.58)	(107.88)	(13.32)	-	(315.57)	(108.43)	(21,320.42)	(637.35)
<b>Gross carrying amount as at 31 March 2021</b>	0.12	-	-	1,047.38	-	19.83	23.47	-	128.26	-	1,219.06	3.27
<b>Accumulated depreciation as at 1 April 2020</b>	-	-	176.48	268.50	3,284.32	66.73	24.58	-	252.11	55.40	4,128.12	-
Depreciation charge for the year	-	-	38.82	120.92	691.98	11.65	3.32	-	37.22	9.24	913.15	-
Deductions	-	-	-	-	(0.26)	(5.34)	-	-	(3.01)	-	(8.61)	-
Transferred pursuant to the Composite Scheme (refer note 32)	-	-	(215.30)	(285.35)	(3,976.04)	(60.01)	(10.31)	-	(202.51)	(64.64)	(4,814.16)	-
<b>Accumulated depreciation as at 31 March 2021</b>	-	-	-	104.07	-	13.03	17.59	-	83.81	-	218.50	-
<b>Net carrying amount as at 31 March 2021</b>	0.12	-	-	943.31	-	6.80	5.88	-	44.45	-	1,000.56	3.27

### Notes:

- Refer note 16(c) for information on property, plant and equipment provided as security by the Company.
- Refer note 40(a) for disclosure of contractual commitments for the acquisition of property, plant and equipment.
- Refer note 45 for finance costs capitalised.
- Represent land on long-term lease basis.

	31 March 2021	31 March 2020
<b>(5) Particulars</b>		
Opening capital work-in-progress of R&D assets	21.28	5.81
Expenditure incurred during the year	9.74	31.98
Less: Capitalised during the year	(11.87)	(16.51)
Less: Transferred pursuant to the Composite Scheme (refer note 32)	(19.15)	-
Closing capital work-in-progress of R&D assets	-	21.28

## Notes to the financial statements

for the year ended 31 March 2021 (Continued)

### Note 4. Other intangible assets and intangible assets under development

				(₹ in million)
	Rights	Software	Total	Intangible assets under development
<b>Gross carrying amount as at 1 April 2019</b>	<b>12.24</b>	<b>115.40</b>	<b>127.64</b>	-
Additions	-	32.84	32.84	39.64
Deductions	-	-	-	(32.84)
<b>Gross carrying amount as at 31 March 2020</b>	<b>12.24</b>	<b>148.24</b>	<b>160.48</b>	<b>6.80</b>
<b>Accumulated amortisation as at 1 April 2019</b>	<b>12.24</b>	<b>80.94</b>	<b>93.18</b>	-
Amortisation for the year	-	15.50	15.50	-
<b>Accumulated amortisation as at 31 March 2020</b>	<b>12.24</b>	<b>96.44</b>	<b>108.68</b>	-
<b>Net carrying amount as at 31 March 2020</b>	<b>-</b>	<b>51.80</b>	<b>51.80</b>	<b>6.80</b>

				(₹ in million)
	Rights	Software	Total	Intangible assets under development
<b>Gross carrying amount as at 1 April 2020</b>	<b>12.24</b>	<b>148.24</b>	<b>160.48</b>	<b>6.80</b>
Additions	-	3.46	3.46	26.76
Deductions	-	-	-	(3.46)
Transferred pursuant to the Composite Scheme (refer note 32)	(12.24)	(151.62)	(163.86)	(30.10)
<b>Gross carrying amount as at 31 March 2021</b>	<b>-</b>	<b>0.08</b>	<b>0.08</b>	<b>-</b>
<b>Accumulated amortisation as at 1 April 2020</b>	<b>12.24</b>	<b>96.44</b>	<b>108.68</b>	-
Amortisation for the year	-	14.86	14.86	-
Transferred pursuant to the Composite Scheme (refer note 32)	(12.24)	(111.22)	(123.46)	-
<b>Accumulated amortisation as at 31 March 2021</b>	<b>-</b>	<b>0.08</b>	<b>0.08</b>	<b>-</b>
<b>Net carrying amount as at 31 March 2021</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

#### Notes:

(1) Refer note 40(a) for disclosure of contractual commitments for the acquisition of intangibles assets.

### Note 5. Non-current investments

	(₹ in million)	
	As at	
	31 March 2021	31 March 2020
<b>I. Investment in equity shares (at cost)</b>		
<b>Unquoted (fully paid up)</b>		
<b>Subsidiary companies:</b>		
Nil (31 March 2020: 375) equity shares with no par value		
Jubilant Life Sciences (USA) Inc. (refer note 32)	-	17.11
326,758,994 (31 March 2020: 326,758,994) equity shares with no par value		
Jubilant Pharma Limited	14,913.01	14,913.01
Nil (31 March 2020: 34,484,000) equity shares of ₹10 each		
Jubilant Infrastructure Limited (refer note 32)	-	1,298.82
2,050,000 (31 March 2020: 2,050,000) equity shares of ₹10 each		
Jubilant First Trust Healthcare Limited	44.43	44.43
Nil (31 March 2020: 437,503) equity shares with no par value		
Jubilant Life Sciences International Pte. Limited (refer note 32)	-	3.56
Nil (31 March 2020: 99,999) equity shares with no par value		
Jubilant Life Sciences NV (refer note 32)	-	7.81
4,650,001 (31 March 2020: 4,650,001) equity shares with no par value		
Drug Discovery and Development Solutions Limited	641.31	641.31



## Notes to the financial statements

for the year ended 31 March 2021 (Continued)

	(₹ in million)	
	As at	
	31 March 2021	31 March 2020
50,000 (31 March 2020: 50,000) equity shares of ₹10 each		
Jubilant Business Services Limited	0.50	0.50
86,645,213 (31 March 2020: 57,000,000) equity shares of ₹ 10 each		
Jubilant Therapeutics India Limited (refer note 52)	570.00	570.00
Nil (31 March 2020: 6,200,000) equity shares of ₹ 10 each		
Jubilant Chemsys Limited (refer note 52)	-	62.00
252,140,534 (31 March 2020: 187,061,300) equity shares of ₹10 each		
Jubilant Biosys Limited (refer note 49 and note 52)	219.77	-
Nil (31 March 2020: 500,000) equity shares of ₹ 1 each		
Jubilant Ingrevia Limited (refer note 32)	-	0.50
	<b>16,389.02</b>	<b>17,559.05</b>
<b>II. Investment in equity shares (at fair value through other comprehensive income)</b>		
<b>Unquoted (fully paid up)</b>		
<b>Other Companies:</b>		
6,569,310 (31 March 2020: 6,569,310) equity shares of ₹ 10 each		
Forum I Aviation Limited*	70.82	81.20
	<b>70.82</b>	<b>81.20</b>
<b>Total non-current investments</b>	<b>16,459.84</b>	<b>17,640.25</b>
<b>Aggregate amount of unquoted investments</b>	<b>16,459.84</b>	<b>17,640.25</b>
<b>Aggregate amount of impairment in the value of investments</b>	<b>-</b>	<b>-</b>

\*The Company designated this investment as equity instruments measured at FVOCI because these shares represent investment that the Company intends to hold for long-term for strategic purposes.

### Note 6: Loans

	(₹ in million)			
	As at			
	31 March 2021		31 March 2020	
	Current	Non-current	Current	Non-current
<b>Unsecured, considered good</b>				
Security deposits	-	17.14	21.15	36.80
Loan to related parties (refer note 38)	-	-	37.83	-
Loan to employees	-	0.11	7.66	6.55
<b>Total loans</b>	<b>-</b>	<b>17.25</b>	<b>66.64</b>	<b>43.35</b>

### Note 7: Other financial assets

	(₹ in million)			
	As at			
	31 March 2021		31 March 2020	
	Current	Non-current	Current	Non-current
Other bank balances:				
Deposits with maturity after 12 months from the reporting date (1)	-	-	-	73.92
Receivable from related parties (2) (refer note 38)	258.00	-	362.25	-
Business sale consideration receivable (refer note 38 and note 50)	-	-	1,285.00	-
Insurance claims receivable	-	-	2.36	-
Interest receivable	0.24	-	3.13	-
Others	-	-	177.43	-
<b>Total other financial assets</b>	<b>258.24</b>	<b>-</b>	<b>1,830.17</b>	<b>73.92</b>

#### Note:

- (1) These deposits have restricted use.
- (2) Including due by directors and private companies having common director aggregating to ₹ 2.49 million (31 March 2020: ₹ 9.54 million)

## Notes to the financial statements

for the year ended 31 March 2021 (Continued)

### Note 8. Deferred tax

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

*Deferred tax assets:*

	(₹ in million)						
	Provision for compensated absences and gratuity	Expenditure allowed on actual payment basis	MAT credit entitlement	Tax losses	Lease liability	Accrued expenses and other temporary differences	Total
<b>As at 1 April 2019</b>	<b>289.06</b>	<b>14.20</b>	<b>2,099.87</b>	-	-	<b>15.24</b>	<b>2,418.37</b>
<b>(Charged)/credited:</b>							
- to statement of profit and loss	(20.31)	22.47	132.25	78.57	180.24	3.14	396.36
- to MAT credit adjusted/utilised	-	-	(62.08)	-	-	-	(62.08)
- to capital reserve	-	-	(226.86)	(78.57)	-	-	(305.43)
- to other comprehensive income	10.56	-	-	-	-	-	10.56
<b>As at 31 March 2020</b>	<b>279.31</b>	<b>36.67</b>	<b>1,943.18</b>	-	<b>180.24</b>	<b>18.38</b>	<b>2,457.78</b>
<b>(Charged)/credited:</b>							
- to statement of profit and loss	(8.87)	(22.00)	(206.60)	-	10.31	(0.57)	(227.73)
- to MAT credit adjusted/utilised	-	-	(48.87)	-	-	-	(48.87)
- to other comprehensive income	3.80	-	-	-	-	-	3.80
Transferred pursuant to the Composite Scheme (refer note 32)	(240.76)	(14.67)	(1,687.71)	-	(163.96)	(16.88)	(2,123.98)
<b>As at 31 March 2021</b>	<b>33.48</b>	-	-	-	<b>26.59</b>	<b>0.93</b>	<b>61.00</b>

*Deferred tax liabilities:*

	(₹ in million)		
	PPE, Intangibles and Right-of-use assets	Others	Total
<b>As at 1 April 2019</b>	<b>2,656.85</b>	<b>2.04</b>	<b>2,658.89</b>
<b>Charged/(credited):</b>			
- to statement of profit and loss	(91.87)	3.89	(87.98)
- to other comprehensive income	-	-	-
<b>As at 31 March 2020</b>	<b>2,564.98</b>	<b>5.93</b>	<b>2,570.91</b>
<b>Charged/(credited):</b>			
- to statement of profit and loss	(94.96)	(0.29)	(95.25)
- to other comprehensive income	-	-	-
Transferred pursuant to the Composite Scheme (refer note 32)	(2,320.46)	(5.64)	(2,326.10)
<b>As at 31 March 2021</b>	<b>149.56</b>	-	<b>149.56</b>

*Reflected in the Balance Sheet as follows:*

	(₹ in million)	
	As at	
	31 March 2021	31 March 2020
Deferred tax assets	61.00	2,457.78
Deferred tax liabilities	149.56	2,570.91
<b>Deferred tax liabilities (net)</b>	<b>(88.56)</b>	<b>(113.13)</b>





## Notes to the financial statements

for the year ended 31 March 2021 (Continued)

Reconciliation of deferred tax (liabilities) /assets (net):

	(₹ in million)	
	For the year ended	
	31 March 2021	31 March 2020
<b>Balance as at the commencement of the year</b>	<b>(113.13)</b>	<b>(240.52)</b>
<b>Credit/ (charge) during the year recognised:</b>		
- in statement of profit and loss (including MAT)	(132.48)	484.34
- in capital reserve	-	(305.43)
- in other comprehensive income	3.80	10.56
MAT credit adjusted/utilised	(48.87)	(62.08)
Transferred pursuant to the Composite Scheme (refer note 32)	202.12	-
<b>Balance as at the end of the year</b>	<b>(88.56)</b>	<b>(113.13)</b>

DTA has not been recognized on temporary differences in relation to indexation benefit of investment in subsidiaries and freehold land amounting to ₹ 4,559.70 million (31 March 2020: ₹ 4,472.50) and ₹ Nil (31 March 2020: ₹ 76.65 million) respectively, as the Company is able to control the timing of the reversal of the temporary difference and it is probable that the temporary differences will not reverse in foreseeable future.

Tax related contingencies: Refer note 39.

### Note 9: Other non-current assets

	(₹ in million)	
	As at	
	31 March 2021	31 March 2020
Capital advances	-	17.08
Prepaid expenses	-	-
<b>Total other non-current assets</b>	<b>-</b>	<b>17.08</b>

### Note 10: Inventories

	(₹ in million)	
	As at	
	31 March 2021	31 March 2020
Raw materials *	-	2,847.63
Work-in-progress	-	1,169.48
Finished goods	-	1,697.96
Stock-in-trade	-	2.91
Stores and spares *	-	180.54
Others- process chemicals and fuels *	-	665.28
<b>Total inventories</b>	<b>-</b>	<b>6,563.80</b>
* Goods-in-transit included in above		
Raw materials	-	361.42
Stores and spares	-	0.14
Others- process chemicals and fuels	-	1.82
<b>Total goods-in-transit</b>	<b>-</b>	<b>363.38</b>
Total write down of inventories recognised during the year	-	43.98

## Notes to the financial statements

for the year ended 31 March 2021 (Continued)

### Note 11: Trade receivables

	(₹ in million)	
	As at	
	31 March 2021	31 March 2020
<b>Unsecured and current</b>		
Trade receivables - considered good	-	2,886.50
Receivables from related parties (refer note 38)	-	1,368.01
Trade receivables - credit impaired	-	41.67
Less: Expected credit loss allowance (refer note 35)	-	(41.67)
<b>Total trade receivables</b>	<b>-</b>	<b>4,254.51</b>

### Note 12 (a): Cash and cash equivalents

	(₹ in million)	
	As at	
	31 March 2021	31 March 2020
<b>Balances with banks</b>		
- current accounts	192.20	840.29
- dividend accounts	40.22	54.97
- deposit accounts with original maturity up to three months	130.00	-
<b>Cash on hand</b>	-	1.30
<b>Cheques/ drafts on hand</b>	-	1.54
<b>Others</b>		
- Funds in transit	40.85	68.89
- Imprest	-	0.03
<b>Total cash and cash equivalents (1)</b>	<b>403.27</b>	<b>967.02</b>

**Note:**

(1) ₹ 40.22 million (31 March 2020: ₹ 54.97 million) has restricted use.

### Note 12(b): Other bank balances

	(₹ in million)	
	As at	
	31 March 2021	31 March 2020
Deposit accounts with maturity up to twelve months from the reporting date	-	1,610.28
<b>Total other bank balances (1)</b>	<b>-</b>	<b>1,610.28</b>

**Note:**

(1) ₹ Nil (31 March 2020: ₹ 6.50 million) has restricted use.

### Note 13: Other current assets

	(₹ in million)	
	As at	
	31 March 2021	31 March 2020
Prepaid expenses	0.95	107.42
Recoverable from/balance with government authorities (refer note 44)	0.01	1,572.18
Advance to employees	-	2.28
Advance for supply of goods and services	-	214.77
Assets held for sale (1)	-	32.23
<b>Total other current assets</b>	<b>0.96</b>	<b>1,928.88</b>

**Note:**

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



## Notes to the financial statements

for the year ended 31 March 2021 (Continued)

### Note 14: Equity share capital

	(₹ in million)	
	As at	
	31 March 2021	31 March 2020
<b>Authorised*</b>		
1,430,200,000 (31 March 2020 : 655,000,000) equity shares of ₹ 1 each	1,430.20	655.00
	<b>1,430.20</b>	<b>655.00</b>
<b>Issued and subscribed</b>		
159,313,139 (31 March 2020 : 159,313,139) equity shares of ₹ 1 each	159.31	159.31
	<b>159.31</b>	<b>159.31</b>
<b>Paid up capital</b>		
159,281,139 (31 March 2020 : 159,281,139) equity shares of ₹ 1 each	159.28	159.28
Add: Equity shares forfeited (paid up)	0.02	0.02
	<b>159.30</b>	<b>159.30</b>

\*During the year ended 31 March 2021, authorised share capital of the Company has increased on account of amalgamation of certain promoter controlled entities pursuant to the Composite Scheme (refer note 32).

#### Movement in equity share capital:

	As at 31 March 2021		As at 31 March 2020	
	Number	₹ in million	Number	₹ in million
<b>At the commencement and at the end of the year#</b>	<b>159,281,139</b>	<b>159.28</b>	<b>159,281,139</b>	<b>159.28</b>

#Refer note 32

#### Terms and rights attached to equity shares:

The Company has only one class of shares referred to as equity shares having par value of ₹ 1 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 shareholders holding more than 5% shares in the Company:

Equity shares of ₹ 1 each fully paid-up held by	As at 31 March 2021		As at 31 March 2020	
	Number	% of total shares	Number	% of total shares
SPB Trustee Company Private Limited & SS Trustee Company Private Limited (Jointly on behalf of Shyam Sunder Bhartia Family Trust)	32,686,161	20.52%	-	-
HSB Trustee Company Private Limited & HS Trustee Company Private Limited (Jointly on behalf of Hari Shanker Bhartia Family Trust)	30,257,475	19.00%	-	-
Jubilant Stock Holding Private Limited	-	-	21,361,992	13.41%
SSB Consultants & Management Services Private Limited	-	-	21,587,665	13.55%
HSB Corporate Consultants Private Limited	-	-	19,278,979	12.10%

## Notes to the financial statements

for the year ended 31 March 2021 (Continued)

### Note 15: Nature and purpose of other equity

- *Capital reserve*

Accumulated capital surplus not available for distribution of dividend and expected to remain invested permanently and includes excess/shortfall of consideration over book value of net assets/liabilities transferred under a common control transaction.

- *Securities premium*

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

- *Capital redemption reserve*

Capital redemption reserve represents the unutilized accumulated amount set aside at the time of redemption of preference shares. This reserve is utilised in accordance with the provisions of the Act.

- *Amalgamation reserve*

Amalgamation reserve represents the unutilized accumulated surplus created at the time of amalgamation of another company with the Company. This reserve is not available for distribution of dividend and is expected to remain invested permanently.

- *General reserve*

This represents appropriation of profit by the Company and is available for distribution of dividend.

- *Debenture redemption reserve*

The Company is required to create a debenture redemption reserve out of the profits prior to the redemption of debentures. This reserve is available for distribution of dividend post redemption of debentures.

- *Share based payment reserve*

The fair value of the equity settled share based payment transactions with employees is recognised in Statement of Profit and Loss with corresponding credit to share based payment reserve. Further, equity settled share based payment transaction with employees of subsidiary is recognised in investment of subsidiaries with corresponding credit to Share based payment reserve. Corresponding balance of a share based payment reserve is transferred to general reserve upon expiry of grants or upon exercise of stock options by an employee, as the Company is operating the Employee Stock Option schemes through Jubilant Employees Welfare Trust, which has purchased share from the secondary market.

- *Retained earnings*

Retained earnings represent the amount of accumulated earnings of the Company and re-measurement differences on defined benefit plans.

- *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.

Also refer note 32.

### Note 16 (A): Non-current borrowings

	(₹ in million)	
	As at	
	31 March 2021	31 March 2020
<b>Secured debentures</b>		
Non-convertible debentures (secured) (refer note 38)	950.00	-
<b>Term loans</b>		
<b>From banks</b>		
Indian rupee loans (secured)	-	4,943.95
<b>From other parties</b>		
Indian rupee loans (secured)	-	2,345.29
<b>From related parties</b>		
Indian rupee loans from subsidiaries (unsecured) (refer note 38)	3,250.00	5,989.90
<b>Total non-current borrowings</b>	<b>4,200.00</b>	<b>13,279.14</b>
Add: Current maturities of non-current borrowings (refer note 19)	-	132.91
<b>Total non-current borrowings (including current maturities)</b>	<b>4,200.00</b>	<b>13,412.05</b>





## Notes to the financial statements

for the year ended 31 March 2021 (Continued)

### Note 16 (B): Current borrowings

	(₹ in million)	
	As at	
	31 March 2021	31 March 2020
<b>Loans repayable on demand</b>		
<b>From banks</b>		
Secured	-	1,699.71
Unsecured	-	3,800.00
<b>From related parties (unsecured) (refer note 38)</b>	730.00	730.00
<b>Total current borrowings</b>	<b>730.00</b>	<b>6,229.71</b>

#### 16 (a) Nature of security and other terms of repayment of non-current borrowings as at 31 March 2021

- 16 (a) (i) Non-convertible debentures amounting to ₹ 950.00 million is repayable in January 2026 and carries an interest rate of 5.50% per annum. These non-convertible debentures are secured by way of first charge on immovable fixed assets located at Plot No.15, Knowledge Park-II, Greater Noida, Uttar Pradesh.
- 16 (a) (ii) Loans from subsidiaries is repayable up to five years and carry interest rate ranging from 4.75% to 7.35% per annum.
- 16 (a) (iii) Refer note 32 for borrowings transferred to Jubilant Ingrevia Limited pursuant to the Composite Scheme.

#### 16 (b). Nature of security and other terms of repayment of non-current borrowings as at 31 March 2020

- 16 (b) (i) Indian rupee term loans amounting to ₹ 7,450.00 million from The Hongkong and Shanghai Banking Corporation Limited, HDFC Limited, ICICI Bank Limited, Axis Bank Limited were secured by a first pari-passu charge created amongst the lenders by way of:
- 1) First *pari passu* charge on all the immovable fixed assets owned by the Company, situated at Bhartiagram, Tehsil Dhanora, District Amroha, Uttar Pradesh, India ("Immovable Secured Assets"), but excluding the immovable fixed assets described in (A) below ("Excluded Immovable Assets"). The details of the Immovable Secured Assets to be charged/mortgaged to secure the Facilities is more particular described in (B) below.
- A. Excluded Immovable Assets:
- (1) Land measuring 90,124.24 square meters together with all the buildings and structures thereon situated in the revenue estate of Village Naipura Khadar and Tigariya Bhoor, Tehsil Dhanora, District Amroha, Uttar Pradesh, India, which land was covered under common title deeds with other group companies of the Company;
  - (2) Land measuring 5.56 acres (equivalent to 2.253 hectares) together with all the buildings and structures thereon situated in the revenue estate of Village Fazalpur Gosai, Tehsil Dhanora, District Amroha, Uttar Pradesh, India; and
  - (3) Leasehold land, being plot no. A-4/2 measuring 157,509 square meters, together with all the buildings and structures thereon situated in UPSIDC Industrial Area II, Gajraula, Tehsil Dhanora, District Amroha, Uttar Pradesh, India, which land was covered under common lease deed with other group companies of the Company.
- B. Immovable Secured Assets:
- (1) Land admeasuring 32.77 Acres or 13.268 Hectares situated in the revenue estate of Villages Naipura Khader, Tehsil Hasanpur (now Pargana & Tehsil Dhanora), District Moradabad (now District Amroha), Uttar Pradesh, together with buildings and structures thereon and all plant and machinery attached to the earth or permanently fastened to anything attached to the earth;
  - (2) Land admeasuring 154.28 Acres or 62.448 Hectares situated in the revenue estate of Village Tigariya Bhoor, Tehsil Dhanera, District Amroha, Uttar Pradesh, together with buildings and structures thereon and all plant and machinery attached to the earth or permanently fastened to anything attached to the earth;
  - (3) Land admeasuring 95.46 Acres or 38.648 Hectares situated in the revenue estate of Village Shahbajpur Dor, Tehsil & Pargana Hasanpur (now Dhanera), District Amroha (early in Moradabad), Uttar Pradesh, together with buildings and structures thereon and all plant and machinery attached to the earth or permanently fastened to anything attached to the earth;

## Notes to the financial statements

for the year ended 31 March 2021 (Continued)

- (4) Land admeasuring 28.904 Hectares or 71.39 Acres, situated in the revenue estate of Village Rasoolpur Khader, Tehsil Dhanaura, District Moradabad (now District Amroha), Uttar Pradesh, together with buildings and structures thereon and all plant and machinery attached to the earth or permanently fastened to anything attached to the earth;
- (5) Land admeasuring 48,576 Sq.Mts. or 12 Acres or 4.856 Hectares situated in the revenue estate of Villages Sadullapur, Naipura Khadar, Sahabazpur Dor, Tehsil Hasanpur (now Pargana & Tehsil Dhanora), District Amroha, Uttar Pradesh, together with buildings and structures thereon and all plant and machinery attached to the earth or permanently fastened to anything attached to the earth.
- 2) First pari passu charge over entire movable fixed assets of the company, both present and future excluding movable assets of Indian Branded Pharmaceuticals (IBP).
- 3) First pari passu charge over the land and building of the office premises located at 1A, Sector 16A, Noida-Uttar Pradesh-201301.
- 16(b) (ii) Indian rupee term loan amounting to ₹ 3,750 million from ICICI Bank Limited was repayable in 16 structured quarterly installments from March 2021.
- 16 (b) (iii) Indian rupee term loan amounting to ₹ 1,350 million from The Hongkong and Shanghai Banking Corporation Limited was repayable in 16 equal quarterly installments from April 2021.
- 16 (b) (iv) Indian rupee term loan amounting to ₹ 2,350 million from HDFC Limited was repayable in 8 structured half yearly installments from July 2022.
- 16 (b) (v) The term loans carried floating interest rate calculated in accordance with the terms of the arrangement which was a specified benchmark rate (reset at periodic intervals), adjusted for agreed spread. During the year ended 31 March 2020, the interest rate on Indian currency loans ranged from 8.45% to 9.90% per annum.
- 16 (b) (vi) Working capital facilities (including cash credit) sanctioned by consortium of banks and notified financial institutions were secured by a first charge by way of hypothecation, ranking pari-passu inter-se banks, of the entire book debts and receivables and inventories both present and future, of the Company wherever the same may be or be held. Working capital loans were repayable as per terms of agreement within one year.
- 16 (b) (vii) Short term loans were availed in Indian rupees and in foreign currency which carried floating interest rate calculated in accordance with the terms of the arrangement which was a specified benchmark rate (reset at periodic intervals), adjusted for agreed spread. During the year ended 31 March 2020, the interest rate on Indian currency loans and foreign currency loans ranged from 5.34% to 13.55% per annum and 2.55% to 5.52% per annum, respectively.
- 16 (b) (viii) Loans from subsidiaries were repayable up to five years from the date of respective disbursement and carry interest rate ranging from 6.25% to 8.75% per annum.

The composition of property, plant and equipment and current assets as mentioned above were defined in detail in the respective financing/credit arrangements.

### 16 (c). Assets pledged as security

Assets with following carrying amounts are pledged as collateral/security against loans and borrowings at year end.

	(₹ in million)	
	As at	
	31 March 2021	31 March 2020
Leasehold land and property, plant and equipment	898.61	15,272.95
Inventories	-	6,563.80
Financial assets	-	4,254.51
	<b>898.61</b>	<b>26,091.26</b>



## Notes to the financial statements

for the year ended 31 March 2021 (Continued)

### 16 (d). Reconciliation of movements of liabilities (borrowings, lease liabilities and interest accrued) to cash flows arising from financing activities

	(₹ in million)	
	31 March 2021	31 March 2020
<b>As at beginning of the year</b>	<b>20,228.63</b>	<b>17,144.01</b>
Movement due to cash transactions as per the statement of cash flows	(7,801.67)	1,117.69
Movement due to:		
- Finance costs expensed	1,018.00	1,379.00
- Finance costs capitalised	24.54	105.45
- Lease liabilities	86.88	482.48
(including ₹ 405.76 million on transition to Ind AS 116 during the previous year)		
- Transferred pursuant to the Composite Scheme (refer note 32)	(8,495.03)	-
<b>As at end of the year</b>	<b>5,061.35</b>	<b>20,228.63</b>

### Note 17: Provisions

	(₹ in million)			
	As at			
	31 March 2021		31 March 2020	
	Current	Non-current	Current	Non-current
<b>Unsecured, considered good</b>				
Provision for employee benefits (refer note 33)	79.65	53.35	217.25	668.45
<b>Total provisions</b>	<b>79.65</b>	<b>53.35</b>	<b>217.25</b>	<b>668.45</b>

### Note 18: Trade payables

	(₹ in million)	
	As at	
	31 March 2021	31 March 2020
<b>Current</b>		
Total outstanding dues of micro enterprises and small enterprises (refer note 31)	4.37	96.93
Total outstanding dues of creditors other than micro enterprises and small enterprises *	154.64	6,088.89
<b>Total trade payables</b>	<b>159.01</b>	<b>6,185.82</b>
* Amount payable to related party included in the above (refer note 38)	123.19	383.07

### Note 19: Other current financial liabilities

	(₹ in million)	
	As at	
	31 March 2021	31 March 2020
Current maturities of non-current borrowings [refer note 16(A)]	-	132.91
Interest accrued	24.24	102.77
Unpaid dividend	40.22	54.97
Security deposit	1.44	30.53
Capital creditors (refer note 31) *	2.97	178.77
Employee benefits payable	45.38	261.83
Other payables	39.00	43.00
<b>Total other current financial liabilities</b>	<b>153.25</b>	<b>804.78</b>

\* Includes outstanding dues of micro enterprises and small enterprises of ₹ Nil (31 March 2020: ₹ 21.89 million).

### Note 20: Other current liabilities

	(₹ in million)	
	As at	
	31 March 2021	31 March 2020
Contract liabilities	-	90.10
Statutory dues payables	17.19	115.47
<b>Total other current liabilities</b>	<b>17.19</b>	<b>205.57</b>

## Notes to the financial statements

for the year ended 31 March 2021 (Continued)

### Note 21: Revenue from operations

	(₹ in million)	
	For the year ended	
	31 March 2021	31 March 2020
Sale of products	26,874.47	30,942.64
Sale of services	6.24	7.60
Other operating revenue (refer note 44)	214.27	448.78
<b>Total revenue from operations</b>	<b>27,094.98</b>	<b>31,399.02</b>

#### Disaggregation of revenue

In the following table, revenue is disaggregated by primary geographical market and major products/service lines.

	For the year ended 31 March 2021			For the year ended 31 March 2020		
	Life Science Ingredients	Pharmaceuticals	Total	Life Science Ingredients	Pharmaceuticals	Total
	(₹ in million)					
<b>Primary geographical markets</b>						
India	16,877.17	-	16,877.17	18,495.84	289.18	18,785.02
Americas and Europe	6,011.08	-	6,011.08	7,663.66	-	7,663.66
China	1,825.91	-	1,825.91	2,120.67	-	2,120.67
Rest of the world	2,166.55	-	2,166.55	2,380.89	-	2,380.89
<b>Total</b>	<b>26,880.71</b>	<b>-</b>	<b>26,880.71</b>	<b>30,661.06</b>	<b>289.18</b>	<b>30,950.24</b>
<b>Major products/service lines</b>						
Specialty Intermediates	9,089.35	-	9,089.35	10,767.62	-	10,767.62
Life Science Chemicals	13,158.09	-	13,158.09	14,962.34	-	14,962.34
Nutritional Products	4,633.27	-	4,633.27	4,931.10	-	4,931.10
India branded pharmaceuticals	-	-	-	-	289.18	289.18
<b>Total</b>	<b>26,880.71</b>	<b>-</b>	<b>26,880.71</b>	<b>30,661.06</b>	<b>289.18</b>	<b>30,950.24</b>

Reconciliation of the disaggregated revenue with the Company's reportable segments (refer note 37).

	For the year ended 31 March 2021			For the year ended 31 March 2020		
	Life Science Ingredients	Pharmaceuticals	Total	Life Science Ingredients	Pharmaceuticals	Total
	(₹ in million)					
Revenue from sale of products and services	26,880.71	-	26,880.71	30,661.06	289.18	30,950.24
Other operating revenue	214.27	-	214.27	448.78	-	448.78
<b>Total</b>	<b>27,094.98</b>	<b>-</b>	<b>27,094.98</b>	<b>31,109.84</b>	<b>289.18</b>	<b>31,399.02</b>

#### Contract balances

	(₹ in million)		
	As at		
	31 March 2021	31 March 2020	1 April 2019
Trade receivables	-	4,254.51	4,805.24
Contract liabilities	-	90.10	55.27

The amount of ₹ 90.10 million and ₹ 55.27 million recognised in contract liabilities at the beginning of the year has been recognised as revenue for the year ended 31 March 2021 and 31 March 2020, respectively.





## Notes to the financial statements

for the year ended 31 March 2021 (Continued)

Reconciliation of revenue recognized with the contracted price is as follows:

	(₹ in million)	
	For the year ended	
	31 March 2021	31 March 2020
Contracted price	26,905.93	30,983.82
Reductions towards variable consideration components	(25.22)	(33.58)
<b>Revenue recognised</b>	<b>26,880.71</b>	<b>30,950.24</b>

The reduction towards variable consideration comprises of volume discounts, price discounts etc.

### Note 22: Other income

	(₹ in million)	
	For the year ended	
	31 March 2021	31 March 2020
Interest income	57.00	26.67
Dividend from subsidiaries	-	1,519.42
Other non-operating income	421.81	186.23
<b>Total other income</b>	<b>478.81</b>	<b>1,732.32</b>

### Note 23: Cost of materials consumed

	(₹ in million)	
	For the year ended	
	31 March 2021	31 March 2020
Raw materials consumed	13,289.21	16,832.87
<b>Total cost of materials consumed</b>	<b>13,289.21</b>	<b>16,832.87</b>

### Note 24: Purchases of stock-in-trade

	(₹ in million)	
	For the year ended	
	31 March 2021	31 March 2020
Purchases of stock-in-trade	662.31	1,094.55
<b>Total purchases of stock-in-trade</b>	<b>662.31</b>	<b>1,094.55</b>

### Note 25: Changes in inventories of finished goods, stock-in-trade and work-in-progress

	(₹ in million)	
	For the year ended	
	31 March 2021	31 March 2020
<b>Opening balance</b>		
Work-in-progress	1,169.48	725.32
Finished goods	1,697.96	1,062.45
Stock-in-trade	2.91	23.49
<b>Total opening balance</b>	<b>2,870.35</b>	<b>1,811.26</b>
<b>Closing balance</b>		
Work-in-progress	-	1,169.48
Finished goods	-	1,697.96
Stock-in-trade	-	2.91
<b>Total closing balance</b>	<b>-</b>	<b>2,870.35</b>
Less: Transferred pursuant to the Composite Scheme (refer note 32)	(2,318.26)	-
Less: Transferred on sale of business (refer note 50)	-	(24.06)
<b>Total changes in inventories of finished goods, stock-in-trade and work-in-progress</b>	<b>552.09</b>	<b>(1,083.15)</b>

## Notes to the financial statements

for the year ended 31 March 2021 (Continued)

### Note 26: Employee benefits expense

	(₹ in million)	
	For the year ended	
	31 March 2021	31 March 2020
Salaries, wages, bonus, gratuity and allowances	1,993.09	2,352.62
Contribution to provident fund, superannuation and other funds	103.62	134.31
Staff welfare expenses	110.01	162.11
<b>Total employee benefits expense</b>	<b>2,206.72</b>	<b>2,649.04</b>

### Note 27: Finance costs

	(₹ in million)	
	For the year ended	
	31 March 2021	31 March 2020
Interest expense	978.39	1,310.68
Other finance costs	39.61	51.29
<b>Total finance costs (1)</b>	<b>1,018.00</b>	<b>1,361.97</b>

#### Note:

(1) Refer note 45 for finance costs capitalised.

### Note 28: Depreciation and amortisation expense

	(₹ in million)	
	For the year ended	
	31 March 2021	31 March 2020
Depreciation of property, plant and equipment	913.15	983.97
Depreciation on right-of-use assets	71.70	74.50
Amortisation of intangible assets	14.86	15.50
<b>Total depreciation and amortisation expense</b>	<b>999.71</b>	<b>1,073.97</b>

### Note 29: Other expenses

	(₹ in million)	
	For the year ended	
	31 March 2021	31 March 2020
Power and fuel	2,804.04	3,691.99
Consumption of stores and spares and packing materials	1,136.61	1,363.41
Processing charges	156.82	202.68
Rental charges	40.14	43.08
Rates and taxes	39.10	132.41
Insurance	89.02	91.41
Advertisement, publicity and sales promotion	2.59	41.97
Travel and conveyance	33.71	146.48
Repairs and maintenance:		
i. Plant and machinery	711.82	946.62
ii. Buildings	34.02	48.82
iii. Others	129.84	129.12
Office expenses	118.36	138.29
Vehicle running and maintenance	12.29	22.21
Printing and stationery	7.10	10.84
Telephone and communication charges	13.29	17.34
Staff recruitment and training	16.02	27.87
Donation [including corporate social responsibility expenditure (refer note 43(a))]	60.80	178.15
Payments to statutory auditors (refer note 29(a) below)	9.84	15.42
Legal and professional fees	73.63	94.57
Freight and forwarding (including ocean freight)	498.11	480.72
Subscription	17.13	14.92
Claims and other selling expenses	5.17	134.15
Commission on sales	24.73	19.75
Loss on sale/ disposal/ discard of property, plant and equipment (net)	2.36	36.91
Provision/write off of bad debts/irrecoverable advances (net)	8.89	26.02
Net foreign exchange loss	-	45.59
Miscellaneous expenses	68.65	95.94
<b>Total other expenses</b>	<b>6,114.08</b>	<b>8,196.68</b>



## Notes to the financial statements

for the year ended 31 March 2021 (Continued)

### Note 29(a): Details of payment to statutory auditors (excluding applicable taxes and including out of pocket expenses)

	(₹ in million)	
	For the year ended	
	31 March 2021	31 March 2020
As auditor:		
Audit fee	3.62	4.18
Certification fees and other services	6.22	11.24
<b>Total payment to auditors</b>	<b>9.84</b>	<b>15.42</b>

### Note 30: Income tax

The major components of income tax expense for the years ended 31 March 2021 and 31 March 2020 are:

	(₹ in million)	
	For the year ended	
	31 March 2021	31 March 2020
<b>Profit or loss section:</b>		
<b>Current tax:</b>		
Current tax charge for the year	486.04	261.28
Adjustments in respect of current tax of previous years	(31.60)	0.03
<b>Total current tax expense</b>	<b>454.44</b>	<b>261.31</b>
<b>Deferred tax:</b>		
Deferred tax on profits for the year	144.64	(486.14)
Adjustments in respect of deferred tax of previous years	(12.16)	1.80
<b>Total deferred tax expense/(benefit)</b>	<b>132.48</b>	<b>(484.34)</b>
<b>Income tax expense/(benefit)</b>	<b>586.92</b>	<b>(223.03)</b>
<b>Other comprehensive income section:</b>		
Tax related to items that will not be reclassified to profit and loss	3.80	10.56
<b>Income tax expense</b>	<b>3.80</b>	<b>10.56</b>
<b>Equity section:</b>		
Tax expense related to items recognised in capital reserve	-	305.43
<b>Income tax expense</b>	<b>-</b>	<b>305.43</b>

### Reconciliation between average effective tax rate and applicable tax rate for the year:

	(₹ in million)	
	For the year ended	
	31 March 2021	31 March 2020
Profit before income tax	2,731.67	2,988.38
At statutory income tax rate of 34.944% (31 March 2020: 34.944%)	954.56	1,044.26
- Effect of non-deductible expenses and exempt income	(135.49)	(569.02)
- Incremental allowance for research and development and other capital expenditure	-	(28.11)
- Effect of prior year taxes	(43.76)	1.83
- Effect of change in tax rate on opening deferred tax balance*	-	(500.11)
- Tax effect on reversal of temporary differences	(143.19)	
- Effect of lower tax rate on temporary difference	(40.36)	(93.07)
- Utilization of unused tax losses	-	(78.57)
- Others	(4.84)	(0.24)
<b>Income tax expense/(benefit) reported in the Statement of Profit and Loss</b>	<b>586.92</b>	<b>(223.03)</b>

\*During the year ended 31 March 2020, in accordance with Taxation Laws (Amendment) Act, 2019, the Company has evaluated the net deferred tax liability as at 31 March 2019, and, based on estimates, has written back an amount to the extent of ₹ 500.11 million to the statement of profit and loss.

