August 31, 2019

BSE Limited
P. J. Towers
Dalal Street, Fort
Mumbai - 400 001

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

Dear Sirs,

Sub: Annual General Meeting of the members of the Company, Record Date and Dividend Payment Date

We wish to inform you that the 41st Annual General Meeting ('AGM') of the Company shall be held on Wednesday, September 25, 2019 at 11.30 a.m. at the Registered Office at Bhartiagram, Gajraula, District Amroha – 244 223, U.P.

We enclose Annual Report for the Financial Year 2018-19 and a copy of the Notice of the 41st AGM, being dispatched to the shareholders of the Company.

In terms of Regulation 42 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 91 of the Companies Act, 2013 including rules made thereunder, the Register of Members and Share Transfer Books of the Company will remain closed from Saturday, September 14, 2019 to Wednesday, September 25, 2019 (both days inclusive), for the purpose of AGM and determining eligibility of shareholders for dividend, subject to approval of the members at the AGM.

The Dividend on equity shares @ Rs. 4.50 per equity share of Re. 1 each, if declared at the AGM, will be paid on or before Thursday, October 24, 2019 to those members whose names appear as:

(a) Beneficial Owners as at the end of business hours of Friday, September 13, 2019 in the list of Beneficial Owners to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited, and

(b) Members in the Register of Members of the Company on Saturday, September 14, 2019.

This is for your information and records.

Thanking you,

Yours faithfully,
For Jubilant Life Sciences Limited

RAJIV SHAH Digitally signed by RAJIV SHAH Date: 2019.08.31 14:39:24 +05'30'

Rajiv Shah
Company Secretary

Encl.: as above

CC:

1. **National Securities Depository Limited**
   Trade World, 4th Floor Kamla Mills Compound,
   Senapati Bapat Marg, Lower Parel,
   Mumbai – 400 013

2. **Central Depository Services (India) Limited**
   Marathon Futurex, A-Wing, 25th floor,
   NM Joshi Marg, Lower Parel,
   Mumbai – 400 001

3. **Alankit Assignment Limited**
   Alankit Heights, 3E/7,
   Jhandewalan Extension,
   New Delhi - 110055

Jubilant Life Sciences Limited
1-A, Sector 16-A,
Noida-201 301, UP, India
Tel:+91 120 4361000
Fax:+91 120 4234895-96
www.jubl.com

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

JUBILANT LIFE SCIENCES LIMITED
(CIN: L24116UP1978PLC004624)
Registered Office: Bhartiagram, Gajraula,
District Amroha - 244 223,
Uttar Pradesh, India
E-mail: investors@jubl.com
Website: www.jubl.com
Phone : +91-5924-267200

NOTICE

NOTICE is hereby given that the Forty-First Annual General Meeting of members of Jubilant Life Sciences Limited will be held as under:

DAY	**:**	**WEDNESDAY**
DATE	**:**	**SEPTEMBER 25, 2019**
TIME	**:**	**11:30 A.M.**
VENUE	**:**	**REGISTERED OFFICE: BHARTIAGRAM, GAJRAULA, DISTRICT AMROHA - 244 223, UTTAR PRADESH, INDIA**

to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the Audited Financial Statements (including Audited Consolidated Financial Statements) of the Company for the Financial Year ended March 31, 2019 and the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend for the year ended March 31, 2019.
3. To appoint a Director in place of Mr. Priyavrat Bhartia [DIN: 00020603] who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Arjun Shanker Bhartia [DIN: 03019690] who retires by rotation and, being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

5. To consider and if thought fit, to pass the following resolution as an **Ordinary 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. Arun Seth [DIN: 00204434] who was appointed as an Additional Director of the Company effective from October 22, 2018 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 an Independent Director of the Company for a term upto October 21, 2023 and shall not be liable to retire by rotation."

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. Anant Pande [DIN: 08186854] who was appointed as an Additional Director of the Company effective from October 22, 2018 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 a **Special Resolution:**

   "**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (the 'Act') (including any statutory modification or re-enactment thereof for the time being in force), the Appointment and Remuneration Policy of the Company and subject to such approvals, consents, permissions and sanctions of the concerned authorities as may be necessary and subject to such conditions and modifications as may be prescribed, imposed or suggested by such concerned authorities while granting such approvals, consents, permissions and sanctions and as 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 the members be and is hereby accorded to the appointment of Mr. Anant Pande [DIN: 08186854] as Whole-time Director of the Company ('WTD') for a period of five years effective from October 22, 2018 on the following terms and conditions including remuneration:

   I. Salary, Allowances, Perquisites and Retiral Benefits

   A. Basic Salary: ₹ 75.14 Lac per annum.

   B. House Rent Allowance: He will be paid a House Rent Allowance of ₹ 45.08 Lac per annum.

C. **Special & Other Allowances**

He will be paid a special allowance upto ₹ 35.18 Lac and Car Allowance/ Reimbursement upto a maximum of ₹ 12.36 Lac.

D. **Annual Variable Pay**

Performance linked Variable Pay of ₹ 42.15 Lac shall be paid at 100% of performance achievement. Payout of the Variable Pay would be determined based on the performance parameters laid down in the Company's Variable Pay Plan.

E. **Perquisites**

Telephone at residence and mobile phone shall be provided as per the Company policy.

F. **Retirals**

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

G. **Others Benefits & Amenities**

a) Leave Travel Assistance as per the rules of the Company.

b) Other amenities and benefits like medical reimbursement, Meal Vouchers and Gift Coupons, etc. as per the rules of the Company.

c) Hard Furnishing, Personal Accident Insurance, Group Term Insurance and Medical 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 notice period.

RESOLVED FURTHER THAT the Board be and is hereby authorized to vary, alter, enhance or widen (collectively referred to as 'Variation') the scope of remuneration payable to WTD during his tenure to the extent permitted under Section 197 read with Schedule V and other applicable provisions, if any, of the Act, without being required to seek any further consent or approval of the members of the Company or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution, notwithstanding that the remuneration payable to WTD may exceed 5% of net profits of the Company and the aggregate remuneration payable to all Managing Director(s) and Whole-time Director(s) may exceed 10% of net profits and the limits prescribed under Part II of Schedule V to the Act.

RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any financial year, WTD shall be paid the above salary and perquisites (including any Variation thereof) in compliance with Section 197 read with Schedule V and other applicable provisions, if any of the Act.

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."

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

"**RESOLVED THAT** pursuant to the applicable provisions of the Companies Act, 2013 read with the rules framed thereunder, including as applicable, the SEBI (Share Based Employee Benefits) Regulations, 2014 ('SEBI ESOP Regulations'), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations'), the circulars / guidelines issued by SEBI, the Memorandum and Articles of Association of the Company and all other applicable regulations, rules and circulars / guidelines in force, from time to time (including any statutory modification or re-enactment thereof for the time being in force), approval of the members of the Company be and is hereby accorded for the adoption and implementation of the 'Jubilant General Employee Benefits Scheme - 2019' ('JGEBS') and providing welfare benefits to employees of the Company in terms thereof.

RESOLVED FURTHER THAT the approval of the members be and is hereby accorded to Board of Directors of the Company (hereinafter referred to as the 'Board', which term shall include the Nomination, Remuneration and Compensation Committee constituted by the Board or any other committee which the Board may constitute to act as the 'Compensation Committee' under the SEBI ESOP Regulations or their delegated authority and to exercise its powers, including the powers conferred by this resolution) to determine the conditions for operation of JGEBS in terms thereof, including without limitation, the criteria for determining the class of employees that would be eligible to receive benefits under JGEBS, determination of the different kinds of employee benefits to be provided under JGEBS and allocation of funds to the different kinds of employee benefits within JGEBS and the determination and/or allocation of the total amount towards such employee welfare benefits under JGEBS, subject to a maximum amount of ₹ 257.25 Crore.

RESOLVED FURTHER THAT approval of the members be and is hereby accorded for JGEBS to be implemented by Jubilant Employees Welfare Trust, subject to the powers of the Board to determine the conditions for operation of JGEBS in terms thereof.

RESOLVED FURTHER THAT the Board be and is hereby authorized to make modifications in JGEBS including in any ancillary documents thereto, as it may deem fit, from time to time in its absolute discretion in conformity with the provisions of the SEBI ESOP Regulations, the Memorandum and Articles of Association of the Company, Amended and Restated Deed of Private Trust dated October 20, 2015 and any other applicable laws.

RESOLVED FURTHER THAT the Board be and is hereby authorised to execute all such deeds, documents and writings and to give such directions and / or instructions as may be necessary, proper or expedient to implement the JGEBS, to give effect to any modification, alteration, amendment, suspension, withdrawal or termination of the JGEBS, to settle all such questions, difficulties or doubts whatsoever that may arise and to take all such actions as may be necessary for the purpose of the administration and superintendence of the JGEBS in terms thereof and matters incidental or ancillary thereto."

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

"**RESOLVED THAT** pursuant to the applicable provisions of the Companies Act, 2013 read with the rules framed thereunder, the SEBI (Share Based Employee Benefits) Regulations, 2014, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the circulars / guidelines issued by SEBI, the Memorandum and Articles of Association of the Company and all other applicable regulations, rules and circulars / guidelines issued from time to time (including any statutory modification or re-enactment thereof for the time being in force), approval of the members of the Company be and is hereby accorded to extend the benefits of the 'Jubilant General Employee Benefits Scheme - 2019' to the employees of the holding company and subsidiary companies of the Company."

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

"**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force), M/s J. K. Kabra & Co., Cost Accountants (Registration Number: 9 with the Institute of Cost Accountants of India) appointed by the Board of Directors of the Company as the Cost Auditors to conduct audit of the cost records of the Company for the Financial Year ending March 31, 2020, be paid remuneration of ₹ 4.75 Lac (Rupees Four Lac Seventy Five Thousand only) in addition to applicable taxes and reimbursement of out of pocket expenses, if any."

By Order of the Board
For Jubilant Life Sciences Limited

Noida — **Rajiv Shah**
May 17, 2019 — 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 41st 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. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND TO VOTE ON POLL INSTEAD OF HIMSELF/ HERSELF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

THE INSTRUMENT APPOINTING THE PROXY, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY, DULY COMPLETED AND SIGNED, NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING. MEMBERS/ PROXIES SHOULD FILL THE ATTENDANCE SLIP FOR ATTENDING THE MEETING.

A person can act as proxy on behalf of members not exceeding fifty (50) in number and holding, in aggregate, not more than ten percent of the total share capital of the Company carrying voting rights. However, a member holding more than ten percent of the total share capital of the Company carrying voting rights, may appoint a single person as proxy and such person shall not act as proxy for another person or member.

4. Corporate members intending to send their authorised representative(s) to attend the Meeting are requested to send a certified copy of the Board Resolution authorising their representative(s) to attend and vote on their behalf at the Meeting.

5. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, September 14, 2019 to Wednesday, September 25, 2019 (both days inclusive) for the purpose of determining eligibility for payment of dividend.

The dividend, as recommended by the Board of Directors of the Company (₹ 4.50 per equity share of ₹ 1 each), if declared at the Meeting, will be paid on or before Thursday, October 24, 2019 to those members or their mandates:

- whose names appear on the Company's Register of Members on September 14, 2019; and
- whose names appear as Beneficial Owners as at the end of business hours on Friday, September 13, 2019 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.

6. **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.

7. 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 in 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.

8. **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.

9. **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.

10. 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 2010-11 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 2011-12 is due for transfer to the Fund on September 29, 2019. 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 2011-12 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, 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 10,43,975 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 and 2010-11. The Company shall be initiating similar action in respect of dividend declared for the financial year 2011-12. Members are advised to visit the web-link: http://www.jubl.com/investors/unclaimed-dividend to ascertain details of the shares to be transferred to the IEPF Authority.

11. 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.jubl.com has a dedicated section on Investors. It also answers your Frequently Asked Questions (FAQs).

12. Certificate from Auditors of the Company that the Stock Option Plans have been implemented in accordance with the SEBI (Share Based Employee Benefits) Regulations, 2014 shall be placed at the AGM.

13. 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.

14. 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 JLL-Unclaimed Suspense Account. During the year 2018-19, 63,780 equity shares were transferred to the respective members and 2,19,445 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.

15. Queries on the Annual Report and operations of the Company, if any, may please be sent to the Company's registered office at Bhartiagram, Gajraula, District Amroha-244 223, Uttar Pradesh

at least seven days prior to the date of the AGM so that answers may be provided at the Meeting.

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

    Alankit Assignments Limited
    (Unit: Jubilant Life Sciences Limited)
    Alankit Heights,
    3E/ 7, 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.

17. 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.jubl.com.

18. **Green Initiative** - Members who are yet to register/ update their email addresses with the Company or with the Depository Participants are once again requested to register/ update the same for receiving the Notices, Annual Reports and other documents through electronic mode.