## Notes to the financial statements

for the year ended 31 March 2021 (Continued)

### Note 31: Micro, small and medium enterprises

There are no micro, small and medium enterprises, to whom the company owes dues, which are outstanding for more than 45 days as at the end of year. The information as required to be disclosed in relation to micro, small and medium enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

	(₹ in million)	
	As at	
	31 March 2021	31 March 2020
The principal amount remaining unpaid to any supplier as at the end of the year	4.37	118.82
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 32: Composite scheme of arrangement:

The Board of Directors of the Company at its meeting held on 25 October 2019 had approved the Composite Scheme of Arrangement ("Composite Scheme") and subsequently filed with National Company Law Tribunal ("NCLT") for: (a) amalgamation of HSB Corporate Consultants Private Limited ("Transferor Company 1"), Jubilant Stock Holding Private Limited ("Transferor Company 2"), SSB Consultants & Management Services Private Limited ("Transferor Company 3"), JCPL Life Science Ventures and Holdings Private Limited ("Transferor Company 4") and JSPL Life Science Services and Holdings Private Limited ("Transferor Company 5") [collectively, the "Transferor Companies"] into the Company; and (b) demerger of the Life Science Ingredients ("LSI") Business into Jubilant Ingrevia Limited (the "Resulting Entity").

The Composite Scheme was approved by Honourable NCLT, Allahabad Bench vide its order dated 23 December 2020 (formal order received on 6 January 2021).

#### Amalgamation

In terms of the Composite Scheme, Transferor Company 1, Transferor Company 2 and Transferor Company 3 amalgamated into the Company. The said NCLT order was filed with the Registrar of Companies by these transferor companies and the Company on 8 January 2021 thereby making the Composite Scheme effective for these transferor companies. On amalgamation, 62,943,636 equity shares of the Company held by these transferor companies were automatically cancelled on and from the effective date. Simultaneously and concurrent with such cancellation the Company issued and allotted equivalent number of equity shares i.e. 62,943,636 of ₹ 1 each fully paid up to Transferor Company 4 and Transferor Company 5 who are the shareholders of Transferor Company 1, Transferor Company 2 and Transferor Company 3 as on the Record Date i.e. 8 January 2021.

Further, in terms of the Composite Scheme, after occurrence of the above amalgamation, Transferor Company 4 and Transferor Company 5 amalgamated into the Company. The said NCLT order was filed with the Registrar of Companies by these transferor companies and the Company on 18 January 2021 thereby making the Composite Scheme effective for these transferor companies. On amalgamation, 62,943,636 equity shares of the Company held by these transferor companies were automatically cancelled on and from the effective date. Simultaneously and concurrent with such cancellation the Company issued and allotted equivalent number of equity shares i.e. 62,943,636 of ₹ 1 each fully paid up to the shareholders of Transferor Company 4 and Transferor Company 5 as on the Record Date i.e. 18 January 2021.

Accounting of amalgamation as per approved Composite Scheme:

- (i) The Company recorded the assets, liabilities and reserves of the Transferor Companies, vested in it pursuant to this Scheme, at their respective book values as appearing in the books of the Transferor Companies;
- (ii) The loans and advances or payables or receivables or any other investment or arrangement of any kind, held inter se, between the Transferor Companies and the Company was cancelled. The Company cancelled its equity shares held by the Transferor Companies and issued equivalent numbers of its equity shares to the shareholders of the Transferor Companies; and
- (iii) The difference between the book value of assets, liabilities and reserves as reduced by the face value of the equity shares issued by the Company and after considering the cancellation of inter-company investments was recorded within Other Equity of the Company.





## Notes to the financial statements

for the year ended 31 March 2021 (Continued)

The book value of assets, liabilities and reserves acquired from Transferor Companies were:

	(₹ in million)
	Amount
<b>ASSETS</b>	
<b>Non-current assets</b>	
Financial assets	
i. Investments	2,564.59
ii. Loans	0.02
Income tax assets (net)	0.55
<b>Total non-current assets</b>	<b>2,565.16</b>
<b>Current assets</b>	
Financial assets	
i. Cash and cash equivalents	0.05
<b>Total current assets</b>	<b>0.05</b>
<b>Total assets</b>	<b>2,565.21</b>
<b>EQUITY AND LIABILITIES</b>	
<b>Equity</b>	
Other equity	
- Amalgamation reserve	(144.17)
- Capital Redemption Reserve	569.00
- Retained earnings	1,992.35
<b>Total equity</b>	<b>2,417.18</b>
<b>Liabilities</b>	
<b>Total liabilities</b>	<b>-</b>
<b>Total equity and liabilities</b>	<b>2,417.18</b>

	(₹ in million)
	Amount
Net assets acquired	148.03
Less: Equity shares issued to the shareholders of the Transferor Companies	62.94
<b>Balance recognised under amalgamation reserve</b>	<b>85.09</b>
<b>Cancellation of investments held by the Transferor Companies</b>	<b>(2,564.59)</b>
<b>Adjusted against equity of the Company and reserves of Transferor Companies acquired pursuant to amalgamation:</b>	
- Equity share capital	(62.94)
- Amalgamation reserve	(85.09)
- Capital reserve	144.17
- Capital redemption reserve	(569.00)
- Retained earnings	(1,991.73)
	<b>(2,564.59)</b>
<b>Net reserves acquired pursuant to amalgamation</b>	
- Retained earnings	0.62

### Demerger

The said NCLT order was filed with the Registrar of Companies by the Resulting Entity and the Company on 1 February 2021 thereby making the Composite Scheme effective. In terms of the Composite Scheme, all assets and liabilities of the LSI Business of the Company stands transferred and vested into the Resulting Entity on 1 February 2021, being the Demerger Appointed Date as per the Composite Scheme for the demerger of LSI Business. Effective that date, the name of the Company has changed to Jubilant Pharmova Limited from Jubilant Life Sciences Limited. The standalone financial statements comprise solely the LSI business, which stands demerged to the Resulting Entity.

Accounting of Demerger as per approved Composite Scheme:

- (i) the Company reduced the book values of assets and liabilities of the LSI Business as at the close of business on the day immediately preceding the Demerger Appointed Date in its books of accounts;

## Notes to the financial statements

for the year ended 31 March 2021 (Continued)

- (ii) the Company made an adjustment equal to the book values of the LSI Business, first in the Securities Premium to the extent available, thereafter in the General Reserve to the extent available and residual balance in the Retained Earnings under the head "Other Equity"; and
- (iii) the carrying value of the investment in equity shares of the Resulting Entity to the extent held by the Company, amounting to ₹ 0.50 million were cancelled.

The book value of assets and liabilities transferred as at the appointed date are as under:

	(₹ in million)
	Amount
<b>ASSETS</b>	
<b>Non-current assets</b>	
Property, plant and equipment	16,506.26
Capital work-in-progress	637.35
Other intangible assets	40.40
Intangible assets under development	30.10
Right-of-use assets	752.36
Financial assets	
i. Investments	1,327.30
ii. Loans	25.05
iii. Other financial assets	4.95
Other non-current assets	25.90
<b>Total non-current assets</b>	<b>19,349.67</b>
<b>Current assets</b>	
Inventories	5,029.49
Financial assets	
i. Trade receivables	4,755.49
ii. Cash and cash equivalents	610.67
iii. Other bank balances	192.69
iv. Loans	25.75
v. Other financial assets	105.30
Other current assets	1,588.52
<b>Total current assets</b>	<b>12,307.91</b>
<b>Total assets (A)</b>	<b>31,657.58</b>
<b>LIABILITIES</b>	
<b>Non-current liabilities</b>	
Financial liabilities	
i. Borrowings	6,926.98
ii. Lease liabilities	402.26
Provisions	602.92
Deferred tax liabilities (net)	202.12
<b>Total non-current liabilities</b>	<b>8,134.28</b>
<b>Current liabilities</b>	
Financial liabilities	
i. Borrowings	167.40
ii. Lease liabilities	21.30
iii. Trade payables	6,188.57
iv. Other financial liabilities	1,372.63
Other current liabilities	233.46
Provisions	164.03
<b>Total current liabilities</b>	<b>8,147.39</b>
<b>Total liabilities (B)</b>	<b>16,281.67</b>
<b>Net assets transferred (A) - (B)</b>	<b>15,375.91</b>
<b>Utilisation of reserves for transfer of net assets pursuant to the Composite scheme</b>	
Securities premium	5,878.41
General reserve	7,375.72
Retained earnings	2,121.78
	<b>15,375.91</b>



## Notes to the financial statements

for the year ended 31 March 2021 (Continued)

### Note 33: Employee benefits in respect of the Company have been calculated as under:

#### (A) Defined Contribution Plans

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

	(₹ in million)	
	31 March 2021	31 March 2020
Employer's contribution to provident fund (1)	8.99	10.49
Employer's contribution to employee's pension scheme	22.58	32.64
Employer's contribution to superannuation fund	2.91	4.71
Employer's contribution to employee state insurance	0.45	1.36

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

#### (B) Defined Benefit Plans

##### i. Gratuity

In accordance with Ind AS 19 "Employee Benefits", an actuarial valuation has been carried out in respect of gratuity. The discount rate assumed is 6.80% p.a. (31 March 2020: 6.80% 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 2020: 58 years) and mortality table is as per IALM (2012-14) (31 March 2020: IALM (2012-14)).

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 2020: 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.

The plans assets are maintained with Life Insurance Corporation of India in respect of gratuity scheme for certain employees of a unit of the Company. The details of investments maintained by Life Insurance Corporation are not available with the Company, hence not disclosed. The expected rate of return on plan assets is 6.80 % p.a. (31 March 2020: 6.80 % p.a.).

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

	(₹ in million)	
	31 March 2021	31 March 2020
Present value of obligation at the beginning of the year	631.52	578.6
Employees transferred to subsidiaries	(3.80)	(7.99)
Current service cost	37.16	51.20
Interest cost	42.54	44.26
Actuarial loss	10.60	30.22
Benefits paid	(67.77)	(64.77)
Transferred pursuant to the Composite Scheme (refer note 32)	(556.80)	-
<b>Present value of obligation at the end of the year</b>	<b>93.45</b>	<b>631.52</b>

#### Fair Value of Plan Assets\*\*:

	(₹ in million)	
	31 March 2021	31 March 2020
Plan assets at the beginning of the year	5.07	4.71
Expected return on plan assets	0.29	0.36
Benefits paid	(1.68)	-
Actuarial loss	(0.28)	-
Transferred pursuant to the Composite Scheme (refer note 32)	(3.40)	-
<b>Plan assets at the end of the year</b>	<b>-</b>	<b>5.07</b>

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

## Notes to the financial statements

for the year ended 31 March 2021 (Continued)

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

	(₹ in million)	
	As at 31 March 2021	As at 31 March 2020
Present value of obligation at the end of the year	93.45	631.52
Fair value of plan assets at the end of the year	-	(5.07)
<b>Net liabilities recognised in the Balance Sheet</b>	<b>93.45</b>	<b>626.45</b>

The Company's best estimate of contribution during next year is ₹ 10.88 million (31 March 2020: ₹ 95.39 million)

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

	(₹ in million)	
	For the year ended	
	31 March 2021	31 March 2020
Current service cost	37.16	51.20
Interest cost	42.25	43.90
<b>Expense recognised in the Statement of Profit and Loss</b>	<b>79.41</b>	<b>95.10</b>

### Amount recognised in the other comprehensive income:

	(₹ in million)	
	For the year ended	
	31 March 2021	31 March 2020
Actuarial loss due to demographic assumption change	-	1.82
Actuarial loss due to financial assumption change	-	23.79
Actuarial loss due to experience adjustment	10.60	4.61
Actuarial gain on plan assets	0.28	-
<b>Amount recognised in the other comprehensive income</b>	<b>10.88</b>	<b>30.22</b>

### Sensitivity analysis

#### Discount rate

	31 March 2021		31 March 2020	
	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Impact on defined benefit	(0.80)	0.84	(13.15)	13.80

#### Future salary increase

	31 March 2021		31 March 2020	
	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Impact on defined benefit	0.83	(0.81)	13.75	(13.23)

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

The table below summarises the maturity profile of the defined benefit obligation:

	(₹ in million)	
	As at	
	31 March 2021	31 March 2020
Within one year	60.75	165.38
Between one to three years	14.75	140.58
Between three to five years	4.13	107.39
Later than five years	13.81	218.17
	<b>93.44</b>	<b>631.52</b>





## Notes to the financial statements

for the year ended 31 March 2021 (Continued)

### ii. Provident Fund:

The Company makes monthly contributions to provident fund managed by trust for qualifying employees. Under the scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. As per Ind AS 19 on "Employee Benefits", employer established provident fund trusts are treated as defined benefit plans, since the Company is obliged to meet interest shortfall, if any, with respect to covered employees. The total liability of ₹ Nil (31 March 2020: ₹ Nil) as worked out by the actuary has been allocated to each entity based on the corpus value of each entity as at 31 March 2021. Accordingly, liability of ₹ Nil (31 March 2020: ₹ Nil) has been allocated to Company and ₹ Nil (31 March 2020: ₹ Nil) has been charged to Statement of Profit and Loss during the year.

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

	As at	
	31 March 2021	31 March 2020
Discount rate	6.80%	6.80%
Guaranteed rate of return	8.50%	8.50%

The Company has contributed ₹ 78.80 million to provident fund (31 March 2020: ₹ 96.29 million) for the year.

### (C) Other long term benefits (compensated absences):

(₹ in million)

	As at	
	31 March 2021	31 March 2020
Present value of obligation at the end of the year	39.55	259.25

## Note 34. Fair value measurements

(₹ in million)

	Notes	Level of hierarchy	Carrying Value as at		Fair Value as at	
			31 March 2021	31 March 2020	31 March 2021	31 March 2020
<b>Financial assets</b>						
<b>FVOCI</b>						
Investments in equity instruments (excluding investment in subsidiaries)	(d)	3	70.82	81.20	70.82	81.20
<b>Amortised Cost</b>						
Trade receivables	(a)		-	4,254.51	-	4,254.51
Loans	(a, b)		17.25	109.99	17.25	109.99
Cash and cash equivalents	(a)		403.27	967.02	403.27	967.02
Other bank balances	(a)		-	1,610.28	-	1,610.28
Other financial assets	(a, b)		258.24	1,904.09	258.24	1,904.09
<b>Total financial assets</b>			<b>749.58</b>	<b>8,927.09</b>	<b>749.58</b>	<b>8,927.09</b>
<b>Financial liabilities</b>						
<b>Amortised Cost</b>						
Borrowings	(a, c)	3	4,930.00	19,641.76	4,744.97	19,857.99
Lease liabilities	(a)		107.11	484.10	-	-
Trade payables	(a)		159.01	6,185.82	159.01	6,185.82
Other financial liabilities	(a)		153.25	671.87	153.25	671.87
<b>Total financial liabilities</b>			<b>5,349.37</b>	<b>26,983.55</b>	<b>5,057.23</b>	<b>26,715.68</b>

The following methods / assumptions were used to estimate the fair values:

- (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. Further, the fair value disclosure of lease liabilities is not required.

## Notes to the financial statements

for the year ended 31 March 2021 (Continued)

- (b) Fair valuation of non-current financial assets has been disclosed to be same as carrying value as there is no significant difference between carrying value and fair value.
- (c) The fair value of long-term borrowings is estimated by discounting future cash flows using current rates (applicable to instruments with similar terms, currency, credit risk and remaining maturities) to discount the future payouts.
- (d) The fair value is determined by using the valuation model/technique with observable/non-observable inputs and assumptions.

There are no transfers between Level 1, Level 2 and Level 3 during the year ended 31 March 2021 and 31 March 2020.

### Reconciliation of Level 3 fair value measurement:

	(₹ in million)	
	For the year ended	
	31 March 2021	31 March 2020
Opening balance	81.20	80.35
(Loss)/gain recognized in other comprehensive income	(10.38)	0.85
<b>Closing balance</b>	<b>70.82</b>	<b>81.20</b>

### Note 35. Financial risk management

#### Risk management framework

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

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

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

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

#### i. Credit risk

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

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

#### Trade receivables 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 an institutional, dealers or end-user customer, their geographic location, industry, trade history with the Company and existence of previous financial difficulties.

#### Expected credit loss with respect to trade receivables:

With respect to trade receivables, based on internal assessment which is driven by the historical experience/current facts available in relation to default and delays in collection thereof, the credit risk for trade receivables is considered low. The Company estimates its allowance for trade receivable using lifetime expected credit loss. The balance past due for more than 6 month (net of expected credit loss allowance), excluding receivable from group companies is ₹ Nil (31 March 2020: ₹ 5.32 million).



## Notes to the financial statements

for the year ended 31 March 2021 (Continued)

### Movement in the expected credit loss allowance of trade receivables are as follows:

	(₹ in million)	
	31 March 2021	31 March 2020
Balance at the beginning of the year	41.67	7.57
Provided during the year (net of reversal)	4.62	35.43
Amount written off *	-	(1.33)
Transferred pursuant to the Composite Scheme (refer note 32)	(46.29)	-
<b>Balance at the end of the year</b>	<b>-</b>	<b>41.67</b>

\* Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or failing to engage in a payment plan with the Company.

#### *Expected credit loss with respect to other financial asset:*

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 expected credit loss has been provided on these financial assets. Break up of financial assets other than trade receivables have been disclosed in 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 department. 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 reporting date. The amounts are gross and undiscounted.

	(₹ in million)			
As at 31 March 2021	Contractual Cash flows (2)			
	Carrying Amount	Total	Within 1 year	More than 1 year
<b>Non-derivative financial liabilities</b>				
Borrowings (1)	4,930.00	4,930.00	730.00	4,200.00
Lease liabilities	107.11	107.11	29.05	78.06
Trade payables	159.01	159.01	159.01	-
Other financial liabilities	153.25	153.25	153.25	-

	(₹ in million)			
As at 31 March 2020	Contractual Cash flows (2)			
	Carrying Amount	Total	Within 1 year	More than 1 year
<b>Non-derivative financial liabilities</b>				
Borrowings (1)	19,641.76	19,669.61	6,370.33	13,299.28
Lease liabilities	484.10	484.10	36.19	447.91
Trade payables	6,185.82	6,185.82	6,185.82	-
Other financial liabilities	671.87	671.87	671.87	-

#### **Note:**

- (1) Carrying amount presented as net of unamortised transaction cost.
- (2) Contractual cash flows exclude interest payable.

## Notes to the financial statements

for the year ended 31 March 2021 (Continued)

### iii. Market risk

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

#### 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 and the functional currency of the Company. The currencies in which the Company is exposed to risk are USD, EUR, CAD and Other.

The Company follows a natural hedge driven currency risk mitigation policy to the extent possible. Any residual risk is evaluated and appropriate risk mitigating steps are taken, including but not limited to, entering into forward contract and interest rate swap.

#### 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:

	As at 31 March 2021				As at 31 March 2020			
	USD	EUR	CAD	Others	USD	EUR	CAD	Others
	Cash and cash equivalents	24.90	-	-	-	380.51	-	-
Trade receivables	-	-	-	-	1,472.39	550.92	-	-
Other financial assets	117.21	-	7.67	-	242.73	8.85	83.47	-
Trade payables	-	-	(0.52)	-	(3,728.45)	(25.62)	-	(1.80)
Borrowings	-	-	-	-	-	-	-	-
<b>Net statement of financial position exposure</b>	<b>142.11</b>	<b>-</b>	<b>7.15</b>	<b>-</b>	<b>(1,632.82)</b>	<b>534.15</b>	<b>83.47</b>	<b>(1.80)</b>

(₹ in million)

#### Sensitivity analysis

A reasonably possible strengthening (weakening) of the EUR, USD, CAD and other against all other currencies at year end would have affected the measurement of financial exposure 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 on forecast sales and purchases.

	Profit or loss (before tax)	
	Strengthening	Weakening
	<b>31 March 2021</b>	
USD (1% movement)	1.42	(1.42)
EUR (1% movement)	-	-
CAD (1% movement)	0.07	(0.07)
Other (1% movement)	-	-
<b>31 March 2020</b>		
USD (1% movement)	(16.33)	16.33
EUR (1% movement)	5.34	(5.34)
CAD (1% movement)	0.83	(0.83)
Other (1% movement)	(0.02)	0.02

(₹ in million)

#### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings of the Company are principally denominated in INR and USD with a mix of fixed and floating rates of interest.





## Notes to the financial statements

for the year ended 31 March 2021 (Continued)

The Company has exposure to interest rate risk, arising principally on changes in base lending rate and LIBOR rates. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings.

### Exposure to interest rate risk

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

	(₹ in million)	
	As at	
	31 March 2021	31 March 2020
Fixed-rate borrowings	3,980.00	8,219.90
Floating rate borrowings	950.00	11,449.71
<b>Total borrowings (gross of transaction cost)</b>	<b>4,930.00</b>	<b>19,669.61</b>

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

If interest rates had been 25 basis points higher / lower and all other variables were held constant, the Company's profit before tax for the year ended 31 March 2021 would decrease / increase by ₹ 0.49 million (31 March 2020: ₹ 28.62 million). This is mainly attributable to the Company's exposure to interest rates on its floating rate borrowings.

## Note 36. Capital management

### (a) Risk management

The Company's objectives when managing capital are to:

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

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. Consistent with others in the industry, the Company monitors capital on the basis of the following gearing ratio:

'Net debt' (total borrowings net of cash and cash equivalents and other bank balances) divided by 'Total equity' (as shown in the Balance Sheet).

The gearing ratios were as follows:

	(₹ in million)	
	As at	
	31 March 2021	31 March 2020
Net debt	4,526.73	17,064.46
Total equity	12,824.45	26,072.95
<b>Net debt to equity ratio</b>	<b>0.35</b>	<b>0.65</b>

### (b) Dividends

	(₹ in million)	
	31 March 2021	31 March 2020
<i>Equity shares</i>		
31 March 2021: ₹ Nil (31 March 2020 : Interim dividend of ₹ 5 for the year ended 31 March 2020 and final dividend of ₹ 4.5 for the year ended 31 March 2019 per fully paid equity share (including tax on dividend))	-	1,528.38

The Board of Directors has recommended a dividend of ₹ 5 per equity share of ₹ 1 each, fully paid up amounting to ₹ 796.41 million for the year ended 31 March 2021, subject to approval in the ensuing Annual General Meeting.

## Notes to the financial statements

for the year ended 31 March 2021 (Continued)

### Note 37. Segment information

#### Business Segments

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

- Life Sciences Ingredients<sup>#</sup>:** (i) Specialty Intermediates, (ii) Nutritional Products and (iii) Life Science Chemicals.
- Pharmaceuticals<sup>^</sup>:** India Branded Pharmaceuticals.

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

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

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

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

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

Borrowings, current taxes, deferred taxes and certain financial assets and liabilities are not allocated to the segments and have been included under 'unallocated assets / liabilities'.

Information related to each reportable segment is set out below. Segment results (profit/(loss) before interest and tax) is used to measure performance because management believes that this information is most relevant in evaluating the results of the respective segments relative to other entities that operate in the same industries.

	For the year ended 31 March 2021			For the year ended 31 March 2020		
	Total segment revenue	Inter-segment revenue	Revenue from external customer	Total segment revenue	Inter-segment revenue	Revenue from external customer
<b>Revenue</b>						
Life Science Ingredients <sup>#</sup>	27,094.98	-	27,094.98	31,109.84	-	31,109.84
Pharmaceuticals <sup>^</sup>	-	-	-	289.18	-	289.18
<b>Total segment revenue</b>	<b>27,094.98</b>	<b>-</b>	<b>27,094.98</b>	<b>31,399.02</b>	<b>-</b>	<b>31,399.02</b>

	For the year ended	
	31 March 2021	31 March 2020
<b>Result</b>		
Life Science Ingredients <sup>#</sup>	3,814.97	3,161.57
Pharmaceuticals <sup>^</sup>	-	(98.23)
<b>Total segment result</b>	<b>3,814.97</b>	<b>3,063.34</b>
Un-allocated corporate expenses (net of un-allocated income)	122.30	(1,260.34)
Interest income	57.00	26.67
Finance costs	1,018.00	1,361.97
<b>Profit before tax</b>	<b>2,731.67</b>	<b>2,988.38</b>
Tax expense/(benefit)	586.92	(223.03)
<b>Profit for the year</b>	<b>2,144.75</b>	<b>3,211.41</b>



## Notes to the financial statements

for the year ended 31 March 2021 (Continued)

(₹ in million)

	Segment assets		Segment liabilities	
	As at			
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Life Science Ingredients#	-	31,780.25	-	7,389.15
Pharmaceuticals^	-	-	-	-
<b>Segment total</b>	-	<b>31,780.25</b>	-	<b>7,389.15</b>
Un-allocated corporate assets and liabilities	18,445.95	22,553.63	5,621.50	20,871.78
<b>Total assets/liabilities</b>	<b>18,445.95</b>	<b>54,333.88</b>	<b>5,621.50</b>	<b>28,260.93</b>

### Other information:

(₹ in million)

	Capital expenditure		Depreciation/Amortisation	
	For the year ended			
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Life Science Ingredients#	1,017.70	1,932.05	955.14	1,030.17
Pharmaceuticals^	-	0.51	-	0.23
Un-allocated	1.39	6.30	44.57	43.57
<b>Total</b>	<b>1,019.09</b>	<b>1,938.86</b>	<b>999.71</b>	<b>1,073.97</b>

### Information about Geographical segments:

(₹ in million)

	For the year ended	
	31 March 2021	31 March 2020
<b>Revenue by geographical markets</b>		
India	17,091.44	19,233.80
Americas and Europe	6,011.08	7,663.66
China	1,825.91	2,120.67
Rest of the world	2,166.55	2,380.89
<b>Total</b>	<b>27,094.98</b>	<b>31,399.02</b>

(₹ in million)

	As at	
	31 March 2021	31 March 2020
<b>Non-current assets (by geographical location of assets)*</b>		
Within India	1,323.64	19,472.33
Outside India	-	-
<b>Total</b>	<b>1,323.64</b>	<b>19,472.33</b>

# Pursuant to the Composite Scheme (refer note 32), the Company has demerged its Life Sciences Ingredients business w.e.f. 1 February 2021.

^ Refer note 50.

\*Non-current assets are excluding financial instruments and deferred tax assets.

## Notes to the financial statements

for the year ended 31 March 2021 (Continued)

### Note 38. Related Party Disclosures

#### 1. Related parties where control exists or with whom transactions have taken place

##### a) Subsidiaries including step-down subsidiaries:

Jubilant Pharma Limited, Draximage Limited, Cyprus (liquidated w.e.f. 19 November 2020), Draximage Limited, Ireland (filed for liquidation), Jubilant DraxImage (USA) Inc., Jubilant DraxImage Inc., 6981364 Canada Inc., Draximage (UK) Limited, Jubilant Pharma Holdings Inc., Jubilant Clinsys Inc., Cadista Holdings Inc. (merged into Jubilant Pharma Holdings Inc. w.e.f. 31 March 2020), Jubilant Cadista Pharmaceuticals Inc., Jubilant Life Sciences International Pte. Limited (up to 31 January 2021, refer note 32), HSL Holdings Inc. (merged into Jubilant Pharma Holdings Inc. w.e.f. 31 March 2020), Jubilant HollisterStier LLC, Jubilant Life Sciences (Shanghai) Limited (up to 31 January 2021, refer note 32), Jubilant Pharma NV, Jubilant Pharmaceuticals NV, PSI Supply NV, Jubilant Life Sciences (USA) Inc. (up to 31 January 2021, refer note 32), Jubilant Life Sciences (BVI) Limited, Jubilant Biosys (BVI) Limited (merged into Jubilant Life Sciences (BVI) Limited w.e.f. 14 November 2019), Jubilant Biosys (Singapore) Pte. Limited (merged with Jubilant Drug Development Pte. Limited w.e.f. 27 March 2020), Jubilant Biosys Limited, Jubilant Discovery Services LLC, Jubilant Drug Development Pte. Limited, Jubilant Chemsys Limited (merged with Jubilant Biosys Limited w.e.f. 28 July 2020), Jubilant Clinsys Limited, Jubilant Infrastructure Limited (up to 31 January 2021, refer note 32), Jubilant First Trust Healthcare Limited, Jubilant Innovation Pte. Limited, Jubilant DraxImage Limited, Jubilant Innovation (India) Limited (liquidated w.e.f. 10 February 2021), Jubilant Innovation (USA) Inc., Jubilant HollisterStier Inc., Draxis Pharma LLC, Drug Discovery and Development Solutions Limited, TrialStat Solutions Inc., Vanthys Pharmaceutical Development Private Limited (liquidated w.e.f. 10 February 2021), Jubilant Generics Limited, Jubilant Life Sciences NV (up to 31 January 2021, refer note 32), Jubilant Pharma Australia Pty Limited, Jubilant Draximage Radiopharmacies Inc., Jubilant Pharma SA (Pty) Limited, Jubilant Therapeutics India Limited, Jubilant Therapeutics Inc., Jubilant Business Services Limited,

Jubilant Episcrite LLC, Jubilant Epicore LLC, Jubilant Prodel LLC, Jubilant Epipad LLC, Jubilant Pharma UK Limited (incorporated on 17 April 2019), Jubilant Ingrevia Limited (formerly Jubilant LSI Limited, incorporated on 23 October 2019) (up to 31 January 2021, refer note 32), Jubilant Biosys Innovative Research Services Pte. Limited (incorporated on 22 July 2020), Jubilant Employee Welfare Trust.

##### b) Other entities where control exists:

Jubilant HollisterStier General Partnership Canada, Draximage General Partnership Canada (controlled through step down subsidiaries).

##### c) Key management personnel (KMP) and related entities:

Mr. Hari S. Bhartia, Mr. S Sridhar, Ms. Sudha Pillai, Dr. Ashok Misra, Mr Alok Vaish (w.e.f. 1 April 2020 to 11 September 2020), Mr. Sankaraiah Rajagopal (up to 31 March 2020), Mr. Rajesh Kumar Srivastava (up to 5 February 2021), Mr. Sushil Kumar Roongta, Mr. Vivek Mehra, Mr. Arun Seth, Mr. Anant Pande (up to 5 February 2021), Mr. Rajiv Shah.

Jubilant Enpro Private Limited, JOGPL Private Limited, Jubilant FoodWorks Limited, Jubilant Industries Limited, Jubilant Agri and Consumer Products Limited, Jubilant Consumer Private Limited, Jubilant Life Sciences International Pte. Limited (w.e.f. 1 February 2021, refer note 32), Jubilant Life Sciences (Shanghai) Limited (w.e.f. 1 February 2021, refer note 32), Jubilant Life Sciences (USA) Inc. (w.e.f. 1 February 2021, refer note 32), Jubilant Infrastructure Limited (w.e.f. 1 February 2021, refer note 32), Jubilant Life Sciences NV (w.e.f. 1 February 2021, refer note 32), Jubilant Ingrevia Limited (formerly Jubilant LSI Limited, incorporated on 23 October 2019) (w.e.f. 1 February 2021, refer note 32).

Also refer note 32.

##### d) Others:

Vam Employees Provident Fund Trust, Jubilant Bhartia Foundation, Vam Officers Superannuation Fund.





## Notes to the financial statements

for the year ended 31 March 2021 (Continued)

### 2. Transactions with related parties

FY 2020-21

₹ in million

Sr. No.	Particulars	Subsidiaries	Enterprise in which certain key management personnel are interested	Key management personnel	Others	Total
	<b>Description of transactions:</b>					
<b>1.</b>	<b>Sales of goods and services:</b>					
	Jubilant Life Sciences (Shanghai) Limited	1,590.38				1,590.38
	Jubilant Life Sciences (USA) Inc.	1,059.35				1,059.35
	Jubilant Biosys Limited	7.95				7.95
	Jubilant Infrastructure Limited	5.69				5.69
	Jubilant Life Sciences NV	2,206.12				2,206.12
	Jubilant Generics Limited	46.19				46.19
	Jubilant Industries Limited		5.31			5.31
	Jubilant FoodWorks Limited		11.19			11.19
	Jubilant Agri and Consumer Products Limited		113.83			113.83
		<b>4,915.68</b>	<b>130.33</b>			<b>5,046.01</b>
<b>2.</b>	<b>Rental and other income:</b>					
	Jubilant Biosys Limited	28.40				28.40
	Jubilant Generics Limited	134.75				134.75
	Jubilant HollisterStier LLC	31.62				31.62
	Jubilant Cadista Pharmaceuticals Inc.	15.92				15.92
	Jubilant Business Services Limited	26.74				26.74
	Jubilant DraxImage Inc.	11.62				11.62
	Jubilant HollisterStier General Partnership	4.80				4.80
	Jubilant Therapeutics India Limited	0.48				0.48
	Jubilant Clinsys Limited	0.01				0.01
	Jubilant DraxImage Limited	0.01				0.01
	Jubilant First Trust Healthcare Limited	0.01				0.01
	Jubilant Infrastructure Limited	0.01				0.01
	Jubilant Pharma Holdings Inc.	0.47				0.47
	Jubilant Draximage Radiopharmacies Inc.	23.29				23.29
	Jubilant Ingrevia Limited		13.26			13.26
	Jubilant Enpro Private Limited		20.55			20.55
	JOGPL Private Limited		1.13			1.13
	Jubilant FoodWorks Limited		18.49			18.49
	Jubilant Industries Limited		0.15			0.15
	Jubilant Agri and Consumer Products Limited		39.57			39.57
	Jubilant Consumer Private Limited		1.92			1.92
		<b>278.13</b>	<b>95.07</b>			<b>373.20</b>
<b>3.</b>	<b>Interest income:</b>					
	Drug Discovery and Development Solutions Limited	2.42				2.42
		<b>2.42</b>				<b>2.42</b>
<b>4.</b>	<b>Sale of property, plant and equipment</b>					
	Jubilant Generics Limited	3.73				3.73
		<b>3.73</b>				<b>3.73</b>

## Notes to the financial statements

for the year ended 31 March 2021 (Continued)

₹ in million

Sr. No.	Particulars	Subsidiaries	Enterprise in which certain key management personnel are interested	Key management personnel	Others	Total
<b>5.</b>	<b>Purchase of goods and services:</b>					
	Jubilant Infrastructure Limited	799.16				799.16
	Jubilant Biosys Limited	0.10				0.10
	Jubilant Industries Limited		20.85			20.85
	Jubilant Agri and Consumer Products Limited		98.30			98.30
		<b>799.26</b>	<b>119.15</b>			<b>918.41</b>
<b>6.</b>	<b>Purchase of duty credit scripts:</b>					
	Jubilant Generics Limited	5.00				5.00
		<b>5.00</b>				<b>5.00</b>
<b>7.</b>	<b>Recovery of expenses:</b>					
	Jubilant Cadista Pharmaceuticals Inc.	83.97				83.97
	Jubilant HollisterStier LLC	122.01				122.01
	Jubilant DraxImage Inc.	55.82				55.82
	Jubilant Draximage Radiopharmacies Inc.	90.76				90.76
	Jubilant HollisterStier General Partnership	16.02				16.02
	Jubilant Biosys Limited	133.71				133.71
	Jubilant Generics Limited	123.97				123.97
	Jubilant Infrastructure Limited	0.25				0.25
	Jubilant Life Sciences NV	5.69				5.69
	Jubilant Pharma Holdings Inc.	2.68				2.68
	Jubilant Employee Welfare Trust	48.87				48.87
	SSB Consultants & Management Services Private Limited		0.89			0.89
	Jubilant Agri and Consumer Products Limited		15.75			15.75
		<b>683.75</b>	<b>16.64</b>			<b>700.39</b>
<b>8.</b>	<b>Reimbursement of expenses:</b>					
	Jubilant Life Sciences NV	1.59				1.59
	Jubilant Generics Limited	5.24				5.24
	Jubilant Infrastructure Limited	0.26				0.26
	Jubilant Life Sciences (USA) Inc.	10.93				10.93
	Jubilant Ingrevia Limited		4.91			4.91
	Jubilant Enpro Private Limited		0.96			0.96
		<b>18.02</b>	<b>5.87</b>			<b>23.89</b>
<b>9.</b>	<b>Remuneration (including perquisites)* :</b>					
	Mr. Hari S. Bhartia			121.80		121.80
	Mr. Alok Vaish			15.93		15.93
	Mr. Anant Pande			22.37		22.37
	Mr. Rajesh Kumar Srivastava			40.76		40.76
	Mr. Rajiv Shah			10.93		10.93
				<b>211.79</b>		<b>211.79</b>
<b>10.</b>	<b>Sitting fees:</b>					
	Dr. Ashok Misra			0.40		0.40
	Mr. S Sridhar			0.47		0.47
	Ms. Sudha Pillai			0.50		0.50
	Mr. Sushil Kumar Roongta			0.44		0.44
	Mr. Vivek Mehra			0.45		0.45
	Mr. Arun Seth			0.32		0.32
				<b>2.58</b>		<b>2.58</b>



## Notes to the financial statements

for the year ended 31 March 2021 (Continued)

₹ in million

Sr. No.	Particulars	Subsidiaries	Enterprise in which certain key management personnel are interested	Key management personnel	Others	Total
<b>11.</b>	<b>Commission:</b>					
	Dr. Ashok Misra			1.00		1.00
	Mr. S Sridhar			1.00		1.00
	Ms. Sudha Pillai			1.00		1.00
	Mr. Sushil Kumar Roongta			1.00		1.00
	Mr. Vivek Mehra			1.00		1.00
	Mr. Arun Seth			1.00		1.00
				<b>6.00</b>		<b>6.00</b>
<b>12.</b>	<b>Company's contribution to provident fund trust :</b>					
	Vam Employee Provident Fund Trust				78.80	78.80
					<b>78.80</b>	<b>78.80</b>
<b>13.</b>	<b>Company's contribution to superannuation fund:</b>					
	Vam Officers Superannuation Fund				2.91	2.91
					<b>2.91</b>	<b>2.91</b>
<b>14.</b>	<b>Lease payments</b>					
	Jubilant Biosys Limited	0.06				0.06
	Jubilant Infrastructure Limited	63.71				63.71
	Jubilant Agri and Consumer Products Limited		0.13			0.13
	Jubilant Ingrevia Limited		3.89			3.89
		<b>63.77</b>	<b>4.02</b>			<b>67.79</b>
<b>15.</b>	<b>Donation:</b>					
	Jubilant Bhartia Foundation				36.85	36.85
					<b>36.85</b>	<b>36.85</b>
<b>16.</b>	<b>Interest expenses on borrowings:</b>					
	Jubilant Generics Limited	186.85				186.85
	Jubilant Infrastructure Limited	135.57				135.57
	Jubilant Employee Welfare Trust	11.02				11.02
	Jubilant Biosys Limited	40.14				40.14
		<b>373.58</b>				<b>373.58</b>
<b>17.</b>	<b>Purchase of Biosys Preference Shares:</b>					
	Jubilant Drug Development PTE Limited	157.77				157.77
		<b>157.77</b>				<b>157.77</b>
<b>18.</b>	<b>Loans received back</b>					
	Drug Discovery and Development Solutions Limited	36.47				36.47
		<b>36.47</b>				<b>36.47</b>
<b>19.</b>	<b>Borrowings taken:</b>					
	Jubilant Infrastructure Limited	167.40				167.40
	Jubilant Employee Welfare Trust	950.00				950.00
		<b>1,117.40</b>				<b>1,117.40</b>
<b>20.</b>	<b>Borrowings repaid:</b>					
	Jubilant Infrastructure Limited	997.40				997.40
		<b>997.40</b>				<b>997.40</b>

## Notes to the financial statements

for the year ended 31 March 2021 (Continued)

₹ in million

Sr. No.	Particulars	Subsidiaries	Enterprise in which certain key management personnel are interested	Key management personnel	Others	Total
	<b>Amounts outstanding</b>					
<b>21.</b>	<b>Borrowings payable:</b>					
	Jubilant Generics Limited	3,250.00				3,250.00
	Jubilant Employee Welfare Trust	950.00				950.00
	Jubilant Biosys Limited	730.00				730.00
		<b>4,930.00</b>				<b>4,930.00</b>
<b>22.</b>	<b>Interest payable on borrowings:</b>					
	Jubilant Generics Limited	14.04				14.04
	Jubilant Employee Welfare Trust	10.20				10.20
		<b>24.24</b>				<b>24.24</b>
<b>23.</b>	<b>Commission payable #:</b>					
	Mr. Hari S. Bhartia			33.00		33.00
	Dr. Ashok Misra			1.00		1.00
	Mr. S Sridhar			1.00		1.00
	Ms. Sudha Pillai			1.00		1.00
	Mr. Sushil Kumar Roongta			1.00		1.00
	Mr. Vivek Mehra			1.00		1.00
	Mr. Arun Seth			1.00		1.00
				<b>39.00</b>		<b>39.00</b>
<b>24.</b>	<b>Trade payables:</b>					
	Jubilant Biosys Limited	2.95				2.95
	Jubilant DraxImage Inc.	0.52				0.52
	Jubilant Generics Limited	0.71				0.71
	Jubilant Ingrevia Limited		119.01			119.01
		<b>4.18</b>	<b>119.01</b>			<b>123.19</b>
<b>25.</b>	<b>Other payables:</b>					
	JOGPL Private Limited		1.44			1.44
	Vam Employees Provident Fund Trust				1.18	1.18
			<b>1.44</b>		<b>1.18</b>	<b>2.62</b>
<b>26.</b>	<b>Deposits recoverable:</b>					
	Jubilant Enpro Private Limited		0.42			0.42
			<b>0.42</b>			<b>0.42</b>
<b>27.</b>	<b>Other receivables:</b>					
	Jubilant Cadista Pharmaceuticals Inc.	4.90				4.90
	Jubilant HollisterStier LLC	54.43				54.43
	Jubilant HollisterStier General Partnership	7.67				7.67
	Jubilant Business Services Limited	4.10				4.10
	Jubilant Draximage Radiopharmacies Inc.	57.43				57.43
	Jubilant Generics Limited	96.93				96.93
	Jubilant Pharma Holdings Inc.	0.46				0.46
	Jubilant Clinsys Limited	0.01				0.01
	Jubilant Employee Welfare Trust	15.87				15.87
	Jubilant Agri and Consumer Products Limited		4.08			4.08
	Jubilant FoodWorks Limited		9.63			9.63
	Jubilant Enpro Private Limited		2.49			2.49
		<b>241.80</b>	<b>16.20</b>			<b>258.00</b>
<b>28.</b>	<b>Refer note 32 for transactions pursuant to the Composite Scheme.</b>					





# Notes to the financial statements

for the year ended 31 March 2021 (Continued)

FY 2019-20

						₹ in million
Sr. No.	Particulars	Subsidiaries	Enterprise in which certain key management personnel are interested	Key management personnel	Others	Total
	<b>Description of transactions:</b>					
<b>1</b>	<b>Sales of goods and services:</b>					
	Jubilant Life Sciences (Shanghai) Limited	1,704.89				1,704.89
	Jubilant Life Sciences (USA) Inc.	1,347.44				1,347.44
	Jubilant Chemsys Limited	20.87				20.87
	Jubilant Infrastructure Limited	4.02				4.02
	Jubilant Life Sciences NV	2,737.22				2,737.22
	Jubilant Generics Limited	1.79				1.79
	Jubilant Consumer Private Limited		0.22			0.22
	Jubilant FoodWorks Limited		6.42			6.42
	Jubilant Agri and Consumer Products Limited		140.74			140.74
		<b>5,816.23</b>	<b>147.38</b>			<b>5,963.61</b>
<b>2</b>	<b>Rental and other income:</b>					
	Jubilant Chemsys Limited	15.70				15.70
	Jubilant Biosys Limited	6.40				6.40
	Jubilant Generics Limited	87.46				87.46
	Jubilant HollisterStier LLC	4.37				4.37
	Jubilant Cadista Pharmaceuticals Inc.	1.60				1.60
	Jubilant Business Services Limited	18.84				18.84
	Jubilant DraxImage Inc.	1.04				1.04
	Jubilant HollisterStier General Partnership	2.36				2.36
	Jubilant Therapeutics India Limited	0.01				0.01
	Jubilant Clinsys Limited	0.01				0.01
	Jubilant DraxImage Limited	0.01				0.01
	Jubilant First Trust Healthcare Limited	0.01				0.01
	Jubilant Infrastructure Limited	0.01				0.01
	Jubilant Enpro Private Limited		13.74			13.74
	JOGPL Private Limited		4.18			4.18
	Jubilant FoodWorks Limited		4.41			4.41
	Jubilant Industries Limited		0.18			0.18
	Jubilant Agri and Consumer Products Limited		47.70			47.70
	Jubilant Consumer Private Limited		2.23			2.23
		<b>137.82</b>	<b>72.44</b>			<b>210.26</b>
<b>3</b>	<b>Dividend income:</b>					
	Jubilant Pharma Limited	1,519.42				1,519.42
		<b>1,519.42</b>				<b>1,519.42</b>
<b>4</b>	<b>Interest income:</b>					
	Drug Discovery and Development Solutions Limited	0.95				0.95
		<b>0.95</b>				<b>0.95</b>
<b>5</b>	<b>Sale of Business:</b>					
	Jubilant Generics Limited	1,285.00				1,285.00
		<b>1,285.00</b>				<b>1,285.00</b>
<b>6</b>	<b>Purchase of goods and services:</b>					
	Jubilant Infrastructure Limited	970.03				970.03
	Jubilant Agri and Consumer Products Limited		123.68			123.68
		<b>970.03</b>	<b>123.68</b>			<b>1,093.71</b>

## Notes to the financial statements

for the year ended 31 March 2021 (Continued)

₹ in million						
Sr. No.	Particulars	Subsidiaries	Enterprise in which certain key management personnel are interested	Key management personnel	Others	Total
<b>7</b>	<b>Sale of duty credit scrips:</b>					
	Jubilant Generics Limited	5.82				5.82
		<b>5.82</b>				<b>5.82</b>
<b>8</b>	<b>Recovery of expenses:</b>					
	Jubilant Chemsys Limited	25.74				25.74
	Jubilant Cadista Pharmaceuticals Inc.	100.99				100.99
	Jubilant HollisterStier LLC	130.14				130.14
	Jubilant DraxImage Inc.	134.16				134.16
	Jubilant Draximage Radiopharmacies Inc.	155.77				155.77
	Jubilant HollisterStier General Partnership	17.20				17.20
	Jubilant Biosys Limited	20.15				20.15
	Jubilant Generics Limited	152.67				152.67
	Jubilant Business Services Limited	0.09				0.09
	Jubilant Life Sciences NV	0.54				0.54
	Jubilant Infrastructure Limited	0.30				0.30
	Jubilant Employee Welfare Trust	62.09				62.09
	Jubilant LSI Limited	1.66				1.66
	Jubilant Enpro Private Limited		0.07			0.07
	Jubilant Agri and Consumer Products Limited		14.41			14.41
		<b>801.50</b>	<b>14.48</b>			<b>815.98</b>
<b>9</b>	<b>Reimbursement of expenses:</b>					
	Jubilant Life Sciences NV	1.12				1.12
	Jubilant Generics Limited	6.00				6.00
	Jubilant Life Sciences (USA) Inc.	15.11				15.11
	Jubilant Industries Limited		0.56			0.56
	Jubilant Enpro Private Limited		4.16			4.16
		<b>22.23</b>	<b>4.72</b>			<b>26.95</b>
<b>10</b>	<b>Remuneration (including perquisites)* :</b>					
	Mr. Hari S. Bhartia			125.70		125.70
	Mr. Sankaraiah Rajagopal			67.29		67.29
	Mr. Anant Pande			21.35		21.35
	Mr. Rajesh Kumar Srivastava			39.85		39.85
	Mr. Rajiv Shah			9.69		9.69
				<b>263.88</b>		<b>263.88</b>
<b>11</b>	<b>Sitting fees:</b>					
	Dr. Ashok Misra			0.40		0.40
	Mr. S Sridhar			0.53		0.53
	Ms. Sudha Pillai			0.56		0.56
	Mr. Sushil Kumar Roongta			0.32		0.32
	Mr. Vivek Mehra			0.48		0.48
	Mr. Arun Seth			0.29		0.29
				<b>2.58</b>		<b>2.58</b>
<b>12</b>	<b>Commission:</b>					
	Dr. Ashok Misra			1.00		1.00
	Mr. S Sridhar			1.00		1.00
	Ms. Sudha Pillai			1.00		1.00
	Mr. Sushil Kumar Roongta			1.00		1.00
	Mr. Vivek Mehra			1.00		1.00
	Mr. Arun Seth			1.00		1.00
				<b>6.00</b>		<b>6.00</b>



## Notes to the financial statements

for the year ended 31 March 2021 (Continued)

						₹ in million
Sr. No.	Particulars	Subsidiaries	Enterprise in which certain key management personnel are interested	Key management personnel	Others	Total
13	<b>Company's contribution to provident fund trust :</b>					
	Vam Employee Provident Fund Trust				96.29	96.29
					<b>96.29</b>	<b>96.29</b>
14	<b>Company's contribution to superannuation fund:</b>					
	Vam Officers Superannuation Fund				4.71	4.71
					<b>4.71</b>	<b>4.71</b>
15	<b>Lease payments:</b>					
	Jubilant Biosys Limited	0.05				0.05
	Jubilant Infrastructure Limited	27.04				27.04
	Jubilant Agri and Consumer Products Limited		0.06			0.06
	Jubilant Enpro Private Limited		4.49			4.49
		<b>27.09</b>	<b>4.55</b>			<b>31.64</b>
16	<b>Donation:</b>					
	Jubilant Bhartia Foundation				45.52	45.52
					<b>45.52</b>	<b>45.52</b>
17	<b>Interest expenses on borrowings:</b>					
	Jubilant Generics Limited	239.08				239.08
	Jubilant Infrastructure Limited	180.37				180.37
	Jubilant Chemsys Limited	19.00				19.00
	Vanthys Pharmaceutical Development Private Limited	1.48				1.48
	Jubilant Biosys Limited	23.75				23.75
		<b>463.68</b>				<b>463.68</b>
18	<b>Investment in equity share capital:</b>					
	Jubilant LSI Limited	0.50				0.50
		<b>0.50</b>				<b>0.50</b>
19	<b>Loans given:</b>					
	Drug Discovery and Development Solutions Limited	35.93				35.93
		<b>35.93</b>				<b>35.93</b>
20	<b>Borrowings taken:</b>					
	Jubilant Chemsys Limited	120.00				120.00
	Jubilant Infrastructure Limited	2,622.50				2,622.50
	Jubilant Biosys Limited	680.00				680.00
		<b>3,422.50</b>				<b>3,422.50</b>
21	<b>Borrowings repaid:</b>					
	Jubilant Chemsys Limited	30.00				30.00
	Jubilant Biosys Limited	250.00				250.00
	Vanthys Pharmaceutical Development Private Limited	31.00				31.00
		<b>311.00</b>				<b>311.00</b>

## Notes to the financial statements

for the year ended 31 March 2021 (Continued)

₹ in million						
Sr. No.	Particulars	Subsidiaries	Enterprise in which certain key management personnel are interested	Key management personnel	Others	Total
	<b>Amounts outstanding</b>					
<b>22</b>	<b>Borrowings payable:</b>					
	Jubilant Generics Limited	3,250.00				3,250.00
	Jubilant Infrastructure Limited	2,739.90				2,739.90
	Jubilant Chemsys Limited	300.00				300.00
	Jubilant Biosys Limited	430.00				430.00
		<b>6,719.90</b>				<b>6,719.90</b>
<b>23</b>	<b>Interest payable on borrowings:</b>					
	Jubilant Generics Limited	16.15				16.15
	Jubilant Infrastructure Limited	71.61				71.61
		<b>87.76</b>				<b>87.76</b>
<b>24</b>	<b>Commission payable #:</b>					
	Mr. Hari S. Bhartia			37.00		37.00
	Dr. Ashok Misra			1.00		1.00
	Mr. S Sridhar			1.00		1.00
	Ms. Sudha Pillai			1.00		1.00
	Mr. Sushil Kumar Roongta			1.00		1.00
	Mr. Vivek Mehra			1.00		1.00
	Mr. Arun Seth			1.00		1.00
				<b>43.00</b>		<b>43.00</b>
<b>25</b>	<b>Trade payables:</b>					
	Jubilant Pharmaceuticals NV	15.79				15.79
	Jubilant Life Sciences (USA) Inc.	44.30				44.30
	Jubilant Infrastructure Limited	226.56				226.56
	PSI Supply NV	1.23				1.23
	Jubilant Biosys Limited	7.57				7.57
	Jubilant Chemsys Limited	6.85				6.85
	Jubilant Life Sciences NV	4.64				4.64
	Jubilant Generics Limited	61.77				61.77
	Jubilant Industries Limited		3.70			3.70
	Jubilant Agri and Consumer Products Limited		10.22			10.22
	Jubilant Enpro Private Limited		0.44			0.44
		<b>368.71</b>	<b>14.36</b>			<b>383.07</b>
<b>26</b>	<b>Other payables:</b>					
	JOGPL Private Limited		1.44			1.44
	Vam Employees Provident Fund Trust				22.37	22.37
	Vam Officers Superannuation Fund				0.37	0.37
			<b>1.44</b>		<b>22.74</b>	<b>24.18</b>
<b>27</b>	<b>Loans recoverable</b>					
	Drug Discovery and Development Solutions Limited	37.83				37.83
		<b>37.83</b>				<b>37.83</b>
<b>28</b>	<b>Advance from customers:</b>					
	Jubilant Life Sciences International Pte. Limited	10.41				10.41
		<b>10.41</b>				<b>10.41</b>



## Notes to the financial statements

for the year ended 31 March 2021 (Continued)

						₹ in million
Sr. No.	Particulars	Subsidiaries	Enterprise in which certain key management personnel are interested	Key management personnel	Others	Total
<b>29</b>	<b>Trade receivables:</b>					
	Jubilant Life Sciences (USA) Inc.	417.38				417.38
	Jubilant Life Sciences (Shanghai) Limited	280.40				280.40
	Jubilant Chemsys Limited	0.42				0.42
	Jubilant Infrastructure Limited	0.59				0.59
	Jubilant Generics Limited	4.29				4.29
	Jubilant Life Sciences NV	599.39				599.39
	Jubilant Consumer Private Limited		0.03			0.03
	Jubilant Enpro Private Limited		3.29			3.29
	Jubilant FoodWorks Limited		3.17			3.17
	Jubilant Industries Limited		0.05			0.05
	Jubilant Agri and Consumer Products Limited		59.00			59.00
		<b>1,302.47</b>	<b>65.54</b>			<b>1,368.01</b>
<b>30</b>	<b>Deposits recoverable:</b>					
	Jubilant Enpro Private Limited		0.42			0.42
			<b>0.42</b>			<b>0.42</b>
<b>31</b>	<b>Business sale consideration receivable:</b>					
	Jubilant Generics Limited	1,285.00				1,285.00
		<b>1,285.00</b>				<b>1,285.00</b>
<b>32</b>	<b>Other receivables:</b>					
	Jubilant Cadista Pharmaceuticals Inc.	64.35				64.35
	Jubilant HollisterStier LLC	26.39				26.39
	Jubilant HollisterStier General Partnership	34.27				34.27
	Jubilant DraxImage Inc.	49.21				49.21
	PSI Supply NV	8.28				8.28
	Jubilant Therapeutics India Limited	0.01				0.01
	Jubilant Business Services Limited	5.07				5.07
	Jubilant Draximage Radiopharmacies Inc.	113.20				113.20
	Jubilant Life Sciences NV	0.57				0.57
	Jubilant LSI Limited	1.66				1.66
	Jubilant Employee Welfare Trust	11.31				11.31
	Drug Discovery and Development Solutions Limited	0.96				0.96
	Jubilant Agri and Consumer Products Limited		36.79			36.79
	Jubilant FoodWorks Limited		0.64			0.64
	Jubilant Enpro Private Limited		4.61			4.61
	JOGPL Private Limited		0.09			0.09
	Jubilant Consumer Private Limited		4.84			4.84
		<b>315.28</b>	<b>46.97</b>			<b>362.25</b>

\* As the liabilities for the gratuity and compensated absences are provided on an actuarial basis, and calculated for the Company as a whole, the said liabilities pertaining specifically to KMP are not known and hence, not included in the above table.



## Notes to the financial statements

for the year ended 31 March 2021 (Continued)

Breakup of remuneration to key management personnel were as follows:

	(₹ in million)	
	For the year ended	
	31 March 2021	31 March 2020
Short term employment benefits	205.15	255.36
Post employment benefits	6.64	8.52
	<b>211.79</b>	<b>263.88</b>

# Commission payable is subject to the approval of shareholders in the annual general meeting.

### Note 39. Contingent liabilities to the extent not provided for:

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

	(₹ in million)	
	As at	
	31 March 2021	31 March 2020
Central Excise	-	65.43
Customs	-	88.21
Sales Tax	-	89.45
Income Tax	686.12	2,480.76
Service Tax and GST	-	1.88
State Excise	-	663.41
Others	2.40	69.29

#Excluding claims in respect of business transferred to Jubilant Ingrevia Limited pursuant to the Composite Scheme though the claims may be continuing in the name of the Company (refer note 32).

The above does not include all other obligations resulting from claims, legal pronouncements having financial impact in respect of which the Company generally performs the assessment based on the external legal opinion and the amount of which cannot be reliably estimated.

Future cash outflows in respect of the above matters are determinable only on receipt of judgments/decisions pending at various stages/forums.

Additionally, the Company is involved in other disputes, lawsuits, claims, governmental and/ or regulatory inspections, inquiries, investigations and proceedings, including commercial matters that arise from time to time in the ordinary course of business.

The Company believes that none of above matters, either individually or in aggregate, are expected to have any material adverse effect on its financial statements.

### Note 40. Commitments as at year end

#### a) Capital Commitments:

Estimated amount of contracts remaining to be executed on capital account (net of advances) ₹ 15.41 million and ₹ Nil (31 March 2020: ₹ 241.16 million and ₹ 54.73 million) for property, plant and equipment and intangible assets, respectively.

#### b) Other Commitments:

Export obligation under Advance License Scheme on duty free import of specific raw materials, remaining outstanding is ₹ Nil (31 March 2020: ₹ 1,029.61 million).

Also refer note 32.

### Note 41. Leases

The details of the right-of-use assets held by the Company is as follows:

	(₹ in million)			
	Depreciation charge for the year ended		Net carrying amount as at	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Land	36.20	42.91	167.87	862.30
Buildings	16.21	8.99	101.21	32.79
Plant and equipment	4.37	5.24	-	67.36
Vehicles	14.92	17.36	1.16	43.49
<b>Total</b>	<b>71.70</b>	<b>74.50</b>	<b>270.24</b>	<b>1,005.94</b>

Additions to the right-of-use assets during the year ended 31 March 2021 were ₹ 97.75 million (31 March 2020: ₹ 76.72 million).



## Notes to the financial statements

for the year ended 31 March 2021 (Continued)

### Amount recognised in Statement of Profit and Loss:

	(₹ in million)	
	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest on lease liabilities	36.95	40.22
Rental expense relating to short-term leases	40.14	43.08
	<b>77.09</b>	<b>83.30</b>

### Amount recognised in Statement of Cash Flows:

	(₹ in million)	
	For the year ended 31 March 2021	For the year ended 31 March 2020
Total cash outflow for leases	118.92	117.64
	<b>118.92</b>	<b>117.64</b>

The weighted average incremental borrowing rate applied to lease liabilities as at 1 April 2019 is 9.16%.

The difference between the operating lease commitments disclosed applying Ind AS 17 as at 31 March 2019 in the financial statements for the year then ended and the lease liabilities recognised as at 1 April 2019 in these financial statements is primarily on account of inclusion of extension and termination options reasonably certain to be exercised and exclusion of short-term leases for which the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease, in measuring the lease liability in accordance with Ind AS 116.

### Note 42. Disclosure pursuant to section 186(4) of the Companies Act, 2013 in respect of unsecured loans to subsidiary companies [refer note 38]:

	Purpose/Term of loan	(₹ in million)	
		As at	
		31 March 2021	31 March 2020
<b>Drug Discovery and Development Solutions Limited (denominated in USD)</b>			
Outstanding as at the beginning of year	General business purpose and interest rate upto 7% p.a.	37.83	-
Given during the year		-	35.93
Repaid during the year		(36.47)	-
Currency translation adjustment		(1.36)	1.90
Outstanding as at the end of year		-	37.83
Maximum balance outstanding		37.83	37.83

### Note 43. (a) Corporate Social Responsibility (CSR) expense

	(₹ in million)	
	For the year ended 31 March 2021	31 March 2020
Prescribed CSR expenditure as per Section 135 of the Companies Act, 2013	56.66	44.40
<b>Details of CSR spent during the financial year (1)</b>		
a) Construction / acquisition of any asset	-	-
b) On purposes other than (a) above	58.30	44.40

(1) Included in donation – refer note 29

**Note 43. (b)** Donation includes ₹ Nil (31 March 2020 ₹ 55.00 million) to Prudent Electoral Trust and ₹ Nil (31 March 2020: ₹ 30.00 million) towards purchase of Electoral Bonds during the year.

**Note 44.** Government grant recoverable ₹ Nil (31 March 2020: ₹ 112.39 million) and government grant recognized ₹ 153.13 million (31 March 2020: ₹ 335.96 million) in the Statement of Profit and Loss.

## Notes to the financial statements

for the year ended 31 March 2021 (Continued)

**Note 45.** During the year, finance costs amounting to ₹ 24.54 million (31 March 2020: ₹ 105.45 million) has been capitalized in property, plant and equipment, calculated using capitalisation rate of 6.80% (31 March 2020: 7.85%).

**Note 46.** The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under sections 92-92F of the Income-tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company is in the process of updating the documentation for the specified domestic transactions entered into with the specified persons and the international transactions entered into with the associated enterprises during the financial year and expects such records to be in existence before the due date of filing of income tax return. The management is of the opinion that its specified domestic transactions and international transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

**Note 47. Research and development expenses (excluding finance cost, depreciation and amortisation) comprises as mentioned here under:**

	(₹ in million)	
	For the year ended	
	31 March 2021	31 March 2020
Cost of material consumed	13.58	15.06
Employee benefits expense	115.82	129.22
Utilities- power	3.16	4.54
Other expenses	23.20	36.23
	<b>155.76</b>	<b>185.05</b>

### Note 48. Employee Stock Option Scheme

The Company has a stock option plan in place namely "JLL Employees Stock Option Plan, 2011" ("Plan 2011").

The Nomination, Remuneration and Compensation Committee ('Committee') of the Board of Directors which comprises a majority of Independent Directors is responsible for administration and supervision of the Stock Option Plans.

Under Plan 2011, each option, upon vesting, shall entitle the holder to acquire one equity share of ₹ 1 each. Options granted will vest gradually over a period of 3 years from the grant date. Vesting of Options is a function of achievement of performance criteria or any other criteria, as specified by the Committee and communicated in the grant letter

PLAN 2011			
Vesting schedule			
Sr. No	% of options scheduled to vest	Vesting date	Lock-in period
1	20	1 year from grant date	Nil
2	30	2 years from grant date	Nil
3	50	3 years from grant date	Nil

There were no options granted during the year ended 31 March 2021 and 31 March 2020, accordingly disclosures as required under Ind AS 102 w.r.t. weighted average fair value of stock options granted during the year is not applicable.

Up to 31 March 2021, Jubilant Employees Welfare Trust (the "Trust") purchased 6,363,506 equity shares of the Company from the open market, out of interest free loan provided by the Company, out of which the Trust transferred 2,886,740 (31 March 2020: 2,886,740) equity shares to the employees on exercise of Options and sold the remaining 3,476,766 (31 March 2020: 3,476,766) equity shares, representing shares which were not backed by stock option grants to employees.



## Notes to the financial statements

for the year ended 31 March 2021 (Continued)

### The movement in the equity shares held by trust:

	For the year ended	
	31 March 2021	31 March 2020
At the commencement of the year	-	9,628
Sale of shares by trust	-	(2,165)
Transfer to employees on exercise of options	-	(7,463)
At the end of the year	-	-

### The movement in the stock options under “Plan 2011”, during the year, is set out below:

#### Under Plan 2011

	For the year ended			
	31 March 2021		31 March 2020	
	Number of options	Weighted average exercise price (₹)	Number of options	Weighted average exercise price (₹)
Outstanding at the beginning of the year	-	-	9,628	218.04
Forfeited/lapsed during the year	-	-	(2,165)	208.20
Exercised during the year	-	-	(7,463)	220.90
Outstanding at the end of the year	-	-	-	-
Exercisable at the end of the year	-	-	-	-

The weighted average share price for share options exercised during the year ended 31 March 2020 was ₹ 536.92.

#### Fair value of option granted

The weighted average fair value of options granted for Plan 2011 was ₹ 84.90 per option. The fair value at grant date is determined using the Black-Scholes-Merton model which takes into account the exercise price, the term of the option, the share price at grant date, expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option. The following tables list the inputs to models used for fair valuation of the plans:

	Plan 2011
Expected volatility	38.36% - 45.95%
Risk free interest rate	7.74% - 8.81%
Exercise price (₹)	170.20 - 220.90
Expected dividend yield	0.63% - 1.10%
Life of options (years)	3.65

Expected volatility was based on an evaluation of the historical volatility of the share price, particularly over the historical period commensurate with the expected term. The expected term of the instruments has been based on historical experience and general option holder behaviour.

**Note 49.** During the year ended 31 March 2020, Jubilant Biosys (Singapore) Pte. Limited, Promoters and Promoters entities transferred equity shares held in the Jubilant Biosys Limited to the Company, accordingly the Jubilant Biosys Limited became wholly owned subsidiary of the Company.

**Note 50.** During the year ended 31 March 2020, the Company transferred its India Branded Pharmaceuticals (IBP) Business to Jubilant Generics Limited, a wholly owned indirect subsidiary in India, against a consideration of ₹1,285.00 million, which was received during the year ended 31 March 2021. The Company recognised the excess of consideration over book value of net assets/liabilities transferred, net of related tax, amounting to ₹ 1,005.63 million in capital reserve since the transfer was a result of internal reorganisation and the Company continues to control IBP business.

**Note 51.** During the year ended 31 March 2020, the Board of Directors of the Company approved the early redemption of Non-Convertible Debentures (“NCDs”) of ₹ 7,450.00 million. The exceptional items represent debt initiation costs of ₹ 17.03 million on early redemption of NCDs.

## Notes to the financial statements

for the year ended 31 March 2021 (Continued)

**Note 52.** During the year ended 31 March 2020, Jubilant Biosys Limited filed a Composite Scheme of Arrangement (“the Scheme”) for amalgamation of Jubilant Chemsys Limited into Jubilant Biosys Limited and demerger of the business of discovery and development of novel small molecules for treatment of cancer into Jubilant Therapeutics India Limited. The Scheme was approved by the Hon’ble National Company Law Tribunal, Allahabad (NCLT) vide its order dated 29 June 2020. The said NCLT order was filed with the Registrar of Companies, Kanpur on 28 July 2020. Pursuant to the merger of Jubilant Chemsys Limited, Jubilant Biosys Limited issued 52,824,000 equity shares of ₹ 10 each to the Company and 1,699,801 Compulsorily Convertible Preference Shares (“CCPS”) of ₹ 100 each to Jubilant Drug Development Pte. Limited. Later, the Company purchased 1,699,801 CCPS of Jubilant Biosys Limited from Jubilant Drug Development Pte. Limited for a consideration of ₹ 157.77 million, which were thereafter converted into 12,255,234 equity shares of ₹ 10 each of Jubilant Biosys Limited. Further, pursuant to the demerger of the business of discovery and development of novel small molecules for treatment of cancer, Jubilant Therapeutics India Limited issued 29,645,213 equity shares of ₹ 10 each to the Company.

### Note 53. Earnings per share

		For the year ended	
		31 March 2021	31 March 2020
<b>Profit for basic and diluted earnings per share of ₹ 1 each</b>	<b>₹ in million</b>	<b>2,144.75</b>	<b>3,211.41</b>
Weighted average number of equity shares used in computing earnings per share			
<b>For basic earnings per share</b>	<b>Nos.</b>	<b>159,281,139</b>	<b>159,281,139</b>
For diluted earnings per share:			
No. of shares for basic earnings per share	Nos.	159,281,139	159,281,139
Add: weighted average outstanding options related to employee stock options.	Nos.	-	-
<b>No. of shares for diluted earnings per share</b>	<b>Nos.</b>	<b>159,281,139</b>	<b>159,281,139</b>
Earnings per share (face value of ₹ 1 each)			
Basic	₹	13.47	20.16
Diluted	₹	13.47	20.16

**Note 54.** Figures for the current year ended 31 March 2021 are not comparable with previous year since the standalone financial statements include figures of Life Science Ingredients business upto 31 January 2021(refer note 32). Previous year figures have been regrouped/ reclassified to conform to the current year’s classification.

The accompanying notes form an integral part of the standalone financial statements

As per our report of even date attached

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

For **B S R & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 101248W/W-100022

**Manish Gupta**

Partner

Membership No.: 095037

**Shyam S. Bhartia**

Chairman

DIN:00010484

**Hari S. Bhartia**

Co-Chairman and Managing Director

DIN: 00010499

**Arun Kumar Sharma**

Chief Financial Officer

Place: Noida

Date: 4 June 2021

**Rajiv Shah**

Company Secretary

Place: Delhi

Date: 4 June 2021





# Independent Auditors' Report

## To the Members of Jubilant Pharmova Limited

### Report on the Audit of Consolidated Financial Statements

#### Opinion

We have audited the consolidated financial statements of Jubilant Pharmova Limited (hereinafter referred to as the "Holding Company" or "the Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), its associate, which comprise the consolidated balance sheet as at 31 March 2021, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("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 consolidated state of affairs of the Group and its associate as at 31 March 2021, of its consolidated profit and other comprehensive income,

consolidated changes in equity and consolidated cash flows for the year then ended.

#### Basis for Opinion

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

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Demerger of Life Science Ingredients (LSI) business See note 31 to the consolidated financial statements

#### The key audit matter

During the year, the Company has demerged its Life Science Ingredients (LSI) Business pursuant to Composite Scheme of Arrangement ("Composite Scheme") approved by National Company Law Tribunal (NCLT). The Company filed the NCLT approved Composite Scheme with Registrar of Companies

The demerger of the LSI business has significant measurement and disclosure impacts on the Company's consolidated financial statements. This involves identification of assets and liabilities to be transferred which is subject to the provisions of the Composite Scheme.

Thus, we have identified the demerger of LSI business as a key audit matter given it is a complex, non-routine transaction and material to the consolidated financial statements.

#### How the matter was addressed in our audit

To address this key audit matter, our audit procedures included the following:

- Evaluated the design and tested the operative effectiveness of the internal financial controls to record the impact of the Composite scheme.
- Evaluated the appropriateness of the accounting treatment followed by the Company for identification, recognition and measurement of assets and liabilities of LSI Business as at the effective date in accordance with the Composite Scheme and generally accepted accounting principles in India including Indian Accounting Standards notified under the Companies Act, 2013.
- Tested the allocation of assets and liabilities between LSI Business and the rest of the Group in accordance with the Composite Scheme.
- Assessed and tested the adequacy of the Company's disclosures for compliance with applicable Indian Accounting Standards and accounting principles generally accepted in India.

## Independent Auditors' Report (Continued)

### Impairment of intangible assets under development See note 4a to the consolidated financial statements

#### The key audit matter

The Group's assessment process of impairment of intangible assets under development is complex as it involves significant judgement in estimating the expected cost to complete the development and estimating the recoverable amount which primarily involves revenue growth and discount rate.

Given the significant level of judgement involved in making the above estimates, we have determined this to be a key audit matter.

#### How the matter was addressed in our audit

In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:

- Assessed the appropriateness of accounting policy for impairment of intangible assets under development as per relevant accounting standard.
- Tested the design and implementation of key controls with respect to impairment assessment of intangible assets under development.
- Tested the operating effectiveness of Key controls with respect to impairment assessment of intangible assets under development in relation to subsidiary incorporated in India.
- Evaluated the impairment model which is based on discounted cash flows. This included evaluating the appropriateness of the assumptions used in key inputs such as those relating to forecast revenue, gross margin and discount rate based on our knowledge of the Group and the industry with the assistance of valuation specialists, wherever required. We also interviewed key research and development personnel and commercial personnel to evaluate the appropriateness of assumptions used.
- Performed sensitivity analysis of the key assumptions used to determine which changes to assumptions would change the outcome of impairment assessment.
- Compared the recoverable amount of the intangible assets under development with its carrying amount to determine impairment loss, if any.
- Assessed the adequacy of related disclosures in the consolidated financial statements.

### Impairment of goodwill See note 4(a) to the consolidated financial statements

#### The key audit matter

As at 31 March 2021, the goodwill represents 24 % of the total assets.

The Group's process of assessment of impairment of goodwill is complex as it involves significant judgement in determining the appropriate allocation of the goodwill to different cash generating units and assumptions used to estimate the recoverable amount.

The recoverable amount of the cash generating units has been derived from discounted forecast cash flow model which uses several key assumptions, including estimates of future sales volumes and prices, operating costs, terminal value growth rates and the discount rate.

Given the significant level of judgement involved in making the above estimates and the quantitative significance, we have determined this to be a key audit matter.

#### How the matter was addressed in our audit

In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:

- Assessed the appropriateness of accounting policy for impairment of goodwill as per the relevant accounting standard.
- Examined the appropriateness of allocation of goodwill to various cash generating units.
- Tested the design and implementation of key controls in determining the carrying amount and the recoverable amount of the cash generating unit to which the goodwill is allocated.
- Evaluated the impairment model which is based on discounted cash flows. This included evaluation of the appropriateness of the assumptions applied to key inputs such as revenue projections, discount rate and terminal growth rates based on our knowledge of the Group and the industry with the assistance of valuation specialists.
- Examined the causes of differences between past cash flow projections and actual cash flows.
- Performed sensitivity analysis of the key assumptions used to determine which changes to assumptions would change the outcome of impairment assessment.
- Compared the recoverable amount of the cash generating unit to the carrying amount to determine impairment loss, if any.
- Assessed the adequacy of related disclosures in the consolidated financial statements.



## Independent Auditors' Report (Continued)

### Other Information

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the holding Company's annual report, but does not include the consolidated financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

### Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its associate in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group and of its associate are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associate is responsible for overseeing the financial reporting process of each company.

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on the internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls based on our audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.

## Independent Auditors' Report (Continued)

- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group and its associate to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditors. Our responsibilities in this regard are further described in para (a) of the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law

or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matter

The consolidated financial statements also include the Group's share of net profit (and other comprehensive income) of ₹112.52 million for the period from 04 November 2020 to 31 March 2021, as considered in the consolidated financial statements, in respect of an associate, whose financial statements/financial information have not been audited by us or by other auditor. These unaudited financial statements/financial information have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this associate, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid associate, is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements/financial information are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to the financial statements/financial information certified by the Management.

### Report on Other Legal and Regulatory Requirements

- A. As required by Section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
  - c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.



## Independent Auditors' Report (Continued)

- d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2021 taken on record by the Board of Directors of the Holding Company and its subsidiary companies, incorporated in India, none of the directors of the Group companies, incorporated in India is disqualified as on 31 March 2021 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 Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- iii. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies, incorporated in India during the year ended 31 March 2021.
- iv. The disclosures in the consolidated 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 in the consolidated financial statements since they do not pertain to the financial year ended 31 March 2021.

- C. With respect to the matter to be included in the Auditor's report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid to any director by the Holding Company, its subsidiary companies incorporated in India is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2021 on the consolidated financial position of the Group and its associate. Refer Note 38 to the consolidated financial statements.
- ii. The Group and its associate did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2021.