    Members holding shares in physical form may get their email addresses registered/ updated by providing their Name, Folio Number, E-mail ID and consent to receive the Notices, Annual Reports and other documents in electronic mode, by sending an email at rta@alankit.com or investors@jubl.com .

    Members holding shares in dematerialised form may get email address registered / updated by providing E-mail ID to their Depository Participant(s).

19. Notice of the AGM (along with Attendance Slip, Proxy Form and Route Map for AGM Venue) and the Annual Report for the Financial Year 2018-19 are being sent electronically to the members whose E-mail IDs are registered with the Company/ Depository Participant(s) unless any member has requested for a physical copy of the same. For members who have requested for physical copy or who have not registered their email address, physical copies of the Notice and Annual Report are being sent through permitted mode.

20. The Notice of the AGM and the Annual Report for the Financial Year 2018-19 are also available on the Company's website www.jubl.com. The Notice is also available on www.evoting.nsdl.com.

21. All the documents referred to in the Notice are open for inspection at the Registered Office and Corporate Office of the Company on all working days between 11:00 a.m. and 1:00 p.m. upto the date of the AGM and also at the venue of the AGM.

    Further, Register of Directors and Key Managerial Personnel and their shareholding and Register of Contracts or Arrangements in which Directors are interested will also be available for inspection by members of the Company at the venue of AGM.

22. **Voting Options**

    The business set out in the Notice of the AGM may be transacted through electronic voting system or Polling Paper. The Company is providing facility for voting by electronic means. Information relating to e-Voting facility and voting at the AGM is given below:

    Voting through electronic means

    I. In compliance with the provisions of Section 108 and other applicable provisions, if any, of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations'), the Company is pleased to provide facility to the members to exercise their right to vote on resolutions proposed to be considered at AGM by electronic means and the items of business given in the Notice of the AGM may be transacted through e-Voting services. Facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ('remote e-Voting') will be provided by NSDL.

    II. The facility for voting through Polling Paper ('Poll') shall also be made available at the AGM and the members attending the Meeting who have not cast their vote by remote e-Voting shall be able to exercise their right to vote at the Meeting through Poll at the AGM.

    III. The shareholders can opt for only one mode of voting i.e. remote e-Voting or Poll at the meeting. In case of voting by both the modes, vote cast through remote e-Voting will be considered final and voting through Poll at the Meeting will not be considered. The members who have cast their vote by remote e-Voting may also attend the Meeting but shall not be entitled to cast their vote again.

    IV. The remote e-Voting period commences at 9:00 a.m. (IST) on Sunday, September 22, 2019 and ends at 5:00 p.m. (IST) on Tuesday, September 24, 2019. During this period, members of the Company holding shares either in physical form or in dematerialized form, as on the Cut-off date of Wednesday, September 18, 2019 ('**Cut-off date**'), may cast their vote by remote e-Voting. No remote e-Voting shall be allowed beyond the aforesaid date and time and remote e-Voting module shall be disabled by NSDL upon expiry of the aforesaid period. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

    V. **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: Log-in to NSDL e-Voting system at https://www.evoting.nsdl.com/

    Step 2 : Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 are given below:

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 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL e-services i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL e-services after using your log-in credentials, click on e-Voting and you 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. Your password details are given below:
   a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
   b) If you are using NSDL e-Voting system for the first time, 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, your 'initial password' is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
   i. 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.
   ii. **Physical User Reset Password**?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
   iii. If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
   iv. 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 electing 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.

Details on Step 2 are given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. 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.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

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 at contact@cssanjaygrover.in or jll.agm2019@jubl.com with a copy marked to evoting@nsdl.co.in.

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

In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in

VI. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the Cut-off date only shall be entitled to avail the facility of remote e-Voting or voting at the AGM through Polling Paper. A person who is not a member as on the Cut-off date should treat this Notice for information purpose only.

VII. Mr. Sanjay Grover (FCS No. 4223, C.P. No.: 3850), Managing Partner of M/s Sanjay Grover & Associates, Company Secretaries, has been appointed as 'Scrutinizer' to scrutinize the remote e-Voting and Poll process in a fair and transparent manner.

VIII. The Chairman shall, at the end of discussion on the resolutions placed at the AGM on which voting is to be held, allow voting with the assistance of the Scrutinizer, by use of Polling Paper for all those members/ proxies who are present at the AGM but have not cast their votes by availing the remote e-Voting facility.

IX. Please note that the members who have exercised their right to vote through electronic means as above shall not be eligible to vote by way of Polling Paper at the AGM. Votes cast under Poll taken together with the votes cast through remote e-Voting shall be counted for the purpose of passing of resolution(s). No voting by show of hands will be allowed at the AGM.

X. The Scrutinizer, after scrutinizing the votes cast at the AGM and through remote e-Voting, will make a consolidated Scrutinizer's report and submit the same to Chairman within the time prescribed under the Listing Regulations and/ or the Act.

XI. The results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.jubl.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. The results shall be displayed at the Registered Office at Bhartiagram, Gajraula, District Amroha-244 223, Uttar Pradesh and the Corporate Office at 1A, Sector 16A, Noida- 201 301, Uttar Pradesh.

XII. In case of any queries or grievances relating to e-Voting, you may contact Mr. Amit Vishal, Senior Manager, NSDL, Trade World, 4th 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.: 1800-222-990 or Mr. J.K. Singla, Senior Manager, M/s. Alankit Assignments Limited, Alankit Heights, 3E/7, Jhandewalan Extension, New Delhi-110 055, India through email at rta@alankit.com or on Telephone No.: 011-42541234.

XIII. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed at the 41st AGM scheduled to be held on Wednesday, September 25, 2019.

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 IN RESPECT OF ITEM NOS. 5 TO 10

ITEM 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 appointed Mr. Arun Seth as an Additional Director in the category of Independent Director, effective from October 22, 2018. Pursuant to the provisions of Section 161 of the Companies Act, 2013 (the 'Act'), Mr. Seth holds office upto the date of ensuing AGM and is eligible for appointment as a Director of the Company. As per Section 149 of the Act, an Independent Director shall hold office for a term upto five consecutive years on the Board of a company and shall not be liable to retire by rotation.

Notice stipulated under Section 160 of the Act has been received from a member intending to propose the candidature of Mr. Seth for appointment as a Director of the Company.

Mr. Arun Seth has given his consent to act as Director of the Company. Mr. Seth is not disqualified from being appointed as a Director in terms of Section 164 of the Act. The Company has also received declaration from Mr. Seth that he meets the criteria of independence as stipulated under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations').

The Board considers that continued association of Mr. Arun Seth would be of immense benefit to the Company and it is desirable to continue to avail his services as Director of the Company. In the opinion of the Board of Directors, Mr. Seth fulfils the conditions specified in the Act and the Rules made thereunder read with the Listing Regulations for his appointment as Independent Director of the Company and he is independent of the management of the Company.

The terms and conditions of appointment (including remuneration) of Mr. Seth shall be open for inspection by the members at the Registered Office and Corporate Office of the Company between 11:00 a.m. and 1:00 p.m. on all working days. The said terms and conditions are also posted on the Company's website www.jubl.com.

The disclosures prescribed under Regulation 36 of the Listing Regulations read with the provisions of the Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India are provided in **Annexure-A** of the Notice.

Mr. Arun Seth, the proposed appointee, may be deemed to be concerned or interested in the resolution. None of the other Directors, Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice. The Board of Directors recommends the resolution set out at Item No. 5 of the Notice for approval of the members by way of an Ordinary Resolution.

ITEM NOs. 6 AND 7

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, at its meeting held on October 22, 2018, appointed Mr. Anant Pande as an Additional Director of the Company, effective from the said date. Pursuant to the provisions of Section 161 of the Companies Act, 2013 (the 'Act'), Mr. Anant Pande 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. Anant Pande for appointment as Director of the Company. Also, Mr. Pande has given his consent to act as a Director. He is not disqualified from being appointed as Director in terms of Section 164 of the Act. Once appointed, 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. Anant Pande as Whole-time Director ('WTD') of the Company for a period of five years effective from October 22, 2018 on the terms and conditions including remuneration set out in the Notice. This is subject to applicable provisions of the Act, the rules made thereunder and approval of the members.

Mr. Pande is B.E. (Hons.) in Chemicals and M.Sc. (Hons.) in Chemistry from Birla Institute of Technology & Science, Pilani. He has over 3 decades of experience in Chemicals, Pharmaceuticals, Agrochemicals and Petrochemicals industries. He is the Chief of Operations-Life Science Ingredients business. Prior to joining the Company, he was President (Technology & Manufacturing) of Atul Limited. Prior to his stint with Atul Limited, Mr. Pande has worked with the Company as President-Manufacturing and Projects for over 6 years.

Considering his rich experience in various fields, the appointment of Mr. Anant Pande as WTD of the Company on the terms and conditions mentioned in the Notice would be beneficial to the Company.

The remuneration payable to WTD may exceed 5% of net profits of the Company and the aggregate remuneration payable to all Managing Director(s) and Whole-time Director(s) may exceed 10% of net profits and the limits prescribed under Section II of Part II of Schedule V to the Act. Out of abundant caution and in view of the relevant provisions of the Act relating to managerial remuneration, the Company is complying with the provisions of Section II of Part II of Schedule V to the Act which, *inter alia*, prescribe that in case of no profits or inadequate profits, remuneration can be paid to a managerial personnel in accordance with the provisions of Section II, subject to the condition that a Special Resolution has been passed for payment of remuneration to a managerial personnel. Relevant information and disclosures prescribed in Schedule V to the Act are given below:

I.	**General Information**	
1.	Nature of Industry	Jubilant Life Sciences Limited is an integrated global pharmaceutical and life sciences company engaged in Pharmaceuticals, Life Science Ingredients and Other businesses including Drug Discovery & Development Solutions and India Branded Pharmaceuticals. The Pharmaceuticals segment, through its wholly owned subsidiary Jubilant Pharma Limited, is engaged in manufacturing and supply of Active Pharmaceuticals Ingredients, Solid Dosage Formulations, Radiopharmaceuticals, Allergy Therapy Products and Contract Manufacturing of Sterile Injectables and Non-sterile products through 6 US Food and Drug Administration approved manufacturing facilities in the US, Canada and India and a network of over 50 Radiopharmacies in the US. The Life Science Ingredients segment is engaged in Specialty Intermediates, Nutritional Products and Life Science Chemicals through five manufacturing facilities in India. The Drug Discovery & Development Solutions business provides proprietary in-house innovation and collaborative research and partnership for out-licensing through two world class research centers in India.
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

<table>
<tr><td>4.</td><td>Financial Performance based on given indicators</td><td>As per Standalone Audited Financials
(₹ in Million)
<table>
<tr><th>Particulars</th><th>FY 2018-19</th></tr>
<tr><td>Paid up Capital</td><td>159</td></tr>
<tr><td>Reserves excluding Revaluation Reserves</td><td>23,244</td></tr>
<tr><td>Total Income</td><td>35,166</td></tr>
<tr><td>Total Expenses</td><td>33,332</td></tr>
<tr><td>Profit before Tax</td><td>1,834</td></tr>
<tr><td>Tax Expenses</td><td>358</td></tr>
<tr><td>Profit after Tax</td><td>1,476</td></tr>
</table></td></tr>
<tr><td>5.</td><td>Foreign investments or collaborations, if any</td><td>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, FIIs, FPIs, etc. are investors in the Company on account of past issuance of securities/secondary market purchase of the shares of the Company.</td></tr>
<tr><td>II.</td><td colspan="2">Information about the Appointee</td></tr>
<tr><td>1.</td><td>Background details</td><td>Mr. Anant Pande, 56 years, is B.E. (Hons.) in Chemicals and M.Sc. (Hons.) in Chemistry from Birla Institute of Technology & Science, Pilani.

Mr. Pande has over 3 decades of experience in Chemicals, Pharmaceuticals, Agrochemicals and Petrochemicals industries. He is the Chief of Operations-Life Science Ingredients business. Prior to joining the Company, he was President (Technology & Manufacturing) of Atul Limited. Prior to his stint with Atul Limited, Mr. Pande has worked with the Company as President-Manufacturing and Projects for over 6 years.</td></tr>
<tr><td>2.</td><td>Past remuneration</td><td>Mr. Anant Pande has joined his current employment with the Company on July 25, 2018. He has been appointed as WTD effective from October 22, 2018. During the period of July 25, 2018 to October 21, 2018, he was paid remuneration of ₹ 5,302,815.</td></tr>
<tr><td>3.</td><td>Recognition or awards</td><td>Not Applicable</td></tr>
<tr><td>4.</td><td>Job profile and his suitability</td><td>Mr. Anant Pande devotes his full time and attention to the business of the Company, subject to superintendence, control and directions of the Board.