For **B S R & Co. LLP**  
Chartered Accountants  
ICAI Firm's Registration No.101248W/W-100022

**Manish Gupta**  
Partner

Place: Delhi  
Date: 4 June 2021

Membership No. 095037  
ICAI UDIN No. 21095037AAAABS8566



## **Annexure A to the Independent Auditors' report on the consolidated financial statements of Jubilant Pharmova Limited for the year ended 31 March 2021**

### **Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013**

**(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

#### **Opinion**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2021, we have audited the internal financial controls with reference to consolidated financial statements of Jubilant Pharmova Limited (hereinafter referred to as "the Holding Company") and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies, as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

#### **Management's Responsibility for Internal Financial Controls**

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and

detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. 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 consolidated financial statements were 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 with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls 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 consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

#### **Meaning of Internal Financial controls with Reference to Consolidated Financial Statements**

A company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial



## Annexure A to the Independent Auditors' report on the consolidated financial statements of Jubilant Pharmova Limited for the year ended 31 March 2021 (Continued)

statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to consolidated 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 consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

### Inherent Limitations of Internal Financial controls with Reference to consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated 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 consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**

Chartered Accountants

ICAI Firm's Registration No.101248W/W-100022

**Manish Gupta**

Partner

Place: Delhi

Date: 4 June 2021

Membership No. 095037

ICAI UDIN No. 21095037AAAABS8566

# Consolidated Balance Sheet

as at 31 March 2021

	Notes	(₹ in million)	
		As at	
		31 March 2021	31 March 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	20,079.24	37,506.50
Capital work-in-progress	3	2,777.80	2,636.19
Goodwill	4	21,299.62	20,894.61
Other intangible assets	4	1,813.72	2,266.49
Intangible assets under development	4	6,192.14	5,047.68
Rights-of-use assets	40	2,894.89	2,732.13
Investment in associate	5(a)	1,981.40	-
Financial assets			
i. Investments	5(b)	428.20	693.64
ii. Loans	6	137.05	177.79
iii. Other financial assets	7	13.54	75.16
Deferred tax assets (net)	8	1,547.12	2,112.40
Income tax assets (net)		82.40	291.01
Other non-current assets	9	408.97	399.43
<b>Total non-current assets</b>		<b>59,656.09</b>	<b>74,833.03</b>
<b>Current assets</b>			
Inventories	10	11,293.81	18,453.79
Financial assets			
i. Trade receivables	11	8,199.04	12,932.16
ii. Cash and cash equivalents	12(a)	5,019.57	12,308.14
iii. Other bank balances	12(b)	1,693.60	1,690.57
iv. Loans	6	14.25	34.45
v. Other financial assets	7	934.22	942.27
Income tax assets (net)		236.11	3.35
Other current assets	13	2,134.41	4,018.76
<b>Total current assets</b>		<b>29,525.01</b>	<b>50,383.49</b>
<b>Total assets</b>		<b>89,181.10</b>	<b>125,216.52</b>



# Consolidated Balance Sheet

as at 31 March 2021 (Continued)

(₹ in million)

	Notes	As at	
		31 March 2021	31 March 2020
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	14	159.19	159.30
Other equity		47,255.67	55,879.52
<b>Equity attributable to owners of the Company</b>		<b>47,414.86</b>	<b>56,038.82</b>
Non-controlling interest		0.31	-
<b>Total equity</b>		<b>47,415.17</b>	<b>56,038.82</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
i. Borrowings	16(A)	25,639.72	37,396.86
ii. Lease liabilities		1,954.56	1,361.25
iii. Other financial liabilities	19	-	4.85
Provisions	17	940.09	1,507.51
Deferred tax liabilities (net)	8	2,473.02	2,634.20
Other non-current liabilities	20	270.21	82.90
<b>Total non-current liabilities</b>		<b>31,277.60</b>	<b>42,987.57</b>
<b>Current liabilities</b>			
Financial liabilities			
i. Borrowings	16(B)	200.01	6,498.90
ii. Lease liabilities		501.34	440.48
iii. Trade payables	18		
Total outstanding dues of micro enterprises and small enterprises		22.40	120.51
Total outstanding dues of creditors other than micro enterprises and small enterprises		5,182.44	10,782.18
iv. Other financial liabilities	19	2,206.50	5,308.86
Other current liabilities	20	1,009.47	992.79
Provisions	17	898.06	987.67
Current tax liabilities (net)		468.11	1,058.74
<b>Total current liabilities</b>		<b>10,488.33</b>	<b>26,190.13</b>
<b>Total liabilities</b>		<b>41,765.93</b>	<b>69,177.70</b>
<b>Total equity and liabilities</b>		<b>89,181.10</b>	<b>125,216.52</b>

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date attached

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

For **B S R & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 101248W/W-100022

**Manish Gupta**

Partner

Membership No.: 095037

**Shyam S. Bhartia**

Chairman

DIN:00010484

**Hari S. Bhartia**

Co-Chairman and Managing Director

DIN: 00010499

**Arun Kumar Sharma**

Chief Financial Officer

Place: Noida

Date: 4 June 2021

**Rajiv Shah**

Company Secretary

Place: Delhi

Date: 4 June 2021

# Consolidated Statement of Profit and Loss

for the year ended 31 March 2021

(₹ in million)

	Notes	For the year ended	
		31 March 2021	31 March 2020
<b>CONTINUING OPERATIONS</b>			
Revenue from operations	21	60,985.35	59,757.88
Other income	22	176.38	374.11
<b>Total income</b>		<b>61,161.73</b>	<b>60,131.99</b>
<b>Expenses</b>			
Cost of materials consumed	23	13,487.50	14,380.20
Purchases of stock-in-trade		1,676.29	1,546.23
Changes in inventories of finished goods, stock-in-trade and work-in-progress	24	196.34	(1,374.62)
Employee benefits expense	25	19,228.77	18,432.16
Finance costs	26	1,840.97	1,997.11
Depreciation, amortisation and impairment expense	27	3,489.47	3,398.43
Other expenses	28	12,431.84	11,294.39
<b>Total expenses</b>		<b>52,351.18</b>	<b>49,673.90</b>
<b>Profit before share of profit of an associate and exceptional items</b>		<b>8,810.55</b>	<b>10,458.09</b>
Share of profit of an associate	5(a)	112.52	-
<b>Profit before exceptional items and tax</b>		<b>8,923.07</b>	<b>10,458.09</b>
Exceptional items	44	212.31	329.34
<b>Profit before tax</b>		<b>8,710.76</b>	<b>10,128.75</b>
Tax expense	29		
- Current tax		2,699.09	2,921.05
- Deferred tax charge		273.09	429.98
<b>Total tax expense</b>		<b>2,972.18</b>	<b>3,351.03</b>
<b>Profit for the year from continuing operations</b>		<b>5,738.58</b>	<b>6,777.72</b>
<b>DISCONTINUED OPERATIONS</b>			
Profit from discontinued operations	31	3,409.34	1,976.56
Tax expense/(credit) of discontinued operations	31	791.81	(228.15)
<b>Profit after tax of discontinued operations</b>		<b>2,617.53</b>	<b>2,204.71</b>
<b>Profit for the year</b>		<b>8,356.11</b>	<b>8,982.43</b>
<b>Other comprehensive (loss)/income</b>			
<b>(a) In respect of continuing operations</b>			
<i>Items that will not be reclassified to profit or loss</i>			
Changes in fair value of equity investments which are classified at fair value through other comprehensive income (OCI)		(16.29)	(5.94)
Remeasurement of defined benefit obligations		(0.42)	(26.48)
Income tax relating to items that will not be reclassified to profit or loss	29	(0.15)	8.61
		<b>(16.86)</b>	<b>(23.81)</b>
<i>Items that will be reclassified to profit or loss</i>			
Exchange differences on translation of foreign operations		1,659.04	760.43
Income tax relating to items that will be reclassified to profit or loss	29	114.17	(121.37)
		<b>1,773.21</b>	<b>639.06</b>
<b>(b) In respect of discontinued operations</b>			
<i>Items that will not be reclassified to profit or loss</i>			
Changes in fair value of equity investments which are classified at fair value through OCI		6.75	(316.18)
Remeasurement of defined benefit obligations		(11.02)	(31.37)
Income tax relating to items that will not be reclassified to profit or loss	29	3.78	10.89
		<b>(0.49)</b>	<b>(336.66)</b>
<i>Items that will be reclassified to profit or loss</i>			
Exchange differences on translation of foreign operations		(13.14)	52.48
Income tax relating to items that will be reclassified to profit or loss	29	-	-
		<b>(13.14)</b>	<b>52.48</b>
<b>Other comprehensive income for the year, net of tax</b>		<b>1,742.72</b>	<b>331.07</b>
<b>Total comprehensive income for the year</b>		<b>10,098.83</b>	<b>9,313.50</b>





# Consolidated Statement of Profit and Loss

for the year ended 31 March 2021 (Continued)

(₹ in million)

	Notes	For the year ended	
		31 March 2021	31 March 2020
<b>Profit attributable to:</b>			
Owners of the Company		8,358.69	8,982.46
Non-controlling interests		(2.58)	(0.03)
		<b>8,356.11</b>	<b>8,982.43</b>
<b>Other comprehensive income/ (loss) attributable to:</b>			
Owners of the Company		1,742.80	331.07
Non-controlling interests		(0.08)	-
		<b>1,742.72</b>	<b>331.07</b>
<b>Total comprehensive income attributable to:</b>			
Owners of the Company		10,101.49	9,313.53
Non-controlling interests		(2.66)	(0.03)
		<b>10,098.83</b>	<b>9,313.50</b>
<b>Total comprehensive income attributable to owners of the Company from</b>			
Continuing operations		7,497.59	7,393.00
Discontinued operations		2,603.90	1,920.53
		<b>10,101.49</b>	<b>9,313.53</b>
<b>Earnings per equity share of ₹1 each (for continuing operations)</b>	47		
Basic (₹)		36.05	42.55
Diluted (₹)		36.05	42.55
<b>Earnings per equity share of ₹1 each (for discontinued operations)</b>	47		
Basic (₹)		16.43	13.84
Diluted (₹)		16.43	13.84
<b>Earnings per equity share of ₹1 each (for continuing and discontinued operations)</b>	47		
Basic (₹)		52.48	56.39
Diluted (₹)		52.48	56.39

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date attached

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

For **B S R & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 101248W/W-100022

**Manish Gupta**

Partner

Membership No.: 095037

**Shyam S. Bhartia**

Chairman

DIN:00010484

**Hari S. Bhartia**

Co-Chairman and Managing Director

DIN: 00010499

**Arun Kumar Sharma**

Chief Financial Officer

Place: Noida

Date: 4 June 2021

**Rajiv Shah**

Company Secretary

Place: Delhi

Date: 4 June 2021

## Consolidated Statement of Changes in Equity

for the year ended 31 March 2021

### A. Equity share capital

	(₹ in million)
<b>Balance as at 1 April 2019</b>	<b>159.29</b>
Shares transferred by ESOP trust to employees on exercise of stock options	0.01
<b>Balance as at 31 March 2020</b>	<b>159.30</b>
Changes in equity share capital during the year (refer note 31)	-
Treasury shares held in trust for employees under ESOP scheme (refer note 14)	(0.11)
<b>Balance as at 31 March 2021</b>	<b>159.19</b>

### B. Other equity

	Attributable to owners of the Company										Attributable to Non-controlling interest	Total		
	Reserves and surplus (2)					Items of Other Comprehensive Income (2)								
	Capital reserve	Securities premium	Capital redemption reserve	Amalgamation reserve	General reserve	Legal reserve	Debt redemption reserve	Share based payment reserve (refer note 45 and note 46)	Retained earnings	Comprehensive income through OCI instruments			Foreign currency translation reserve	Total attributable to owners of the Company
<b>Balance as at 1 April 2019</b>	2,025.74	5,871.48	398.36	13.21	6,072.74	36.25	1,300.83	0.50	31,026.41	502.61	681.75	47,929.88	0.99	47,930.87
Profit/(loss) for the year	-	-	-	-	-	-	-	-	8,982.46	-	-	8,982.46	(0.03)	8,982.43
Other comprehensive income/(loss)	-	-	-	-	-	-	-	-	(38.35)	(322.12)	691.54	331.07	-	331.07
<b>Total comprehensive income/(loss) for the year</b>	-	-	-	-	-	-	-	-	8,944.11	(322.12)	691.54	9,313.53	(0.03)	9,313.50
Employee stock options exercised/forfeited/lapsed	-	-	-	-	0.50	-	-	(0.50)	-	-	-	-	-	-
Dividend	-	-	-	-	-	-	-	-	(1,513.18)	-	-	(1,513.18)	-	(1,513.18)
Tax on dividend (1)	-	-	-	-	-	-	-	-	(15.20)	-	-	(15.20)	-	(15.20)
Transfer from debenture redemption reserve	-	-	-	-	1,300.83	-	(1,300.83)	-	-	-	-	-	-	-
Transfer from legal reserve	-	-	-	-	-	(6.03)	-	-	6.03	-	-	-	-	-
Transaction with non-controlling interest (refer note 2(b))	0.96	-	-	-	-	-	-	-	-	-	-	0.96	(0.96)	-
Adjustment on account of consolidation of ESOP Trust (refer note 45)	1.39	1.03	-	-	-	-	-	-	-	-	-	2.42	-	2.42
Tax effect of common control transaction	152.71	-	-	-	-	-	-	-	-	-	-	152.71	-	152.71
Others	8.40	-	-	-	-	-	-	-	-	-	-	8.40	-	8.40
<b>Balance as at 31 March 2020</b>	2,189.20	5,872.51	398.36	13.21	7,374.07	30.22	-	-	38,448.17	180.49	1,373.29	55,879.52	-	55,879.52
Profit/(loss) for the year	-	-	-	-	-	-	-	-	8,356.69	-	-	8,356.69	(2.58)	8,356.11
Other comprehensive income/(loss)	-	-	-	-	-	-	-	-	(7.81)	(9.54)	1,760.07	1,742.72	(0.08)	1,742.64
<b>Total comprehensive income/(loss) for the year</b>	-	-	-	-	-	-	-	-	8,350.88	(9.54)	1,760.07	10,101.41	(2.66)	10,098.75
Shares based payment expense (refer note 45)	-	-	-	-	-	-	-	13.57	-	-	-	13.57	-	13.57
Stock awards exercised (refer note 45)	-	-	-	-	-	-	-	(5.41)	2.44	-	-	(2.97)	2.97	-
Adjustment on account of consolidation of ESOP Trust (refer note 45)	(100.50)	-	-	-	-	-	-	-	-	-	-	(100.50)	-	(100.50)
Transfer to legal reserve	-	-	-	-	-	1.69	-	-	(1.69)	-	-	-	-	-
Adjustment on amalgamation of certain promoter controlled entities (refer note 31)	-	-	-	-	-	-	-	-	0.62	-	-	0.62	-	0.62
Adjustment on account of demerger (refer note 31)	(2,026.90)	(5,872.51)	-	-	(7,374.07)	(22.03)	-	-	(3,623.31)	91.27	192.07	(18,635.48)	-	(18,635.48)
Cancellation of investment in Jubilant Ingrevia Limited (refer note 31)	(0.50)	-	-	-	-	-	-	-	-	-	-	(0.50)	-	(0.50)
<b>Balance as at 31 March 2021</b>	61.30	-	398.36	13.21	-	9.88	-	8.16	43,177.11	262.22	3,325.43	47,255.67	0.31	47,255.98



# Consolidated Statement of Changes in Equity

for the year ended 31 March 2021 (Continued)

## Notes:

- (1) During the year ended 31 March 2020, the Company has paid dividend to its shareholders that result in payment of dividend distribution tax in terms of Section 115-O of the Income Tax Act, 1961 on the amount of dividends paid as reduced by the amount of dividend received by it from its subsidiaries. As the tax on dividends represents additional payment on behalf of the shareholder, the same is charged to equity.
- (2) Refer note 15 for nature and purpose of other equity.

The accompanying notes form an integral part of the consolidated 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

**Manish Gupta**

*Partner*

Membership No.: 095037

**Shyam S. Bhartia**

*Chairman*

DIN:00010484

**Hari S. Bhartia**

*Co-Chairman and Managing Director*

DIN: 00010499

**Arun Kumar Sharma**

*Chief Financial Officer*

Place: Noida

Date: 4 June 2021

**Rajiv Shah**

*Company Secretary*

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

# Consolidated Statement of Cash Flows

for the year ended 31 March 2021

	(₹ in million)	
	For the year ended	
	31 March 2021	31 March 2020
<b>A. Cash flow from operating activities</b>		
Profit before tax from continuing operations	8,710.76	10,128.75
Profit before tax from discontinued operations	3,409.34	1,976.56
<b>Profit before tax</b>	<b>12,120.10</b>	<b>12,105.31</b>
Adjustments:		
Depreciation, amortisation and impairment expense	4,516.48	4,619.29
Loss on sale/ disposal/ discard of property, plant and equipment (net)	70.10	25.34
Finance costs	2,472.89	2,874.09
Exceptional items	212.31	346.37
Unrealised foreign exchange loss/(gain)	174.31	(44.81)
Interest income	(138.93)	(215.27)
Gain/(loss) on investments at fair value through profit or loss	(29.89)	2.37
Share of profit of an associate	(112.52)	-
	<b>7,164.75</b>	<b>7,607.38</b>
<b>Operating cash flow before working capital changes</b>	<b>19,284.85</b>	<b>19,712.69</b>
(Increase)/decrease in trade receivables, loans, other financial assets and other assets	(1,126.80)	2,197.71
Decrease/(increase) in inventories	1,343.21	(3,743.27)
Increase/(decrease) in trade payables, other financial liabilities, other liabilities and provisions	2,282.59	(251.16)
<b>Cash generated from operations</b>	<b>21,783.85</b>	<b>17,915.97</b>
Income tax paid (net of refund)	(3,941.20)	(2,486.59)
<b>Net cash generated from operating activities</b>	<b>17,842.65</b>	<b>15,429.38</b>
<b>B. Cash flow from investing activities</b>		
Purchase of property, plant and equipment and other intangible assets (including capital work-in-progress and intangible assets under development)	(5,274.94)	(5,741.53)
Proceeds from sale of property, plant and equipment	131.95	65.32
Purchase of investments	(2,024.26)	(36.39)
Proceeds from sale of investments	-	235.75
Movement in other bank balances	(264.08)	1,961.49
Interest received	41.19	245.33
<b>Net cash used in investing activities</b>	<b>(7,390.14)</b>	<b>(3,270.03)</b>
<b>C. Cash flow arising from financing activities #</b>		
Proceeds from sale of shares by employee welfare trust/on exercise of stock options	-	2.62
Acquisition of shares by employee welfare trust	(100.61)	-
Proceeds from long term borrowings*	12,301.22	9,614.67
Repayments of long term borrowings*	(19,499.66)	(16,102.51)
Payment of lease liabilities	(558.76)	(741.67)
(Repayments of)/proceeds from short term borrowings (net)	(6,298.95)	1,501.76
Dividend paid (including dividend distribution tax)	(14.75)	(1,528.14)
Finance costs paid	(2,922.35)	(3,250.43)
<b>Net cash used in financing activities</b>	<b>(17,093.86)</b>	<b>(10,503.70)</b>



# Consolidated Statement of Cash Flows

for the year ended 31 March 2021 (Continued)

	(₹ in million)	
	For the year ended	
	31 March 2021	31 March 2020
<b>D. Effect of exchange rate changes</b>	<b>122.59</b>	<b>598.52</b>
<b>Net (decrease)/increase in cash and cash equivalents (A+B+C+D)</b>	<b>(6,518.76)</b>	<b>2,254.17</b>
Add: cash and cash equivalents at the beginning of year	12,308.14	10,053.97
Cash and cash equivalents transferred pursuant to the Composite Scheme (refer note 31)	(769.86)	-
Cash and cash equivalents received pursuant to the Composite Scheme (refer note 31)	0.05	-
<b>Cash and cash equivalents at the end of the year (Refer note 12 (a))</b>	<b>5,019.57</b>	<b>12,308.14</b>

\* Revolver facility of Jubilant HollisterStier LLC is presented on net basis.

# Refer note 16.4 for movement of liabilities arising from financing activities.

## Note:

1. Consolidated Statement of Cash Flows has been prepared under the indirect method as set out in the Ind AS 7 "Statement of Cash Flows".
2. For non-cash transaction pursuant to the Composite Scheme, refer note 31.

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date attached

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

For **B S R & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 101248W/W-100022

**Manish Gupta**

Partner

Membership No.: 095037

**Shyam S. Bhartia**

Chairman

DIN:00010484

**Arun Kumar Sharma**

Chief Financial Officer

Place: Noida

Date: 4 June 2021

**Hari S. Bhartia**

Co-Chairman and Managing Director

DIN: 00010499

**Rajiv Shah**

Company Secretary

Place: Delhi

Date: 4 June 2021



# Notes to the consolidated financial statements

for the year ended 31 March 2021

## Note 1. Corporate information

Jubilant Pharmova Limited ("the Company" or the "Parent Company") is a public limited company domiciled in India and incorporated under the provisions of Companies Act, 1956. Its shares are listed on BSE Limited and National Stock Exchange of India Limited. The registered office of the Company is situated at Bhartiagram, Gajraula, District Amroha, Uttar Pradesh – 244223.

The consolidated financial statements of the Company comprise the financial statements of Company and its subsidiaries and partnerships (together referred to as "the Group"). The Group is an integrated global pharmaceutical and life sciences company engaged in pharmaceuticals, life science ingredients, contract research and development services and proprietary novel drugs. The pharmaceuticals segment, through wholly owned subsidiary Jubilant Pharma Limited, is engaged in manufacture and supply of APIs, solid dosage formulations, radiopharmaceuticals, allergy therapy products and contract manufacturing of sterile injectables and non-sterile products through 6 USFDA approved manufacturing facilities in India, USA and Canada and a network of over 50 radiopharmacies in the USA. The life science ingredients segment is engaged in specialty intermediates, nutritional products and life science chemicals through 5 manufacturing facilities in India. The contract research and development segment provides drug discovery and development services as well as clinical data software and service solutions. Proprietary novel drugs segment is a patient-focused biopharmaceutical business working to address unmet medical needs in oncology and autoimmune diseases. The Group is well recognised as a 'Partner of Choice' by leading pharmaceuticals and life sciences companies globally.

The Composite Scheme of Arrangement ("Composite Scheme") for amalgamation of certain promoter controlled entities into the Company and demerger of the Life Science Ingredients business into Jubilant Ingrevia Limited, the Resulting entity, was approved by Honourable National Company Law Tribunal ("NCLT"), Allahabad Bench vide its order dated 23 December 2020, formal order received on 6 January 2021. The said NCLT order was filed with the Registrar of Companies by Company and Jubilant Ingrevia Limited on 1 February 2021, thereby making the Composite Scheme effective. Accordingly, all assets and liabilities of the Life Science Ingredients business stand transferred and vested into Jubilant Ingrevia Limited on 1 February 2021, being the Appointed date as per the Composite Scheme for the demerger of Life Sciences Ingredients business. Effective that date, the name of the Company has changed to Jubilant Pharmova Limited from Jubilant Life Sciences Limited (refer note 31).

## 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.

### (a) Basis of preparation

#### (i) Statement of compliance

The Consolidated 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") relevant provisions of the Act and other accounting principles generally accepted in India.

All the amounts included in the financial statements are reported in millions of Indian Rupees ('Rupees' or '₹') and are rounded to the nearest million, except per share data and unless stated otherwise.

The financial statements have been authorised for issue by the Company's Board of Directors on 04 June 2021.

#### (ii) Historical cost convention

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

### (b) Principles of consolidation

The consolidated financial statement comprises the financial statement of the Company, and the entities controlled by the Company including its subsidiaries and partnerships.

Subsidiaries are entities controlled by the Group. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- (i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- (ii) Exposure, or rights, to variable returns from its involvement with the investee, and
- (iii) The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:



## Notes to the consolidated financial statements

for the year ended 31 March 2021 (Continued)

- (i) The contractual arrangement with the other vote holders of the investee.
- (ii) Rights arising from other contractual arrangements
- (iii) The Group's voting rights and potential voting rights
- (iv) The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of an entity begins when the Group obtains control over that entity and ceases when the Group loses control over the entity. Assets, liabilities, income and expenses of an entity acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the entity.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company. When the end of the reporting period of the parent is different from that of a member of the Group, the member prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

### The details of the consolidated entities are as follows:

Sr. No.	Name	Country of Incorporation	Name of Parent	Percentage of ownership interest held by the Group
1	Jubilant Pharma Limited (1)	Singapore	Jubilant Pharmova Limited	100%
2	Draximage Limited, Cyprus (liquidated w.e.f. 19 November 2020) (1)	Cyprus	Jubilant Pharma Limited	100%
3	Draximage Limited, Ireland (filed for liquidation) (1)	Ireland	Jubilant Pharma Limited	100%
4	Jubilant DraxImage (USA) Inc. (1)	USA	Jubilant Pharma Holdings Inc. (w.e.f. 1 July 2019) Jubilant Pharma Limited (upto 30 June 2019)	100%
5	Jubilant DraxImage Inc. (1)	Canada	Jubilant Pharma Limited	100%
6	6981364 Canada Inc. (1)	Canada	Jubilant DraxImage Inc.	100%
7	Draximage (UK) Limited (1)	UK	Jubilant DraxImage Inc.	100%
8	Jubilant Pharma Holdings Inc. (1)	USA	Jubilant Pharma Limited (84.48% upto 1 July 2019) Jubilant Generics Limited (15.52% upto 1 July 2019)	84.71% 15.29%
9	Jubilant Clinsys Inc. (1)	USA	Jubilant Pharma Holdings Inc.	100%
10	Cadista Holdings Inc. (Merged with Jubilant Pharma Holdings Inc. w.e.f closure of business hours on 31 March 2020) (1)	USA	Jubilant Pharma Holdings Inc.	100%
11	Jubilant Cadista Pharmaceuticals Inc. (1)	USA	Jubilant Pharma Holdings Inc. (w.e.f. closure of business hours on 31 March 2020) Cadista Holdings Inc. (upto closure of business hours on 31 March 2020)	100%
12	Jubilant Life Sciences International Pte. Limited (4)	Singapore	Jubilant Pharmova Limited	100%

## Notes to the consolidated financial statements

for the year ended 31 March 2021 (Continued)

Sr. No.	Name	Country of Incorporation	Name of Parent	Percentage of ownership interest held by the Group
13	HSL Holdings Inc. (Merged with Jubilant Pharma Holdings Inc. w.e.f closure of business hours on 31 March 2020) (1)	USA	Jubilant Pharma Holdings Inc.	100%
14	Jubilant HollisterStier LLC (1)	USA	Jubilant Pharma Holdings Inc. (w.e.f. closure of business hours on 31 March 2020) HSL Holdings Inc. (upto closure of business hours on 31 March 2020)	100%
15	Jubilant Life Sciences (Shanghai) Limited (4)	China	Jubilant Life Sciences International Pte. Limited	100%
16	Jubilant Pharma NV (1)	Belgium	Jubilant Generics Limited	77.65%
			Jubilant Pharma Limited	22.35%
17	Jubilant Pharmaceuticals NV (1)	Belgium	Jubilant Pharma NV	99.81%
			Jubilant Pharma Limited	0.19%
18	PSI Supply NV (1)	Belgium	Jubilant Pharma NV	99.50%
			Jubilant Pharma Limited	0.50%
19	Jubilant Life Sciences (USA) Inc. (4)	USA	Jubilant Pharmova Limited	100%
20	Jubilant Life Sciences (BVI) Limited (2)	BVI	Drug Discovery and Development Solutions Limited	100%
21	Jubilant Biosys (BVI) Limited (merged into Jubilant Life Sciences (BVI) Limited w.e.f. 14 November 2019) (2)	BVI	Jubilant Life Sciences (BVI) Limited (upto 14 November 2019)	100%
22	Jubilant Biosys (Singapore) Pte. Limited (Merged with Jubilant Drug Development Pte. Limited w.e.f 27 March 2020) (2)	Singapore	Jubilant Life Sciences (BVI) Limited (w.e.f. 14 November 2019) Jubilant Biosys (BVI) Limited (upto 13 November 2019)	100%
23	Jubilant Biosys Limited (2) @	India	Jubilant Pharmova Limited	100%
24	Jubilant Discovery Services LLC (2)	USA	Jubilant Innovation (USA) Inc.	100%
25	Jubilant Drug Development Pte. Limited (2)	Singapore	Jubilant Life Sciences (BVI) Limited	100%
26	Jubilant Chemsys Limited (Merged with Jubilant Biosys Limited w.e.f 28 July 2020) (2)	India	Jubilant Pharmova Limited	75.61%
			Jubilant Drug Development Pte. Limited	24.39%
27	Jubilant Clinsys Limited (2)	India	Jubilant Biosys Limited (w.e.f. 28 July 2020) Jubilant Chemsys Limited (up to 27 July 2020)	100%
28	Jubilant Infrastructure Limited (4)	India	Jubilant Pharmova Limited	100%
29	Jubilant First Trust Healthcare Limited (2)	India	Jubilant Pharmova Limited	100%
30	Jubilant Innovation Pte. Limited (2)	Singapore	Drug Discovery and Development Solutions Limited	100%
31	Jubilant DraxImage Limited (1)	India	Jubilant Pharma Limited	100%
32	Jubilant Innovation (India) Limited (liquidated w.e.f. 10 February 2021) (2)	India	Drug Discovery and Development Solutions Limited	100%
33	Jubilant Innovation (USA) Inc. (2)	USA	Drug Discovery and Development Solutions Limited	100%
34	Jubilant HollisterStier Inc. (1)	USA	Jubilant Pharma Holdings Inc. (w.e.f closure of business hours on 31 March 2020) HSL Holdings Inc. (upto closure of business hours on 31 March 2020)	100%
35	Draxis Pharma LLC (1)	USA	Jubilant HollisterStier Inc.	100%
36	Drug Discovery and Development Solutions Limited (2)	Singapore	Jubilant Pharmova Limited	100%
37	TrialStat Solutions Inc. (2)	Canada	Jubilant Biosys Innovative Research Services Pte. Limited (w.e.f. March 19, 2021) Drug Discovery and Development Solutions Limited (upto March 18, 2021)	100%
38	Jubilant HollisterStier General Partnership # (1)	Canada	Jubilant HollisterStier Inc.	99.99%
			Draxis Pharma LLC	0.01%



## Notes to the consolidated financial statements

for the year ended 31 March 2021 (Continued)

Sr. No.	Name	Country of Incorporation	Name of Parent	Percentage of ownership interest held by the Group
39	Draximage General Partnership # (1)	Canada	Jubilant DraxImage Inc 6981364 Canada Inc.	90% 10%
40	Vanths Pharmaceutical Development Private Limited (liquidated w.e.f. 10 February 2021) (2)	India	Jubilant Innovation Pte. Limited	100%
41	Jubilant Generics Limited (1)	India	Jubilant Pharma Limited	100%
42	Jubilant Life Sciences NV (4)	Belgium	Jubilant Pharmova Limited (One share, representing 0.001% holding is held by Jubilant Infrastructure Limited)	100%
43	Jubilant Pharma Australia Pty Limited (1)	Australia	Jubilant Pharma Limited	100%
44	Jubilant Draximage Radiopharmacies Inc. (1)	USA	Jubilant Pharma Holdings Inc.	100%
45	Jubilant Pharma SA (Pty) Limited (Incorporated on 14 February 2019) (1)	South Africa	Jubilant Pharma Limited	100%
46	Jubilant Therapeutics India Limited (3)	India	Jubilant Pharmova Limited	100%
47	Jubilant Therapeutics Inc. (Incorporated on 19 February 2019) (3)	USA	Jubilant Therapeutics India Limited	98.98%
48	Jubilant Business Services Limited (Incorporated on 28 March 2019) (1)	India	Jubilant Pharmova Limited	100%
49	Jubilant Episcibe LLC (3)	USA	Jubilant Therapeutics Inc.	98.98%
50	Jubilant Epicore LLC (3)	USA	Jubilant Therapeutics Inc.	98.98%
51	Jubilant Prodel LLC (3)	USA	Jubilant Therapeutics Inc.	98.98%
52	Jubilant Epipad LLC (3)	USA	Jubilant Therapeutics Inc.	98.98%
53	Jubilant Pharma UK Limited (Incorporated on 17 April 2019) (1)	UK	Jubilant Pharma Limited	100%
54	Jubilant Ingrevia Limited (Formerly Jubilant LSI Limited, incorporated on 23 October 2019) (4)	India	Jubilant Pharmova Limited	100%
55	Jubilant Biosys Innovative Research Services Pte. Limited (Incorporated on 22 July 2020)	Singapore	Jubilant Biosys Limited	100%
56	Jubilant Employee Welfare Trust	India	Jubilant Pharmova Limited	-

# Partnership firms, in which two subsidiaries of the Parent Company are partners.

@ During the year ended 31 March 2020, Jubilant Biosys (Singapore) Pte. Limited, Promoters and Promoters entities have transferred equity shares held in the Jubilant Biosys Limited to the Company without consideration, accordingly Jubilant Biosys Limited has become wholly owned subsidiary of the Company.

- (1) Represents entities engaged in Pharmaceuticals business.
- (2) Represents entities engaged in Contract Research and Development Services business.
- (3) Represents entities engaged in Proprietary Novel Drugs business.
- (4) Represents entities engaged in Life Sciences Ingredients business, demerged w.e.f. 1 February 2021 pursuant to Composite Scheme (refer note 31).

### The associate and subsidiaries of associate are as follows:

Sr. No.	Name	Country of Incorporation	Name of Parent/Investor	Percentage of ownership interest held by the Group
<b>Associate</b>				
1	Sofie Biosciences, Inc.	USA	Jubilant Pharma Limited	25%
<b>Subsidiaries of Associate</b>				
2	Sofie Network, Inc.	USA	Sofie Biosciences, Inc.	25%
3	N-Molecular, Inc.	USA	Sofie Network, Inc.	25%
4	GRD US PET Operations, Inc.	USA	Sofie Network, Inc.	25%
5	SOFIE Co.	USA	GRD US PET Operations, Inc.	25%
6	iTheranostics Inc.	USA	Sofie Biosciences, Inc.	17.50%

## Notes to the consolidated financial statements

for the year ended 31 March 2021 (Continued)

### (c) Consolidation procedure

- a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill (refer note 2(f)).
- c) Eliminate in full, intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 "Income Taxes" applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. Non-controlling interest in the results and the equity of subsidiaries are shown separately in the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and Consolidated Balance Sheet.

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

### (d) Investment accounted for using the equity method

The Group's interest in investment accounted for using the equity method comprises interest in an associate. Associate is an entity in which the Group has significant influence, but not control or joint control, over the financial and operating policy decisions of the investee.

Interest in an associate is accounted for using the equity method. Under the equity method of accounting, the investment in an associate is initially recognised at cost which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and other comprehensive income of equity accounted investee until the date on which significant influence ceases. Goodwill (i.e. excess of the cost of investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee) relating to the associate is included in the carrying amount of the investment and is not tested for impairment separately. Dividends received or receivable from associate are recognised as a reduction in the carrying amount of the investment.

Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value.

### (e) Current versus non-current classification

The Group presents assets and liabilities in the Consolidated 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.





# Notes to the consolidated financial statements

for the year ended 31 March 2021 (Continued)

The Group classifies all other assets as non-current.

A liability is current when:

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

The Group classifies all other liabilities as non-current.

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

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

## (f) Business combinations

Business combinations (other than business combinations between common control entities) are accounted for using the purchase (acquisition) method. The cost of an acquisition is measured as the fair value of the consideration transferred, equity instruments issued and liabilities incurred or assumed at the date of exchange. The consideration transferred does not include amounts related to the settlement of pre-existing relationships; such amounts are generally recognised in the Consolidated Statement of Profit and Loss and Other Comprehensive Income. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired and liabilities & contingent liabilities assumed in a business combination are measured initially at fair value at the date of acquisition. Transaction costs incurred in connection with a business combination are expensed as incurred. The excess of the consideration transferred over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve as a gain on bargain purchase.

Business combinations between entities under common control are accounted at historical cost. The difference between the consideration paid/received and the carrying amount of assets and liabilities transferred is recorded in the capital reserve, a component of other equity.

Business combinations arising from transfers of interests in entities that are under the common control are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established; for this purpose, comparatives are revised.

## (g) Property, plant and equipment (PPE) and intangible assets

### (i) Property, plant and equipment

Freehold land is carried at cost. All other items of property, plant and equipment are stated at cost, which includes capitalised 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 Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

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

### (ii) Intangible assets

- Goodwill arising on business combinations is disclosed separately in the balance sheet and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

- Internally generated goodwill is not recognised as an asset. With regard to other internally generated intangible assets:

- Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical

## Notes to the consolidated financial statements

for the year ended 31 March 2021 (Continued)

knowledge and understanding, is recognised in the Consolidated Statement of Profit and Loss as incurred.

- Development expenditure including regulatory cost and legal expenses leading to product registration/ market authorisation relating to the new and/or improved product and/or process development capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use the asset. The expenditure capitalised includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use, and directly attributable finance costs (in the same manner as in the case of tangible fixed assets). Other development expenditure is recognised in the Consolidated Statement of Profit and Loss as incurred.

- Intangible assets (including intangible assets under development) that are acquired and 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.

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

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

Category of assets	Management estimate of useful life	Useful life as per Schedule II
Vehicles – Owned	5 years	8 years
Computer servers and networks (included in office equipment)	5 years	6 years
Dies and punches for manufacture of dosage formulations (included in plant and equipment)	1-2 years	15 years
Employee perquisite related assets (except end user computers) (included in furniture and fixtures)	5 years, being the period of perquisite scheme	10 years

For overseas entities, depreciation is charged using the straight line method, over the estimated useful life considered as follows:

- Building: 30-60 years
- Plant and machinery: 3 to 20 years
- Dies and punches: 1 to 2 years
- Furniture and office equipment: 3 to 15 years
- Computer and information technology related assets: 3 to 5 years
- Vehicles: 3 to 5 years

Leasehold improvements (included in furniture and fixtures) are depreciated over their estimated useful life, or the remaining period of lease from the date of capitalisation, whichever is shorter.

The estimated useful lives of Intangibles are follows:

Internally generated product registration / market authorisation	5 to 10 years
Acquired patents, trademarks / trade names and customer contracts	5 to 10 years
Rights	5 years
Software	5 years

Depreciation on assets added/disposed off during the year has been provided on pro-rata basis with reference to the date / month of addition/disposal. Depreciation and amortisation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

### (iv) Derecognition

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

### (h) Non-current assets held for sale and discontinued operations

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



# Notes to the consolidated financial statements

for the year ended 31 March 2021 (Continued)

A discontinued operation is a component of the Group's business that has been disposed off or is classified as held for sale and represents a separate major line of business or geographical area of operations, is part of a single coordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the Consolidated Statement of Profit and Loss.

## (i) Impairment of non-financial assets

Goodwill, intangible assets that have an indefinite useful life and intangible assets under development are not subject to amortisation and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. The Group's other 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 (i.e. corporate assets) 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. Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes.

The recoverable amount of an asset or 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 asset or CGU.

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

An impairment loss in respect of goodwill is not subsequently reversed. In respect of other assets for which impairment loss has been recognised in prior periods, the Group reviews at reporting date whether

there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

## (j) 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.

### (i) 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 Group 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. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset or the amortised cost of the financial liability. Amortised cost is calculated by taking into account

## Notes to the consolidated financial statements

for the year ended 31 March 2021 (Continued)

any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the Consolidated Statement of Profit and Loss. The losses arising from impairment are recognised in the Consolidated Statement of Profit and Loss. This category generally applies to trade and other receivables.

### *Debt instrument at FVOCI*

A 'debt instrument' is classified as at the FVOCI 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 Consolidated Statement of Profit and Loss. Interest earned whilst holding FVOCI debt instrument is reported as interest income using the EIR method.

### *Debt instrument at FVPL*

FVPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVOCI, is classified as at FVPL. In addition, the Group, at initial recognition, may irrevocably elect to designate a debt instrument, which otherwise meets amortised cost or FVOCI criteria, as at FVPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Debt instruments included within the FVPL category are measured at fair value with all changes recognised in the Consolidated Statement of Profit and Loss.

### *Equity investments*

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is

no recycling of the amounts from OCI to the Consolidated Statement of Profit and Loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss to retained earnings.

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

### *Impairment of financial assets*

The Group recognises loss allowance using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount 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 ECL (or reversal) that is required to adjust the loss allowance at the reporting date is recognised as an impairment gain or loss in the Consolidated 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 derecognised (i.e., removed from the Group's Balance Sheet) when:

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

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and 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 Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.





# Notes to the consolidated financial statements

for the year ended 31 March 2021 (Continued)

## (ii) Financial liabilities

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

### *Offsetting*

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

## (k) 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:

Raw materials	Weighted average method
Stores and spares	Weighted average method
Work-in-progress and finished goods (manufactured)	Direct materials, direct labour and an appropriate proportion of variable and fixed production overheads, the latter being allocated on the basis of normal operating capacity
Fuel, consumables, packing material etc.	Weighted average method
Finished goods (traded)	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.

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 net realisable value of work-in-progress is determined with reference to the selling prices of related finished products. Raw materials and other supplies held for use in the production of finished products are not written down below cost, except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value. The comparison of cost and net realisable value is made on an item-by-item basis.

## (l) 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.

## (m) Provisions and contingencies

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the 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 recognised as a finance cost.

The amount recognised 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 recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

### *Contingent liabilities*

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.



## Notes to the consolidated financial statements

for the year ended 31 March 2021 (Continued)

### *Decommissioning provisions*

In accordance with the applicable regulatory and contractual requirements, a decommissioning provision in respect of estimated costs of dismantling and repairing leased premises to be performed at the time it is vacated and removing certain machinery and equipment to be performed at the time it is disposed off, is recognised. The provision is measured at the present value of the best estimate of the decommissioning costs.

### (n) Revenue recognition

Revenue from sale of products is recognised when the Group satisfies a performance obligation upon transfer of control of products to customers at the time of shipment to or receipt of goods by the customers. Service income is recognised when the Group satisfies a performance obligation as and when the underlying services are performed.

The Group exercises judgment in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Group considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc. Invoices are issued as per the general business terms and are payable in accordance with the contractually agreed credit period.

Any fees including upfront fees received in relation to contract manufacturing arrangements is recognised over the period over which the Group satisfies the underlying performance obligations. In respect of outsourcing contracts for drug development with third party Clinical Research Organisation (CRO), revenue is recognised on the basis of actual cost incurred plus mark up as agreed with the customer under each agreement.

Revenues are measured based on the transaction price allocated to the performance obligation, which is the consideration, net of taxes or duties collected on behalf of the government and applicable discounts and allowances including charge-backs, expected sales return and bill backs. The computation of these estimates using expected value method involves significant judgment based on various factors including contractual terms, historical experience, estimated inventory levels and expected sell-through levels in supply chain. The transaction price is allocated to each performance obligation in the contract on the basis of the relative standalone selling prices of the promised goods or services. The transaction price may be fixed or variable and is adjusted for time value of money if the contract includes significant financing component.

Contract assets are recognised when there is excess of revenue earned over billings on contracts, excluding amounts classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms. Contract liabilities are recognised when there are billings in excess of revenues. Contract liabilities relate to the advance received from customers and deferred revenue against which revenue is recognised when or as the performance obligation is satisfied.

Income in respect of entitlement towards export incentives is recognised in accordance with the relevant scheme on recognition of the related export sales. Such export incentives are recorded as part of other operating revenue.

### (o) Employee benefits

(i) **Short-term employee benefits:** All employee benefits falling due within twelve months from the end of the period in which the employees render the related services are classified as short-term employee benefits, which include benefits like salaries, wages, short term compensated absences, performance incentives, etc. and are recognised as expenses in the period in which the employee renders the related service and measured accordingly.

(ii) **Post-employment benefits:** Post employment benefit plans are classified into defined benefits plans and defined contribution plans as under:

#### a) *Gratuity*

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

#### b) *Superannuation*

Certain employees of the Parent Company are also participants in the superannuation plan, a defined contribution plan. Contribution made by the Parent Company to the superannuation plan during the year is charged to Consolidated Statement of Profit and Loss.



## Notes to the consolidated financial statements

for the year ended 31 March 2021 (Continued)

### c) *Provident fund*

- The Group makes contribution to the recognised provident fund - "VAM Employees Provident Fund Trust" (a multiemployer trust) for most of its employees in India, which is a defined benefit plan to the extent that the Group has an obligation to make good the shortfall, if any, between the return from the investments of the trust and the notified interest rate. The Group's obligation in this regard is determined by an independent actuary and provided for if the circumstances indicate that the Trust may not be able to generate adequate returns to cover the interest rates notified by the Government. For other employees in India, provident fund is deposited with Regional Provident Fund Commissioner. This is treated as defined contribution plan.
- Group's contribution to the provident fund is charged to Consolidated Statement of Profit and Loss.

- d) Foreign subsidiaries make contribution to various social security plans and insurance schemes as per local requirements and generally accepted practices in their respective country of incorporation. Such contributions are charged to Consolidated Statement of Profit and Loss on accrual basis in the year in which liability to pay arise.

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

#### *Compensated absences*

As per the Group's policy, eligible leaves can be accumulated by the employees and carried forward to future periods to either be utilised during the service, or encashed. Encashment can be made during service, on early retirement, on withdrawal of scheme, at resignation and upon death of the employee. Accumulated compensated absences are treated as other long-term employee benefits.

#### (iv) *Termination benefits:*

Termination benefits are recognised as an expense when, as a result of a past event, the Group 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.

#### (v) *Actuarial valuation*

The liability in respect of all defined benefit plans and other long term benefits is accrued in the consolidated books of account on the basis of actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method. 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 on other long term benefits are recognised in the Consolidated Statement of Profit and Loss in the year in which they arise. 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 other equity in the Consolidated Statement of Changes in Equity and in the Consolidated 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 Consolidated Statement of Profit and Loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits are already vested immediately following the introduction of, or changes to, a defined benefit plan, the past service cost is recognised immediately in the Consolidated Statement of Profit and Loss. Past service cost may be either positive (where benefits are introduced or improved) or negative (where existing benefits are reduced).

### (p) **Share based payments**

The grant date fair value of options granted (net of estimated forfeiture) to employees of the Group is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the options. The expense is recorded for each separately vesting portion of the award as if the award was, in substance, multiple awards. The increase in equity recognised in connection with share based payment transaction is presented as a separate component in equity under "share based payment reserve".

The amount recognised as an expense is adjusted to

## Notes to the consolidated financial statements

for the year ended 31 March 2021 (Continued)

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 share based payment reserve is transferred to general reserve upon expiry of grants or upon exercise of stock options by an employee, as the Group is operating the Employee Stock Option schemes through Jubilant Employees Welfare Trust, which has purchased share from the secondary market. The difference between cost of shares purchased from secondary market and the proceeds on sale/allotment of shares by trust is recognised in capital reserve.

### (q) Finance costs and finance income

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

Finance income consists of interest income. Interest income or expense is recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset or the amortised cost of the financial liability. In calculating interest income or expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial

asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

### (r) Exceptional items

Exceptional items refer to items of income or expense within the Consolidated Statement of Profit and Loss from ordinary activities which are non-recurring and are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance of the Group.

### (s) Income tax

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

#### • Current tax:

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

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis 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 investment in subsidiaries and associate, to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.



## Notes to the consolidated financial statements

for the year ended 31 March 2021 (Continued)

Deferred tax assets (DTA) include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. MAT is a tax liability of an Indian company computed at specified rate on adjusted book profits as per applicable provisions of the Indian Income Tax Act. An Indian company is liable to pay MAT, if the income tax payable under normal provisions of the Indian Income Tax Act is less than tax payable under MAT.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if there is 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 income tax is not provided on the undistributed earnings of the subsidiaries where it is expected that the earnings of the subsidiary will not be distributed in the foreseeable future. The dividend distribution tax (DDT) paid by the subsidiary companies, if available for set off against the DDT liability of the Parent, is effectively a tax on distribution of dividend to the shareholders of the Parent company and therefore is recognised in Consolidated Statement of Changes in Equity.

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.

### (t) Leases – Group as a lessee

The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use

of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (1) the contract involves the use of an identified asset; (2) the Group has substantially all of the economic benefits from use of the asset through the period of the lease; and (3) the Group has the right to direct the use of the asset.

The Group's lease asset classes primarily consist of leases for land, buildings, plant and equipment, office equipment and vehicles which typically run for a period of 3 to 10 years, with an option to renew the lease after that date. For certain leases, the Group is restricted from entering into any sub-lease arrangements. At the date of commencement of the lease, the Group recognises a right-of-use asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases). For these short-term leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Right-of-use assets and lease liabilities includes the options to extend or terminate the lease when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the Consolidated Statement of Profit and Loss.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates based on information available as at the date of commencement of the lease. Lease liabilities are remeasured with a corresponding adjustment to the related right-of-use asset if the Group changes its assessment of whether it will exercise an extension or a termination option. Lease liability and right-of-use asset have been separately presented in the



## Notes to the consolidated financial statements

for the year ended 31 March 2021 (Continued)

Consolidated Balance Sheet and lease payments have been classified as financing cash flows.

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Group considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Group's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

### *Transition to Ind AS 116*

Effective 1 April 2019, the Group applied Ind AS 116 "Leases" applied to all lease contracts existing on 1 April 2019 using the modified retrospective approach on the date of initial application. Consequently, the Group recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right-of-use asset an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the Consolidated Balance Sheet immediately before the date of initial application. On transition to Ind AS 116, the adoption of new standard resulted in recognition of right-of-use assets of ₹ 1,366.59 million and lease liabilities of ₹ 1,346.35 million with no material impact on the equity. The nature of expenses changed from lease rent in previous periods to depreciation expense for the right-to-use asset and finance cost for interest accrued on lease liability. The effect of this adoption was insignificant on the profit for the previous year.

For transition, the Group elected not to apply the requirements of Ind AS 116 to leases which were expiring within 12 months from the date of transition on a lease-by-lease basis. The Group also used practical expedient and therefore, did not reassess, under Ind AS 116, whether a contract is, or contains, a lease at the date of initial application. Further, as a practical expedient, on a lease-by-lease basis, the Group relied on its assessment as at 31 March 2019 as to whether leases are onerous applying Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets, as an alternative to performing an impairment review. The Group used a single discount rate to a portfolio of leases with similar characteristics. For leases that were classified as finance leases applying

Ind AS 17, the carrying amount of the right-of-use asset and the lease liability at the date of initial application is the carrying amount of the lease asset and lease liability immediately before that date measured applying Ind AS 17. For those leases, the Group accounted for the right-of-use asset and the lease liability applying Ind AS 116 from the date of initial application.

### **(u) Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Chairman and Co-Chairman and Managing Director (CCMD) of the Group are 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.

### **(v) Foreign currency translation**

#### **(i) Functional and presentation currency**

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Indian rupee (₹), which is also the Parent Company's functional currency.

#### **(ii) Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at balance sheet date exchange rates are generally recognised in Consolidated 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).

#### **(iii) Group companies**

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:





# Notes to the consolidated financial statements

for the year ended 31 March 2021 (Continued)

- Equity share capital and opening other equity are carried at historical cost.
- All assets and liabilities, both monetary and non-monetary, (excluding share capital, opening other equity) are translated using closing rates at balance sheet date.
- Profit and Loss items are translated at the respective quarterly average rates or the exchange rate that approximates the actual exchange rate on date of specific transaction.
- All resulting exchange differences are recognised in Other Comprehensive Income.

When a foreign operation is sold or any inter-company balances forming part of the net investment are settled, the associated cumulative exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

The items of Consolidated Cash Flow Statement are translated at the respective average rates or the exchange rate that approximates the actual exchange rate on date of specific transaction. The impact of changes in exchange rate on cash and cash equivalent held in foreign currency is included in effect of exchange rate changes.

## (w) Government grants

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

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

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

## (x) Earnings per share

### (i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Group
- 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.

## (y) Measurement of fair values

A number of the accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities. Fair values are categorised into different 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 Group has an established control framework with respect to the measurement of fair values. This includes a finance team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values.

The finance team regularly reviews significant unobservable inputs and valuation adjustments. If third party information is used to measure fair values, then the finance team assesses the evidence obtained from the third parties to support the conclusion that these valuations 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 Group 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

## Notes to the consolidated financial statements

for the year ended 31 March 2021 (Continued)

the lowest level input that is significant to the entire measurement.

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

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

### (z) Critical estimates and judgments

The preparation of consolidated 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 recognised 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 recognised in the consolidated financial statements is included in the following notes.

- Assessment of useful life of property, plant and equipment and intangible asset – Note 2(g)
- Valuation of inventories – Note 2(k)
- Recognition of revenue and related accruals – Note 2(n)
- Fair value measurements – Note 2(y)

- Impairment of financial assets and non-financial assets - Note 2(i), 2(j), 4(a)
- Estimation of assets and obligations relating to employee benefits – Note 32
- Recognition and estimation of tax expense including deferred tax – Note 8 and 29
- Recognition and measurement of contingency: Key assumption about the likelihood and magnitude of an outflow of resources – Note 38
- Lease term: whether the Group is reasonably certain to exercise extension options – Note 2(t) and 40
- Inter-company balances forming part of net investment in a foreign operation – Note 2(v)

The Group has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, inventories, property, plant and equipment, goodwill and intangible assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions, the Group, as at the date of approval of these financial statements, has used internal and external sources of information, including economic forecasts and estimates from market sources, on the expected future performance of the Group. On the basis of evaluation and current indicators of future economic conditions, the Group expects to recover the carrying amounts of these assets and does not anticipate any impairment to these financial and non-financial assets. However, the impact assessment of COVID-19 is a continuing process, given the uncertainties associated with its nature and duration. The Group will continue to monitor any material changes to future economic conditions.



## Notes to the consolidated financial statements

for the year ended 31 March 2021 (Continued)

### Note 3. Property, plant and equipment and capital work-in-progress

	Land-freehold	Land-leasehold (3)	Building-factory	Building-other	Plant and equipment	Furniture and fixtures	Vehicles-owned	Vehicles-leased	Office equipment	Railway sidings	Total	Capital work-in-progress
<b>Gross carrying amount as at 1 April 2019</b>	603.84	611.99	6,974.57	2,303.10	30,370.93	829.93	44.02	463.60	1,092.11	108.43	43,402.52	4,916.02
Additions	-	-	535.03	620.81	5,047.88	266.53	4.25	-	182.56	-	6,657.06	4,202.03
Reclassified on account of adoption of Ind AS 116	-	(611.99)	-	-	-	-	-	(463.60)	-	-	(1,075.59)	-
Deductions	-	-	(0.02)	(3.46)	(304.07)	(9.22)	(1.03)	-	(12.60)	-	(330.40)	(6,608.06)
Foreign currency translation adjustment	15.52	-	370.99	-	632.45	47.05	-	-	32.64	-	1,098.65	126.20
<b>Gross carrying amount as at 31 March 2020</b>	619.36	-	7,880.57	2,920.45	35,747.19	1,134.29	47.24	-	1,294.71	108.43	49,752.24	2,636.19
<b>Accumulated depreciation as at 1 April 2019</b>	-	29.25	1,030.14	287.37	6,897.23	355.86	24.26	259.84	512.11	44.32	9,440.38	-
Depreciation charge for the year	-	(29.25)	296.15	141.32	2,175.07	120.10	5.69	-	170.16	11.08	2,919.57	-
Reclassified on account of adoption of Ind AS 116	-	-	-	-	-	-	-	(259.84)	-	-	(289.09)	-
Deductions	-	-	-	(0.30)	(119.78)	(6.24)	(0.77)	-	(8.32)	-	(135.41)	-
Foreign currency translation adjustment	-	-	69.22	-	202.98	20.78	-	-	17.31	-	310.29	-
<b>Accumulated depreciation as at 31 March 2020</b>	-	-	1,395.51	428.39	9,155.50	490.50	29.18	-	691.26	55.40	12,245.74	-
<b>Net carrying amount as at 31 March 2020</b>	619.36	-	6,485.06	2,492.06	26,591.69	643.79	18.06	-	603.45	53.03	37,506.50	2,636.19

	Land-freehold	Land-leasehold (3)	Building-factory	Building-other	Plant and equipment	Furniture and fixtures	Vehicles-owned	Vehicles-leased	Office equipment	Railway sidings	Total	Capital work-in-progress
<b>Gross carrying amount as at 1 April 2020</b>	619.36	-	7,880.57	2,920.45	35,747.19	1,134.29	47.24	-	1,294.71	108.43	49,752.24	2,636.19
Additions	36.55	-	28.24	91.91	2,391.20	312.82	0.02	-	256.54	-	3,117.26	3,967.66
Deductions	(226.84)	-	-	(72.07)	(25.07)	(25.07)	-	-	(14.59)	-	(111.73)	(3,170.86)
Transferred pursuant to the Composite Scheme (refer note 31)	7.79	-	(1,444.39)	(1,667.93)	(18,772.37)	(113.26)	(19.94)	-	(354.22)	(108.43)	(22,707.38)	(639.93)
Foreign currency translation adjustment	-	-	(64.58)	-	32.30	(18.77)	-	-	0.39	-	(42.87)	(15.26)
<b>Gross carrying amount as at 31 March 2021</b>	436.86	-	6,399.84	1,344.43	19,326.25	1,290.01	27.32	-	1,182.83	-	30,007.54	2,777.80
<b>Accumulated depreciation as at 1 April 2020</b>	-	-	1,395.51	428.39	9,155.50	490.50	29.18	-	691.26	55.40	12,245.74	-
Depreciation charge for the year	-	-	306.59	162.54	2,151.78	151.40	4.38	-	178.20	9.24	2,964.13	-
Deductions	-	-	-	-	(51.32)	(20.00)	-	-	(6.36)	-	(79.66)	-
Transferred pursuant to the Composite Scheme (refer note 31)	-	-	(228.21)	(445.26)	(4,156.46)	(63.61)	(13.97)	-	(221.93)	(64.64)	(5,194.08)	-
Foreign currency translation adjustment	-	-	(8.67)	-	9.80	(8.08)	-	-	(0.86)	-	(7.81)	-
<b>Accumulated depreciation as at 31 March 2021</b>	-	-	1,465.22	145.67	7,109.30	550.21	19.59	-	638.31	-	9,928.30	-
<b>Net carrying amount as at 31 March 2021</b>	436.86	-	4,934.62	1,198.76	12,216.95	739.80	7.73	-	544.52	-	20,079.24	2,777.80

#### Notes:

- (1) Refer note 16.3 for information on property, plant and equipment provided as security by the Group.
- (2) Refer note 39(a) for disclosure of contractual commitments for the acquisition of property, plant and equipment.
- (3) Represent land on long-term lease basis.
- (4) Refer note 42(b) for finance costs capitalised.

## Notes to the consolidated financial statements

for the year ended 31 March 2021 (Continued)

### Note 4. Goodwill, other intangible assets and intangible assets under development

	Other Intangible assets					Intangible assets under development	
	Goodwill	Internally generated product registration/ market authorisation	Acquired patents, trademarks/ trade names and customer contracts	Rights	Software		Total
Gross carrying amount as at 1 April 2019	19,589.36	4,766.07	324.94	99.50	872.60	6,063.11	
Additions	-	131.01	-	-	136.53	267.54	
Deductions (2)	-	(36.11)	-	-	(0.02)	(36.13)	
Foreign currency translation adjustment	1,305.25	91.90	15.62	-	47.24	154.76	
Gross carrying amount as at 31 March 2020	20,894.61	4,952.87	340.56	99.50	1,056.35	6,449.28	
Accumulated amortisation as at 1 April 2019	-	2,263.91	266.62	31.16	569.14	3,130.83	
Amortisation for the year	-	850.25	6.12	0.74	125.61	982.72	
Deductions	-	(24.75)	-	-	(0.02)	(24.77)	
Foreign currency translation adjustment	-	46.93	10.56	-	36.52	94.01	
Accumulated amortisation as at 31 March 2020	-	3,136.34	283.30	31.90	731.25	4,182.79	
Net carrying amount as at 31 March 2020	20,894.61	1,816.53	57.26	67.60	325.10	2,266.49	

	Other Intangible assets					Intangible assets under development	
	Goodwill	Internally generated product registration/ market authorisation	Acquired patents, trademarks/ trade names and customer contracts	Rights	Software		Total
Gross carrying amount as at 1 April 2020	20,894.61	4,952.87	340.56	99.50	1,056.35	6,449.28	
Additions	-	187.28	-	-	98.41	285.69	
Deductions (2)	-	-	-	-	-	-	
Transferred pursuant to the Composite Scheme (refer note 31)	-	-	-	(80.69)	(151.95)	(232.64)	
Foreign currency translation adjustment	405.01	184.41	18.90	-	(11.97)	191.34	
Gross carrying amount as at 31 March 2021	21,299.62	5,324.56	359.46	18.81	990.84	6,693.67	
Accumulated amortisation as at 1 April 2020	-	3,136.34	283.30	31.90	731.25	4,182.79	
Amortisation for the year	-	589.77	6.42	3.43	137.20	736.82	
Deductions	-	-	-	-	-	-	
Transferred pursuant to the Composite Scheme (refer note 31)	-	-	-	(16.52)	(11.54)	(28.06)	
Foreign currency translation adjustment	-	77.49	20.74	-	(9.83)	88.40	
Accumulated amortisation as at 31 March 2021	-	3,803.60	310.46	18.81	747.08	4,879.95	
Net carrying amount as at 31 March 2021	21,299.62	1,520.96	49.00	-	243.76	1,813.72	

#### Notes:

- (1) Refer note 42(b) for finance costs capitalised.
- (2) Refer note 43.
- (3) Refer note 39(a) for disclosure of contractual commitments for the acquisition of intangible assets.



## Notes to the consolidated financial statements

for the year ended 31 March 2021 (Continued)

### Note 4 (a): Impairment testing of goodwill

For the purposes of impairment testing, goodwill is allocated to the Cash Generating Units (CGU) which represents the lowest level at which the goodwill is monitored for internal management purposes, which is not higher than the Group's operating segments.

The aggregate carrying amounts of goodwill allocated to CGU are as follows:

	As at	
	31 March 2021	31 March 2020
Allergy Therapy	1,486.34	1,538.28
Radiopharmaceutical	9,694.73	8,968.85
Generics	2,425.75	2,432.00
Contract Manufacturing Operation	7,692.80	7,955.48
<b>Total</b>	<b>21,299.62</b>	<b>20,894.61</b>

The recoverable amount of the cash generating units was based on its value in use. The value in use of these units was determined to be higher than the carrying amount. The Group performed an analysis of the sensitivity towards change in key assumptions. Based on such analysis, the Group believes that any reasonably possible change in key assumptions on which recoverable amount of the above mentioned CGUs is based would not cause the carrying amount to exceed the recoverable amount of related CGUs.

Value in use was determined by discounting the future cash flows generated from the continuing use of the CGU. The calculation was based on the following key assumptions:

- i. The anticipated annual revenue growth and margin included in the cash flow projections are based on past experience, actual operating results and the 5-year business plan in all periods presented.
- ii. The terminal growth rate represents management view on the future long-term growth rate.

	31 March 2021	31 March 2020
Allergy Therapy	2%	2%
Radiopharmaceutical	2%	2%
Generics	0%-2%	0%-2%
Contract Manufacturing Operation	2%	2%

- iii. The pre-tax discount rate was estimated based on past experience and taking into consideration the industry's weighted average cost of capital.

	31 March 2021	31 March 2020
Allergy Therapy	8%	7%
Radiopharmaceutical	7%-9%	7%-8%
Generics	8%-12%	8%-14%
Contract Manufacturing Operation	8%-10%	8%-10%

- iv. The values assigned to the key assumptions represent the management's assessment of future trends in the industry and based on both internal and external sources.

### Note 5. (a) Investment in associate

On 4 November 2020, the Group acquired 2,796,747 Series C Preferred Stock of Sofie Biosciences, Inc. ("Sofie"), USA representing 25% share in its fully-diluted equity, for a total consideration of USD 25,000,000. Each share of Series C Preferred Stock is convertible into one share of Common Stock. Sofie is engaged in manufacturing and distribution of radiopharmaceuticals and has a contract manufacturing facility in the USA. Strategic partnership between the Group and Sofie will enable collaboration in the development, manufacturing and distributions of radiopharmaceuticals that will help in diagnosis and treatment of a wide variety of oncology diseases.



## Notes to the consolidated financial statements

for the year ended 31 March 2021 (Continued)

The following table summarises the financial information of Sofie as included in its consolidated financial statements, adjusted for fair value adjustments at acquisition and differences in accounting policies, if any. The table also reconciles the summarised consolidated financial information to the carrying amount of the Group's interest in Sofie. The information for the year ended 31 March 2021 presented in the table includes the consolidated results of Sofie for the period from 4 November 2020 to 31 March 2021.

	(₹ in million)
	As at 31 March 2021
Non-current assets	6,834.04
Current assets	3,534.09
Non-current liabilities	(1,869.78)
Current liabilities	(1,418.93)
<b>Total equity</b>	<b>7,079.42</b>
Non-controlling interests	(332.08)
<b>Equity attributable to owners of Sofie</b>	<b>6,747.34</b>
Group's share of net assets (25%)	1,686.84
Goodwill	294.56
<b>Carrying amount of investment</b>	<b>1,981.40</b>

	(₹ in million)
	For the period 4 November 2020 to 31 March 2021
Revenue	3,394.96
Profit from continuing operations	838.28
Post-tax profit from discontinued operations	-
Other comprehensive income	-
<b>Total comprehensive income</b>	<b>838.28</b>

### Note 5. (b) Non-current investments

	(₹ in million)	
	As at	
	31 March 2021	31 March 2020
<b>I. Investment in equity instruments (at fair value through other comprehensive income)*</b>		
<b>Quoted</b>		
Nil (31 March 2020: 50,000) equity shares of ₹ 10 each		
Jubilant Industries Limited (refer note 31)	-	4.30
<b>Unquoted</b>		
6,569,310 (31 March 2020: 7,487,251) equity shares of ₹ 10 each		
Forum I Aviation Limited (refer note 31)	70.82	92.54
Nil (31 March 2020: 540,463) common stock of USD 0.01 each		
Safe Foods Corporation USA (refer note 31)	-	420.39
296,670 (31 March 2020: 296,670) common stock of USD 0.0001 each		
Lengo Therapeutics, Inc.	4.20	2.24
602,409 (31 March 2020: Nil) Series A preferred stock of USD 0.0001 each		
Lengo Therapeutics, Inc.	36.90	-
136,291 (31 March 2020: 136,291) shares of USD 1 each		
Vaxxas Pty Ltd	102.26	75.35
209,205 (31 March 2020: Nil) common stock of USD 0.001 each		
Navidea Biopharmaceuticals, Inc.	30.90	-
500,000 (31 March 2020: Nil) common stock of USD 0.00001 each		
Sudo Biosciences Inc	12.41	-
534,194 (31 March 2020: 534,194) common stock of USD 0.001 each		
IniPharm Inc.	12.09	0.04
1,223,458 (31 March 2020: Nil) Series A preferred stock of USD 0.00001 each		
IniPharm Inc.	67.09	-



## Notes to the consolidated financial statements

for the year ended 31 March 2021 (Continued)

(₹ in million)

	As at	
	31 March 2021	31 March 2020
<b>II. Investment in equity instruments (at fair value through profit or loss)</b>		
<b>Unquoted</b>		
Investment in 10% of total capital of the fund		
Healthcare Ventures IX L.P.	55.49	56.50
<b>III. Investment in debt instruments (at fair value through profit or loss)</b>		
<b>Unquoted</b>		
106,845 (31 March 2020: 106,845) warrants		
Leap Therapeutics Inc.	6.02	4.44
Nil (31 March 2020: 500,000) promissory notes		
IniPharm Inc.	-	37.84
200,000 (31 March 2020: Nil) promissory notes		
Sudo Biosciences Inc	30.03	-
<b>Total non-current investments</b>	<b>428.20</b>	<b>693.64</b>
Aggregate amount of quoted investments and market value thereof	-	4.30
Aggregate amount of unquoted investments	428.20	689.34
Aggregate amount of impairment in the value of investments	-	-

\*The Group designated this investment as equity instruments measured at FVOCI because these shares represent investment that the Group intends to hold for long-term for strategic purposes.

### Note 6. Loans

(₹ in million)

	As at			
	31 March 2021		31 March 2020	
	Current	Non-current	Current	Non-current
<b>Unsecured, considered good</b>				
Security deposits	2.69	130.73	21.26	164.11
Loan to employees	11.56	6.32	13.19	13.68
<b>Total loans</b>	<b>14.25</b>	<b>137.05</b>	<b>34.45</b>	<b>177.79</b>

### Note 7: Other financial assets

(₹ in million)

	As at			
	31 March 2021		31 March 2020	
	Current	Non-current	Current	Non-current
Other bank balances:				
Deposits with maturity after 12 months from the reporting date (1)	-	13.54	-	75.16
Receivable from related parties (2) (refer note 37)	40.51	-	53.66	-
Insurance claims receivable	145.95	-	114.22	-
Notes receivable	-	-	126.11	-
Unbilled receivables	493.49	-	389.61	-
Interest receivable	11.18	-	14.34	-
Others	243.09	-	244.33	-
<b>Total other financial assets</b>	<b>934.22</b>	<b>13.54</b>	<b>942.27</b>	<b>75.16</b>

#### Notes:

- (1) ₹13.02 million (31 March 2020: ₹ 75.16 million) has restricted use.
- (2) Including due by directors and private companies having common director aggregating to ₹ 2.49 million (31 March 2020: ₹ 9.54 million).

## Notes to the consolidated financial statements

for the year ended 31 March 2021 (Continued)

### Note 8. Deferred tax

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

*Deferred tax assets:*

	(₹ in million)							
	Provision for compensated absences and gratuity	Expenditure allowed on actual payment basis	Tax losses carried forward	MAT credit entitlement	Intangibles	Lease liability	Accrued expenses and other temporary differences	Total
<b>As at 1 April 2019</b>	<b>469.88</b>	<b>688.09</b>	<b>2,043.64</b>	<b>3,449.61</b>	-	-	<b>634.15</b>	<b>7,285.37</b>
<b>(Charged)/credited</b>								
- to consolidated statement of profit and loss	101.39	85.69	(463.50)	122.45	-	644.05	16.40	<b>506.48</b>
- to other comprehensive income	(101.87)	-	-	-	-	-	-	<b>(101.87)</b>
- to capital reserve	-	-	(78.57)	(226.86)	458.14	-	-	<b>152.71</b>
Foreign currency translation adjustment	4.49	65.31	18.40	-	-	21.38	10.74	<b>120.32</b>
<b>As at 31 March 2020</b>	<b>473.89</b>	<b>839.09</b>	<b>1,519.97</b>	<b>3,345.20</b>	<b>458.14</b>	<b>665.43</b>	<b>661.29</b>	<b>7,963.01</b>
<b>(Charged)/credited</b>								
- to consolidated statement of profit and loss	(94.26)	(15.63)	(641.31)	119.62	(53.88)	98.25	(89.74)	<b>(676.95)</b>
- to other comprehensive income	117.80	-	-	-	-	-	-	<b>117.80</b>
Adjustment on account of reorganisation of subsidiary companies	-	-	-	-	-	-	1.82	<b>1.82</b>
Transferred pursuant to the Composite Scheme (refer note 31)	(252.53)	(18.35)	(11.58)	(1,876.00)	-	(163.95)	(72.43)	<b>(2,394.84)</b>
Foreign currency translation adjustment	(0.54)	(17.13)	(10.68)	-	2.95	20.15	4.01	<b>(1.24)</b>
<b>As at 31 March 2021</b>	<b>244.36</b>	<b>787.98</b>	<b>856.40</b>	<b>1,588.82</b>	<b>407.21</b>	<b>619.88</b>	<b>504.95</b>	<b>5,009.60</b>

*Deferred tax liabilities:*

	(₹ in million)		
	PPE, Intangibles and Right-of-use assets	Others	Total
<b>As at 1 April 2019</b>	<b>7,716.22</b>	<b>97.22</b>	<b>7,813.44</b>
<b>Charged/(credited)</b>			
- to consolidated statement of profit and loss	350.72	50.49	<b>401.21</b>
Foreign currency translation adjustment	269.85	0.31	<b>270.16</b>
<b>As at 31 March 2020</b>	<b>8,336.79</b>	<b>148.02</b>	<b>8,484.81</b>
<b>Charged/(credited)</b>			
- to consolidated statement of profit and loss	(10.18)	(140.98)	<b>(151.16)</b>
Adjustment on account of reorganisation of subsidiary companies	17.87	-	<b>17.87</b>
Transferred pursuant to the Composite Scheme (refer note 31)	(2,448.60)	(5.70)	<b>(2,454.30)</b>
Foreign currency translation adjustment	29.90	8.38	<b>38.28</b>
<b>As at 31 March 2021</b>	<b>5,925.78</b>	<b>9.72</b>	<b>5,935.50</b>

*Reflected in the Consolidated Balance Sheet as follows:*

	(₹ in million)	
	As at	
	31 March 2021	31 March 2020
Deferred tax assets	1,547.12	2,112.40
Deferred tax liabilities	2,473.02	2,634.20
<b>Deferred tax liabilities (net)</b>	<b>925.90</b>	<b>521.80</b>



## Notes to the consolidated financial statements

for the year ended 31 March 2021 (Continued)

Reconciliation of deferred tax liabilities/ (assets) (net):

	(₹ in million)	
	For the year ended	
	31 March 2021	31 March 2020
Balance as at the commencement of the year	521.80	528.07
Charge/(credit) during the year recognised in profit or loss	525.79	(105.27)
(Credit)/charge during the year recognised in OCI	(117.80)	101.87
Foreign currency translation adjustment	39.52	149.84
Adjustment on account of reorganisation of subsidiary companies	16.05	-
Transferred pursuant to the Composite Scheme (refer note 31)	(59.46)	-
Credit during the year recognised in capital reserve	-	(152.71)
<b>Balance as at the end of the year</b>	<b>925.90</b>	<b>521.80</b>

Deferred tax assets not recognised in respect of certain subsidiaries is as below:

	(₹ in million)			
	Amount as at			
	31 March 2021		31 March 2020	
	Temporary differences	Deferred tax on temporary differences	Temporary differences	Deferred tax on temporary differences
Deductible temporary differences	1,446.34	314.17	459.74	106.92
Less: taxable temporary differences	640.22	134.57	4.73	1.19
Net unrecognized temporary differences	<b>806.12</b>	<b>179.60</b>	<b>455.01</b>	<b>105.73</b>

The Group has determined that below undistributed profits of certain subsidiaries will not be distributed in the foreseeable future:

	(₹ in million)	
	Amount as at	
	31 March 2021	31 March 2020
Undistributed earnings of subsidiaries	<b>50,969.36</b>	<b>46,157.75</b>

DTA has not been recognized on temporary differences in relation to indexation benefit of investment in subsidiaries and freehold land amounting to ₹ 4,810.65 million (31 March 2020: ₹ 4,670.18 million) and ₹ 46.75 million (31 March 2020: ₹ 115.64 million) respectively, as the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary differences will not reverse in foreseeable future.

### Expiry period of unused tax losses:

Below is the summary of unused tax losses and unabsorbed depreciation available to reduce future income taxes and the period of expiry if the same is not used: -

Tax jurisdictions	(₹ in million)			
	As at			
	31 March 2021		31 March 2020	
	Unused tax losses	Period of expiry	Unused tax losses	Period of expiry
India - tax losses	3.01	2023 to 2029	9.41	2021-2028
India - unabsorbed depreciation	1.59	Indefinite period	-	-
United States	944.07	Indefinite period	188.93	Indefinite period
Canada	0.53	2029 to 2041	0.52	2029 to 2040
Belgium	236.80	Indefinite period	228.61	Indefinite period
Australia	2.93	Indefinite period	2.52	Indefinite period
Cyprus	-	-	5.01	2021-2025

Tax related contingencies: Refer note 38.

## Notes to the consolidated financial statements

for the year ended 31 March 2021 (Continued)

### Note 9: Other non-current assets

	(₹ in million)	
	As at	
	31 March 2021	31 March 2020
Capital advances	408.97	399.30
Prepaid expenses	-	0.13
<b>Total other non-current assets</b>	<b>408.97</b>	<b>399.43</b>

### Note 10: Inventories

	(₹ in million)	
	As at	
	31 March 2021	31 March 2020
Raw materials *	3,711.57	6,261.04
Work-in-progress	3,472.20	4,639.91
Finished goods *	2,465.34	5,390.93
Stock-in-trade *	290.05	158.24
Stores and spares *	1,343.18	1,314.24
Others- process chemicals and fuels *	11.47	689.43
<b>Total inventories</b>	<b>11,293.81</b>	<b>18,453.79</b>
* Goods in transit included in the above		
Raw materials	238.04	478.76
Finished goods	35.44	670.45
Stock-in-trade	1.19	139.92
Stores and spares	5.41	8.79
Others- process chemicals and fuels	-	4.62
<b>Total goods in transit</b>	<b>280.08</b>	<b>1,302.54</b>
Total write down of inventories recognised during the year	<b>918.18</b>	<b>842.95</b>

### Note 11: Trade receivables

	(₹ in million)	
	As at	
	31 March 2021	31 March 2020
<b>Unsecured and current</b>		
Trade receivables - considered good	8,178.48	12,850.03
Receivables from related parties (refer note 37)	20.56	82.13
Trade receivables - credit impaired	219.81	227.04
Less: Expected credit loss allowance (refer note 34)	(219.81)	(227.04)
<b>Total trade receivables</b>	<b>8,199.04</b>	<b>12,932.16</b>

### Note 12 (a): Cash and cash equivalents

	(₹ in million)	
	As at	
	31 March 2021	31 March 2020
<b>Balances with banks</b>		
- current accounts	4,757.49	8,556.72
- dividend accounts	40.22	54.97
- deposit accounts with original maturity up to three months	130.00	3,536.23
<b>Cash on hand</b>	0.65	1.79
<b>Cheques/drafts on hand</b>	-	1.54
<b>Others</b>		
- Funds in transit	91.11	156.67
- Imprest	0.10	0.22
<b>Total cash and cash equivalents (1)</b>	<b>5,019.57</b>	<b>12,308.14</b>

#### Note :

(1) ₹ 40.22 million (31 March 2020: ₹ 54.97 million) has restricted use.





## Notes to the consolidated financial statements

for the year ended 31 March 2021 (Continued)

### Note 12 (b) Other bank balances

	(₹ in million)	
	As at	
	31 March 2021	31 March 2020
Deposits accounts with maturity up to twelve months from the reporting date	1,693.60	1,690.57
<b>Total other bank balances (1)</b>	<b>1,693.60</b>	<b>1,690.57</b>

**Note:**

(1) ₹ 61.97 million (31 March 2020: ₹ 60.97 million) has restricted use.

### Note 13: Other current assets

	(₹ in million)	
	As at	
	31 March 2021	31 March 2020
Prepaid expenses	823.74	741.59
Recoverable from/balance with government authorities (refer note 42 (a))	1,156.00	2,773.85
Advance to employees	16.75	37.05
Advance for supply of goods and services	134.70	338.47
Assets held for sale (1)	-	101.90
Others	3.22	25.90
<b>Total other current assets</b>	<b>2,134.41</b>	<b>4,018.76</b>

**Note:**

(1) Represents property, plant and equipments and freehold land which are not considered for active use and are expected to be sold in due course.

### Note 14: Equity share capital

	(₹ in million)	
	As at	
	31 March 2021	31 March 2020
<b>Authorised*</b>		
1,430,200,000 (31 March 2020 : 655,000,000) equity shares of ₹ 1 each	1,430.20	655.00
	<b>1,430.20</b>	<b>655.00</b>
<b>Issued and subscribed</b>		
159,313,139 (31 March 2020 : 159,313,139) equity shares of ₹ 1 each	159.31	159.31
	<b>159.31</b>	<b>159.31</b>
<b>Paid up capital</b>		
159,281,139 (31 March 2020 : 159,281,139) equity shares of ₹ 1 each	159.28	159.28
Add: Equity shares forfeited (paid up)	0.02	0.02
	<b>159.30</b>	<b>159.30</b>
Less: 107,140 (31 March 2020: Nil) treasury shares held in trust for employees under ESOP scheme	(0.11)	-
	<b>159.19</b>	<b>159.30</b>

\*During the year ended 31 March 2021, authorised share capital of the Company has increased on account of amalgamation of certain promoter controlled entities pursuant to the Composite Scheme (refer note 31).

#### Movement in equity share capital:

	As at 31 March 2021		As at 31 March 2020	
	Number	₹ in million	Number	₹ in million
<b>At the commencement and at the end of the year#</b>	<b>159,281,139</b>	<b>159.28</b>	<b>159,281,139</b>	<b>159.28</b>

#Refer note 31.

## Notes to the consolidated financial statements

for the year ended 31 March 2021 (Continued)

### Terms and rights attached to equity shares:

The Company has only one class of shares referred to as equity shares having par value of ₹ 1 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 shareholders holding more than 5% shares in the Company:

Equity shares of ₹ 1 each fully paid-up held by	As at 31 March 2021		As at 31 March 2020	
	Number	% of total shares	Number	% of total shares
SPB Trustee Company Private Limited & SS Trustee Company Private Limited (Jointly on behalf of Shyam Sunder Bhartia Family Trust)	32,686,161	20.52%	-	-
HSB Trustee Company Private Limited & HS Trustee Company Private Limited (Jointly on behalf of Hari Shanker Bhartia Family Trust)	30,257,475	19.00%	-	-
Jubilant Stock Holding Private Limited	-	-	21,361,992	13.41%
SSB Consultants & Management Services Private Limited	-	-	21,587,665	13.55%
HSB Corporate Consultants Private Limited	-	-	19,278,979	12.10%

### Note 15. Nature and purpose of other equity

- *Capital reserve*

Accumulated capital surplus not available for distribution of dividend and expected to remain invested permanently. This includes the excess of cost of treasury shares purchased from secondary market over the face value of such shares. This also includes reserves arising on transaction with non-controlling interest.

- *Securities premium*

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

- *Capital redemption reserve*

Capital redemption reserve represents the unutilized accumulated amount set aside at the time of redemption of shares. This reserve is utilised in accordance with the provisions of the Act.

- *Amalgamation reserve*

Amalgamation reserve represents the unutilized accumulated surplus created at the time of amalgamation of another company with the Company. This reserve is not available for distribution of dividend and is expected to remain invested permanently.

- *General reserve*

This represents appropriation of profit by the Company and is available for distribution of dividend.

- *Legal reserve*

This represents the statutory reserves created based on the requirements of local regulations. This reserve is not available for distribution.

- *Debenture redemption reserve*

The Group is required to create a debenture redemption reserve out of the profits prior to the redemption of debentures. This reserve is available for distribution of dividend post redemption of debentures.

- *Share based payment reserve*

The fair value of the equity settled share based payment transactions with employees is recognised in Consolidated Statement of Profit and Loss with corresponding credit to share based payment reserve. Corresponding balance of a share based payment reserve is transferred to general reserve upon expiry of grants or upon exercise of stock options by an employee, as the Group is operating the Employee Stock Option schemes through Jubilant Employees Welfare Trust, which has purchased share from the secondary market.

- *Retained earnings*

Retained earnings represent the amount of accumulated earnings of the Group and re-measurement differences on defined benefit plans.

- *Equity instrument through OCI*

The Group has elected to recognize changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated



## Notes to the consolidated financial statements

for the year ended 31 March 2021 (Continued)

within the equity instrument through OCI within equity. The Group transfers amount therefrom to retained earnings when the relevant equity securities are derecognized.

• *Foreign currency translation reserve*

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a

separate reserve within equity. The cumulative amount is reclassified to profit or loss when the Group disposes or partially disposes off its interest in a foreign operation through sale, liquidation, repayment of share capital or abandonment of all, or part of, that entity.

Also refer note 31.