Mr. Anant Pande has over 3 decades of experience in Chemicals, Pharmaceuticals, Agrochemicals and Petrochemicals industries. He is the Chief of Operations-Life Science Ingredients business. It is felt that the Company would benefit under his leadership and guidance.</td></tr>
<tr><td>5.</td><td>Remuneration proposed</td><td>As mentioned in the resolution.</td></tr>
<tr><td>6.</td><td>Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person</td><td>Keeping in view the profile and the position of WTD and rich knowledge and experience of the appointee, the remuneration is fully justifiable and comparable to that prevailing in the industry.</td></tr>
<tr><td>7.</td><td>Pecuniary relationship, directly or indirectly, with the Company or relationship with the managerial personnel, if any</td><td>Besides the remuneration proposed, Mr. Anant Pande does not have any pecuniary relationship with the Company. Further, he is not related to any managerial personnel of the Company.</td></tr>
<tr><td>III.</td><td>Other Information</td><td></td></tr>
<tr><td>1.</td><td>Reasons of loss or inadequate profits</td><td>The Company does not envisage any loss or inadequate profits during the tenure of appointment of Mr. Anant Pande.

However, the Company proposes to obtain approval of the members by way of Special Resolution as an abundant caution, to enable the Company to pay the managerial remuneration as stated in the resolution, in case of loss or inadequate profits.</td></tr>
</table>

2.	Steps taken or proposed to be taken for improvement	The Company takes various steps on a regular basis such as better product mix, cost control, borrowing at cheaper rate, improving efficiency, etc. Further, the management has adopted focused business strategies in all spheres of business activities to improve the sales and 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. Anant Pande has been appointed as WTD effective from October 22, 2018. 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 options details of all the Directors, as applicable, are given in the Corporate Governance section of the Annual Report for the Financial Year 2018-19.	

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 are provided in **Annexure-A** to the Notice.

Memorandum setting out the terms and conditions of appointment including remuneration is available for inspection in physical and electronic form at the Registered Office and Corporate Office of the Company on all working days between 11:00 a.m. and 1:00 p.m. upto the date of the AGM and also at the venue of the AGM.

None of the Directors or Key Managerial Personnel or their relatives except Mr. Anant Pande, the proposed appointee, is concerned or interested, financially or otherwise, in the resolutions set out at Item Nos. 6 and 7 of the Notice.

The Board of Directors recommends the resolutions set out at Item Nos. 6 and 7 of the Notice for approval of the members by way of Ordinary Resolution and Special Resolution, respectively.

ITEM NOs. 8 AND 9

1. As the members are aware, the Company has implemented two employee stock option schemes namely, Jubilant Employees Stock Option Plan, 2005 and JLL Employees Stock Option Plan, 2011.

2. Both schemes are administered by Jubilant Employees Welfare Trust (the 'Trust') which is governed by the Amended and Restated Deed of Private Trust dated October 20, 2015. The objects of the Trust include (i) promotion of the benefit and welfare of the existing and future employees, (ii) operation of one or more programs for providing incentives, motivation, benefits and / or amenities to employees, and (iii) providing assistance to the employees in various forms.

3. The Securities and Exchange Board of India ("SEBI") notified the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("SEBI ESOP Regulations") on October 28, 2014. The SEBI ESOP Regulations require the trusts administering existing employee stock option schemes to appropriate the unappropriated inventory of shares not backed by grants by October 27, 2015, failing which the unappropriated shares are to be sold off by October 27, 2019 over the stock exchanges.

4. Further to its obligations under the SEBI ESOP Regulations, the Trust has sold 34,74,601 excess shares.

5. In accordance with its objects (as per the Trust Deed), the trustees of the Trust intend to allocate and utilize based on such allocation an amount not exceeding ₹ 257.25 Crore lying with the Trust (as a result of sale of unappropriated shares) towards the benefit and welfare of existing and future employees of the Company and its holding and subsidiary companies.

6. In line with this intention, the Company seeks the approval of its shareholders for implementing a general employee benefit scheme, titled the 'Jubilant General Employee Benefits Scheme - 2019' ("JGEBS"). The SEBI ESOP Regulations govern employee welfare scheme which involve dealing in shares of a listed company or are funded out of income derived from shares of a listed company. Since the JGEBS is funded out of sale of shares of the Company which were lying with the Trust, the Company has ensured that the JGEBS is consistent with the provisions of the SEBI ESOP Regulations.

7. The JGEBS is formed with the objective of welfare of employees by providing healthcare benefits, hospital care or benefits, or benefits in the event of sickness, accident, disability, death or scholarship funds, and other benefits specified by the Company. The Company intends to administer the JGEBS through the Trust.

8. Salient features of the JGEBS:

   A. <u>Eligible employees</u>

      Employees of the Company, its holding company and subsidiary companies would be eligible to avail the benefits of the JGEBS.

      The Nomination, Remuneration and Compensation Committee of the Company, (the 'NRC Committee') shall have the right to define criteria for determining the class of employees that would be eligible to receive benefits under the JGEBS.

      The following persons would not be eligible to participate in JGEBS:

      a) An Independent Director

      b) An employee / director who is a promoter or a person belonging to the promoter group

      c) A director who either himself or through his relatives or through any body corporate, directly or indirectly holds more than 10% of the outstanding equity shares of the Company

B. Source of funds for the scheme

The Trust will not acquire any shares for the purpose of the JGEBS or take a loan to finance the JGEBS. As explained above, the Trust has certain funds arising out of sale of shares which were lying unappropriated from the previous ESOP Plans which will be applied towards the JGEBS.

The NRC Committee shall allocate an appropriate amount not exceeding ₹ 257.25 Crore for the purpose of sponsoring the benefits under JGEBS.

C. Kinds of benefits that the eligible employees would be entitled to

The JGEBS has been designed to offer employee welfare benefits within the scope of the Trust Deed including healthcare benefits, hospital care or benefits, or benefits in the event of sickness, accident, disability, death or scholarship funds, or such other benefits within the scope of the objects of the Trust, as approved by the NRC Committee from time to time.

D. Manner of implementation and administration

The JGEBS will be implemented and administered by the Trust. This is in line with the objects of the Trust as per the Trust Deed.

The selection of class of eligible employees as well as the amounts to be apportioned to each kind of employee welfare benefits shall be decided by the NRC Committee.

E. Eligibility to avail benefits in case of employees who are on long leave

Duly approved long leave of the employees would not have any effect on their entitlement to benefits under the JGEBS as applicable to the concerned employees.

F. Eligibility to avail benefits in case of termination of employment

The same shall be determined by the NRC Committee from time to time.

G. Amount to be utilized for the JGEBS

The NRC Committee shall determine an appropriate amount for the purpose of sponsoring the benefits under the JGEBS, subject to a cap of ₹ 257.25 Crore.

Further, the allocation of this amount amongst the different kinds of benefits available under the JGEBS shall be determined by the NRC Committee.

H. The appraisal process for determining the eligibility of employees for the scheme

The appraisal process shall be determined by the NRC Committee.

I. Maximum quantum of benefits to be provided per employee under a scheme

The maximum amount of benefit that one employee would be entitled to as per the JGEBS shall be determined by the NRC Committee.

J. Compliance with the SEBI ESOP Regulations

The JGEBS is consistent with the provisions of the SEBI ESOP Regulations. The Company shall conform to the accounting policies specified in Regulation 15 of the SEBI ESOP Regulations.

9. None of the Directors, Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution.

10. The Board of Directors recommends the resolutions set out at Item Nos. 8 and 9 of the Notice for approval of the members by way of Special Resolutions.

ITEM NO. 10

The Board of Directors has, at its meeting held on May 17, 2019, on recommendation of the Audit Committee, approved the appointment of M/s J. K. Kabra & Co., Cost Accountants, as the Cost Auditors to conduct audit of the cost records of the Company for the Financial Year ending March 31, 2020, pursuant to the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, as amended.

The appointment has been made at a remuneration of ₹ 4.75 Lac (Rupees Four Lac Seventy Five Thousand only) in addition to applicable taxes and reimbursement of out of pocket expenses, if any.

Pursuant to the above referred provisions, remuneration payable to the Cost Auditors needs to be ratified by the members of the Company.

Accordingly, the Board of Directors recommends the resolution for ratification of remuneration of M/s J. K. Kabra & Co., Cost Auditors for the Financial Year ending March 31, 2020 by way of an Ordinary Resolution.

None of the Directors, Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution.

The Board of Directors recommends the resolution set out at Item No. 10 of the Notice for approval of the members by way of Ordinary Resolution.

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. Priyavrat Bhartia

Mr. Priyavrat Bhartia, 42 years, has around 22 years of industry experience. He holds a Bachelors' Degree in Economics from Dartmouth College, USA and Masters in Business Administration from Stanford University, USA.

He is on the Board of the Company since May 23, 2017 and holds 3,085 equity shares of the Company. He also holds directorships in the following companies/bodies corporate:

- HT Media Limited
- Hindustan Media Ventures Limited
- The Hindustan Times Limited
- Digicontent Limited
- SSB Consultants & Management Services Private Limited
- Jubilant Industries Limited
- Jubilant Agri and Consumer Products Limited
- Jubilant Realty Private Limited
- Earthstone Holding (Two) Private Limited
- SSBPB Investment Holding Private Limited
- SPB Trustee Company Private Limited
- SSP Trustee Company Private Limited
- Jubilant Enpro Private Limited
- PSB Trustee Company Private Limited
- ARS Trustee Company Private Limited
- SB Trusteeship Services Private Limited

Names of the listed companies in which he holds directorships are given in the Corporate Governance Report forming part of the Annual Report. 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 Life Sciences Limited	Audit Committee	Member
		Sustainability & CSR Committee	Member
		Finance Committee	Member
		Capital Issue Committee	Member
		Fund Raising Committee	Member
2	HT Media Limited	Corporate Social Responsibility Committee	Member
		Investment Committee	Member
		Risk Management Committee	Member
		Nomination & Remuneration Committee	Member
		Stakeholders' Relationship Committee	Member
3	Hindustan Media Ventures Limited	Audit Committee	Member
		Investment & Banking Committee	Member
		Corporate Social Responsibility Committee	Member
		Stakeholders Relationship Committee	Member
4	The Hindustan Times Limited	Audit Committee	Member
		Corporate Social Responsibility Committee	Member
5	Jubilant Industries Limited	Stakeholders' Relationship Committee	Member
		Nomination, Remuneration & Compensation Committee	Member
		Finance Committee	Chairman
		Sustainability and Corporate Social Responsibility Committee	Chairman
		Restructuring Committee	Chairman
6	Jubilant Agri and Consumer Products Limited	Restructuring Committee	Chairman
		Finance Committee	Chairman
		Nomination & Remuneration Committee	Member
		Sustainability and Corporate Social Responsibility Committee	Chairman
7	Earthstone Holding (Two) Private Limited	Corporate Social Responsibility Committee	Member

During the Financial Year ended March 31, 2019, Mr. Priyavrat Bhartia attended five meetings of Board of Directors of the Company held on May 9, 2018, June 27, 2018, July 27, 2018, October 22, 2018 and February 1, 2019.

On re-appointment, Mr. Priyavrat Bhartia shall be liable to retire by rotation. He is related to Mr. Shyam S Bhartia, Chairman of the Company, being his father. 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 2018-19.

2. **Mr. Arjun Shanker Bhartia**

Mr. Arjun Shanker Bhartia, 32 years, graduated from Brown University, USA in 2008, has around 10 years of industry experience. He worked as Management Consultant with Bain & Company before joining Jubilant. He is a Whole-time Director of Jubilant Consumer Private Limited which is involved in various food related businesses.

He is on the Board of the Company since May 23, 2017 and does not hold any shares of the Company by himself or for any other person on a beneficial basis. He holds directorships in the following companies/bodies corporate:

- Jubilant Consumer Private Limited
- Jubilant Brands Private Limited
- B & M Hotbreads Private Limited
- JSF Food Private Limited

He does not hold directorship in a listed company. 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 Life Sciences Limited	Sustainability & CSR Committee	Member
		Finance Committee	Member
		Fund Raising Committee	Member
		Capital Issue Committee	Member

During the Financial Year ended March 31, 2019, Mr. Arjun Shanker Bhartia attended six meetings of Board of Directors of the Company held on May 9, 2018, June 27, 2018, July 27, 2018, October 22, 2018, February 1, 2019 and March 29, 2019.

On re-appointment, Mr. Arjun Shanker 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 father. 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 2018-19.

3. **Mr. Arun Seth**

Mr. Arun Seth, 67 years, has around 43 years of industry experience. He holds a Bachelor's degree in Engineering from Indian Institute of Technology, Kanpur as well as an MBA from Indian Institute of Management, Calcutta. He is on the Boards of various listed and unlisted companies including Narayana Hrudayalaya Limited.