### Note 16(A): Non-current borrowings

	(₹ in million)	
	As at	
	31 March 2021	31 March 2020
<b>Bonds</b>		
4.875% senior notes (unsecured)	-	15,107.31
6% senior notes (unsecured)	14,493.79	15,000.31
<b>Term loans</b>		
<b>From banks</b>		
Indian rupee loans (secured)	207.78	4,943.95
Foreign currency loans (unsecured)	10,938.15	-
<b>From other parties</b>		
Indian rupee loans (secured)	-	2,345.29
<b>Total non-current borrowings</b>	<b>25,639.72</b>	<b>37,396.86</b>
Add: Current maturities of non-current borrowings (refer note 19)	-	2,386.40
<b>Total non-current borrowings (including current maturities)</b>	<b>25,639.72</b>	<b>39,783.26</b>

### Note 16(B): Current borrowings

	(₹ in million)	
	As at	
	31 March 2021	31 March 2020
<b>Loans repayable on demand</b>		
<b>From banks</b>		
Secured	200.01	2,698.90
Unsecured	-	3,800.00
<b>Total current borrowings</b>	<b>200.01</b>	<b>6,498.90</b>

#### 16.1 Nature of security and other terms of repayment of borrowings as at 31 March 2021

##### *Parent Company*

16.1.1 Refer note 31 for borrowings transferred to Jubilant Ingrevia Limited pursuant to the Composite Scheme.

##### *Other entities*

16.1.2 Unsecured 4.875% senior notes amounting to USD Nil (₹ Nil) issued by Jubilant Pharma limited were repayable in single installment in October 2021, with a prepayment option. During the years ended 31 March 2021, the Group has early redeemed USD 200 million in aggregate principal amount of these Senior Notes on a pro-rata basis with accrued interest and redemption premium as per the terms, and has cancelled equivalent amount of Senior Notes upon redemption. Redemption of USD 200 million Senior Notes during the current year is through refinancing of USD 150 million and balance out of internal accruals.

16.1.3 Unsecured 6.00% senior notes amounting to USD 200.00 million (₹ 14,622 million) issued by Jubilant Pharma limited are repayable in single installment in March 2024.

16.1.4 Unsecured term loans amounting to USD 150 million (₹ 10,966 million), carrying interest rate of LIBOR+2.60%, is repayable in 6 equal quarterly installments from October 2022.

## Notes to the consolidated financial statements

for the year ended 31 March 2021 (Continued)

16.1.5 Indian rupee term loans amounting to ₹ 207.78 million from The Hongkong and Shanghai Banking Corporation Limited are secured by a first pari-passu charge on all movable fixed assets of the company, both present and future. The Indian rupee term loan is repayable in 16 equal quarterly installments from March 2023. The loan carry floating interest rate calculated in accordance with the terms of the arrangement which is a specified benchmark rate (reset at periodic intervals), adjusted for agreed spread. During the year ended 31 March 2021, the loan carry interest rate of 6.50% per annum.

16.1.6 Working capital facilities (including cash credit) sanctioned by consortium of banks and notified financial institutions are secured by a first charge by way of hypothecation, ranking pari-passu inter-se banks, of the entire book debts and receivables and inventories, both present and future, of Jubilant Generics Limited wherever the same may be or be held. Working capital loans are repayable as per terms of agreement within one year.

Short-term loans (includes commercial papers raised during the year) are availed in Indian rupees. Indian rupee loans carry interest rate ranging from 3.78% to 9.20% per annum.

### 16.2 Nature of security and other terms of repayment of borrowings as at 31 March 2020

#### Parent Company

16.2.1 Indian rupee term loans amounting to ₹ 7,450.00 million from The Hongkong and Shanghai Banking Corporation Limited, HDFC Limited, ICICI Bank Limited, Axis Bank Limited and were secured by a first pari-passu charge created/to be created amongst the lenders by way of:

- 1) First pari passu charge on all the immovable fixed assets owned by the Company, situated at Bhartiagram, Tehsil Dhanora, District Amroha, Uttar Pradesh, India ("Immovable Secured Assets"), but excluding the immovable fixed assets described in (A) below ("Excluded Immovable Assets"). The details of the Immovable Secured Assets to be charged/mortgaged to secure the Facilities is more particular described in (B) below.

#### A. Excluded Immovable Assets:

- (1) Land measuring 90,124.24 square meters together with all the buildings and structures thereon situated in the revenue estate of Village Naipura Khadar and Tigariya Bhoor, Tehsil Dhanora, District Amroha, Uttar Pradesh, India, which was covered under common title deeds with other group companies of the Company;
- (2) Land measuring 5.56 acres (equivalent to 2.253 hectares) together with all the buildings and structures thereon situated in the revenue estate of Village Fazalpur Gosai, Tehsil Dhanora, District Amroha, Uttar Pradesh, India; and
- (3) Leasehold land, being plot no. A-4/2 measuring 157,509 square meters, together with all the buildings and structures thereon situated in UPSIDC Industrial Area II, Gajraula, Tehsil Dhanora, District Amroha, Uttar Pradesh, India, which was covered under common lease deed with other group companies of the Company.

#### B. Immovable Secured Assets:

- (1) Land admeasuring 32.77 Acres or 13.268 Hectares situated in the revenue estate of Villages Naipura Khader, Tehsil Hasanpur (now Pargana & Tehsil Dhanora), District Moradabad (now District Amroha), Uttar Pradesh, together with buildings and structures thereon and all plant and machinery attached to the earth or permanently fastened to anything attached to the earth;
- (2) Land admeasuring 154.28 Acres or 62.448 Hectares situated in the revenue estate of Village Tigariya Bhoor, Tehsil Dhanera, District Amroha, Uttar Pradesh, together with buildings and structures thereon and all plant and machinery attached to the earth or permanently fastened to anything attached to the earth;
- (3) Land admeasuring 95.46 Acres or 38.648 Hectares situated in the revenue estate of Village Shahbajpur Dor, Tehsil & Pargana Hasanpur (now Dhanera), District Amroha (early in Moradabad), Uttar Pradesh, together with buildings and structures thereon and all plant and machinery attached to the earth or permanently fastened to anything attached to the earth;
- (4) Land admeasuring 28.904 Hectare or 71.39 Acres, situated in the revenue estate of Village Rasoolpur Khader, Tehsil Dhanaura, District Moradabad (now District Amroha), Uttar Pradesh, together with buildings and structures thereon and all plant and machinery attached to the earth or permanently fastened to anything attached to the earth;



## Notes to the consolidated financial statements

for the year ended 31 March 2021 (Continued)

- (5) Land admeasuring 48,576 Sq.Mts. or 12 Acres or 4.856 Hectares situated in the revenue estate of Villages Sadullapur, Naipura Khadar, Sahabazpur Dor, Tehsil Hasanpur (now Pargana & Tehsil Dhanora,), District Amroha, Uttar Pradesh, together with buildings and structures thereon and all plant and machinery attached to the earth or permanently fastened to anything attached to the earth.
- 2) First pari passu charge over entire movable fixed assets of the company, both present and future excluding movable assets of Indian Branded Pharmaceuticals (IBP).
- 3) First pari passu charge over the land and building of the office premises located at 1A, Sector 16A, Noida-Uttar Pradesh-201301.
- 16.2.2 Indian rupee term loan amounting to ₹ 3,750 million from ICICI Bank Limited was repayable in 16 structured quarterly installments from March 2021.
- 16.2.3 Indian rupee term loan amounting to ₹ 1,350 million from The Hongkong and Shanghai Banking Corporation Limited was repayable in 16 equal quarterly installments from April 2021.
- 16.2.4 Indian rupee term loan amounting to ₹ 2,350 million from HDFC Limited was repayable in 8 structured half yearly installments from July 2022.
- 16.2.5 Working capital facilities (including cash credit) sanctioned by consortium of banks and notified financial institutions were secured by a first charge by way of hypothecation, ranking pari-passu inter-se banks, of the entire book debts and receivables and inventories, both present and future, of the Company wherever the same may be or be held. Working capital loans were repayable as per terms of agreement within one year.

### Other entities

- 16.2.6 Unsecured 4.875% senior notes amounting to USD 200.00 million (₹ 15,133.00 million) issued by Jubilant Pharma Limited were repayable in single installment in October 2021. During the year ended 31 March 2020, the Group has early redeemed USD 100 million in aggregate principal amount of these senior notes on a pro-rata basis on 20 November 2019 together with accrued interest and redemption premium as per the terms, and has cancelled equivalent amount of senior notes upon redemption.
- 16.2.7 Unsecured 6.00% senior notes amounting to USD 200.00 million (₹ 15,133 million) (issued by Jubilant Pharma Limited were repayable in single installment in March 2024.
- 16.2.8 Working capital facilities (including cash credit) sanctioned by consortium of banks and notified financial institutions were secured by a first charge by way of hypothecation, ranking pari-passu inter-se banks, of the entire book debts and receivables and inventories, both present and future, of Jubilant Generics Limited wherever the same may be or be held. Working capital loans were repayable as per terms of agreement within one year.
- 16.2.9 Revolving Facility of USD 31 million (₹ 2,345.83 million) repayable in single installment on 1 January 2021 of Jubilant HollisterStier LLC from Bank of America N.A. was secured by way of interest in the receivables, inventory, equipment, fixtures, deposit accounts, all general intangibles and the parcel or parcels of real property owned by Jubilant HollisterStier LLC.

The Indian rupee term loans carried interest rate ranging from 8.45% to 9.90% per annum. The benchmark rates were reset at periodic intervals as per the terms of the loan.

Short-term Indian rupee loans carried interest rate ranging from 5.34 % to 13.55% per annum and other currencies loans carried interest rate of benchmark interest rate (Libor and CAD Prime) plus spread ranging from 0 to 270 basis points. The benchmark interest rates were reset at periodic intervals as per the terms of the loan.

The composition of property, plant and equipment and current assets as mentioned above are defined in detail in the respective financing/credit arrangements.

### 16.3 Assets pledged as security

Assets with following carrying amounts are pledged as collateral/security against loans and borrowings at year end:

	(₹ in million)	
	As at	
	31 March 2021	31 March 2020
Leashold land, property, plant and equipment and intangible assets	6,810.46	22,730.81
Inventories	8,054.78	14,334.87
Financial assets	4,617.97	10,574.46
Other assets	1,003.35	109.98
	<b>20,486.56</b>	<b>47,750.12</b>



## Notes to the consolidated financial statements

for the year ended 31 March 2021 (Continued)

### 16.4 Reconciliation of movements of liabilities (borrowings, lease liabilities and interest accrued) to cash flows arising from financing activities:

	(₹ in million)	
	As at	
	31 March 2021	31 March 2020
<b>As at the beginning of the year</b>	<b>48,523.20</b>	<b>49,057.12</b>
Movement due to cash transactions as per the consolidated statement of cash flows	(16,978.50)	(8,978.18)
Movement due to:		
- Finance cost expensed	2,685.20	3,107.26
- Finance cost capitalised	99.76	154.37
- Lease liabilities (including ₹ 1,346.35 million on transition to Ind AS 116 during the previous year)	101.63	2,247.24
- Foreign exchange movement	215.74	2,938.29
- Others	-	(2.90)
Transferred pursuant to the Composite Scheme (refer note 31)	(6,237.81)	-
<b>As at the end of the year</b>	<b>28,409.22</b>	<b>48,523.20</b>

### Note 17: Provisions

	(₹ in million)			
	As at			
	31 March 2021		31 March 2020	
	Current	Non-current	Current	Non-current
<b>Unsecured, considered good</b>				
Provision for employee benefits (refer note 32)	593.59	532.31	642.06	1,126.59
Decommissioning provisions	-	407.78	-	380.92
Provision for sales return	304.47	-	345.61	-
<b>Total provisions</b>	<b>898.06</b>	<b>940.09</b>	<b>987.67</b>	<b>1,507.51</b>

The following table presents the movement in the decommissioning provisions during the year:

	(₹ in million)	
	For the year ended	
	31 March 2021	31 March 2020
<b>Balance at the beginning of the year</b>	<b>380.92</b>	<b>151.24</b>
Provision made during the year	31.99	189.64
Unwinding of discount	13.05	11.91
Utilised during the year	(4.69)	-
Foreign currency translation adjustment	(13.49)	28.13
<b>Balance at the end of the year</b>	<b>407.78</b>	<b>380.92</b>

Decommissioning provision arises from regulatory and contractual requirements to perform certain asset disposal activities at the time that certain leased premises are vacated and certain machinery and equipment is disposed off.

The following table presents the movement in the provisions for sales return during the year:

	(₹ in million)	
	For the year ended	
	31 March 2021	31 March 2020
<b>Balance at the beginning of the year</b>	<b>345.61</b>	<b>212.66</b>
Provisions made during the year	215.55	297.10
Credits issued during the year	(245.97)	(191.45)
Foreign currency translation adjustments	(10.72)	27.30
<b>Balance at the end of the year</b>	<b>304.47</b>	<b>345.61</b>



## Notes to the consolidated financial statements

for the year ended 31 March 2021 (Continued)

### Note 18: Trade payables

	(₹ in million)	
	As at	
	31 March 2021	31 March 2020
<b>Current</b>		
Total outstanding dues of micro enterprises and small enterprises (refer note 30)	22.40	120.51
Total outstanding dues of creditors other than micro enterprises and small enterprises	5,182.44	10,782.18
<b>Total trade payables</b>	<b>5,204.84</b>	<b>10,902.69</b>
Amount payable to related parties included in the above (refer note 37)	172.52	14.85

### Note 19: Other financial liabilities

	(₹ in million)	
	As at	
	31 March 2021	31 March 2020
<b>Non-current</b>		
Employee benefits payable	-	4.85
<b>Total other non-current financial liabilities</b>	<b>-</b>	<b>4.85</b>
<b>Current</b>		
Current maturities of non-current borrowings (refer note 16(A))	-	2,386.40
Interest accrued	113.59	439.31
Unpaid dividend	40.22	54.97
Security deposit	2.44	32.83
Capital creditors *	336.85	343.34
Employee benefits payable	1,674.40	1,963.61
Other payables	39.00	88.40
<b>Total other current financial liabilities</b>	<b>2,206.50</b>	<b>5,308.86</b>

\* Includes outstanding dues of micro enterprises and small enterprises of ₹ 71.18 million (31 March 2020: ₹ 24.38 million)

### Note 20: Other liabilities

	(₹ in million)	
	As at	
	31 March 2021	31 March 2020
<b>Non-current</b>		
Contract liabilities	27.89	25.22
Deferred income - government grant	47.82	57.68
Statutory dues payables	194.50	-
<b>Total other non-current liabilities</b>	<b>270.21</b>	<b>82.90</b>
<b>Current</b>		
Contract liabilities	536.83	624.65
Deferred income - government grant	7.77	6.10
Statutory dues payables	464.87	362.04
<b>Total other current liabilities</b>	<b>1,009.47</b>	<b>992.79</b>

### Note 21. Revenue from operations

	(₹ in million)	
	For the year ended	
	31 March 2021	31 March 2020
Sale of products	43,012.07	46,873.25
Sale of services	16,626.69	11,555.18
Other operating revenue (refer note 42(a))	1,346.59	1,329.45
<b>Total revenue from operations</b>	<b>60,985.35</b>	<b>59,757.88</b>

## Notes to the consolidated financial statements

for the year ended 31 March 2021 (Continued)

### Disaggregation of revenue

In the following table, revenue from sale of product and services is disaggregated by primary geographical market and major products/service lines.

	For the year ended 31 March 2021				For the year ended 31 March 2020			
	Pharmaceuticals	Contract Research and Development Services	Proprietary Novel Drugs	Total	Pharmaceuticals	Contract Research and Development Services	Proprietary Novel Drugs	Total
(₹ in million)								
<b>Primary geographical markets</b>								
India	2,283.47	33.96	-	2,317.43	835.84	18.12	-	853.96
Americas and Europe	50,786.32	2,707.30	36.60	53,530.22	52,210.24	2,326.71	100.30	54,637.25
China	15.90	47.51	-	63.41	12.83	2.57	-	15.40
Rest of the world	3,480.53	247.17	-	3,727.70	2,762.14	159.68	-	2,921.82
<b>Total</b>	<b>56,566.22</b>	<b>3,035.94</b>	<b>36.60</b>	<b>59,638.76</b>	<b>55,821.05</b>	<b>2,507.08</b>	<b>100.30</b>	<b>58,428.43</b>
<b>Major products/service lines</b>								
Radiopharmaceuticals	18,623.30	-	-	18,623.30	25,373.32	-	-	25,373.32
Contract manufacturing operations	13,517.47	-	-	13,517.47	8,914.84	-	-	8,914.84
Allergy therapy products	3,884.48	-	-	3,884.48	4,081.94	-	-	4,081.94
Solid dosage formulations	12,757.99	-	-	12,757.99	11,125.08	-	-	11,125.08
Active pharmaceutical ingredients	5,972.66	-	-	5,972.66	6,036.69	-	-	6,036.69
Contract Research and Development Services	-	3,035.94	-	3,035.94	-	2,507.08	-	2,507.08
India branded pharmaceuticals	1,810.32	-	-	1,810.32	289.18	-	-	289.18
Proprietary Novel Drugs	-	-	36.60	36.60	-	-	100.30	100.30
<b>Total</b>	<b>56,566.22</b>	<b>3,035.94</b>	<b>36.60</b>	<b>59,638.76</b>	<b>55,821.05</b>	<b>2,507.08</b>	<b>100.30</b>	<b>58,428.43</b>

Reconciliation of the disaggregated revenue with the Group's reportable segments (refer note 36)

	For the year ended 31 March 2021				For the year ended 31 March 2020			
	Pharmaceuticals	Contract Research and Development Services	Proprietary Novel Drugs	Total	Pharmaceuticals	Contract Research and Development Services	Proprietary Novel Drugs	Total
(₹ in million)								
Revenue from sale of products and services	56,566.22	3,035.94	36.60	59,638.76	55,821.05	2,507.08	100.30	58,428.43
Other operating revenue	1,330.53	16.06	-	1,346.59	1,321.75	7.70	-	1,329.45
<b>Total</b>	<b>57,896.75</b>	<b>3,052.00</b>	<b>36.60</b>	<b>60,985.35</b>	<b>57,142.80</b>	<b>2,514.78</b>	<b>100.30</b>	<b>59,757.88</b>



## Notes to the consolidated financial statements

for the year ended 31 March 2021 (Continued)

### Contract balances

(₹ in million)

	As at		
	31 March 2021	31 March 2020	1 April 2019
Trade receivables	8,199.04	12,932.16	12,715.49
Unbilled receivables	493.49	389.61	586.36
Contract liabilities	564.72	649.87	444.96

The amount of ₹ 301.78 million and ₹ 237.52 million recognised in contract liabilities at the beginning of the year has been recognised as revenue for the years ended 31 March 2021 and 31 March 2020, respectively.

Reconciliation of revenue recognized with the contracted price is as follows:

(₹ in million)

	As at	
	31 March 2021	31 March 2020
Contracted price	68,432.22	68,717.37
Reductions towards variable consideration components	(8,793.46)	(10,288.94)
Revenue recognised	<b>59,638.76</b>	<b>58,428.43</b>

The reduction towards variable consideration comprises of volume discounts, price discounts, etc.

Unsatisfied (or partially satisfied) performance obligations are subject to variability due to several factors such as terminations, changes in scope of contracts, periodic revalidations of the estimates, economic factors (changes in currency rates, tax laws etc.). The aggregate value of transaction price allocated to unsatisfied (or partially satisfied) performance obligations, excluding those where original expected duration of one year or less, amounts to ₹ 1,566.87 million (31 March 2020: ₹ 620.68 million) majority of which is expected to be recognised as revenue in the next two years.

### Note 22: Other income

(₹ in million)

	For the year ended	
	31 March 2021	31 March 2020
Interest income	80.97	189.46
Gain on investments at fair value through profit or loss	28.23	-
Net foreign exchange gain	-	143.91
Other non-operating income	67.18	40.74
<b>Total other income</b>	<b>176.38</b>	<b>374.11</b>

### Note 23: Cost of materials consumed

(₹ in million)

	For the year ended	
	31 March 2021	31 March 2020
Raw materials consumed	13,487.50	14,380.20
<b>Total cost of materials consumed</b>	<b>13,487.50</b>	<b>14,380.20</b>

## Notes to the consolidated financial statements

for the year ended 31 March 2021 (Continued)

### Note 24: Changes in inventories of finished goods, stock-in-trade and work-in-progress

	(₹ in million)	
	For the year ended	
	31 March 2021	31 March 2020
<b>Opening balance</b>		
Work-in progress	4,639.91	3,348.20
Finished goods	5,390.93	3,775.70
Stock-in-trade	158.24	200.92
<b>Total opening balance</b>	<b>10,189.08</b>	<b>7,324.82</b>
<b>Closing balance</b>		
Work-in progress	3,472.20	4,639.91
Finished goods	2,465.34	5,390.93
Stock-in-trade	290.05	158.24
<b>Total closing balance</b>	<b>6,227.59</b>	<b>10,189.08</b>
Less: Transferred pursuant to the Composite Scheme (refer note 31)	(2,987.02)	-
Foreign currency translation adjustment	(188.23)	309.93
<b>Total changes in inventories of finished goods, stock-in-trade and work-in-progress</b>	<b>786.24</b>	<b>(2,554.33)</b>
Less: Relates to transferred business shown as discontinued operation (refer note 31)	589.90	(1,179.71)
	<b>196.34</b>	<b>(1,374.62)</b>

### Note 25: Employee benefits expense

	(₹ in million)	
	For the year ended	
	31 March 2021	31 March 2020
Salaries, wages, bonus, gratuity and allowances	16,156.79	15,430.00
Contribution to provident fund, superannuation and other funds	1,543.59	1,423.13
Employee share-based payment expense	2.46	-
Staff welfare expenses	1,525.93	1,579.03
<b>Total employee benefits expense</b>	<b>19,228.77</b>	<b>18,432.16</b>

### Note 26: Finance costs

	(₹ in million)	
	For the year ended	
	31 March 2021	31 March 2020
Interest expense	1,733.57	1,884.37
Other finance costs	107.40	112.74
<b>Total finance costs</b>	<b>1,840.97</b>	<b>1,997.11</b>

#### Note:

(1) Refer note 42 (b) for finance costs capitalised.

### Note 27: Depreciation, amortisation and impairment expense

	(₹ in million)	
	For the year ended	
	31 March 2021	31 March 2020
Depreciation of property, plant and equipment	2,964.13	2,933.09
Depreciation on right-of-use assets	667.38	578.82
Amortisation and impairment of intangible assets (refer note 43)	884.97	1,107.38
	<b>4,516.48</b>	<b>4,619.29</b>
Less : Expense relating to discontinued operations (refer note 31)	(1,027.01)	(1,220.86)
<b>Total depreciation, amortisation and impairment expense</b>	<b>3,489.47</b>	<b>3,398.43</b>





# Notes to the consolidated financial statements

for the year ended 31 March 2021 (Continued)

## Note 28: Other expenses

	(₹ in million)	
	For the year ended	
	31 March 2021	31 March 2020
Power and fuel	1,057.89	1,122.11
Consumption of stores and spares and packing materials	2,174.39	1,930.79
Processing charges	705.84	235.62
Rental charges	49.08	57.51
Rates and taxes	675.55	655.68
Insurance	459.27	304.87
Advertisement, publicity and sales promotion	161.77	353.73
Travel and conveyance	160.41	635.50
Repairs and maintenance:		
i. Plant and machinery	674.21	645.10
ii. Buildings	377.47	351.87
iii. Others	473.92	371.59
Office expenses	376.12	300.82
Vehicle running and maintenance	88.16	86.49
Printing and stationery	100.36	112.70
Telephone and communication charges	218.67	252.88
Staff recruitment and training	195.06	218.03
Donation [including corporate social responsibility expenditure (refer note 41)]	103.25	109.26
Payments to statutory auditors	15.96	2.26
Legal and professional fees	1,628.70	1,627.70
Freight and forwarding (including ocean freight)	980.46	697.77
Subscription	94.18	113.44
Claims and other selling expenses	280.95	491.81
Commission on sales	348.28	403.83
Loss on sale/disposal/discard of property, plant and equipment (net)	66.91	-
Provision/write off of bad debts/irrecoverable advances (net)	47.61	5.70
Net foreign exchange loss	644.67	-
Loss on investments at fair value through profit or loss	-	2.37
Miscellaneous expenses	272.70	204.96
<b>Total other expenses</b>	<b>12,431.84</b>	<b>11,294.39</b>

## Note 29. Income tax

The major components of income tax expense for the years ended 31 March 2021 and 31 March 2020 are:

	(₹ in million)	
	For the year ended	
	31 March 2021	31 March 2020
<b>Profit or loss section</b>		
<b>Current tax:</b>		
Current tax charge for the year	2,640.42	2,911.35
Adjustments in respect of current income tax of previous years	58.67	9.70
	<b>2,699.09</b>	<b>2,921.05</b>
<b>Deferred tax:</b>		
Deferred tax on profits for the year	315.68	437.01
Adjustments in respect of deferred tax of previous years	(42.59)	(7.03)
	<b>273.09</b>	<b>429.98</b>
<b>Income tax expense of continuing operations</b>	<b>2,972.18</b>	<b>3,351.03</b>
<b>Income tax expense/(benefit) of discontinued operations</b>	<b>791.81</b>	<b>(228.15)</b>
<b>Income tax expense</b>	<b>3,763.99</b>	<b>3,122.88</b>
<b>OCI section:</b>		
Tax related to items that will not be reclassified to profit or loss	0.15	(8.61)
Tax related to items that will be reclassified to profit or loss	(114.17)	121.37

## Notes to the consolidated financial statements

for the year ended 31 March 2021 (Continued)

	(₹ in million)	
	For the year ended	
	31 March 2021	31 March 2020
<b>Income tax (benefit)/expense of continuing operations</b>	(114.02)	112.76
<b>Income tax benefit of discontinued operations</b>	(3.78)	(10.89)
<b>Income tax (benefit)/expense</b>	<b>(117.80)</b>	<b>101.87</b>
<b>Equity section:</b>		
Tax related to items recognised in capital reserve	-	(152.71)
<b>Income tax benefit of continuing operations</b>	-	<b>(152.71)</b>
<b>Income tax benefit of discontinued operations</b>	-	-
<b>Income tax benefit</b>	-	<b>(152.71)</b>

### Reconciliation between average effective tax rate and applicable tax rate for the year:

	(₹ in million)	
	For the year ended	
	31 March 2021	31 March 2020
Profit before tax from continuing operations	8,710.76	10,128.75
Profit before tax from discontinued operations	3,409.34	1,976.56
<b>Profit before tax</b>	<b>12,120.10</b>	<b>12,105.31</b>
At statutory income tax rate 34.944% (31 March 2020: 34.944%)	4,235.25	4,230.08
- Effect of non-deductible expenses and exempt income	354.41	(303.27)
- Incremental allowance for research and development and other capital expenditure	(167.33)	(261.69)
- Effect of prior year taxes	(26.50)	44.44
- Utilization of unused tax losses	-	(78.57)
- Unrecognised deferred tax (including MAT credit)	78.09	103.00
- Differences in other countries tax rates	(676.82)	346.17
- Effect of change in tax rate on opening deferred tax balance*	-	(717.41)
- Tax effect on reversal of temporary differences	(167.19)	-
- Effect of change in tax rate of current year	(44.46)	(110.32)
- Others	178.54	(129.55)
<b>Income tax expense reported in the consolidated statement of profit and loss</b>	<b>3,763.99</b>	<b>3,122.88</b>
<b>Income tax expense of continuing operations</b>	2,972.18	3,351.03
<b>Income tax expense/(benefit) of discontinued operations in the consolidated statement of profit and loss</b>	791.81	(228.15)

\* During the year ended 31 March 2020, in accordance with Taxation Laws (Amendment) Act, 2019, the Company has evaluated the net deferred tax liability as at 31 March 2019 and based on the estimates, has written back an amount to the extent of ₹ 717.41 million to the consolidated statement of profit and loss.

### Note 30. Micro, small and medium enterprises

There are no micro, small and medium enterprises, to whom the Indian entities owes dues, which are outstanding for more than 45 days as at the end of year. The information as required to be disclosed in relation to micro, small and medium enterprises has been determined to the extent such parties have been identified on the basis of information available with the Indian entities.

	(₹ in million)	
	As at	
	31 March 2021	31 March 2020
The principal amount remaining unpaid to any supplier as at the end of the year	93.58	144.89
The interest due on principal amount remaining unpaid to any supplier as at the end of the year	0.35	-
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	-	-



## Notes to the consolidated financial statements

for the year ended 31 March 2021 (Continued)

### Note 31. Composite scheme of arrangement

The Board of Directors of the Company at its meeting held on 25 October 2019 had approved the Composite Scheme of Arrangement (“Composite Scheme”) and subsequently filed with National Company Law Tribunal (“NCLT”) for: (a) amalgamation of HSB Corporate Consultants Private Limited (“Transferor Company 1”), Jubilant Stock Holding Private Limited (“Transferor Company 2”), SSB Consultants & Management Services Private Limited (“Transferor Company 3”), JCPL Life Science Ventures and Holdings Private Limited (“Transferor Company 4”) and JSPL Life Science Services and Holdings Private Limited (“Transferor Company 5”) [collectively, the “Transferor Companies”] into the Company; and (b) demerger of the Life Science Ingredients (“LSI”) Business into Jubilant Ingrevia Limited (the “Resulting Entity”).

The Composite Scheme was approved by Honourable NCLT, Allahabad Bench vide its order dated 23 December 2020 (formal order received on 6 January 2021).

#### Amalgamation

In terms of the Composite Scheme, Transferor Company 1, Transferor Company 2 and Transferor Company 3 amalgamated into the Company. The said NCLT order was filed with the Registrar of Companies by these transferor companies and the Company on 8 January 2021 thereby making the Composite Scheme effective for these transferor companies. On amalgamation, 62,943,636 equity shares of the Company held by these transferor companies were automatically cancelled on and from the effective date. Simultaneously and concurrent with such cancellation the Company issued and allotted equivalent number of equity shares i.e. 62,943,636 of ₹ 1 each fully paid up to Transferor Company 4 and Transferor Company 5 who are the shareholders of Transferor Company 1, Transferor Company 2 and Transferor Company 3 as on the Record Date i.e. 8 January 2021.

Further, in terms of the Composite Scheme, after occurrence of the above amalgamation, Transferor Company 4 and Transferor Company 5 amalgamated into the Company. The said NCLT order was filed with the Registrar of Companies by these transferor companies and the Company on 18 January 2021 thereby making the Composite Scheme effective for these transferor companies. On amalgamation, 62,943,636 equity shares of the Company held by these transferor companies were automatically cancelled on and from the effective date. Simultaneously and concurrent with such cancellation the Company issued and allotted equivalent number of equity shares i.e. 62,943,636 of ₹ 1 each fully paid up to the shareholders of Transferor Company 4 and Transferor Company 5 as on the Record Date i.e. 18 January 2021.

Accounting of amalgamation as per approved Composite Scheme:

- (i) The Company recorded the assets, liabilities and reserves of the Transferor Companies, vested in it pursuant to this Scheme, at their respective book values as appearing in the books of the Transferor Companies;
- (ii) The loans and advances or payables or receivables or any other investment or arrangement of any kind, held inter se, between the Transferor Companies and the Company was cancelled. The Company cancelled its equity shares held by the Transferor Companies and issued equivalent numbers of its equity shares to the shareholders of the Transferor Companies in accordance with the Composite Scheme; and
- (iii) The difference between the book value of assets, liabilities and reserves as reduced by the face value of the equity shares issued by the Company and after considering the cancellation of inter-company investments was recorded within Other Equity of the Company.

The book value of assets, liabilities and reserves acquired from Transferor Companies were:

	(₹ in million)
	Amount
<b>ASSETS</b>	
<b>Non-current assets</b>	
Financial assets	
i. Investments	2,564.59
ii. Loans	0.02
Income tax assets (net)	0.55
<b>Total non-current assets</b>	<b>2,565.16</b>
<b>Current assets</b>	
Financial assets	
i. Cash and cash equivalents	0.05
<b>Total current assets</b>	<b>0.05</b>
<b>Total assets</b>	<b>2,565.21</b>

## Notes to the consolidated financial statements

for the year ended 31 March 2021 (Continued)

	(₹ in million)
	Amount
<b>EQUITY AND LIABILITIES</b>	
<b>Equity</b>	
Other equity	
- Capital reserve	(144.17)
- Capital redemption reserve	569.00
- Retained earnings	1,992.35
<b>Total equity</b>	<b>2,417.18</b>
<b>Liabilities</b>	
<b>Total liabilities</b>	-
<b>Total equity and liabilities</b>	<b>2,417.18</b>
Net assets acquired	148.03
Less: Equity shares issued to the shareholders of the Transferor Companies	62.94
<b>Balance recognised under amalgamation reserve</b>	<b>85.09</b>
<b>Cancellation of investments held by the Transferor Companies</b>	<b>(2,564.59)</b>
<b>Adjusted against equity of the Company and reserves of Transferor Companies acquired pursuant to amalgamation:</b>	
- Equity share capital	(62.94)
- Amalgamation reserve	(85.09)
- Capital reserve	144.17
- Capital redemption reserve	(569.00)
- Retained earnings	(1,991.73)
	<b>(2,564.59)</b>
<b>Net reserves acquired pursuant to amalgamation</b>	
- Retained earnings	0.62

### Demerger

The said NCLT order was filed with the Registrar of Companies by the Resulting Entity and the Company on 1 February 2021 thereby making the Composite Scheme effective. In terms of the Composite Scheme, all assets and liabilities of the LSI Business of the Company stands transferred and vested into the Resulting Entity on 1 February 2021, being the Demerger Appointed Date as per the Composite Scheme for the demerger of LSI Business. Effective that date, the name of the Company has changed to Jubilant Pharmova Limited from Jubilant Life Sciences Limited.

Accounting of Demerger as per approved Composite Scheme:

- (i) the Company reduced the book values of assets and liabilities of the LSI Business as at the close of business on the day immediately preceding the Demerger Appointed Date in its books of accounts;
- (ii) the Company made an adjustment equal to the book values of the LSI Business, first in the Securities Premium to the extent available, thereafter in the General Reserve to the extent available and residual balance in the Retained Earnings under the head "Other Equity"; and
- (iii) the carrying value of the investment in equity shares of the Resulting Entity to the extent held by the Company amounting to ₹ 0.50 million were cancelled.



## Notes to the consolidated financial statements

for the year ended 31 March 2021 (Continued)

The book value of assets and liabilities transferred on consolidated basis are as under:

	(₹ in million)
	Amount
<b>ASSETS</b>	
<b>Non-current assets</b>	
Property, plant and equipment	17,513.30
Capital work-in-progress	639.93
Other intangible assets	104.58
Intangible assets under development	30.10
Right-of-use assets	470.45
Financial assets	
i. Investments	427.66
ii. Loans	32.83
iii. Other financial assets	104.95
Deferred tax assets (net)	131.93
Income tax assets (net)	33.60
Other non-current assets	25.92
<b>Total non-current assets</b>	<b>19,515.25</b>
<b>Current assets</b>	
Inventories	5,721.17
Financial assets	
i. Trade receivables	4,691.96
ii. Cash and cash equivalents	769.36
iii. Other bank balances	192.69
iv. Loans	26.09
v. Other financial assets	183.14
Other current assets	1,599.93
<b>Total current assets</b>	<b>13,184.34</b>
<b>Total assets</b>	<b>32,699.59</b>
<b>LIABILITIES</b>	
<b>Non-current liabilities</b>	
Financial liabilities	
i. Borrowings	5,184.48
ii. Lease liabilities	59.83
Provisions	640.69
Deferred tax liabilities (net)	191.39
<b>Total non-current liabilities</b>	<b>6,076.39</b>
<b>Current liabilities</b>	
Financial liabilities	
i. Lease liabilities	17.48
ii. Trade payables	6,118.49
iii. Other financial liabilities	1,396.82
Other current liabilities	261.94
Provisions	170.55
Current tax liabilities (net)	22.44
<b>Total current liabilities</b>	<b>7,987.72</b>
<b>Total liabilities</b>	<b>14,064.11</b>



## Notes to the consolidated financial statements

for the year ended 31 March 2021 (Continued)

The Group has presented the LSI Business as discontinued operations during the year ended on 31 March 2021 in accordance with Ind AS 105 and accordingly reclassified the comparative financial information of the previous year presented as below:

(a) Results of discontinued operations

	(₹ in million)	
	For the period 1 April 20120 to 31 January 2021	For the year ended 31 March 2020
Revenue from operations	28,069.78	31,786.25
Other income	122.00	100.21
<b>Total income</b>	<b>28,191.78</b>	<b>31,886.46</b>
<b>Expenses</b>		
Cost of materials consumed	13,240.56	16,814.04
Purchases of stock-in-trade	834.36	1,219.61
Changes in inventories of finished goods, stock-in-trade and work-in-progress	589.90	(1,179.71)
Employee benefits expense	2,499.51	2,844.60
Finance costs	631.92	876.98
Depreciation, amortisation and impairment expense	1,027.01	1,220.86
Other expenses	5,959.18	8,096.49
<b>Total expenses</b>	<b>24,782.44</b>	<b>29,892.87</b>
<b>Profit before exceptional items and tax</b>	<b>3,409.34</b>	<b>1,993.59</b>
Exceptional items	-	17.03
<b>Profit from discontinued operations before tax</b>	<b>3,409.34</b>	<b>1,976.56</b>
Tax expense/(credit)		
- Current tax	539.11	307.10
- Deferred tax charge/(credit)	252.70	(535.25)
<b>Total tax expense/(credit)</b>	<b>791.81</b>	<b>(228.15)</b>
<b>Profit for the year from discontinued operations</b>	<b>2,617.53</b>	<b>2,204.71</b>
<b>Other comprehensive (loss)/income from discontinued operations</b>		
<i>Items that will not be reclassified to profit or loss</i>		
Changes in fair value of equity investments which are classified at fair value through OCI	6.75	(316.18)
Remeasurement of defined benefit obligations	(11.02)	(31.37)
Income tax relating to items that will not be reclassified to profit or loss	3.78	10.89
	<b>(0.49)</b>	<b>(336.66)</b>
<i>Items that will be reclassified to profit or loss</i>		
Exchange differences on translation of foreign operations	(13.14)	52.48
Income tax relating to items that will be reclassified to profit or loss	-	-
	<b>(13.14)</b>	<b>52.48</b>
<b>Other comprehensive loss for the year from discontinued operations, net of tax</b>	<b>(13.63)</b>	<b>(284.18)</b>
<b>Total comprehensive income for the year from discontinued operations</b>	<b>2,603.90</b>	<b>1,920.53</b>

(b) The net cash flows attributable to the discontinued operations are as follows:

	(₹ in million)	
	For the period 1 April 2020 to 31 January 2021	For the year ended 31 March 2020
Net cash generated from operating activities	6,200.74	2,970.45
Net cash generated from/(used in) investing activities	583.83	(3,560.08)
Net cash (used in)/generated from financing activities	(6,209.49)	1,569.11
Effect of exchange rate changes	(7.90)	9.39
<b>Net increase in cash and cash equivalents</b>	<b>567.18</b>	<b>988.87</b>



## Notes to the consolidated financial statements

for the year ended 31 March 2021 (Continued)

### Note 32. Employee benefits in respect of the Group have been calculated as under:

#### (A) Defined Contribution Plans

The Group entities located in India and Singapore have certain defined contribution plan such as provident fund, employee state insurance, employee pension scheme, employee superannuation fund wherein specified percentage is contributed to these plans. During the year, the Group has contributed following amounts to:

	(₹ in million)	
	For the year ended	
	31 March 2021	31 March 2020
Employer's contribution to provident fund *(1)	53.63	50.97
Employer's contribution to employee's pension scheme*	69.50	76.70
Employer's contribution to superannuation fund*	2.91	4.71
Employer's contribution to employee state insurance*	3.72	4.81

\*represents amount in respect of continuing and discontinued operations.

- (1) Includes contribution for certain employees in India where provident fund is deposited with government authority e.g. Regional Provident Fund Commissioner.