He is on the Board of the Company since October 22, 2018 and does not hold any shares of the Company by himself or for any other person on a beneficial basis. He holds directorships in the following companies/bodies corporate:

- Usha Breco Limited
- Narayana Hrudayalaya Limited
- Nudge Lifeskills Foundation
- Sify Technologies Limited
- Pahle India Foundation
- Servion T Global Solutions Limited
- Hunger Inc Hospitality Private Limited
- Naffa Innovations Private Limited

Name of the listed company in which he holds directorship is given in the Corporate Governance Report forming part of the Annual Report. 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 Life Sciences Limited	Stakeholders Relationship Committee	Member
		Risk Management Committee	Member
2	Usha Breco Limited	Audit Committee	Member
		Nomination & Remuneration Committee	Chairman
3	Servion T Global Solutions Limited	Audit Committee	Member
		Nomination and Remuneration Committee	Member
		CSR Committee	Member

During the Financial Year ended March 31, 2019, Mr. Arun Seth attended two meetings of Board of Directors of the Company held on February 1, 2019 and March 29, 2019. The Company has paid sitting fees of ₹ 1 Lac to Mr. Seth during the Financial Year 2018-19.

He is not related to any Director or Key Managerial Personnel of the Company.

4. **Mr. Anant Pande**

Mr. Anant Pande, 56 years, is B.E. (Hons.) in Chemicals and M.Sc. (Hons.) in Chemistry from Birla Institute of Technology & Science, Pilani.

Mr. Anant Pande has over 3 decades of experience in Chemicals, Pharmaceuticals, Agrochemicals and Petrochemicals industries. He is the Chief of Operations-Life Science Ingredients business. Prior to joining the Company, he was President (Technology & Manufacturing) of Atul Limited. Prior to his stint with Atul Limited, Mr. Pande has worked with the Company as President-Manufacturing and Projects for over 6 years.

He was appointed as Director and Whole-time Director of the Company effective from October 22, 2018. He does not hold directorship in any other listed company.

He is also Whole-time Director of Jubilant Infrastructure Limited ('JIL'), a wholly-owned subsidiary of the Company. He does not draw any remuneration from JIL. He is also on the Board of Jubilant Generics Limited.

Mr. Pande is not a member of any committee of any company. He does not hold any shares of the Company by himself or for any other person on a beneficial basis.

During the Financial Year ended March 31, 2019, Mr. Pande attended three meetings of Board of Directors of the Company held on October 22, 2018, February 1, 2019 and March 29, 2019. The terms and conditions of his appointment as Whole-time Director including his remuneration are given in the notice of AGM. He joined his current employment with the Company on July 25, 2018. During the period of July 25, 2018 to October 21, 2018, he was paid remuneration of ₹ 5,302,815.

He is not related to any Director or Key Managerial Personnel of the Company.

By Order of the Board
For Jubilant Life Sciences Limited

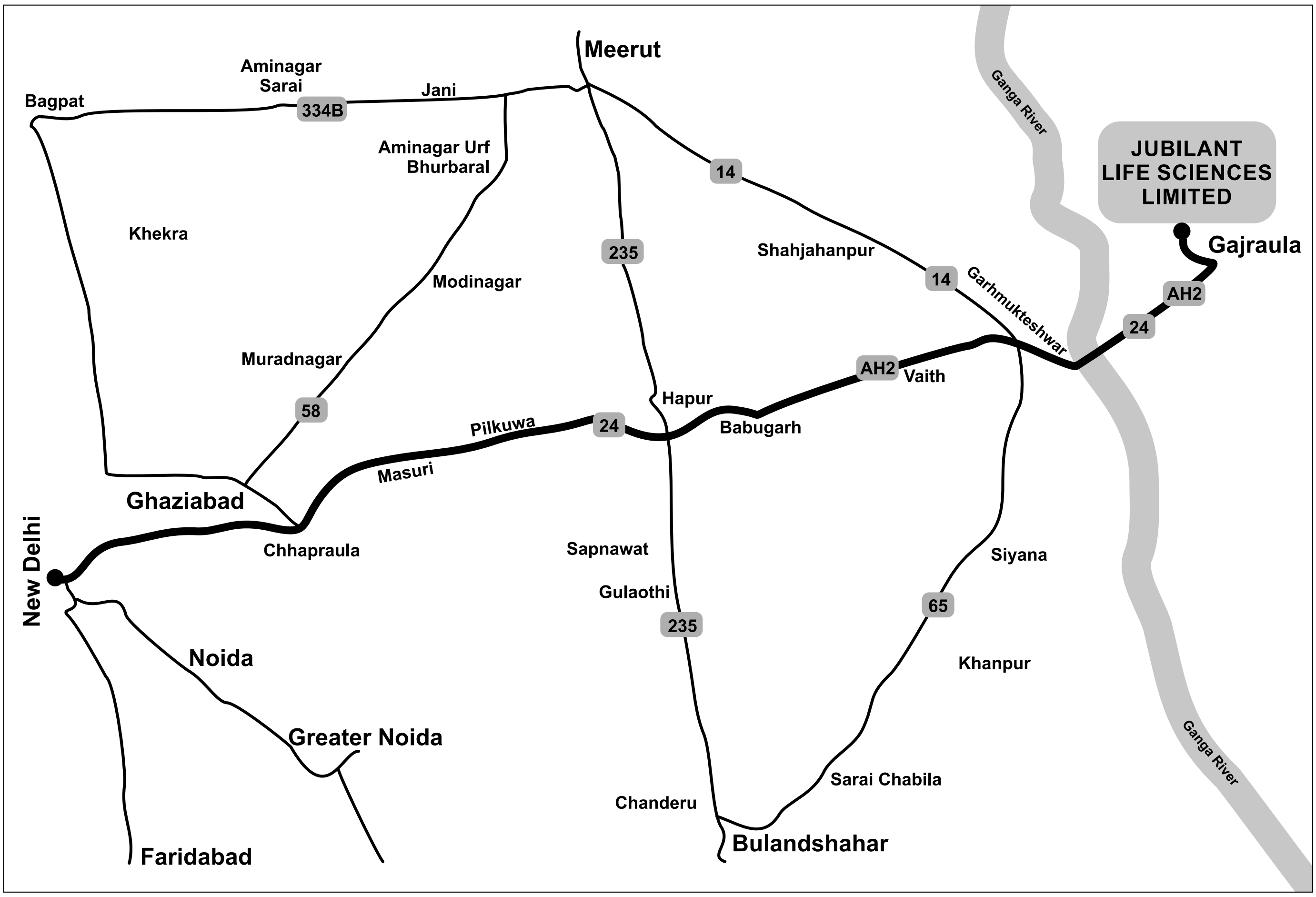
Noida
May 17, 2019

Rajiv Shah
Company Secretary

JUBILANT LIFE SCIENCES LIMITED

Route Map of the venue of the 41st Annual General Meeting

Day	:	Wednesday
Date	:	September 25, 2019
Time	:	11:30 A.M.
Venue	:	**Registered Office** Bhartiagram, Gajraula, District Amroha - 244 223, Uttar Pradesh



JUBILANT LIFE SCIENCES LIMITED
(CIN: L24116UP1978PLC004624)
Registered Office: Bhartiagram, Gajraula,
District Amroha - 244 223,
Uttar Pradesh, India
E-mail: investors@jubl.com
Website: www.jubl.com
Phone : +91-5924-267200

PROXY FORM: AGM 2019

[FORM MGT – 11]

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of member(s): ....

Registered Address: ....

E-mail ID: ....

Folio No./DP ID*/Client ID No.* : ....

I/We, being the member(s) holding .... shares of JUBILANT LIFE SCIENCES LIMITED, hereby appoint:

1. Name : .... Address : ....
   E-mail ID : .... Signature : ....
   or failing him
2. Name : .... Address : ....
   E-mail ID : .... Signature : ....
   or failing him
3. Name : .... Address : ....
   E-mail ID : .... Signature : ....

as my/ our proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the 41st ANNUAL GENERAL MEETING of the Company, to be held on Wednesday, September 25, 2019 at 11:30 a.m. at Bhartiagram, Gajraula, District Amroha - 244 223, Uttar Pradesh, India and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution(s)	Vote (Optional, see Note 4) *(Please mention no. of shares)*		
		For	**Against**	**Abstain**
Ordinary Business				
1	To consider and adopt the Audited Financial Statements (including Audited Consolidated Financial Statements) of the Company for the Financial Year ended March 31, 2019 and the Reports of the Board of Directors and Auditors thereon			
2	Declaration of Dividend for the year ended March 31, 2019			
3	Re-appointment of Mr. Priyavrat Bhartia [DIN: 00020603] who retires by rotation			
4	Re-appointment of Mr. Arjun Shanker Bhartia [DIN: 03019690] who retires by rotation			
Special Business				
5	Appointment of Mr. Arun Seth [DIN: 00204434] as an Independent Director			
6	Appointment of Mr. Anant Pande [DIN: 08186854] as a Director liable to retire by rotation			
7	Appointment of Mr. Anant Pande [DIN: 08186854] as a Whole-time Director			
8	Approval of implementation of 'Jubilant General Employee Benefits Scheme - 2019' ('JGEBS')			
9	Applicability of JGEBS to employees of holding company and subsidiaries of the Company			
10	Approval of remuneration of Cost Auditors - M/s J.K Kabra & Co., Cost Accountants for the financial year ending March 31, 2020			

Signed this .... day of 2019

.... Signature of proxy holder(s)

.... (Signature of Member)

Affix Revenue Stamp of ₹ 1

Notes:

1. This form of proxy, in order to be effective, should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.
2. A member entitled to attend and vote is entitled to appoint a proxy to attend and on poll, to vote instead of himself/ herself. A proxy need not be a member.
3. Signature of member should be across a Revenue stamp of ₹ 1.
4. It is optional to indicate your preference. If you leave the 'For', 'Against' or 'Abstain' columns blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/ she may deem appropriate.
5. *Applicable for members holding shares in dematerialised form.

JUBILANT LIFE SCIENCES LIMITED

(CIN: L24116UP1978PLC004624)

Registered Office: Bhartiagram, Gajraula, District Amroha- 244 223, Uttar Pradesh, India

E-mail: investors@jubl.com; Website: www.jubl.com; Phone : +91-5924-267200

ATTENDANCE SLIP: AGM 2019

PLEASE FILL IN THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE

Name of person attending: ______________________________

Capacity: Member ☐ Proxy ☐ Authorised Representative ☐

(Please √ appropriate box)

I hereby record my presence at the 41st Annual General Meeting being held on Wednesday, September 25, 2019 at 11:30 a.m. at the Registered Office of the Company.

____

Member's / Proxy's Signature

ELECTRONIC VOTING PARTICULARS

EVEN (Electronic Voting Event Number)	USER ID	PASSWORD

JUBILANT LIFESCIENCES

INTEGRATING SYNERGIES
ENHANCING QUALITY

ANNUAL REPORT 2018-19

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Board of Directors

Shyam S Bhartia
Chairman

Hari S Bhartia
Co-Chairman and Managing Director

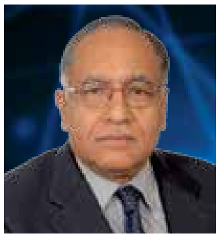
S Sridhar
Director

Dr. Ashok Misra
Director

Sushil Kumar Roongta
Director

Sudha Pillai
Director

Vivek Mehra
Director



Arun Seth
Director

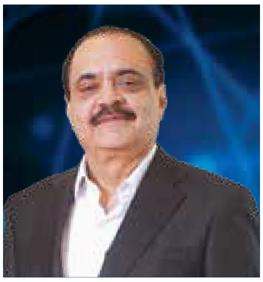
Priyavrat Bhartia
Director

Arjun Shanker Bhartia
Director

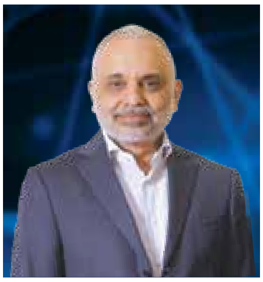
Rajesh Kumar Srivastava
Whole-time Director

Anant Pande
Whole-time Director

Senior Leadership Team



Shyam S Bhartia
Chairman



Hari S Bhartia
Co-Chairman and
Managing Director

R Sankaraiah
Executive Director
Finance

Ajay Khanna
Group Ombudsman
and Chief Strategic
& Public Affairs

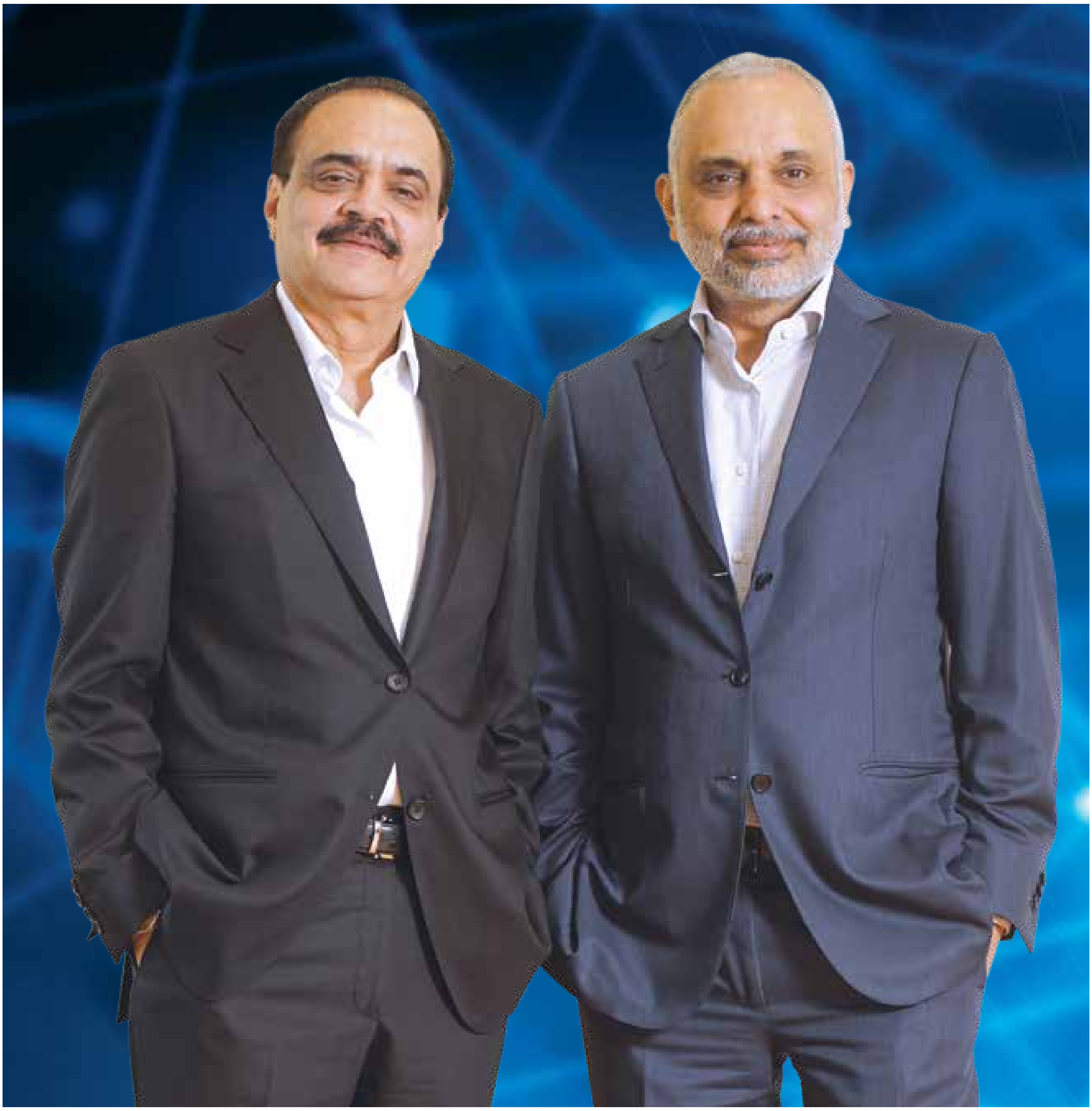
Dr. Rajesh Kapoor
Chief of Quality

Pramod Yadav
CEO
Jubilant Pharma

Rajesh Kumar Srivastava
CEO
Life Science Ingredients

Marcel Velterop
President
Drug Discovery Solutions
& CDMO

Chairmen's Message



Shyam S Bhartia
Chairman

Hari S Bhartia
Co-Chairman and Managing Director

We are focused on our strategy of maintaining a de-risked business model and being closer to the customer with integrated operations and leadership in key products.

Dear Fellow Shareholders,

The Company reported strong financial performance in FY 2019 with record sales and profitability driven by robust growth in the Pharmaceuticals segment. Our strategic focus on de-risked business model and being closer to the customer with leadership in key products, and our global competitive edge due to vertical integration drives our continued strong performance.

As per the International Monetary Fund (IMF), the global economy is expected to grow at 3.2% and 3.5% in 2019 and 2020. Key economies such as the US, European Union (EU) and China are expected to witness slowdown in growth in 2019, which has resulted in governments and centrals banks of these economies to adopt stimulus measures along with accommodative monetary policies to support economic growth.

On the other hand, India is the fastest growing major economy in the world for the second consecutive year. IMF expects India's GDP growth in FY 2020 and FY 2021 at 7.0% and 7.2%, respectively.

The global pharmaceuticals market is expected to grow at 6.4% Compound Annual Growth Rate (CAGR) between 2018-2024 to reach US$ 1.2 trillion in 2024. This growth is expected to be driven by novel therapies addressing key unmet needs, growth in core therapeutic areas and increase in access to medicines globally.

The Indian pharmaceutical market is the third largest in the global pharmaceutical industry in terms of volume and the largest exporter of generic drugs in the world, accounting for about 20% of the global generic drug exports. India is also the second largest contributor of global biotech and pharmaceutical workforce and labor costs here are lower than other manufacturing hubs. India also has the second highest number of USFDA approved facilities outside the US.

Business Objectives

We are an integrated global pharmaceutical and life sciences Company present across the entire pharmaceutical value chain. We take pride in our positioning as one-stop-shop in the global pharmaceutical and life sciences industry, supplying products and services to customers in over 100 countries. Our diversified businesses are segmented in three major verticals namely 'Pharmaceuticals', 'Life Science Ingredients' and 'Others' (Drug Discovery and Development Solutions and India Branded Pharmaceuticals). We are globally recognised as a 'Partner of Choice' by leading pharmaceuticals and life sciences companies. Our strength lies in the unique offerings of pharmaceutical and life sciences products and services, especially in Specialty Products. We are engaged in continuous improvement of products and processes to enhance quality and cost competitiveness in order 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 manufacture and supply of Radiopharmaceuticals, Allergy Therapy Products, Active Pharmaceutical Iingrediets (APIs), Solid Dosage Formulations, and in the Contract Manufacturing of Sterile and Non-Sterile products through six USFDA approved facilities in the US, Canada and India. We have created several competencies in the segment that includes an innovative product portfolio in specialty pharmaceuticals with high entry barriers and limited competition with strong R&D capabilities, global competitive edge due to low cost from vertically integrated operations, market leadership in key products and business segments, de-risked business model with low concentration risk and a consistent track record of regulatory approvals. The differentiated business model focusing on specialty pharmaceuticals enables us to deliver robust results and build a strong base for future growth in our Pharmaceuticals segment.

The Life Science Ingredients segment is engaged in Specialty Intermediates, Nutritional Products and Life Science Chemicals through five manufacturing facilities in India. This segment offers a broad portfolio of high quality ingredients that find application in wide range of industries. In this segment, our strength lies in our integrated business model, strong capabilities in chemistry, low cost of manufacturing through best in class processes and leadership position in key products on a global level.

The 'Others' segment includes the Drug Discovery & Development Solutions and India Branded Pharmaceuticals businesses. The Drug Discovery and Development Solutions business provides proprietary in-house innovation for out-licensing purposes and collaborative research and partnership for Drug Discovery through two world class research centers in India. The India Branded Pharmaceuticals is a formulations business that caters to the Indian market.

Performance Review

The Company continued with its strong performance in FY 2019 and registered record revenue and profitability during the year on the back of growth in the Pharmaceuticals segment. Total Revenue from Operations was the highest ever at ₹ 91,108 million, up 21% Year-on-Year (YoY), with International revenue at ₹ 66,702 million, contributing 73% of the total revenue. Pharmaceuticals revenues were at ₹ 53,240 million, up 33% YoY and contributing 58% to the revenues. As emphasised earlier, this growth is a testimony to our strategy and the business model wherein we have been able to build multiple levers of exciting and differentiated businesses, which have helped the Company deliver robust performance.

During the year, our Solid Dosage Formulations facility at Roorkee received a Warning Letter and the APIs facility at Nanjangud received an Official Action Indicated (OAI) classification from the USFDA due to cGMP related observations. We are committed to maintain high compliance levels and are engaging with the USFDA to address their concerns and take corrective actions. We do not expect these events to have an impact on the current revenues from these facilities; however approvals of any new applications from our Roorkee or Nanjangud facilities maybe delayed.

Life Science Ingredients (LSI) revenue stood at ₹ 35,452 million up 5% YoY and contributed 39% to the revenue. 'Others' segment's revenue improved 24% YoY to ₹ 2,416 million contributing 3% of the revenue.

Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) was 14% higher YoY at record ₹ 17,747 million, with a margin of 19%. This was led by the Pharmaceuticals segment, which reported EBITDA of ₹ 13,858 million, a growth of 38% YoY with a margin of 26%. The Pharmaceuticals segment now contributes over 75% to the overall EBITDA.

Life Science Ingredients reported EBITDA of ₹ 4,451 million translating to EBITDA margin of 13%. 'Others' segment EBITDA was at ₹ 43 million translating to EBITDA margin of 2%. Depreciation and amortisation in FY 2019 was at ₹ 3,709 million as compared to ₹ 4,150 million in FY 2018. Finance cost stood at ₹ 2,198 million vs. ₹2,843 million last year.

Profit After Tax stood at ₹ 5,745 million YoY with an Earning Per Share (EPS) of ₹ 36.86. During the year, Jubilant Pharma Limited (JPL), Singapore, a material wholly owned subsidiary of the Company fully redeemed the outstanding zero coupon convertible loan of International Finance Corporation (IFC), Washington, on a one-time settlement of US$ 135 million based on mutual agreement. With this all loans outstanding to IFC have been fully paid and the obligation to provide an exit to IFC by equity conversion of the convertible loan has been cancelled. This payment was made from the rated unsecured bonds of US$ 200 million raised by JPL, Singapore in March 2019.

In addition, Jubilant Life Sciences Limited (JLL) also raised ₹ 3,500 million through non-convertible debentures during the year. The net proceeds of the funds raised have primarily been used to refinance the existing debt of the Company.

Dividend

The Board has proposed a dividend of 450% per equity share of ₹ 1 face value for the year which will result in a cash outgo of ₹ 864 million including tax.

Outlook

The Company continues to work on its strategic focus on being closer to the customer and on further strengthening of its leadership position in defined businesses. We expect stable performance in FY 2020. The Pharmaceuticals segment is expected to continue to deliver steady revenues and rangebound margins. In the LSI segment, growth will be led by Nutrition and Specialty Intermediates businesses. The Company is focusing on generating operating cash to invest in building an R&D led product pipeline particularly in Specialty Pharmaceuticals business and on strengthening of its balance sheet by reducing debt to ensure sustainable growth.

Conclusion

We take this opportunity to welcome Mr. Arun Seth and Mr. Anant Pande on our Board. We would like to thank all our valued stakeholders, including our customers, vendors, bankers 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 towards this organisation.

Wishing you the best for the year ahead.

Shyam S. Bhartia

Shyam S Bhartia
Chairman

Hari S. Bhartia

Hari S Bhartia
Co-Chairman and
Managing Director

Management Discussion & Analysis

Cautionary Statement

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

Key Economic and Industry Trends

As per the International Monetary Fund (IMF), the global economy is expected to grow at 3.2% and 3.5% in 2019 and 2020. Within this, the US, European Union (EU) and China are expected to witness slowdown in growth in 2019. Governments and central banks in the US, EU and China are adopting stimulus measures along with accommodative monetary policies to support economic growth to tide over growth concerns in their respective regions.

As per IMF, India's Gross Domestic Product (GDP) in FY 2020 and FY 2021 is expected to grow at 7.0% and 7.2%, respectively. The GDP growth is expected to be driven by continued strengthening of investments, improvement in exports performance, an expansionary monetary policy stance and expected impetus from fiscal policy. The implementation of structural reforms such as the Goods and Services Tax (GST) is expected to support the long-term growth trajectory of the country.

According to Evaluate Pharma, the global pharmaceuticals market is expected to grow at 6.4% Compound Annual Growth Rate (CAGR) between 2018-2024 to reach US$ 1.2 trillion in 2024. This growth is expected to be led by novel therapies addressing key unmet needs, growth in core therapeutic areas and increase in access to medicines globally. The orphan drugs sector is expected to outperform the market, almost doubling in size over 2018-2024 and peaking at US$ 262 billion in 2024, accounting for approximately 20% of prescription sales.

The Indian pharmaceutical industry, which is the largest exporter of generic drugs in the world, accounts for about 20% of the global generic drug exports. India is also the second largest contributor of global biotech products and the pharmaceutical workforce and labor costs here are lower than other manufacturing hubs. Exports from India, the third largest pharmaceutical market globally in volume terms, grew by 11% YoY to over US$ 19 billion in FY 2019.