#### Foreign Subsidiaries

- a. The Group entities located in United States of America have a 401(k) plan, where eligible employees are permitted to participate in the defined contribution plan. Participants may voluntarily contribute eligible pre-tax and post-tax compensation of up to 100% of their annual compensation in accordance with the annual limits as determined by the Internal Revenue Service (IRS). Employees at or above the age of 50 may choose to contribute additional compensation as "catch-up" contributions in accordance with the IRS annual limits. Employees receive a 100% match of their contributions up to 3% of their eligible compensation and 50% match of their contributions over 3% upto 5% of their eligible compensation. The company's matching contributions vest 100% immediately for all employees in the United States. The Group has contributed ₹ 282.26 million and ₹ 265.66 million for the years ended 31 March 2021 and 31 March 2020, respectively.
- b. The entities of the Group located in Canada contribute to a Registered Retirement Savings Plan (RRSP), a trust registered with Canada Revenue Agency (CRA) and to Quebec pension plan (QPP). Under RRSP plan, the Group contributes equivalent to the contribution made by the employee, up to a maximum of 5% of the employees' base salary. Under QPP plan, the Group contributes equivalent to the contribution made by the employees at the rate of 5.90% and 5.70% of the employees' base salary for the years ended 31 March 2021 and 31 March 2020, respectively.

During the year, the Group has contributed following amounts to:

Plan under which contributions made	(₹ in million)	
	For the year ended	
	31 March 2021	31 March 2020
Registered retirement savings plan (RRSP)	65.52	66.20
Quebec pension plan (QPP)	91.50	93.71

- c. Further, the entities of the Group located in Belgium contribute to social security fund named as RijksSocialeZekerheid (RSZ). Under these plan employees have to contribute 13% of their compensation and the Group makes a contribution of 33.33% of the employee's annual compensation. The Group has contributed ₹ 1.86 million and ₹ 4.88 million for the years ended 31 March 2021 and 31 March 2020, respectively.

## Notes to the consolidated financial statements

for the year ended 31 March 2021 (Continued)

### (B) Defined Benefit Plans

#### Parent Company including Indian Subsidiaries

##### i. Gratuity

In accordance with Ind AS 19 "Employee Benefits", an actuarial valuation has been carried out in respect of gratuity. The discount rate assumed is 6.80% p.a. (31 March 2020: 6.80% 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 2020: 58 years) and mortality table is as per IALM (2012-14) (31 March 2020: IALM (2012-14)).

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 2020: 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.

The plan assets are maintained with Life Insurance Corporation of India in respect of gratuity scheme for certain employees of two units of the Group. The details of investments maintained by Life Insurance Corporation are not available with the Group, hence not disclosed. The expected rate of return on plan assets is 6.80% p.a. (31 March 2020: 6.80% p.a.).

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

	(₹ in million)	
	31 March 2021	31 March 2020
Present value of obligation at the beginning of the year	966.83	854.41
Current service cost	90.08	97.84
Interest cost	64.80	65.57
Actuarial loss	11.47	58.09
Benefits paid	(99.77)	(109.08)
Transferred pursuant to the Composite Scheme (refer note 31)	(584.01)	-
<b>Present value of obligation at the end of the year</b>	<b>449.40</b>	<b>966.83</b>

#### Fair value of plan assets\*\*

	(₹ in million)	
	31 March 2021	31 March 2020
Plan assets at the beginning of the year	41.33	36.79
Expected return on plan assets	2.74	2.81
Contribution by employer	2.12	7.78
Actual benefits paid	(10.75)	(6.29)
Actuarial gain	0.03	0.24
Transferred pursuant to the Composite Scheme (refer note 31)	(3.40)	-
<b>Plan assets at the end of the year</b>	<b>32.07</b>	<b>41.33</b>

\*\* In respect of two locations, the plan assets were invested in insurer managed funds.

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

	(₹ in million)	
	As at	
	31 March 2021	31 March 2020
Present value of obligation at the end of the year	449.40	966.83
Fair value of plan assets at the end of the year	(32.07)	(41.33)
<b>Net liabilities recognised in the Balance Sheet</b>	<b>417.33</b>	<b>925.50</b>

Group's best estimate of contribution during next year is ₹ 88.78 million (31 March 2020: ₹ 168.22 million).



## Notes to the consolidated financial statements

for the year ended 31 March 2021 (Continued)

Expense recognised in the Consolidated Statement of Profit and Loss under employee benefits expense<sup>^</sup>:

	(₹ in million)	
	For the year ended	
	31 March 2021	31 March 2020
Current service cost	90.08	97.84
Interest cost	62.06	62.76
<b>Expense recognised in the Consolidated Statement of Profit and Loss</b>	<b>152.14</b>	<b>160.60</b>

<sup>^</sup> represents amount in respect of continuing and discontinued operations.

Amount recognised in the other comprehensive income<sup>#</sup>:

	(₹ in million)	
	For the year ended	
	31 March 2021	31 March 2020
Actuarial loss due to demographic assumption change	0.47	3.92
Actuarial loss due to financial assumption change	0.57	41.34
Actuarial loss due to experience adjustment	10.43	12.83
Actuarial gain on plan assets	(0.03)	(0.24)
<b>Amount recognised in the other comprehensive income</b>	<b>11.44</b>	<b>57.85</b>

<sup>#</sup> represents amount in respect of continuing and discontinued operations.

Sensitivity analysis:

*Discount rate*

	(₹ in million)			
	31 March 2021		31 March 2020	
	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Impact on defined benefit	(10.91)	11.49	(22.99)	24.21

*Future salary increase*

	(₹ in million)			
	31 March 2021		31 March 2020	
	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Impact on defined benefit	11.46	(10.76)	24.15	(23.15)

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

The table below summarises the maturity profile of the defined benefit obligations:

	(₹ in million)	
	As at	
	31 March 2021	31 March 2020
Within one year	116.40	209.54
Between one to three years	94.29	207.22
Between three to five years	63.96	157.84
Later than five years	174.75	392.23
	<b>449.40</b>	<b>966.83</b>

### (ii) Provident Fund:

The Group makes monthly contributions to provident fund managed by trust for qualifying employees. Under the scheme, the Group is required to contribute a specified percentage of the payroll costs to fund the benefits. As per Ind AS 19 on "Employee Benefits", employer established provident fund trusts are treated as defined benefit plans, since the Group is obliged to meet interest shortfall, if any, with respect to covered employees. The total liability of ₹ Nil (31 March 2020: ₹ Nil) as worked out by the actuary has been allocated to each entity based on the corpus value of each entity as at the year end. Accordingly, liability of ₹ Nil (31 March 2020: ₹ Nil) has been allocated to Group and ₹ Nil (31 March 2020: ₹ Nil) has been charged to Consolidated Statement of Profit and Loss during the year.

## Notes to the consolidated financial statements

for the year ended 31 March 2021 (Continued)

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

	(₹ in million)	
	For the year ended	
	31 March 2021	31 March 2020
Discount rate	6.80%	6.80%
Guaranteed rate of return	8.50%	8.50%

The Group has contributed ₹ 148.40 million to provident fund (31 March 2020: ₹ 159.55 million) for the year.

### (C) Other long term benefits (compensated absences):

	(₹ in million)	
	As at	
	31 March 2021	31 March 2020
Present value of obligation at the end of the year	708.58	843.15

### Note 33. Fair value measurements

	Note	Level of hierarchy	(₹ in million)			
			Carrying Value as at		Fair Value as at	
			31 March 2021	31 March 2020	31 March 2021	31 March 2020
<b>Financial assets</b>						
<b>FVOCI</b>						
Investments in quoted equity instruments	(c)	1	-	4.30	-	4.30
Investments in other equity instruments	(d)	3	336.67	590.56	336.67	590.56
<b>FVPL</b>						
Investments in equity instruments	(d)	3	55.49	56.50	55.49	56.50
Investments in debt instruments	(d)	3	36.05	42.28	36.05	42.28
<b>Amortised Cost</b>						
Trade receivables	(a)		8,199.04	12,932.16	8,199.04	12,932.16
Loans	(a, b)		151.30	212.24	151.30	212.24
Cash and cash equivalents	(a)		5,019.57	12,308.14	5,019.57	12,308.14
Other bank balances	(a)		1,693.60	1,690.57	1,693.60	1,690.57
Other financial assets	(a, b)		947.77	1,017.43	947.77	1,017.43
<b>Total financial assets</b>			<b>16,439.49</b>	<b>28,854.18</b>	<b>16,439.49</b>	<b>28,854.18</b>
<b>Financial liabilities</b>						
<b>Amortised Cost</b>						
4.875% senior notes	(c)	1	-	15,055.11	-	14,092.61
6% senior notes	(c)	1	14,493.79	14,960.16	15,405.01	14,287.52
Other borrowings	(a, c)	3	11,345.94	16,266.89	11,374.29	16,564.35
Lease liabilities	(a)		2,455.90	1,801.73	-	-
Trade payables	(a)		5,204.84	10,902.69	5,204.84	10,902.69
Other financial liabilities	(a)		2,206.50	2,927.31	2,206.50	2,927.31
<b>Total financial liabilities</b>			<b>35,706.97</b>	<b>61,913.89</b>	<b>34,190.64</b>	<b>58,774.48</b>

The following methods / assumptions were used to estimate the fair values:

- 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.
- Fair valuation of non-current financial assets and non-current financial liabilities has been disclosed to be same as carrying value as there is no significant difference between carrying value and fair value.
- Fair value of quoted financial instruments (including listed debentures and bonds) is based on quoted market price at the reporting date.





## Notes to the consolidated financial statements

for the year ended 31 March 2021 (Continued)

- (d) The fair value is determined by using the valuation model/technique with observable/non-observable inputs and assumptions. Costs of certain unquoted investments have been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.

There are no transfers between Level 1, Level 2 and Level 3 during the year ended 31 March 2021 and 31 March 2020.

### Reconciliation of Level 3 fair value measurement:

	(₹ in million)	
	For the year ended	
	31 March 2021	31 March 2020
<b>Opening balance</b>	<b>689.34</b>	<b>1,123.50</b>
Additional investment	149.57	36.39
Proceeds from sale of investments	-	(220.39)
Gain/(loss) recognized in statement of profit and loss	28.23	(2.37)
Loss recognized in other comprehensive income	(16.25)	(314.22)
Foreign currency translation adjustment	(6.03)	66.43
Transferred pursuant to the Composite Scheme (refer note 31)	(416.65)	-
<b>Closing balance</b>	<b>428.21</b>	<b>689.34</b>

### Note 34. Financial risk management

#### Risk management framework

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

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

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

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

#### i. Credit risk

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

#### Trade receivables and other financial assets

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

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

As at 31 March 2021 and 31 March 2020, there is no major customer in terms of credit risk for the Group.

#### Expected credit loss with respect to trade receivables:

With respect to trade receivables, based on internal assessment which is driven by the historical experience/current facts available in relation to default and delays in collection thereof, the credit risk for trade receivables is considered low. The Group estimates its allowance for trade receivable using lifetime expected credit loss. The balance past due for more than 6 months (net of expected credit loss allowance) is ₹ 57.21 million (31 March 2020: ₹ 37.75 million).

## Notes to the consolidated financial statements

for the year ended 31 March 2021 (Continued)

Movement in the expected credit loss allowance of trade receivables are as follows:

	(₹ in million)	
	As at	
	31 March 2021	31 March 2020
Balance at the beginning of the year	227.04	177.11
Provided during the year (net of reversal)	53.39	46.77
Amount written off */ translation adjustment	(14.33)	3.16
Transferred pursuant to the Composite Scheme (refer note 31)	(46.29)	-
<b>Balance at the end of the year</b>	<b>219.81</b>	<b>227.04</b>

\*Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or failing to engage in a payment plan with the Group.

### Expected credit loss with respect to other financial asset:

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

### ii. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

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

### Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted.

#### As at 31 March 2021

	(₹ in million)			
	Contractual Cash flows (2)			
	Carrying Amount	Total	Within 1 year	More than 1 year
<b>Non-derivative financial liabilities</b>				
Borrowings (1)	25,839.73	25,996.29	200.01	25,796.28
Lease liabilities	2,455.90	2,455.90	501.34	1,954.56
Trade payables	5,204.84	5,204.84	5,204.84	-
Other financial liabilities	2,206.50	2,206.50	2,206.50	-

#### As at 31 March 2020

	(₹ in million)			
	Contractual Cash flows (2)			
	Carrying Amount	Total	Within 1 year	More than 1 year
<b>Non-derivative financial liabilities</b>				
Borrowings (1)	46,282.16	46,560.74	8,985.36	37,575.38
Lease liabilities	1,801.73	1,801.73	440.48	1,361.25
Trade payables	10,902.69	10,902.69	10,902.69	-
Other financial liabilities	2,927.31	2,927.31	2,922.46	4.85

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

(2) Contractual cash flows exclude interest payable.



## Notes to the consolidated financial statements

for the year ended 31 March 2021 (Continued)

### iii. Market risk

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

#### Currency risk

The Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the respective functional currencies of the Group companies. The functional currencies of the Group companies are primarily the INR, USD, CAD and EUR. The currencies in which these transactions are primarily denominated are EUR, USD, CAD and INR.

The Group follows a natural hedge driven currency risk mitigation policy, to the extent possible. Any residual risk is evaluated and appropriate risk mitigating steps are taken, including but not limited to, entering into forward contracts and interest rate swaps.

#### Exposure to currency risk

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

	(₹ in million)							
	As at 31 March 2021				As at 31 March 2020			
	USD	EUR	CAD	Others	USD	EUR	CAD	Others
Cash and cash equivalents	1,070.90	4.44	0.87	31.41	3,050.54	13.02	-	95.68
Trade receivables	2,968.12	130.95	10.45	95.20	4,340.05	732.06	2.29	36.12
Other financial assets	15,716.87	0.13	90.16	6.24	14,580.70	8.85	132.16	22.87
Trade payables	(2,099.53)	(187.14)	(91.86)	(127.05)	(6,180.48)	(216.63)	(71.83)	(77.75)
Borrowings	(24.13)	-	-	-	-	-	-	-
Other financial liabilities	(16.89)	(3.69)	(40.71)	(90.17)	(108.01)	(0.36)	(16.28)	(85.07)
<b>Net statement of financial position exposure</b>	<b>17,615.36</b>	<b>(55.33)</b>	<b>(31.09)</b>	<b>(84.37)</b>	<b>15,682.80</b>	<b>536.94</b>	<b>46.34</b>	<b>(8.15)</b>

#### Sensitivity analysis

A reasonably possible strengthening/weakening of the EUR, USD, CAD, INR or other currencies against all other currencies at year end 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 on forecast sales and purchases.

	(₹ in million)			
	Profit or loss (before tax)		OCI (before tax)	
	Strengthening	Weakening	Strengthening	Weakening
<b>31 March 2021</b>				
USD (1% movement)	101.15	(101.15)	75.00	(75.00)
EUR (1% movement)	(0.55)	0.55	-	-
CAD (1% movement)	(0.31)	0.31	-	-
Other (1% movement)	(0.84)	0.84	-	-
<b>31 March 2020</b>				
USD (1% movement)	24.04	(24.04)	132.79	(132.79)
EUR (1% movement)	5.37	(5.37)	-	-
CAD (1% movement)	0.46	(0.46)	-	-
Other (1% movement)	(0.08)	0.08	-	-

#### Interest rate risk

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

## Notes to the consolidated financial statements

for the year ended 31 March 2021 (Continued)

### Exposure to interest rate risk

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

	(₹ in million)	
	As at	
	31 March 2021	31 March 2020
Fixed-rate borrowings	14,622.00	31,766.00
Floating rate borrowings*	11,374.29	14,794.74
	<b>25,996.29</b>	<b>46,560.74</b>

\* floating interest rates are based on bank's Marginal Cost of funds based Lending Rate (MCLR) or external benchmarks (e.g. T-Bill, Mibor, RBI Repo Rate etc.) or LIBOR plus spread, reset at specified intervals.

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

If interest rates had been 25 basis points higher / lower and all other variables were held constant, the Group's profit before tax for the year ended 31 March 2021 would decrease / increase by ₹ 7.19 million (31 March 2020: ₹ 36.99 million). This is mainly attributable to the Group's exposure to interest rates on its floating rate borrowings.

### Note 35. Capital management

#### (a) Risk management

The Group's 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 Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

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

'Net debt' (total borrowings net of cash and cash equivalents and other bank balances) divided by 'Total equity' (as shown in the Consolidated Balance Sheet, including non-controlling interest).

The gearing ratios were as follows:

	(₹ in million)	
	As at	
	31 March 2021	31 March 2020
Net debt	19,126.56	32,283.45
Total equity	47,415.17	56,038.82
<b>Net debt to equity ratio</b>	<b>0.40</b>	<b>0.58</b>

#### b) Dividends

	(₹ in million)	
	As at	
	31 March 2021	31 March 2020
<b>Equity shares</b>		
31 March 2021: ₹ Nil (31 March 2020 : Interim dividend of ₹ 5 for the year ended 31 March 2020 and final dividend of ₹ 4.5 for the year ended 31 March 2019 per fully paid equity share (including tax on dividend))	-	1,528.38

The Board of Directors has recommended a dividend of ₹ 5 per equity share of ₹ 1 each, fully paid up amounting to ₹ 796.41 million for the year ended 31 March 2021, subject to approval in the ensuing Annual General Meeting.



## Notes to the consolidated financial statements

for the year ended 31 March 2021 (Continued)

### Note 36. Segment information

#### Business Segments

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

- a. **Pharmaceuticals:** (i) Specialty Pharmaceuticals comprising Radiopharmaceuticals (including radiopharmacies) and Allergy Therapy products; (ii) Contract Development and Manufacturing Operations (CDMO) comprising Contract manufacturing of Sterile Injectables and Non-Sterile products (CMO) and Active Pharmaceutical Ingredients (APIs); and (iii) Generics comprising Solid Dosage Formulations; iv) India Branded Pharmaceuticals;
- b. **Life Sciences Ingredients#:** i) Specialty Intermediates ii) Life Sciences Chemicals and iii) Nutritional Products;
- c. **Contract Research and Development Services:** Drug discovery and development services as well as clinical data software and service solutions; and
- d. **Proprietary Novel Drugs:** Patient-focused biopharmaceutical business working to address unmet medical needs in oncology and autoimmune diseases

During the year ended 31 March 2021, Proprietary Drug Discovery Business, earlier under "Drug Discovery and Development Solutions" segment has been presented

separately as "Proprietary Novel Drugs" segment. Further, the segment earlier presented as "Drug Discovery and Development Solutions" has been renamed as "Contract Research and Development Services". Hence, previous year numbers have been regrouped to conform to current year reporting.

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

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

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

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

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

Borrowings, current taxes, deferred taxes and certain financial assets and liabilities are not allocated to the segments and have been included under 'unallocated assets / liabilities'.

Information related to each reportable segment is set out below. Segment results (profit/(loss) before interest and tax) is used to measure performance because management believes that this information is most relevant in evaluating the results of the respective segments relative to other entities that operate in the same industries.

(₹ in million)

	For the year ended 31 March 2021			For the year ended 31 March 2020		
	Total segment revenue	Inter-segment revenue	Revenue from external customer	Total segment revenue	Inter-segment revenue	Revenue from external customer
<b>Revenue</b>						
Pharmaceuticals*	57,898.14	1.43	57,896.71	57,142.80	-	57,142.80
Life Science Ingredients#	28,115.61	45.83	28,069.78	31,805.13	18.88	31,786.25
Contract Research and Development Services	3,290.95	238.96	3,051.99	2,715.72	200.97	2,514.75
Proprietary Novel Drugs	36.65	-	36.65	100.33	-	100.33
<b>Total segment revenue</b>	<b>89,341.35</b>	<b>286.22</b>	<b>89,055.13</b>	<b>91,763.98</b>	<b>219.85</b>	<b>91,544.13</b>
- Continuing operations	61,225.74	240.39	60,985.35	59,958.85	200.97	59,757.88
- Discontinued operations	28,115.61	45.83	28,069.78	31,805.13	18.88	31,786.25



## Notes to the consolidated financial statements

for the year ended 31 March 2021 (Continued)

	(₹ in million)	
	For the year ended	
	31 March 2021	31 March 2020
<b>Result</b>		
Pharmaceuticals*	10,664.92	12,296.66
Life Science Ingredients#	4,134.28	3,133.19
Contract Research and Development Services	921.14	715.15
Proprietary Novel Drugs	(137.71)	(121.41)
<b>Total segment result</b>	<b>15,582.63</b>	<b>16,023.59</b>
Un-allocated corporate expenses (net of un-allocated income)	1,128.57	1,259.46
Interest income	138.93	215.27
Finance costs	2,472.89	2,874.09
<b>Profit before tax</b>	<b>12,120.10</b>	<b>12,105.31</b>
Tax expense	3,763.99	3,122.88
<b>Profit for the year</b>	<b>8,356.11</b>	<b>8,982.43</b>
- Continuing operations	5,738.58	6,777.72
- Discontinued operations	2,617.53	2,204.71

### Other information:

	(₹ in million)			
	Segment assets		Segment liabilities	
	As at			
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Pharmaceuticals*	81,115.92	83,049.22	9,162.30	8,752.59
Life Science Ingredients#	-	33,576.88	-	7,398.63
Contract Research and Development Services	3,475.84	2,610.40	711.42	392.37
Proprietary Novel Drugs	927.07	219.97	97.87	57.30
<b>Segment total</b>	<b>85,518.83</b>	<b>119,456.47</b>	<b>9,971.59</b>	<b>16,600.89</b>
Un-allocated corporate assets/ liabilities	3,662.27	5,760.05	31,794.34	52,576.81
<b>Total assets/ liabilities</b>	<b>89,181.10</b>	<b>125,216.52</b>	<b>41,765.93</b>	<b>69,177.70</b>

	(₹ in million)			
	Capital expenditure		Depreciation/Amortisation/Impairment	
	For the year ended			
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Pharmaceuticals*	4,412.57	3,616.98	3,310.63	3,258.30
Life Science Ingredients#	1,023.24	1,970.12	992.79	1,177.29
Contract Research and Development Services	985.58	503.14	164.26	139.93
Proprietary Novel Drugs	392.88	86.04	4.23	0.20
Un-allocated	1.40	6.30	44.57	43.57
<b>Total</b>	<b>6,815.67</b>	<b>6,182.58</b>	<b>4516.48</b>	<b>4,619.29</b>
- Continuing operations	5,791.03	4,206.16	3,489.47	3,398.43
- Discontinued operations	1,024.64	1,976.42	1,027.01	1,220.86

# Pursuant to the Composite Scheme (refer note 31), the Group has demerged its Life Sciences Ingredients business w.e.f. 1 February 2021.

\*Refer note 5(a).



## Notes to the consolidated financial statements

for the year ended 31 March 2021 (Continued)

### Information about Geographical segments:

	(₹ in million)	
	For the year ended	
	31 March 2021	31 March 2020
<b>Revenue by geographical markets</b>		
India	19,750.45	20,304.67
Americas and Europe	61,155.90	63,709.00
China	2,251.09	2,227.81
Rest of the world	5,897.76	5,302.65
<b>Total</b>	<b>89,055.20</b>	<b>91,544.13</b>
- Continuing operations	60,985.35	59,757.88
- Discontinued operations	28,069.85	31,786.25

	(₹ in million)	
	For the year ended	
	31 March 2021	31 March 2020
<b>Non-current assets (by geographical location of assets)*</b>		
Within India	14,964.92	33,398.87
Outside India	42,715.85	38,628.12
<b>Total</b>	<b>57,680.77</b>	<b>72,026.99</b>

\*Non-current assets are excluding financial investments (other than investment in associate) and deferred tax assets.

For the year ended 31 March 2021 and 31 March 2020, there is no major customer with respect to consolidated revenue of the Group.

### Note 37. Related Party Disclosures

#### 1. Related parties with whom transactions have taken place:

##### a) Key management personnel (KMP) and related entities:

Mr. Shyam S. Bhartia, Mr. Hari S. Bhartia, Mr. S Sridhar, Ms. Sudha Pillai, Dr. Ashok Misra, Mr. Alok Vaish (w.e.f. 1 April 2020 to 11 September 2020), Mr. Sankarajah Rajagopal (up to 31 March 2020), Mr. Rajesh Kumar Srivastava (up to 5 February 2021), Mr. Sushil Kumar Roongta, Mr. Vivek Mehra, Mr. Arun Seth, Mr. Anant Pande (up to 5 February 2021), Mr. Rajiv Shah.

Jubilant Enpro Private Limited, JOGPL Private Limited, Jubilant FoodWorks Limited, Jubilant Industries Limited, Jubilant Agri and Consumer Products Limited, Jubilant Consumer Private Limited, Jubilant Industries Inc., USA., Safe Foods Corporation USA, Jubilant Life Sciences International Pte. Limited (w.e.f. 1 February 2021, refer note 31), Jubilant Life Sciences (Shanghai) Limited (w.e.f. 1 February 2021, refer note 31), Jubilant Life Sciences (USA) Inc. (w.e.f. 1 February 2021, refer note 31), Jubilant Infrastructure Limited (w.e.f. 1 February 2021, refer note 31), Jubilant Life Sciences NV (w.e.f. 1 February 2021, refer note 31), Jubilant Ingrevia Limited (formerly Jubilant LSI Limited, incorporated on 23 October 2019) (w.e.f. 1 February 2021, refer note 31).

Also refer note 31.

##### b) Others:

Vam Employees Provident Fund Trust, Jubilant Bhartia Foundation, Vam Officers Superannuation Fund

## Notes to the consolidated financial statements

for the year ended 31 March 2021 (Continued)

### 2. Transactions with related parties

FY 2020-21

₹ in million

Sr. No.	Particulars	Enterprise in which certain key management personnel are interested	Key management personnel	Others	Total
	<b>Description of transactions:</b>				
<b>1.</b>	<b>Sales of goods and services:</b>				
	Safe Foods Corporation USA	85.68			85.68
	Jubilant Ingrevia Limited	0.07			0.07
	Jubilant Industries Limited	5.31			5.31
	Jubilant FoodWorks Limited	11.19			11.19
	Jubilant Agri and Consumer Products Limited	113.83			113.83
		<b>216.08</b>			<b>216.08</b>
<b>2.</b>	<b>Rental and other income:</b>				
	Jubilant Industries Inc. USA	0.74			0.74
	Jubilant Ingrevia Limited	13.26			13.26
	Jubilant Enpro Private Limited	20.55			20.55
	JOGPL Private Limited	1.13			1.13
	Jubilant FoodWorks Limited	18.49			18.49
	Jubilant Industries Limited	0.15			0.15
	Jubilant Agri and Consumer Products Limited	39.57			39.57
	Jubilant Consumer Private Limited	1.92			1.92
		<b>95.81</b>			<b>95.81</b>
<b>3.</b>	<b>Purchase of goods and services:</b>				
	Jubilant Ingrevia Limited	3.00			3.00
	Jubilant Industries Limited	20.85			20.85
	Jubilant Agri and Consumer Products Limited	98.30			98.30
		<b>122.15</b>			<b>122.15</b>
<b>4.</b>	<b>Recovery of expenses:</b>				
	Jubilant Life Sciences NV	0.63			0.63
	Jubilant Life Sciences (USA) Inc.	4.08			4.08
	Jubilant Industries Inc. USA	1.68			1.68
	SSB Consultants & Management Services Private Limited	0.89			0.89
	Jubilant Ingrevia Limited	1.01			1.01
	Jubilant Agri and Consumer Products Limited	21.08			21.08
		<b>29.37</b>			<b>29.37</b>
<b>5.</b>	<b>Reimbursement of expenses:</b>				
	Jubilant Life Sciences NV	0.16			0.16
	Jubilant Ingrevia Limited	45.03			45.03
	Jubilant Enpro Private Limited	0.96			0.96
		<b>46.15</b>			<b>46.15</b>



## Notes to the consolidated financial statements

for the year ended 31 March 2021 (Continued)

₹ in million

Sr. No.	Particulars	Enterprise in which certain key management personnel are interested	Key management personnel	Others	Total
<b>6</b>	<b>Remuneration (including perquisites)* :</b>				
	Mr. Shyam S. Bhartia		189.33		189.33
	Mr. Hari S. Bhartia		121.80		121.80
	Mr. Alok Vaish		15.93		15.93
	Mr. Anant Pande		22.37		22.37
	Mr. Rajesh Kumar Srivastava		40.76		40.76
	Mr. Rajiv Shah		10.93		10.93
			<b>401.12</b>		<b>401.12</b>
<b>7</b>	<b>Sitting fees:</b>				
	Dr. Ashok Misra		0.40		0.40
	Mr. S Sridhar		0.47		0.47
	Ms. Sudha Pillai		0.50		0.50
	Mr. Sushil Kumar Roongta		0.44		0.44
	Mr. Vivek Mehra		0.45		0.45
	Mr. Arun Seth		0.32		0.32
			<b>2.58</b>		<b>2.58</b>
<b>8</b>	<b>Commission:</b>				
	Dr. Ashok Misra		1.00		1.00
	Mr. S Sridhar		1.00		1.00
	Ms. Sudha Pillai		1.00		1.00
	Mr. Sushil Kumar Roongta		1.00		1.00
	Mr. Vivek Mehra		1.00		1.00
	Mr. Arun Seth		1.00		1.00
			<b>6.00</b>		<b>6.00</b>
<b>9</b>	<b>Company's contribution to provident fund trust :</b>				
	Vam Employee Provident Fund Trust			148.41	148.41
				<b>148.41</b>	<b>148.41</b>
<b>10</b>	<b>Company's contribution to superannuation fund:</b>				
	Vam Officers Superannuation Fund			2.91	2.91
				<b>2.91</b>	<b>2.91</b>
<b>11</b>	<b>Lease payments</b>				
	Jubilant Agri and Consumer Products Limited	0.13			0.13
	Jubilant Ingrevia Limited	4.69			4.69
		<b>4.82</b>			<b>4.82</b>
<b>12</b>	<b>Donation:</b>				
	Jubilant Bhartia Foundation			51.56	51.56
				<b>51.56</b>	<b>51.56</b>

## Notes to the consolidated financial statements

for the year ended 31 March 2021 (Continued)

₹ in million

Sr. No.	Particulars	Enterprise in which certain key management personnel are interested	Key management personnel	Others	Total
	<b>Amounts outstanding</b>				
<b>13</b>	<b>Commission payable#:</b>				
	Mr. Hari S. Bhartia		33.00		33.00
	Dr. Ashok Misra		1.00		1.00
	Mr. S Sridhar		1.00		1.00
	Ms. Sudha Pillai		1.00		1.00
	Mr. Sushil Kumar Roongta		1.00		1.00
	Mr. Vivek Mehra		1.00		1.00
	Mr. Arun Seth		1.00		1.00
			<b>39.00</b>		<b>39.00</b>
<b>14</b>	<b>Trade payables:</b>				
	Jubilant Life Sciences NV	0.34			0.34
	Jubilant Life Sciences (USA) Inc.	0.43			0.43
	Jubilant Ingrevia Limited	171.75			171.75
		<b>172.52</b>			<b>172.52</b>
<b>15</b>	<b>Other payables:</b>				
	JOGLE Private Limited	1.44			1.44
	Vam Employees Provident Fund Trust			18.56	18.56
		<b>1.44</b>		<b>18.56</b>	<b>20.00</b>
<b>16</b>	<b>Trade receivables:</b>				
	Jubilant Life Sciences NV	2.82			2.82
	Jubilant Ingrevia Limited	17.74			17.74
		<b>20.56</b>			<b>20.56</b>
<b>17</b>	<b>Deposits recoverable:</b>				
	Jubilant Enpro Private Limited	1.58			1.58
		<b>1.58</b>			<b>1.58</b>
<b>18</b>	<b>Other receivables:</b>				
	Jubilant Ingrevia Limited	0.01			0.01
	Jubilant Life Sciences (USA) Inc.	17.46			17.46
	Jubilant Industries Inc. USA	5.58			5.58
	Jubilant Agri and Consumer Products Limited	5.34			5.34
	Jubilant FoodWorks Limited	9.63			9.63
	Jubilant Enpro Private Limited	2.49			2.49
		<b>40.51</b>			<b>40.51</b>
<b>19</b>	<b>Refer note 31 for transactions pursuant to the Composite Scheme.</b>				





# Notes to the consolidated financial statements

for the year ended 31 March 2021 (Continued)

FY 2019-20

₹ in million

Sr. No.	Particulars	Enterprise in which certain key management personnel are interested	Key management personnel	Others	Total
	<b>Description of transactions:</b>				
<b>1.</b>	<b>Sales of goods and services:</b>				
	Jubilant Consumer Private Limited	0.22			0.22
	Jubilant FoodWorks Limited	6.42			6.42
	Safe Foods Corporation USA	167.95			167.95
	Jubilant Agri and Consumer Products Limited	140.74			140.74
		<b>315.33</b>			<b>315.33</b>
<b>2.</b>	<b>Rental and other income:</b>				
	Jubilant Enpro Private Limited	13.74			13.74
	JOGPL Private Limited	4.18			4.18
	Jubilant FoodWorks Limited	4.41			4.41
	Jubilant Industries Limited	0.18			0.18
	Jubilant Agri and Consumer Products Limited	47.70			47.70
	Jubilant Industries Inc. USA	1.70			1.70
	Jubilant Consumer Private Limited	2.23			2.23
		<b>74.14</b>			<b>74.14</b>
<b>3.</b>	<b>Purchase of goods and services:</b>				
	Jubilant Agri and Consumer Products Limited	123.68			123.68
		<b>123.68</b>			<b>123.68</b>
<b>4.</b>	<b>Purchase of property, plant and equipment:</b>				
	Jubilant Agri and Consumer Products Limited	0.71			0.71
		<b>0.71</b>			<b>0.71</b>
<b>5.</b>	<b>Recovery of expenses:</b>				
	Jubilant Enpro Private Limited	0.07			0.07
	Jubilant Industries Inc. USA	4.00			4.00
	Jubilant Agri and Consumer Products Limited	19.81			19.81
		<b>23.88</b>			<b>23.88</b>
<b>6.</b>	<b>Reimbursement of expenses:</b>				
	Jubilant Industries Limited	0.56			0.56
	Jubilant Enpro Private Limited	4.16			4.16
		<b>4.72</b>			<b>4.72</b>
<b>7.</b>	<b>Remuneration (including perquisites)* :</b>				
	Mr. Shyam S. Bhartia		163.58		163.58
	Mr. Hari S. Bhartia		125.70		125.70
	Mr. Sankaraiah Rajagopal		67.29		67.29
	Mr. Anant Pande		21.35		21.35
	Mr. Rajesh Kumar Srivastava		39.85		39.85
	Mr. Rajiv Shah		9.69		9.69
			<b>427.46</b>		<b>427.46</b>
<b>8.</b>	<b>Sitting fees:</b>				
	Dr. Ashok Misra		0.40		0.40
	Mr. S Sridhar		0.53		0.53
	Ms. Sudha Pillai		0.56		0.56
	Mr. Sushil Kumar Roongta		0.32		0.32
	Mr. Vivek Mehra		0.48		0.48
	Mr. Arun Seth		0.29		0.29
			<b>2.58</b>		<b>2.58</b>

## Notes to the consolidated financial statements

for the year ended 31 March 2021 (Continued)

₹ in million					
Sr. No.	Particulars	Enterprise in which certain key management personnel are interested	Key management personnel	Others	Total
9.	<b>Commission:</b>				
	Dr. Ashok Misra		1.00		1.00
	Mr. S Sridhar		1.00		1.00
	Ms. Sudha Pillai		1.00		1.00
	Mr. Sushil Kumar Roongta		1.00		1.00
	Mr. Vivek Mehra		1.00		1.00
	Mr. Arun Seth		1.00		1.00
			<b>6.00</b>		<b>6.00</b>
10.	<b>Company's contribution to provident fund trust :</b>				
	Vam Employee Provident Fund Trust			159.55	159.55
				<b>159.55</b>	<b>159.55</b>
11.	<b>Company's contribution to superannuation fund:</b>				
	Vam Officers Superannuation Fund			4.71	4.71
				<b>4.71</b>	<b>4.71</b>
12.	<b>Lease payments:</b>				
	Jubilant Agri and Consumer Products Limited	0.06			0.06
	Jubilant Enpro Private Limited	8.09			8.09
		<b>8.15</b>			<b>8.15</b>
13.	<b>Donation:</b>				
	Jubilant Bhartia Foundation			83.40	83.40
				<b>83.40</b>	<b>83.40</b>
	<b>Amounts outstanding</b>				
14.	<b>Commission payable #:</b>				
	Mr. Hari S. Bhartia		37.00		37.00
	Dr. Ashok Misra		1.00		1.00
	Mr. S Sridhar		1.00		1.00
	Ms. Sudha Pillai		1.00		1.00
	Mr. Sushil Kumar Roongta		1.00		1.00
	Mr. Vivek Mehra		1.00		1.00
	Mr. Arun Seth		1.00		1.00
			<b>43.00</b>		<b>43.00</b>
15.	<b>Trade payables:</b>				
	Jubilant Industries Limited	3.70			3.70
	Jubilant Agri and Consumer Products Limited	10.22			10.22
	Jubilant Enpro Private Limited	0.93			0.93
		<b>14.85</b>			<b>14.85</b>
16.	<b>Other payables:</b>				
	JOGPL Private Limited	1.44			1.44
	Vam Employees Provident Fund Trust			37.32	37.32
	Vam Officers Superannuation Fund			0.37	0.37
		<b>1.44</b>		<b>37.69</b>	<b>39.13</b>
17.	<b>Trade receivables:</b>				
	Jubilant Consumer Private Limited	0.03			0.03
	Jubilant Enpro Private Limited	3.29			3.29
	Jubilant FoodWorks Limited	3.17			3.17
	Jubilant Industries Limited	0.05			0.05
	Safe Foods Corporation USA	12.61			12.61
	Jubilant Agri and Consumer Products Limited	62.98			62.98
		<b>82.13</b>			<b>82.13</b>



## Notes to the consolidated financial statements

for the year ended 31 March 2021 (Continued)

					₹ in million
Sr. No.	Particulars	Enterprise in which certain key management personnel are interested	Key management personnel	Others	Total
<b>18.</b>	<b>Deposits recoverable:</b>				
	Jubilant Enpro Private Limited	1.58			1.58
		<b>1.58</b>			<b>1.58</b>
<b>19</b>	<b>Other receivables:</b>				
	Jubilant Agri and Consumer Products Limited	38.82			38.82
	Jubilant FoodWorks Limited	0.64			0.64
	Jubilant Enpro Private Limited	4.61			4.61
	JOGPL Private Limited	0.09			0.09
	Jubilant Industries Inc. USA	4.66			4.66
	Jubilant Consumer Private Limited	4.84			4.84
		<b>53.66</b>			<b>53.66</b>

\* As the liabilities for the gratuity and compensated absences are provided on an actuarial basis, and calculated for the Company as a whole, the said liabilities pertaining specifically to KMP are not known and hence, not included in the above table.

Breakup of remuneration to key management personnel were as follows: -

	(₹ in million)	
	For the year ended	
	31 March 2021	31 March 2020
Short term employment benefits	394.22	418.76
Post employment benefits	6.90	8.70
	<b>401.12</b>	<b>427.46</b>

#Commission payable is subject to the approval of shareholders in the annual general meeting.

The Group is in the process of updating the documentation for the specified transactions entered into with the specified persons and associated enterprises during the financial year. The management is of the opinion that its specified transactions are at arm's length and will not have any impact on the consolidated financial statements, particularly on the amount of tax expense and that of provision for taxation.

### Note 38. Contingent liabilities to the extent not provided for:

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

	(₹ in million)	
	As at	
	31 March 2021	31 March 2020
Central Excise	7.87	73.63
Customs	26.99	90.91
Sales Tax	0.21	89.45
Income Tax	3,774.30	5,786.34
Service Tax and GST	71.56	119.00
State Excise	-	676.12
Others	160.17	188.05

#Excluding claims in respect of business transferred to Jubilant Ingrevia Limited pursuant to the Composite Scheme though the claims may be continuing in the name of the Company (refer note 31).

Future cash outflows in respect of the above matters as well as for matters listed under 37B below are determinable only on receipt of judgments/decisions pending at various stages/forums.