According to a report by Federation of Indian Chambers of Commerce and Industry (FICCI), the Indian crop protection chemicals industry is estimated to witness a CAGR of 8.3% to US$ 8.1 billion by FY 2025, with exports growing at a higher rate of 8.6% to US$ 4.2 billion in 2025. According to an Industry report, the global animal nutrition market is estimated to grow at a rate of 6.5% to reach US$ 21.4 billion by 2022.

Our Business Strategy

We are focused on maintaining global leadership position in our chosen areas of business and to continuously create new opportunities to ensure sustainable growth. Our core business strategy is to create a robust integrated global pharmaceuticals and life sciences company. Healthy demand in our Pharmaceuticals segment and continuous value-addition in our Life Science Ingredients (LSI) segment's offerings is expected to drive sustainable business performance, going forward.

Our business is classified into three broad segments:

1. Pharmaceuticals
2. Life Science Ingredients
3. Others (Drug Discovery & Development Solutions and India Branded Pharmaceuticals businesses)

In the Pharmaceuticals segment, our strategic objective is to continue to maintain and establish leading market positions in our key business lines to drive profitable growth. As such, we have implemented the following core strategies:

(1) *Continue to strengthen leadership positions in our key business segments*

We have established leadership positions throughout our diversified portfolio in all our three business lines, namely (i) Specialty Pharmaceuticals, comprising Radiopharma (including Radiopharmaceuticals and Radiopharmacies) and Allergy Therapy Products, (ii) Contract Development and Manufacturing (CDMO) comprising Contract Manufacturing of Sterile Injectables and Non-Sterile Products (CMO) and Active Pharmaceutical Ingredients (APIs) and (iii) Generics comprising Solid Dosage Formulations. We intend to continue to strengthen our leadership positions by focusing on the following:

A. Radiopharma

We are the third largest player in the nuclear medicine industry and the leading player in the United States based on market share of certain products, namely, MAA and DTPA. We believe we are well-positioned in the high value niche business of Radiopharmaceuticals, offering quality diagnostic imaging and therapeutic radiopharmaceutical products. We specialise in lung, thyroid, bone and cardiac imaging products as well as thyroid disease therapy. For diagnostics, our key products include MAA and DTPA, for both of which we are sole suppliers in the United States. For therapeutics, our key products include Iodine-131 ('I-131'), of which we are one of only three manufacturers globally. Our goal is to achieve market leadership in the nuclear medicine industry by increasing our market share of RUBY-FILL® generators and RUBY Rubidium Elution System™ - cardiac position emission tomography ('PET') imaging, as well as focusing on value-based pricing and expanding our product portfolio through the launch of niche and differentiated products, including a few niche 505(b)(1) or 505(b)(2) filings. We also plan to consider expanding our portfolio by in-licensing new products within or adjacent to our current portfolio such as products in the medical device area and the adjacent nuclear medicine supply space. We are also considering increasing our product portfolio of devices and complementary imaging products.

In September 2017, our acquisition of substantially all of the assets of Triad's Radiopharmacy business, including its network of radiopharmacies, was part of our strategy to get closer to customers. We are the second largest centralised commercial radiopharmacy network partner in the United States with over 50 radiopharmacies across 22 states. We aim to build the nation's premier centralised radiopharmacy network. We continue to seek opportunities to expand or enhance the efficiency of our Radiopharmaceuticals business by optimising the coverage of our Radiopharmacy network including through further additions and improvements or consolidation of locations, which may include geographic expansion of our Radiopharmacies in the United States and Canada by opening new pharmacies. In this regard, we are working on making 'Jubilant' a well-known and respected brand among hospital networks in the United States and Canada. Combined with our radiopharmaceuticals manufacturing capabilities, a wider distribution network of radiopharmacies ensures synergies within the Radiopharma business line. We believe we are a strong partner to major US healthcare providers and have deep relationships with our current customers and organisations [Group Purchasing Organisations (GPOs) and regional networks] that influence the industry, and we will look to enhance our customer offerings to renew and extend existing agreements with our customers. We also plan to look for opportunities to establish new distribution channels through collaboration and contractual arrangements with our strategic partners.

B. Allergy Therapy Products

We are one of the leading allergenic immunotherapy companies in the United States with 90 years of experience and a service provider to allergists and the medical community, with a product range of over 200 different allergenic extracts, six insect venom products and exclusive skin diagnostic testing devices. We also distribute our products to other markets including Canada, Europe, Australia and New Zealand through distributors. We are one of the top three players in the allergenic extract market in the United States and are currently the sole producer and supplier of venom products for the treatment of allergies in the United States. In addition, we expect to benefit from barriers to entry as Allergy Therapy Products operate in a niche US allergen extract market and most products in this market are biological products with grandfather status requiring a Biologics License Application from the USFDA for any new approval for manufacturing and commercialisation. Our strategy is to build on our leadership in the North American market and at the same time deepen penetration in other markets by continuing to offer differentiated products such as venom and extracts. We aim to continue to drive growth and profitability through our strong customer commitment to be the partner-of-choice in the US allergy market and leveraging the strong brand recognition of the 'HollisterStier' brand. We believe we can achieve this through long-term strategic partnerships, adding to our product portfolio by launching new, differentiated products and/or processes along with expanding our capacities for our venom and extract products, improving supply reliability, and expanding our customer base into new markets.

C. Contract Manufacturing of Sterile Injectables and Non-Sterile Products

We are fully integrated, providing a broad range of capabilities including sterile liquids and lyophilised products, ointments, creams, lotions (OCL) and biologics. We serve seven of the top 20 pharmaceutical companies globally. We have an established market position in the sterile injectables and non-sterile products markets in North America, with deep and long-term relationships. We expect to further benefit from barriers to entry in this segment, including the level of technical expertise required to develop products, obtain licensing and regulatory approvals and manufacture of such products. In particular, there is a growing demand for sterile injectables capabilities, which generally involve complex processes, and we believe we are one of a limited number of manufacturers with the requisite know-how. Due to consolidation activities across the Contract Manufacturing (CMO) space and our compliant regulatory status, we have seen an influx of new clients at both our Spokane, Washington, United States and Montreal, Canada sites, which creates opportunities for us to capture greater market share. We believe we are in a position to grow the CMO business by continuing to focus our efforts on strengthening our industry position by enhancing; and expanding our capacity, including through focusing on consistent and 'First Time Right' customer service, extending and deepening our relationships with leading innovator pharmaceutical companies; focusing on long term high value contracts; building new customer relationships including identifying new customer targets for ampoules, semi-solids and non-sterile liquids, finding opportunities to strategically extend our product portfolio, and evaluating opportunities for new product launches. We are also exploring opportunities to increase capacity by reducing unutilised production capacities and establishing new lines within our current capabilities, including lyophilisation. In addition, we plan to expand capacities through debottlenecking, including operating Spokane facility on a 3-shift 7-day basis to achieve greater sales volumes. Our production efficiency measures are also aimed to increase our product filing yield and reduce the time cycle between product releases.

D. Active Pharmaceutical Ingredients (APIs)

We develop and produce APIs in the therapeutic areas of the Cardiovascular System (CVS), Central Nervous System (CNS), Gastrointestinal (GI), Anti-infectives and Anti-depressants. We believe our forward integration with our Solid Dosage Formulations business line, focus on developed markets, strong emphasis on cost and in-house R&D helps drive consistent growth and profitability in this business line. We believe our strong presence and extensive experience in operating in highly regulated markets help us with customer retention and price realisation of our APIs products. Our strategy is to continue to be a preferred supplier to our customers with expansion in this business line, through streamlining our product selection, new product launches and increasing market share of our existing products. We believe that we are well placed to achieve sustainable growth through a well differentiated strategy of products and markets, a strong set of capabilities focused on product selection and cost optimisation and a highly capable team with a proven track record. Our forward integration with our Solid Dosage Formulations business also helps to ensure high capacity utilisation. To drive growth, we plan to focus on initiatives aimed at increasing the range of products that our customers purchase from us in key markets such as the United States and Europe, as well as expanding our geographical reach in select emerging markets such as Turkey, Brazil, Mexico, Russia, China and South Korea. We expect to continue to invest in R&D to build up our product pipeline, using our chemistry capabilities to develop new processes to bring products to the market and contribute to our growth, and pursue capacity expansion to take advantage of pipeline opportunities.

E. Solid Dosage Formulations

We believe we have a strong product portfolio and are one of the market leaders in the United States based on market share of several key products, namely, Prochlorperazine, Methylprednisolone, Prednisone, Donepezil and Olanzapine ODT. We focus primarily on the manufacture and sale of solid dosage formulations for Cardiovascular System (CVS), Central Nervous System (CNS), Gastrointestinal (GI) and Anti-allergy therapeutic categories. Our Solid Dosage Formulations business derives benefit from backward integration into our APIs business, supported by our in-house R&D facilities for formulation development, and extensive regulatory filings capabilities and cost effective manufacturing. These capabilities allow us to flexibly target attractive product development opportunities. Additionally, our in-house APIs capability allows us to better control the development of certain products from formulation through commercialisation and provides a stable source of APIs supply for these products at competitive prices. Our aim is to be first to enter and last to exit, using our chemistry and R&D capabilities and manufacturing expertise to drive growth in our Solid Dosage Formulations business line. We intend to focus on continuous investment in R&D in order to increase our Abbreviated New Drug Application (ANDA) filings and approvals, as well as complex, limited competition products using our in-house chemistry capabilities. We are also diversifying our business geographically and we intend to continue expanding our business into emerging markets by leveraging our existing US filings.

(2) ***Be closer to the customer to provide high quality products and services***

We aim to be closer to our customers to provide them with high quality products and services. We have established strong and long-standing customer relationships across our business lines and we intend to capitalise on the strength of these relationships to create and pursue additional growth opportunities. Approximately 70% of our assets, including four manufacturing facilities (CMO Spokane facility, CMO Montreal facility, Radiopharmaceuticals Montreal facility and Solid Dosage Formulations Salisbury facility) and our network of more than 50 Radiopharmacies are based in North America. This ensures better service to our

We aim to be closer to our customers to provide them with high quality products and services. We have established strong and long-standing customer relationships across our business lines.

customers, a majority of which are based in North America. We will continue to leverage the insights we have gained from successfully bringing products to market in the highly regulated US market to launch products in other markets like Europe, Japan, Australia and other emerging markets. However, we expect revenues and profitability in North America will continue to account for a significant portion of our future consolidated revenues as we continue to focus on growth in this market.

(3) ***Diverse sources of revenue with a de-risked business model***

Our de-risked business model comprises a global manufacturing and marketing footprint with diversified product offerings, including products in niche areas and product sourcing capabilities as well as a broad customer base. We are positioned across a range of geographic locations enabling us to capture different market segments, which offers opportunities for us to achieve higher revenue and margins, while minimising concentration risk. We expect to grow our diverse product and service portfolio both by increasing penetration in existing markets and expanding product portfolio. We believe that we will have a higher likelihood of increasing our penetration in existing markets by offering new product innovations to our customers to meet their demands. We also intend to expand our product portfolio by utilising our market expertise in the United States, Europe, Canada and other targeted countries to identify new product development and marketing opportunities. We aim to deliver high quality products and services by maintaining efficient and regulatory compliant manufacturing facilities. We believe that we are proactive in maintaining good relationships with key regulatory agencies in North America, Japan and Europe and that our track record of compliance with global standards and regulations is an important factor in obtaining timely regulatory approvals and in maintaining long standing customer relationships.

Products and Product Supply: As on March 31, 2019, we had a diversified product portfolio including diagnostic and therapeutic radiopharmaceuticals, a broad range of sterile injectables and non-sterile products, over 200 different allergens and standard allergy vaccine mixtures, 55 commercialised generic solid dosage formulations and 42 commercialised

APIs sold across markets globally. As a result of our diversified product portfolio, we benefit from diversified revenues between three differentiated businesses. Our Specialty Pharmaceuticals business line, contributed 53% of total Pharmaceuticals segment revenue for the financial year ended March 31, 2019, while our CDMO and Generics business lines contributed 28% and 19% of revenue respectively in the Pharmaceuticals segment.

Customers: We have a broad and diversified customer base and with the top 10 customers (excluding GPOs but including customers purchasing goods and services through such GPOs) contributing 30% of the total Pharma revenues as on 31st March 2019.

Geographic diversification: We had sales in over 80 countries as on March 31, 2019 with revenues from North America contributing over 80% of the total Pharmaceuticals segment revenues. We believe that our established footprint in stable and regulated markets such as North America demonstrates the sustainability of our revenue generation and margins going forward.

Manufacturing facilities, R&D centers and Radiopharmacy distribution network: We benefit from a global and diversified manufacturing footprint. We have two manufacturing facilities located in Kirkland, Montreal, Canada, including our Radiopharmaceuticals facility, and our CMO facility, which produces sterile injectables and non-sterile products. Our US facilities include our Salisbury facility and Spokane facility which produce Solid Dosage Formulations and sterile injectables, respectively. In India our Nanjangud facility and Roorkee facility produce APIs and Solid Dosage Formulations, respectively. We are able to manufacture sterile injectables and solid dosage formulations at more than one facility and the location of our facilities provides us with an advantage of enabling us to be closer to our customers in North America. We also have R&D centers in Noida, India, Montreal, Canada, Nanjangud, India and Spokane, US which focus on innovation and provide support for new products. In addition, we have a distribution network of more than 50 Radiopharmacies in the United States.

(4) ***Strong product pipeline with deep R&D capabilities***

We believe we are well-positioned for future growth with a strong pipeline of products under development and across all of our business lines. Two of our radiopharmaceutical products have received 505(b)(2) approvals from the USFDA, namely Drax Exametazime™ and RUBY-FILL® Rubidium Rb82 Generator and Elution System. In addition to Drax ExametazimeTM and RUBY-FILL® Rubidium Rb82 Generator and Elution System, our Radiopharmaceuticals business line is in the process of developing certain products such as I-131 meta-Iodobenzylguanidine ('mIBG') for which we plan to make a New Drug Application ('NDA') filing. In addition, we have six other products in different stages of development for which we may consider making 505(b)(2) filings. For Allergy Therapy Products, subject to the completion of relevant approvals from the United States Department of Agriculture ('USDA'), we plan to register our venom products and allergenic extracts for use in animals. We also have a strong pipeline in our APIs and Solid Dosage Formulations businesses.

Our captive value chain in our business lines and our large scale of production allow us to build and retain leadership through product innovation and new product launches. 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. We have R&D centers located in North America and India and employ a team of over 400 R&D professionals with expertise in the development of non-infringing processes for APIs and Solid Dosage Formulations, as well as specialised and/or niche formulations and designs for radiopharmaceuticals and other products, which have been taken to commercialisation.

(5) ***Global competitive edge due to integrated and efficient manufacturing operations***

Integration across the value chain enables us to benefit from cost competitiveness advantages and better capacity utilisation due to captive demand. We believe our large scale capacity manufacturing sites in India provide us with cost advantages in terms of wages and raw materials prices as compared to many of our global competitors, as well as economies of scale. In addition, our integrated operations ensures competitive advantages through cost efficiencies by producing across the value chain. This reduces our dependence on third parties for supply of feedstock and helps to insulate us from significant volatility in raw materials prices. The APIs from our manufacturing facilities are used for solid dosage formulations under our Generics business. Such integration between our Solid Dosage Formulations and APIs businesses allows us to continuously improve our cost of production. Multiple products in our Radiopharmaceuticals and Allergy Therapy Products businesses are manufactured in our CMO facilities. For example, our CMO Montreal facility is used to manufacture cold products (non-Radioactive products that may be later complexed with Radioisotopes) such as DRAXIMAGE® MAA and DRAXIMAGE® MDP-25 for our Radiopharmaceuticals business and our Spokane facility is used to manufacture products for our Allergy Therapy Products business line. Additionally, our radiopharmaceutical products are distributed through our more than 50 radiopharmacies.

We operate our plants in accordance with current Good Manufacturing Practices ('cGMPs') and/or other applicable requirements. We currently operate four USFDA approved manufacturing facilities in North America and two USFDA approved manufacturing facilities in India. As the USFDA has heightened standards for and increased its monitoring of pharmaceutical manufacturers significantly over the last decade, we intend to continue to adhere to USFDA regulations to assure our customers of the quality of our manufacturing processes and products.

Our Roorkee, India facility received a Warning Letter and our Nanjangud facility received an Official Action Indicated classification from the USFDA during the financial year. In both cases, we expect to continue to service our current operations but new product approvals from the facilities maybe delayed. We are committed to the highest level of compliance and quality and are taking steps to ensure further stringent controls at all our facilities. We have submitted comprehensive responses to the USFDA and have engaged with 3rd party consultants to help in the remediation activities.

In addition to inspections by the USFDA, our sites are also inspected by a number of other regulatory agencies, including, Health Canada, Central Drugs Standard Control Organisation in India, ANVISA Brazil and RP Darmstadt Germany.

(6) ***Offer an integrated business model that provides products and services which are cost-effective***

We expect to continue to optimise margins by enhancing efficiencies in our integrated operations. We believe the integrated business model we have in place makes us well-positioned to deliver products and services which are cost-effective. For example, our Radiopharmaceuticals and Allergy Therapy Products businesses are supported by our CMO operations. We are also able to utilise our network of Radiopharmacies to distribute our radiopharmaceutical products in the United States. Our multi-site manufacturing capabilities in North America and India gives us flexibility and provides us with cost advantages. In addition, our Solid Dosage Formulations business line is supported by R&D from India and is integrated into our low cost APIs manufacturing in India. We aim to continue to increase the share of solid dosage formulations manufactured with the Company's cost-competitive in-house APIs manufactured in India. We also plan to continue our focus on methods to optimise our margins through business excellence programs involving Lean Six Sigma initiatives, which are aimed at productivity enhancement. In this regard, we expect to achieve higher gross margins for many of our new products and to improve our yields on existing products by increasing capacity utilisation for these products. We also aim to improve our operating margins by leveraging our existing sales capabilities and administrative functions across an expanded revenue base as a result of expected growth in our product portfolio, thereby gaining scale in operations.

(7) ***Continue to pursue strategic acquisitions to further consolidate leadership positions and accelerate growth***

We have historically grown the Pharmaceuticals segment through a series of organic and inorganic initiatives. For example, we completed the acquisition of our Nanjangud facility, followed by multiple acquisitions in the United States, Canada and Europe. Most recently, in September 2017, we acquired substantially all of the assets which comprised Triad's Radiopharmacy business. While we remain focused on driving the growth of our business organically, we intend to continue to pursue sizeable, strategic acquisitions to further strengthen our portfolio, gain competitive advantage, consolidate leadership positions and accelerate growth within our existing businesses, and achieve higher than industry growth.

In the Life Science Ingredients (LSI) segment, our Company has built global scale and has global leadership in our chosen businesses. Following are our key strengths in this segment:

- ***Leadership positions in key products*** – The Company is a global leader in Pyridine and its derivatives (Fine Ingredients), Vitamin B3, Acetic Anhydride and Ethyl Acetate.
- ***Strong R&D ethos*** – LSI segment leverages strong R&D capabilities, which enables development of superior processes and catalysts resulting in a strong pipeline of Specialty Ingredients products. The Company has a broad product portfolio of over 90 products driven by R&D capabilities and chemistry expertise.
- ***Longstanding client relationships*** – The Company has strong and established business relationship with clients across pharmaceuticals, personal care, agrochemicals, nutrition and specialty ingredients industries.
- ***Optimal utilisation of resources*** – We have undertaken strategic initiatives to increase capacity utilisation of our multipurpose plants by retrofitting and debottlenecking existing plants. In addition, six sigma and lean initiatives program will continue to further improve our operations with focus on reducing costs and improving yields.
- ***Integrated Value Chain*** – Vertical integration across the value chain enables cost competitive advantage. Intermediates produced by our Ethanol business are used as feedstock by downstream business units and similarly Advance Intermediates products like Pyridine and Beta Picoline are used by Fine Ingredients, Crop Science Ingredients and Vitamins businesses.

In the 'Others' segment, for our Drug Discovery & Development Solutions (DDDS) business we are focusing on an integrated approach from Drug discovery services, Chemistry services to Good Manufacturing Practice (GMP) scale-up of intermediates and actives which complements well with our Contract Development and Manufacturing (CDMO) offerings of large scale GMP and non-GMP manufacturing through LSI business. This provides our pharmaceuticals and other life science customers with a one stop solution from early phase development to commercialisation of their molecules. We also have a strong commitment to innovation through in-house investments to partner with our clients. This has generated a strong portfolio of discovery assets both in early as well as late stage in the area of Epigenetic, Inflammation and Diabetes. We continue to evaluate further licensing opportunities from our existing pipeline.

During the year, Jubilant Pharma Limited (JPL), Singapore, a material wholly owned subsidiary of the Company fully redeemed the outstanding zero coupon convertible loan of International Finance Corporation (IFC), Washington, on a one-time settlement of US$ 135 million based on mutual agreement. With this all loans outstanding to IFC have been fully paid and the obligation to provide an exit to IFC by equity conversion of the convertible loan has been cancelled. This payment was made from the rated unsecured bonds of US$ 200 million raised by JPL, Singapore in March 2019.

Vertical integration across the value chain enables cost competitive advantage.

Financials

(₹ million)

Consolidated Income Statement	FY 2018	FY 2019	% Growth
Total Revenue from Operations	75,578	91,108	21%
Other Income	400	357	(11%)
Total Income	75,978	91,465	20%
Material Cost and Change in Inventory	26,259	32,809	25%
Purchases of Stock-in-trade	2,428	2,409	(1%)
Excise Duty on Sales	400		
Employee Benefits Expense	15,559	19,260	24%
Power and Fuel Expense	4,249	4,664	10%
Other Expenditure	11,499	14,576	27%
Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA)	15,584	17,747	14%
Depreciation, Amortisation and Impairment Expense	4,150	3,709	(11%)
Finance Cost	2,843	2,198	(23%)
Profit Before Exceptional Items and Tax	8,591	11,840	38%
Exceptional Item – Charge on Stock Settled Instrument		2,802	
Profit Before Tax	8,591	9,038	5%
Tax Expenses	2,247	3,268	45%
Minority Interest	(84)	25	
Profit After Tax (PAT)	6,428	5,745	(11%)

Revenue

Total Revenue from Operations during the year stood at ₹ 91,108 million as compared to ₹ 75,578 million in FY 2018. Revenue from Pharmaceuticals segment grew 33% YoY at ₹ 53,240 million contributing 58% to overall revenue. Revenue from Life Science Ingredients segment stood at ₹ 35,452 million in the year, up 5% YoY and contributing 39% to the total revenue. Revenue from 'Others' segment stood at ₹ 2,416 million in the year contributing 3% to the total revenue.

Total Expenditure

Total expenditure stood at ₹ 73,718 million in the fiscal year ended 31st March, 2019 from ₹ 60,394 million in the fiscal year ended 31st March, 2018. Materials cost stood at ₹ 32,809 million in the fiscal year ended 31st March, 2019 from ₹ 26,259 million in the fiscal year ended 31st March, 2018. Power and Fuel expense was at ₹ 4,664 million as compared to ₹ 4,249 million in the year ended March 2018. Employee benefit expenses increased to ₹ 19,260 million in the fiscal year ended 31st March, 2019 from ₹ 15,559 million in the fiscal year ended 31st March, 2018. Other expenses stood at ₹ 14,576 million during the year, increasing 27% from ₹ 11,499 million in the fiscal year ended 2018. Employee benefits expenses and other expenses were higher on account of acquisition of Triad in addition to annual increase in employee benefits.

Earnings before Interest, Taxes, Depreciation and Amortisation (EBITDA)

The overall EBITDA in FY 2019 grew by 14% YoY to ₹ 17,747 million translating to EBITDA margin of 19%. The EBITDA of Pharmaceuticals segment was at ₹ 13,858 million as against ₹ 10,042 million in FY 2018 with margins of 26% as against 25% in FY 2018. Life Science Ingredient segment's EBITDA was at ₹ 4,451 million as compared to ₹ 6,322 million in FY 2018, translating to EBITDA margin of 13% compared to 19% in previous year. 'Others' segment EBITDA was at ₹ 43 million as compared to ₹ (92) million in FY 2018, translating to EBITDA margins of 2%.

Finance Cost and Depreciation

Depreciation and amortisation in FY 2019 was lower at ₹ 3,709 million compared to ₹ 4,150 million in FY 2018. Finance cost in FY 2019 was at ₹ 2,198 million as compared with ₹ 2,843 million in FY 2018. The blended interest rate for the borrowing stood at 6.18% with the rupee rate of borrowing at 8.4% and the foreign currency borrowing at 4.91%.

Profit Before Tax

Profit Before Tax for the fiscal year ended 31st March, 2019 stood at ₹ 9,038 million.

Tax Expense

Tax Expense was at ₹ 3,268 million in the fiscal year ended 31st March, 2019 from ₹ 2,247 million in the fiscal year ended 31st March, 2018.

Profit After Tax

The Profit After Tax stood at ₹ 5,745 million with an Earnings Per Share (EPS) of ₹ 36.86 per equity share of ₹ 1 each.

Review of Operations

Our operations comprise products and services across Pharmaceuticals, Life Science Ingredients and Others segments.