## Notes to the consolidated financial statements

for the year ended 31 March 2021 (Continued)

### B. Other contingent liabilities as at 31 March 2021

- (i) A customer had filed an arbitration claim in 2013 before the International Court of Arbitration, International Chamber of Commerce, Paris ("ICC") against Jubilant Pharmaceuticals NV ("JPNV"), a subsidiary of the Group in Belgium alleging contravention of certain provisions of Licensing and Supply agreement between the parties and claiming damages (excluding interest) amounting to Euro 2.08 million equivalent to ₹ 178.65 million (31 March 2020: ₹ 172.44 million). JPNV has also filed a counter claim against this customer for damages amounting Euro 2.38 million equivalent to ₹ 204.06 million (31 March 2020: ₹ 196.96 million) in the same dispute. Partial Award No. 2 dated 5 September 2017 was passed by the Arbitrator wherein claims of the customer were allowed for Euro 0.67 million equivalents to ₹ 57.34 million (31 March 2020: ₹ 55.35 million) but the customer was restrained from using, either directly or indirectly, the Dossiers and also directed to return the Dossiers to JPNV. Partial Award No. 3 dated 14 February 2018 was passed by the Arbitrator holding the customer liable to pay daily penalties of Euro 5,000 equivalents to ₹ 0.43 million (31 March 2020: 0.41 million) for any use, either directly or indirectly, of the Dossiers and €1,000 equivalents to ₹ 0.09 million (31 March 2020: ₹ 0.08 million) for non-return of Dossiers to JPNV before 16 March 2018. On 5 March 2018, the customer challenged the Partial Awards No. 2 and 3 before Court of Brussels, which has vide interim order dated 24 August 2018 rejected the customer's request for suspension of the Partial Award. Final Award was passed on 20 September 2019 by the Arbitrator where under JPNV was directed to pay Euro 668,684 equivalents to ₹ 57.34 million (31 March 2020: ₹ 55.35 million) along with interest (as held in Partial Award No. 2). JPNV has challenged the Final Award, and has also filed for the enforcement of the Partial Award No. 3 which has been challenged by the Customer vide challenge filed in the court of Antwerp dated 28 February 2020. The Customer has also challenged the decision of the arbitrator dated 20 September 2019 for not reopening the proceedings refusing to abolish the daily penalties "astreintes". On the daily penalties, the Customer was served by the Court Bailiff on 11 January 2021 to which it has notified writ of summons opposing JPNV's notification dated 14 July 2020. On the award, the Customer filed its written submission on 29 January 2021 and JPNV has filed its submissions on 23 February 2021. These proceedings are pending.
- (ii) During the year ended 31 March 2019, the Group received warning letter from U.S. Food and Drug

Administration ("USFDA") for its solid dosage formulations manufacturing facility located at Roorkee, India. As a result of this, USFDA may withhold approval of any new applications or supplements till the Group resolves the issues raised by the agency, however, the Group continues to manufacture and distribute existing products from its Roorkee facility. USFDA conducted subsequent inspections and issued additional observations. The Group has submitted comprehensive responses to the USFDA and has engaged with third party consultants to help in the remediation activities. The Group is taking all necessary steps to ensure further stringent controls at all its facilities.

- (iii) Additionally, the Group is involved in other disputes, lawsuits, claims, governmental and/or regulatory inspections, inquiries, investigations and proceedings, including commercial matters that arise from time to time in the ordinary course of business. The Group believes that none of these matters, either individually or in aggregate, are expected to have any material adverse effect on its consolidated financial statements.

The above does not include all other obligations resulting from claims, legal pronouncements having financial impact in respect of which the Group generally performs the assessment based on the external legal opinion and the amount of which cannot be reliably estimated.

The Group believes that none of these matters, either individually or in aggregate, are expected to have any material adverse effect on its consolidated financial statements.

### Note 39. Commitments as at year end

- a) **Capital Commitments:**  
Estimated amount of contracts remaining to be executed on capital account (net of advances) is ₹ 2,867.07 million and ₹ 1,074.74 million (31 March 2020: ₹ 1,274.79 million and ₹ 1,203.91 million) for property, plant and equipment and intangible assets, respectively.
- b) **Other Commitments:**  
Export obligation undertaken by the Group under EPCG scheme to be completed over a period of five/eight years on account of import of Capital Goods at concessional import duty and remaining outstanding is ₹ 78.47 million (31 March 2020 ₹ 7.21 million). Similarly, export obligation under Advance License Scheme on duty free import of specific raw materials, remaining outstanding is ₹ 311.86 million (31 March 2020: ₹ 1,727.01 million).

Also refer note 31.



## Notes to the consolidated financial statements

for the year ended 31 March 2021 (Continued)

### Note 40. Leases

#### Leases under Ind AS 116

The details of the right-of-use assets held by the Group is as follows:

	(₹ in million)			
	Depreciation charge for the year ended*		Net carrying amount as at	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Land	13.15	13.00	432.56	867.00
Buildings	474.41	414.14	2193.35	1503.64
Plant and equipment	6.61	6.68	2.77	26.59
Office equipment	8.15	4.94	50.38	9.58
Vehicles	173.97	151.00	215.83	325.32
<b>Total</b>	<b>676.29</b>	<b>589.76</b>	<b>2,894.89</b>	<b>2,732.13</b>

\*represents amount in respect of continuing and discontinued operations.

Additions to the right-of-use assets during the year ended 31 March 2021 were ₹ 1,395.95 million (31 March 2020 were ₹ 951.59 million).

#### Amount recognised in Statement of Profit and Loss#:

	(₹ in million)	
	For the year ended	
	31 March 2021	31 March 2020
Interest on lease liabilities	101.81	91.45
Rental expense relating to short-term leases	61.15	74.72
	<b>162.96</b>	<b>166.17</b>

#represents amount in respect of continuing and discontinued operations..

#### Amount recognised in Statement of Cash Flows :

	(₹ in million)	
	For the year ended	
	31 March 2021	31 March 2020
Total cash outflow for leases	721.72	907.84
	<b>721.72</b>	<b>907.84</b>

The weighted average incremental borrowing rate applied to lease liabilities as at 1 April 2019 is 6.31%.

The difference between the operating lease commitments disclosed applying Ind AS 17 as at 31 March 2019 in the consolidated financial statements for the year then ended and the lease liabilities recognised as at 1 April 2019 in these consolidated financial statements is primarily on account of inclusion of extension and termination options reasonably certain to be exercised and exclusion of short-term leases for which the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease, in measuring the lease liability in accordance with Ind AS 116.

**Note 41.** Expenditure incurred under section 135 of the Companies Act, 2013 on Corporate Social responsibility (CSR) activities is included under donation.

**Note 42. (a)** Government grant recoverable ₹ 330.43 million (31 March 2020: ₹ 192.39 million) and Government grant recognized ₹ 1,059.78 million (31 March 2020: ₹ 633.89 million) in Consolidated Statement of Profit and Loss.

**Note 42. (b)** During the year, finance costs amounting to ₹ 30.39 million and ₹ 71.25 million (31 March 2020: ₹ 113.33 million and ₹ 41.04 million) has been capitalized in property, plant and equipment and intangible assets, respectively, calculated using capitalisation rate of 5.82% to 6.80% (31 March 2020: 7.85% to 8.38%).

**Note 43.** The carrying value of internally generated product registration/market authorisation and other intangibles (including intangible assets under development) has been reviewed and based on prevailing market conditions, technical and financial assessment, ₹ 255.81 million (31 March 2020: ₹ 303.83 million) have been charged off in Pharmaceuticals segment and included under depreciation, amortisation and impairment expense in the Consolidated Statement of Profit and Loss. The estimate of value in use was determined using a discount rate of 7% to 15% (31 March 2020: 7% to 14%).



## Notes to the consolidated financial statements

for the year ended 31 March 2021 (Continued)

### Note 44. Exceptional items include the following:

- Premium of ₹ 178.80 million (31 March 2020: ₹ 173.55 million) on early redemption of US\$ 200 million (31 March 2020: US\$ 100 million) Senior Notes.
- Debt initiation costs of ₹ 33.51 million (31 March 2020: ₹ 42.59 million) on early redemption of US\$ 200 million (31 March 2020: US\$ 100 million) Senior Notes.
- Property, plant and equipment written off on account of obsolescence amounting to ₹ Nil (31 March 2020: ₹ 113.20 million).

### Note 45. Share based payments

#### (a) Employee Stock Option Scheme

The Parent Company has stock option plan in place namely:

- JLL Employees Stock Option Plan, 2011 ("Plan 2011")

The Nomination, Remuneration and Compensation Committee ('Committee') of the Board of Directors which comprises a majority of Independent Directors is responsible for administration and supervision of the Stock Option Plans.

Under Plan 2011, each option, upon vesting, shall entitle the holder to acquire one equity share of ₹ 1 each. Options granted will vest gradually over a period of 3 years from the grant date. Vesting of Options is a function of achievement of performance criteria or any other criteria, as specified by the Committee and communicated in the grant letter.

PLAN 2011			
Vesting schedule			
Sr. No	% of options scheduled to vest	Vesting date	Lock-in period
1	20	1 year from grant date	Nil
2	30	2 years from grant date	Nil
3	50	3 years from grant date	Nil

There were no options granted during the year ended 31 March 2021 and 31 March 2020, accordingly disclosures as required under Ind AS 102 w.r.t. weighted average fair value of stock options granted during the year is not applicable.

Up to 31 March 2021, Jubilant Employees Welfare Trust (the "Trust") purchased 6,363,506 equity shares of the Company from the open market, out of interest free loan provided by the Company, out of which the Trust transferred 2,886,740 (31 March 2020: 2,886,740) equity shares to the employees on exercise of Options and sold the remaining 3,476,766 (31 March 2020: 3,476,766) equity shares, representing shares which were not backed by stock option grants to employees.

#### The movement in the equity shares held by trust:

	For the year ended	
	31 March 2021	31 March 2020
At the commencement of the year	-	9,628
Sale of shares by trust	-	(2,165)
Transfer to employees on exercise of options	-	(7,463)
At the end of the year	-	-

The movement in the stock options under both the Plans, during the year, is set out below:

#### Under Plan 2011

	For the year ended			
	31 March 2021		31 March 2020	
	Number of options	Weighted average exercise price (₹)	Number of options	Weighted average exercise price (₹)
Outstanding at the beginning of the year	-	-	9,628	218.04
Forfeited/lapsed during the year	-	-	(2,165)	208.20
Exercised during the year	-	-	(7,463)	220.90
Outstanding at the end of the year	-	-	-	-
Exercisable at the end of the year	-	-	-	-

The weighted average share price for share options exercised during the year ended 31 March 2020 was ₹ 536.92.



## Notes to the consolidated financial statements

for the year ended 31 March 2021 (Continued)

### Fair value of option granted

The weighted average fair value of options granted for Plan 2011 was ₹ 84.90 per option. The fair value at grant date is determined using the Black-Scholes-Merton model which takes into account the exercise price, the term of the option, the share price at grant date, expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option. The following tables list the inputs to models used for fair valuation of the plans:

	Plan 2011
Expected volatility	38.36% - 45.95%
Risk free interest rate	7.74% - 8.81%
Exercise price (₹)	170.20 - 220.90
Expected dividend yield	0.63% - 1.10%
Life of options (years)	3.65

Expected volatility was based on an evaluation of the historical volatility of the share price, particularly over the historical period commensurate with the expected term. The expected term of the instruments has been based on historical experience and general option holder behaviour.

### (b) Equity incentive plan

**Jubilant Therapeutics Inc., a subsidiary company, has equity incentive plan namely:**

- Jubilant Therapeutics Inc. 2020 Equity Incentive Plan ("Plan 2020")

The Stock Incentive Committee ('Committee') of the Board of Directors is responsible for administration and supervision of the grant of awards under Plan 2020.

Under Plan 2020, up to 10,000 shares of Common stock of Jubilant Therapeutics Inc., can be granted as awards to employees, consultants and directors of Jubilant Therapeutics Inc., including its Group companies. Awards are to be granted at fair value of the common stock on the date of the issuance of the grant.

Under Plan 2020, each award, shall entitle the holder to acquire common stock of USD 0.005. Awards granted will vest over a period of 3-4 years from the grant date. Vesting of awards is a function of achievement of performance criteria or any other criteria, as specified by the Committee and communicated in the grant letter.

The movement in the stock awards under the Plan, during the year, is set out below:

#### Under Plan 2020

	For the year ended	
	31 March 2021	
	No of awards	Exercise price
Outstanding at the beginning of the year	-	-
Issued during the year	8,212	-
Exercised during the year	1,082	-
Outstanding at the end of the year	7,130	-
Exercisable at the end of the year	7,130	-

### Fair value of awards granted

The fair value of awards granted for Plan 2020 is USD 67.70 per award. The fair value at grant date is determined using the market approach. Under this approach, funding transactions of the biotech companies in the oncology sector in a similar phase of research is considered and "post-money valuation" to "equity funding raised to date" multiple of 1.6x is applied.

## Notes to the consolidated financial statements

for the year ended 31 March 2021 (Continued)

### Note 46. Additional information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary

Name of the Enterprise	Net Assets (Total assets - Total liabilities)		Share in profit/ (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount (₹ in million)	As % of consolidated profit/ (loss)	Amount (₹ in million)	As % of Consolidated other comprehensive income	Amount (₹ in million)	As % of Consolidated total comprehensive income	Amount (₹ in million)
<b>Parent</b>								
Jubilant Pharmova Limited	27.05%	12,824.45	25.67%	2,144.75	(1.00%)	(17.46)	21.06%	2,127.29
<b>Subsidiaries</b>								
<b>Indian</b>								
1 Jubilant Clinsys Limited	0.08%	40.06	(0.01%)	(1.06)	-	-	(0.01%)	(1.06)
2 Jubilant Biosys Limited	6.55%	3,105.49	7.45%	622.25	(0.08%)	(1.32)	6.15%	620.93
3 Jubilant Infrastructure Limited	0.00%	-	1.20%	100.69	0.34%	6.00	1.06%	106.69
4 Jubilant First Trust Healthcare Limited	0.08%	36.47	(0.01%)	(1.06)	-	-	(0.01%)	(1.06)
5 Jubilant Generics Limited	53.24%	25,243.17	15.52%	1,296.92	0.12%	2.17	12.86%	1,299.09
6 Jubilant DraxImage Limited	(0.01%)	(6.98)	(0.00%)	(0.07)	-	-	(0.00%)	(0.07)
7 Jubilant Employee Welfare Trust	2.23%	1,058.87	1.09%	90.98	-	-	0.90%	90.98
8 Jubilant Therapeutics India Limited	1.38%	653.64	0.29%	24.58	0.08%	1.46	0.26%	26.04
9 Jubilant Business Services Limited	0.05%	22.53	0.18%	14.73	0.00%	0.03	0.15%	14.76
10 Jubilant Ingrevia Limited (formerly Jubilant LSI Limited)	0.00%	(1.19)	0.00%	0.04	-	-	0.00%	0.04
<b>Foreign</b>								
1 Jubilant Life Sciences (USA) Inc.	-	-	(0.43%)	(35.67)	(0.39%)	(6.83)	(0.42%)	(42.50)
2 Jubilant Life Sciences (Shanghai) Limited	-	-	0.36%	30.39	0.94%	16.41	0.46%	46.80
3 Jubilant Pharma NV	3.24%	1,536.84	(0.01%)	(0.75)	3.07%	53.45	0.52%	52.70
4 Jubilant Pharmaceuticals NV	(0.08%)	(36.45)	0.01%	0.56	(0.09%)	(1.49)	(0.01%)	(0.93)
5 PSI Supply NV	0.18%	84.46	0.07%	6.23	0.16%	2.73	0.09%	8.96
6 Jubilant Pharma Holdings Inc.	65.87%	31,233.32	109.08%	9,114.62	(49.44%)	(861.52)	81.72%	8,253.10
7 Jubilant Clinsys Inc.	(0.17%)	(78.36)	(0.07%)	(5.55)	0.16%	2.84	(0.03%)	(2.71)
8 Jubilant HollisterStier LLC	18.21%	8,633.49	58.33%	4,874.45	(30.06%)	(523.81)	43.08%	4,350.64
9 Jubilant Pharma Limited	20.37%	9,657.19	(23.41%)	(1,955.77)	(21.75%)	(379.02)	(23.12%)	(2,334.79)
10 Jubilant Cadista Pharmaceuticals Inc.	17.00%	8,061.31	7.97%	665.89	(21.19%)	(369.31)	2.94%	296.59
11 Jubilant Discovery Services LLC	0.12%	55.67	0.08%	6.46	(0.11%)	(1.91)	0.05%	4.55
12 Jubilant Drug Development Pte. Limited	0.43%	204.34	0.08%	7.10	(0.40%)	(6.96)	0.00%	0.14
13 Jubilant Life Sciences (BVI) Limited	0.39%	186.66	(0.02%)	(1.52)	(0.38%)	(6.57)	(0.08%)	(8.09)
14 Jubilant Life Sciences International Pte. Limited	0.00%	-	0.02%	2.04	(1.14%)	(19.85)	(0.18%)	(17.81)
15 Jubilant Innovation Pte. Limited	0.00%	-	0.00%	0.01	0.15%	2.54	0.03%	2.55
16 Draximage Limited, Ireland	0.00%	-	(0.01%)	(0.61)	0.02%	0.43	(0.00%)	(0.18)
17 Jubilant Draximage (USA) Inc.	0.20%	97.16	0.42%	34.95	1.90%	33.08	0.67%	68.03



## Notes to the consolidated financial statements

for the year ended 31 March 2021 (Continued)

Name of the Enterprise	Net Assets (Total assets - Total liabilities)		Share in profit/ (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount (₹ in million)	As % of consolidated profit/ (loss)	Amount (₹ in million)	As % of Consolidated other comprehensive income	Amount (₹ in million)	As % of Consolidated total comprehensive income	Amount (₹ in million)
18 Jubilant DraxImage Inc.	66.60%	31,579.94	16.49%	1,377.80	154.06%	2,684.90	40.23%	4,062.69
19 6981364 Canada Inc.	0.00%	(1.37)	0.00%	0.04	(0.02%)	(0.43)	-	(0.38)
20 Draximage (UK) Limited	0.00%	-	-	-	-	-	-	-
21 Jubilant Innovation (USA) Inc.	1.08%	511.44	0.07%	5.82	2.30%	40.03	0.45%	45.85
22 Draxis Pharma LLC	0.04%	18.04	(0.00%)	(0.01)	0.17%	3.04	0.03%	3.03
23 Jubilant HollisterStier Inc.	14.97%	7,100.15	(0.93%)	(77.42)	180.68%	3,148.74	30.41%	3,071.32
24 TrialStat Solutions Inc.	0.03%	16.15	0.23%	19.63	(0.04%)	(0.63)	0.19%	19.00
25 Drug Discovery and Development Solutions Limited	2.02%	955.70	4.62%	386.04	0.31%	5.38	3.88%	391.42
26 Jubilant Life Sciences NV	0.00%	-	0.69%	57.70	0.74%	12.88	0.70%	70.58
27 Jubilant Pharma Australia Pty Limited	0.00%	(1.81)	0.00%	0.12	(0.18%)	(3.13)	(0.03%)	(3.01)
28 Jubilant Draximage Radiopharmacies Inc.	0.53%	253.20	(27.10%)	(2,264.64)	(5.14%)	(89.53)	(23.31%)	(2,354.17)
29 Jubilant Pharma SA (Pty) Limited	0.00%	2.21	0.01%	0.61	0.01%	0.22	0.01%	0.83
30 Jubilant Therapeutics Inc.	0.30%	140.16	(4.60%)	(384.06)	0.19%	3.24	(3.77%)	(380.82)
31 Jubilant Episcibe LLC	0.21%	100.25	0.00%	0.02	(0.12%)	(2.02)	(0.02%)	(2.00)
32 Jubilant Epicore LLC	0.56%	263.18	0.00%	0.01	(0.02%)	(0.41)	(0.00%)	(0.40)
33 Jubilant Prodel LLC	0.53%	251.24	(0.00%)	(0.10)	(0.55%)	(9.56)	(0.10%)	(9.66)
34 Jubilant Epipad LLC	0.43%	202.39	(0.00%)	(0.02)	(0.34%)	(5.92)	(0.06%)	(5.94)
35 Jubilant Pharma UK Limited	0.00%	0.65	0.00%	0.16	0.00%	0.02	0.00%	0.18
36 Jubilant Biosys Innovative Research Pte Ltd	0.51%	240.60	(0.01%)	(0.66)	-	-	(0.01%)	(0.66)
<b>Partnership controlled through subsidiaries</b>	7.18%	3,403.94	(0.08%)	(7.07)	59.46%	1,036.27	10.19%	1,029.19
<b>Associate</b>	4.18%	1,981.40	1.35%	112.52	-	-	1.11%	112.52
<b>Total eliminations *</b>	(215.57%)	(102,214.42)	(94.61%)	(7,905.97)	(172.46%)	(3,005.46)	(108.05%)	(10,911.42)
<b>Total</b>	<b>100.00%</b>	<b>47,415.17</b>	<b>100.00%</b>	<b>8,356.11</b>	<b>100.00%</b>	<b>1,742.72</b>	<b>100.00%</b>	<b>10,098.83</b>

\* Minority Interests included in respective subsidiaries (Net assets: ₹ 0.31 million, share in loss ₹ 2.58 million, share in other comprehensive income ₹ 0.08 million and share in total comprehensive income ₹ (2.66) million.

Also refer note 2(b) and note 31.

## Notes to the consolidated financial statements

for the year ended 31 March 2021 (Continued)

### Note 47. Earnings per share

		For the year ended	
		31 March 2021	31 March 2020
Profit from continuing operations for basic and diluted earnings per share of ₹ 1 each	₹ in million	5,741.16	6,777.75
Profit from discontinued operations for basic and diluted earnings per share of ₹ 1 each	₹ in million	2,617.53	2,204.71
<b>Profit for basic and diluted earnings per share of ₹ 1 each</b>	<b>₹ in million</b>	<b>8,358.69</b>	<b>8,982.46</b>
Weighted average number of equity shares used in computing earnings per share*			
<b>For basic earnings per share</b>	<b>Nos.</b>	<b>159,266,462</b>	<b>159,278,804</b>
For diluted earnings per share:			
No. of shares for basic earnings per share	Nos.	159,266,462	159,278,804
Add: Potential dilutive effects of stock options	Nos.	-	-
<b>No. of shares for diluted earnings per share</b>	<b>Nos.</b>	<b>159,266,462</b>	<b>159,278,804</b>
<b>Earnings per equity share of ₹ 1 each for continuing operations</b>			
Basic	₹	36.05	42.55
Diluted	₹	36.05	42.55
<b>Earnings per equity share of ₹ 1 each for discontinued operations</b>			
Basic	₹	16.43	13.84
Diluted	₹	16.43	13.84
<b>Earnings per equity share of ₹ 1 each for continuing and discontinued operations</b>			
Basic	₹	52.48	56.39
Diluted	₹	52.48	56.39

\* The weighted average number of shares takes into account the weighted average effect of changes in treasury share during the year. There have been no other transactions involving equity shares or potential equity shares between the reporting date and the date of authorisation of these consolidated financial statements.

**Note 48.** Figures for the current year ended 31 March 2021 are not comparable with previous year since the consolidated financial statements include figures of Life Science Ingredients business upto 31 January 2021 (refer note 31). Previous year figures have been regrouped/ reclassified to conform to the current year's classification.

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date attached

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

For **B S R & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 101248W/W-100022

**Manish Gupta**

Partner

Membership No.: 095037

**Shyam S. Bhartia**

Chairman

DIN:00010484

**Hari S. Bhartia**

Co-Chairman and Managing Director

DIN: 00010499

**Arun Kumar Sharma**

Chief Financial Officer

Place: Noida

Date: 4 June 2021

**Rajiv Shah**

Company Secretary

Place: Delhi

Date: 4 June 2021





## FORM AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)  
Statement containing salient features of financial statements of subsidiary/ associates/ joint ventures as per Companies Act, 2013

### Part "A" : Subsidiaries

Sr. No.	Name of the subsidiary	Date since when subsidiary was acquired / incorporated	Reporting currency	Share capital	Reserves & surplus	Total assets	Total liabilities	Investments (4)	Turnover / Total Income	Foreign Currencies in absolute terms			% of shareholding	
										Profit/(loss) before taxation	Provision for taxation	Profit/(loss) after taxation		
1	Jubilant ClinSys Limited	21 September 2004	INR	20.00	20.06	45.79	5.74	-	1.76	(1.06)	-	(1.06)	Nil	100.00%
2	Jubilant Biosys Limited (6)	03 February 2004	INR	2,521.41	584.08	4,423.01	1,317.52	-	3,214.49	838.22	215.97	622.25	Nil	100.00%
3	Jubilant Infrastructure Limited (5)	17 April 2006	INR	-	-	-	-	-	1,011.86	142.92	42.24	100.69	Nil	-
4	Jubilant First Trust Healthcare Limited	23 May 2007	INR	20.50	15.97	36.80	0.33	-	-	(1.06)	-	(1.06)	Nil	100.00%
5	Jubilant Generics Limited	25 November 2013	INR	25.80	25,217.37	30,248.71	5,005.54	-	14,771.53	2,150.40	853.48	1,296.92	Nil	100.00%
6	Jubilant Life Sciences (USA) Inc. (5)	04 March 1999	USD	-	-	-	-	-	15,643.630	(627,888)	(146,266)	(481,621)	Nil	-
7	Jubilant Life Sciences (Shanghai) Limited (5)	25 March 2004	RMB	-	-	-	-	-	1,164.72	(46.51)	(10.84)	(35.67)	Nil	-
8	Jubilant Pharma NV	27 May 2004	EUR	16,180,000	1,742,392	17,961,400	39,008	-	1,942.85	3,794,362	1,055,798	2,678,564	Nil	-
9	Jubilant Pharmaceuticals NV	28 May 2004	EUR	1,050,300	(1,475,431)	836,768	1,261,900	-	89,427	4,021	-	4,021	Nil	100.00%
10	PSI Supply NV	28 May 2004	EUR	665,000	319,999	3,765,403	2,780,404	-	3,788,672	93,690	21,909	71,781	Nil	100.00%
11	Jubilant Pharma Holdings Inc.	12 September 2005	USD	254,089,087	173,120,937	561,820,343	134,610,319	-	144,507,245	122,269,087	(1,061,874)	123,330,961	Nil	100.00%
12	Jubilant ClinSys Inc.	04 October 2005	USD	37,629,630	(38,701,368)	366,785	1,438,524	-	10,683.17	9,037.30	(77.32)	9,114.62	Nil	100.00%
13	Jubilant HollisterStier LLC	31 May 2007	USD	21,521,278	96,567,718	167,241,738	44,863,977	-	20.80	(5.58)	(0.03)	(5.55)	Nil	100.00%
14	Jubilant Pharma Limited	19 May 2005	USD	326,758,994	(194,667,760)	606,023,603	473,932,369	-	5,292,542	(26,191,842)	204,783	(26,396,625)	Nil	100.00%
15	Jubilant Cadista Pharmaceuticals Inc.	01 July 2005	USD	15,232,66	(5,575.47)	44,306.39	34,649.20	-	393.17	(1,940.68)	15.09	(1,955.77)	Nil	100.00%
16	Jubilant Discovery Services LLC	17 June 2008	USD	3,485,000	(2,723,537)	1,086,866	325,403	-	10,100.86	891.43	225.53	665.89	Nil	100.00%
17	Jubilant Drug Development Pte. Limited	19 August 2008	USD	184.60	(128.99)	79.46	23.79	-	94.20	6.46	-	6.46	Nil	100.00%
18	Jubilant Life Sciences (BVI) Limited	19 August 2008	USD	2,547,001	248,029	2,803,403	8,373	-	113,788	96,759	517	96,242	Nil	100.00%
19	Jubilant Life Sciences International Pte. Limited (5)	01 April 2008	USD	127.33	77.01	204.95	0.61	-	8.40	7.14	0.04	7.10	Nil	100.00%
			USD	4,057,501	(1,504,406)	2,553,095	-	-	-	(20,780)	-	(20,780)	Nil	100.00%
			INR	203.05	(16.39)	186.66	-	-	-	(1.52)	-	(1.52)	Nil	-
			USD	-	-	-	-	-	45,442	29,572	2,166	27,406	Nil	-
			INR	-	-	-	-	-	3.38	2.20	0.16	2.04	Nil	-

Form AOC-1 (Continued)

(₹ in million)

Sr. No.	Name of the subsidiary	Date since when subsidiary was acquired / incorporated	Reporting currency	Share capital	Reserves & surplus	Total assets	Total liabilities	Investments (₹)	Turnover / Total income	Profit/(loss) before taxation	Provision for taxation	Profit/(loss) after taxation	Proposed dividend	% of shareholding	Foreign Currencies in absolute terms	
															Profit/(loss) before taxation	Profit/(loss) after taxation
20	Jubilant Innovation Pte. Limited	20 March 2009	USD	2,922,301	(2,922,301)	-	-	-	-	-	-	-	Nil	100.00%	-	-
21	Draximage Limited, Ireland	20 October 2008	INR	138.09	(138.09)	-	-	-	-	0.01	-	0.01	Nil	100.00%	-	-
22	Jubilant Draximage (USA) Inc.	04 November 2008	USD	9	(1)	-	-	-	-	(8.110)	-	(8.110)	Nil	100.00%	-	-
23	Jubilant Draximage Inc.	28 May 2008	INR	-	(1)	-	-	-	-	(0.61)	-	(0.61)	Nil	100.00%	-	-
24	6981364 Canada Inc.	28 May 2008	USD	9	1,329,943	2,943,906	1,014,954	-	4,086,128	591,925	124,211	467,714.00	Nil	100.00%	-	-
25	Draximage (UK) Limited	10 December 2002	INR	1	(1.48)	1	74.20	-	303.46	44.00	9.05	34.95	Nil	100.00%	-	-
26	Jubilant Innovation (USA) Inc.	14 July 2009	USD	2,975,000	4,020,427	7,028,178	32,751	2,239,973	88,797	76,524	2,091	74,433	Nil	100.00%	-	-
27	Jubilant Draximage Limited	09 September 2009	INR	160.04	351.40	513.83	2.39	183.76	7.03	6.13	0.31	5.82	Nil	100.00%	-	-
28	Draxis Pharma LLC	01 October 2009	INR	0.78	(7.76)	2.82	9.80	-	0.76	(0.07)	-	(0.07)	Nil	100.00%	-	-
29	Jubilant HollisterStier Inc.	01 October 2009	USD	250,100	(3,423)	248,177	1,500	-	-	(74)	-	(74)	Nil	100.00%	-	-
30	TrialStat Solutions Inc. (formerly Jubilant Drug Discovery and Development Services Inc.)	18 October 2010	INR	11.64	6.40	18.14	0.10	-	-	(0.01)	-	(0.01)	Nil	100.00%	-	-
31	Drug Discovery and Development Solutions Limited	06 August 2013	USD	143,694,844	(46,329,510)	99,881,900	2,516,566	-	-	(1,269,268)	(245,883)	(1,023,385)	Nil	100.00%	-	-
32	Jubilant Life Sciences NV (5)	12 July 2013	EUR	6,525.53	574.62	7,284.13	183.99	-	-	(95.32)	(17.90)	(77.42)	Nil	100.00%	-	-
33	Jubilant Pharma Australia Pty Limited	11 August 2016	CAD	150,000	129,271	1,032,944	754,673	-	1,516,172	377,548	45,602	331,946	Nil	100.00%	-	-
34	Jubilant Employee Welfare Trust	22 November 2008	INR	7.36	8.79	59.94	43.79	-	86.44	22.26	2.63	19.63	Nil	100.00%	-	-
35	Jubilant Draximage Radiopharmacies Inc.	08 March 2017	USD	4,650,001	8,421,966	16,293,553	3,221,586	1,663,406	7,997,799	5,304,551	7,805	5,296,746	Nil	100.00%	-	-
36	Jubilant Pharma SA (Pty) Limited	14 February 2019	INR	301.67	654.03	1,191.22	235.52	121.61	584.33	386.61	0.57	386.04	Nil	100.00%	-	-
37	Jubilant Therapeutics India Limited	20 March 2019	EUR	-	-	-	-	-	30,329,444	875,379	218,845	656,534	Nil	100.00%	-	-
38	Jubilant Therapeutics Inc.	19 February 2019	INR	-	(52,546)	27,224	59,770	-	2,623.08	76.93	19.23	57.70	Nil	100.00%	-	-
			INR	1.00	(2.81)	1.52	3.33	-	2.56	2,254	-	2,254	Nil	100.00%	-	-
			INR	0.01	1,058.86	1,074.76	15.89	-	139.88	139.85	48.87	90.98	Nil	100.00%	-	-
			USD	114,505,000	(111,041,658)	86,192,255	82,728,913	-	163,509,251	(38,244,802)	(7,998,207)	(30,246,595)	Nil	100.00%	-	-
			INR	8,386.37	(8,133.17)	6,301.52	6,048.31	-	12,118.23	(2,846.99)	(582.35)	(2,264.64)	Nil	100.00%	-	-
			ZAR	280,000	167,516	576,475	128,959	-	2,516,191	171,798	48,283	123,515	Nil	100.00%	-	-
			INR	1.37	0.84	2.85	0.64	-	11.65	0.83	0.22	0.61	Nil	100.00%	-	-
			INR	866.45	(212.81)	672.10	18.46	41.10	69.45	33.14	8.56	24.58	Nil	100.00%	-	-
			USD	531	1,916,506	18,298,509	16,381,472	-	967	(5,231,860)	1,112	(5,232,972)	Nil	100.00%	-	-
			INR	0.04	140.12	1,337.80	1,197.64	-	0.07	(383.98)	0.08	(384.06)	Nil	100.00%	-	-



## Form AOC-1 (Continued)

Sr. No.	Name of the subsidiary	Date since when subsidiary was acquired / incorporated	Reporting currency	Share capital	Reserves & surplus	Total assets	Total liabilities	Investments (4)	Turnover / Total income	Foreign Currencies in absolute terms				% of shareholding
										Profit/(loss) before taxation	Provision for taxation	Profit/(loss) after taxation	Proposed dividend	
39	Jubilant Business Services Limited	28 March 2019	INR	0.50	22.03	78.26	55.73	-	151.98	19.34	4.61	14.73	Nil	100.00%
40	Jubilant Episcibe LLC	28 March 2019	USD	1,406,440	(35,262)	1,956,596	585,418	-	-	1,110	-	1,110	Nil	100.00%
			INR	97.35	2.90	143.05	42.80	-	-	0.02	-	0.02	Nil	
41	Jubilant Epicore LLC	28 March 2019	USD	4,033,575	(433,717)	5,859,481	2,259,623	-	-	345	-	345	Nil	100.00%
			INR	280.55	(17.37)	428.39	165.21	-	-	0.01	-	0.01	Nil	
42	Jubilant Prodel LLC	28 March 2019	USD	3,741,317	(304,762)	4,523,070	1,086,515	-	-	720	-	720	Nil	100.00%
			INR	260.05	(8.81)	330.68	79.44	-	-	(0.10)	-	(0.10)	Nil	
43	Jubilant Epipad LLC	28 March 2019	USD	3,501,230	(732,902)	4,872,636	2,104,308	-	-	305	-	305	Nil	100.00%
			INR	247.49	(45.10)	356.24	153.85	-	-	(0.02)	-	(0.02)	Nil	
44	Jubilant Ingrevia Limited (formerly Jubilant LSI Limited) (5)	23 October 2019	INR	-	-	-	-	-	-	0.04	-	0.04	Nil	-
45	Jubilant Pharma UK Limited	17 April 2019	GBP	5,000	1,480	32,214	25,734	-	-	1,480	-	1,480	Nil	100.00%
			INR	0.46	0.19	3.25	2.60	-	-	0.16	-	0.16	Nil	
46	Jubilant Biosys Innovative Research Pte Ltd	22 July 2020	USD	3,300,000	(9,080)	3,301,251	10,331	-	-	(9,080)	-	(9,080)	Nil	100.00%
			INR	239.51	1.09	241.35	0.75	-	-	(0.66)	-	(0.66)	Nil	

### Notes:

- 1) Reporting period of all the Subsidiary Companies is 1 April 2020 to 31 March 2021.
- 2) Converted into Indian Rupees at the exchange rate as on 31 March 2021 : 1EUR = INR 85.75, 1USD = INR 73.11, 1GBP = INR 100.75, 1RMB = INR 11.14, 1CAD = INR 58.02, 1 AUD = INR 55.70, 1 ZAR = 4.94 INR.
- 3) The above statement excludes inter company eliminations.
- 4) Excludes investment in subsidiaries.
- 5) Represents entities engaged in Life Sciences Ingredients business, demerged w.e.f. 1 February 2021 pursuant to Composite Scheme
- 6) Jubilant Chemsys Limited merged with Jubilant Biosys Limited w.e.f. 28 July 2020.

**Names of Subsidiaries which are yet to commence operations: - Nil**

**Names of Subsidiaries which have been liquidated during the year:**

- 1) Draximage Limited, Cyprus
- 2) Jubilant Innovation (India) Limited
- 3) Vanthys Pharmaceutical Development Private Limited

**Form AOC-1 (Continued)****Part "B" : Associates And Joint Ventures****Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

Sr. No.	Name of Associates/ Joint Ventures	Latest audited Balance Sheet date	Date on which Associate or Joint Venture was associated or acquired	Shares of Associate/Joint Ventures held by the company on the year end			Description of how there is significant influence	Reason why the associate/ joint venture is not consolidated	Profit/Loss for the year		
				No.	Amount of Investment in Associates/ Joint Venture (₹ in million)	Extent of Holding %			Net worth attributable to shareholding as per latest audited Balance Sheet (₹ in million)	Considered in consolidation (₹ in million)	Not considered in consolidation (₹ in million)
1	Sofie Biosciences, Inc.	31 December 2020	04 November 2020	2,796,747	1,981.40	25%	215.01	By virtue of shareholding	Not Applicable	112.52	Not Applicable

1) Names of associates or joint ventures which are yet to commence operations : Nil

2) Name of associates or joint ventures which have been liquidated or sold during the year : Nil

For and on behalf of the Board of Directors of Jubilant Pharmova Limited

**Shyam S. Bhartia**  
Chairman  
DIN:00010484

Place: Noida  
Date: 4 June 2021

**Rajiv Shah**  
Company Secretary

**Arun Kumar Sharma**  
Chief Financial Officer

**Hari S. Bhartia**  
Co-Chairman & Managing Director  
DIN:00010499



## Corporate Information

### Registered Office

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CIN: L24116UP1978PLC004624

### Internal Auditors

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Gurgaon-122002  
Haryana, India

### Corporate Office

1A, Sector 16A, Noida - 201 301 Uttar Pradesh, India  
Tel.: +91 120 4361000

### Company Secretary

Rajiv Shah

### Statutory Auditors

B S R & Co. LLP  
Chartered Accountants  
Unit No.- 502, 5<sup>th</sup> Floor, Tower- B, ITES/ IS Complex, Advant  
Navis Business Park, Plot No.- 7, Sector- 142, Expressway,  
Noida- 201305, UP, India

### Registrars & Transfer Agents

Alankit Assignments Limited  
205-208 Anar Kali Complex  
Jhandewalan Extension  
New Delhi- 110 055  
Tel.: +91-11-4254 1234

### Cost Auditors

JK Kabra & Co. Cost Accountants  
552/1-B, Arjun Street Main Vishwas Road Vishwas Nagar  
Delhi-110032, India

### Bankers

The Hongkong and Shanghai Banking Corporation Limited  
Axis Bank Limited  
Standard Chartered Bank  
DBS Bank Limited  
Bank of America, N.A.



Jubilant Pharmova Limited has published its FY 2021 Corporate Sustainability Report. The report has been prepared in accordance with the 'GRI Standards: Comprehensive option'. The Corporate Sustainability Report for FY 2021 is available at [www.jubilantpharmova.com/sustainability/sustainability-report](http://www.jubilantpharmova.com/sustainability/sustainability-report)



Sustainability Report 2020-21

# Harnessing Science.

# Improving Life.







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PHARMOVA**

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