1. During the year, we re-classified our Pharmaceuticals segment under the following:
   (i) **Specialty Pharmaceuticals**, comprising Radiopharma (Radiopharmaceuticals and Radiopharmacy) business and Allergy Therapy Products
   (ii) **CDMO,** comprising Contract Manufacturing of Sterile Injectables and Non-Sterile Products and Active Pharmaceutical Ingredients
   (iii) **Generics,** comprising Solid Dosage Formulations
2. **Life Science Ingredients** segment includes the following:
   (i) **Specialty Intermediates & Nutritional Products**
   (ii) **Life Science Chemicals**
3. **'Others'** comprising **Drug Discovery & Development Solutions** and **India Branded Pharmaceuticals** businesses

Segmental Revenue Analysis	Revenue (₹ million)		YoY Growth (%)	Revenue Mix (%)
	FY 2018	FY 2019		
Pharmaceuticals	39,987	53,240	33%	58%
Specialty Pharmaceuticals	19,904	28,300	42%	31%
Radiopharma	17,092	24,677	44%	27%
Allergy Therapy Products	2,812	3,623	29%	4%
CDMO	12,049	14,698	22%	16%
CMO	6,483	7,844	21%	9%
Active Pharmaceutical ingredients	5,566	6,854	23%	8%
Generics (Solid Dosage Formulations)	8,034	10,242	27%	11%
Life Science Ingredients	33,649	35,452	5%	39%
Specialty Intermediates & Nutritional Products	15,426	14,218	(8%)	16%
Specialty Intermediates	9,770	10,113	4%	11%
Nutritional Products	5,656	4,105	(27%)	5%
Life Science Chemicals	18,223	21,235	17%	23%
Others	1,942	2,416	24%	3%
Total Revenue from Operations	75,578	91,108	21%	100%

Key Financial Ratios (Consolidated)

Particulars	Unit	FY18	FY19	Change
Debtors Turnover	times	6.99	7.49	7%
Inventory Turnover	times	5.72	6.41	12%
Interest Coverage Ratio	times	5.48	8.07	47%
Current Ratio	times	1.59	2.19	38%
Debt Equity Ratio	times	0.81	0.73	(10%)
Operating Profit Margin	%	20%	19%	(5%)
Net Profit Margin	%	8%	6%	(25%)
Return on Net Worth	%	17%	13%	(24%)

1. Improvement in Interest coverage ratio was on account of higher EBITDA and lower finance costs vis-à-vis last year.
2. Current ratio was higher due to higher cash, which was a result of increase in cash generation from business and funds raised through bond issuance by the wholly owned subsidiary of the company.
3. Net profit margin was lower as compared to last year due to the exceptional expense related to one-time settlement of the IFC convertible loan.

PHARMACEUTICALS SEGMENT

The Pharmaceuticals segment is engaged in the manufacture, supply and distribution of Radiopharma products, Allergy Therapy Products, Contract Manufacturing (CMO) of Sterile injectables and Non-sterile products, APIs and Solid Dosage Formulations, through six USFDA approved facilities in the US, Canada and India and contributes 58% to our Total Revenue from Operations. Revenue from this segment has improved 33% YoY to ₹ 53,240 million from ₹ 39,987 million last year.

Specialty Pharmaceuticals

Our Specialty Pharmaceuticals business includes our Radiopharma (Radiopharmaceuticals and Radiopharmacies) business and Allergy Therapy Products business. Revenues from this business stood at ₹ 28,300 million in FY 2019 vs ₹ 19,904 million in FY 2018, growth of 42%, with 53% contribution to total Pharmaceuticals segment revenues.

Radiopharma

We manufacture, supply and distribute radiopharmaceutical products, which are used in the diagnosis, treatment and monitoring of various diseases. We specialise in cardiac, lung, thyroid, kidney and bone imaging as well as thyroid disease therapy. We have made healthy progress and are operating a differentiated business in a very niche segment. Our Radiopharma business saw revenue growth of 44% YoY to ₹ 24,677 million in FY 2019 as compared to ₹ 17,092 million in FY 2018, due to growth in existing products, new product launches and higher contribution from acquired radiopharmacy business. 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 Radiopharmacy distribution business. Jubilant's Radiopharmacy business is the 2nd largest radiopharmacy network in the US with over 50 pharmacies distributing nuclear medicine products to the largest national Group Purchasing Organisations (GPOs), regional health systems, stand-alone imaging centers, cardiologists and hospitals. The Radiopharmacies complement the Company's niche Radiopharmaceuticals business and provides us with direct access to hospital networks with ability to deliver more than three million patient doses annually through around 1,700 customers.

We continue to expand our RUBY- FILL ® installation base in the US and Canada. We also continue to see growth in our Drax Exametazime, a product used in SPECT scan in identifying of white blood cells in intra-abdominal infection.

Our 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 our Radiopharmacy customers. Our Company is working on several active pipeline projects.

We are 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. We aspire to be the leading manufacturer of nuclear medicine products in North America. We are evaluating to further expand into markets such as Latin America, Europe and Asia.

Allergy Therapy Products

The Allergy Therapy Products business provides allergy immunotherapy products in the US. We aim to supply bulk extracts to physicians who can use the same for diagnostic testing and also to administer 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.

This is a highly differentiated business of manufacturing and marketing allergenic extracts, which is backed by one of the oldest and most trusted brands in this business. Our Company has been focusing on expanding market coverage and this has been bearing fruit with better performance. In addition, we are increasing capacities in Lyophilisation in the Allergy Therapy Products manufacturing facility to ensure consistent and reliable supply of our insect venom products as the sole producer and supplier of venom in the US.

During FY 2019 revenue in the business improved by 29% YoY to ₹ 3,623 million as compared to ₹ 2,812 million in FY 2018, due to enhanced business performance.

The business continues to stress on innovation wherein emphasis is to develop innovative products to address allergies. It is our endeavor to expand the leadership that our products enjoy on the back of a robust product pipeline backed by hands-on production and an extensive presence in important markets. Our Company is expanding its footprint beyond the US and is building network in other countries such as Canada, France, Australia, New Zealand and South Korea, to drive sales of our brands. We are also evaluating strategies to expand coverage mix, having filed submissions to register venom Subcutaneous Immunotherapy (SCIT) for use with animals during the year.

CDMO

Our CDMO business includes our Contract Manufacturing of Sterile Injectables & Non-Sterile Products (CMO) and also our Active Pharmaceutical Ingredients (APIs) businesses. CDMO revenues were at ₹ 14,698 million in FY 2019 as against ₹ 12,049 million in FY 2018, a growth of 22% YoY.

Contract Manufacturing of Sterile Injectables & Non-Sterile Products (CMO)

We are a fully integrated leading CMO player based out of North America with operations in Montreal, Canada and Spokane, US. The facilities offer manufacturing services including sterile injectables (both liquid and lyophilisation), ampoules and sterile ointments, creams and liquids and also non-sterile ointments, creams, and liquids. We are among the leading Contract Manufacturers in North America for sterile injectables. Our facilities are approved by regulators across the world including USFDA, Health Canada, ANVISA Brazil, PMDA Japan, Russia, UK MHRA and others. The products manufactured at both sites are sold in over 50 countries across the globe. We lay strong emphasis on compliance and Intellectual Property Rights (IPR). We will continue to focus on highest level of compliance with a lean operation setup and supply of right quality products in a timely

We are 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.

manner to our customers which help us 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 us. In view of the robust business demand, Spokane site is expanding its operations to run 24*7 across all areas of operations.

Our analysis suggests that another area of growth is sterile ophthalmic. With ageing population across the globe, eye ointments are gaining popularity. We are witnessing a lot of Request For Proposals (RFPs) in this area as well. Basis this assessment, we have decided to set up a 200 bottles per minute ophthalmic line in Montreal. The line once operational is expected to further drive growth for the CMO business.

We are also continuing to invest on sites to address future growth opportunities. Significant amount has been invested in Spokane facility in adding another Lypholisation equipment on one of the sterile injectable lines to increase available capacity. The sites are also creating a master plan to initiate investments in new areas of growth.

Revenues for FY 2019 were at ₹ 7,844 million as compared to ₹ 6,483 million in FY 2018, a growth of 21% YoY.

Active Pharmaceutical Ingredients (APIs)

APIs are also known as bulk drugs or drug actives and are responsible for rendering therapeutic action in the final formulation. We are one of the world's reputed manufacturers of Active Pharmaceuticals Ingredients (APIs) and partner with several leading generic formulation companies across the globe to fulfill their requirements of high quality APIs at affordable prices. We are one of the leading players globally in Cardiovascular System (CVS), Central Nervous System (CNS) and Anti-infective APIs along with several other therapeutic areas. We also add further value to the organisation by virtue of supplying cost effective and high quality APIs to Jubilant' s Solid Dosage Formulations business in US, Europe and Rest of the World (RoW).

The goal of APIs business is to develop leadership positions in chosen products and delivering high quality products. Our aim is to have sizeable capacities and dedicated lines for high volume molecules further optimising costs. This will also help in sustaining our long-standing relationship with generic formulation companies in global markets with our world-class product offerings.

Revenue from this business was at ₹ 6,854 million in FY 2019 as compared to ₹ 5,566 million in the previous year, a growth of 23% YoY

As of 31st March, 2019, we have 42 commercial products and have filed 94 Drug Master Files (DMFs) in the US, 15 filing in Japan, 43 certificates of suitability to the monographs of the European Pharmacopoeia (CEPs) in Europe and 14 filings in Australia. We practice best regulatory and quality compliance in APIs Industry, with successful inspections track record of years by various regulatory agencies. Our facility at Nanjangud, India is approved by key regulators including USFDA, AFSSAPS France, PMDA Japan, ANVISA Brazil, KFDA Korean, Cofepris Mexico and TGA Australia. During the year, our facility was inspected by various regulatory agencies, including USFDA. USFDA informed us that basis the inspection, the Nanjangud facility has been classified as 'Official Action Indicated' (OAI). We are currently in the process of engaging with the concerned regulatory agencies to remediate the concerns with our corrective and preventive actions.

We are taking various initiatives to reduce cost through higher efficiencies and also through input material cost optimisation. Several cost improvement and process innovation programs have been undertaken during the year, for some large commercial APIs as part of product life cycle management. This improves profitability as well as maintains market share in the event of market and competition pricing pressures.

Sustainable manufacturing is also an important aspect of our APIs business. For our large commercial products, we focus on improvement programs for YoY reduction of resource use (energy, water, raw material etc.) per unit of product.

We also undertook price optimisation exercise to harmonize our product pricing in line with market scenario and prevalent supply-demand situation. This helped us to improve the profitability of certain products and add value to the organisation. The philosophy of our new product development for APIs is innovation-led affordability and quality by design giving our customers access to cost effective affordable APIs, while maintaining a consistent global quality standard. Aided by strong process and analytical chemistry skills and IP and regulatory expertise, we will continue our focus on new product development and filings for focused markets. Our APIs development efforts will also enable our own

Solid Dosage Formulations business to developed new formulations pipeline using in-house APIs. This helps achieve faster ANDA / dossier filings, and assures supplies of cost competitive and fully compliant APIs in future.

Generics

The Generics business includes our Solid Dosage Formulations business. Total revenue from this vertical at ₹ 10,242 million in FY 2019 as compared to ₹ 8,034 million in FY 2018. Our performance in this business was helped- in the US by market share gains and improved pricing in select products.

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

The business derives benefit of backward integration with a part of our commercial Solid Dosage Formulations backward integrated to 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). Currently, we are leaders in the US for Prochlorperazine, Methylprednisolone, Risperidone and Terazosin and we rank among the top three in the US for a few other products.

We manufacture our products in Salisbury, US and Roorkee, India. A few products are also in-licensed from external partners. Both our Salisbury, US and Roorkee, India facilities are USFDA approved. Our Roorkee, India facility has also been approved by UK MHRA, ANVISA Brazil, PMDA Japan, TGA Australia and MCC South Africa. During the year, our Roorkee, India facility received a Warning Letter from the USFDA. We are currently in the process of implementing remediation measures at the facility and are hopeful of resolving the issue at the earliest.

As on 31st March 2019, the business had 55 products commercialised, including 31 in US, 15 in Canada, 29 in Europe and 28 in RoW. Also, we had filed a total of 96 ANDA filings in US, 36 filings in Europe, 23 filings in Canada and 42 filings in other RoW countries so far. As on 31st March, 2019, we have received 61 ANDA approvals in the US, 33 in Europe, 23 approvals in Canada and 35 approvals in RoW markets.

We have recently increased the oral solid dosage capacity at our manufacturing facility in Roorkee, India by one billion doses to meet the anticipated future growth requirements. We are expanding our product portfolio in oral solids and certain niches in Novel Drug Delivery System (NDDS) with an objective of increasing the contribution to revenue as we grow beyond the traditional regulated markets. We will continue to enhance our focus in the key RoW markets, wherein we foresee significant growth opportunities. We currently have approvals in key markets of Asia and Africa—including South Africa, Philippines, and Malaysia, and a large number of these approved products are already commercialised. In Latin America and Commonwealth of Independent States (CIS) markets, our growth would be driven by new filings and new product launches in key markets, including Brazil, Chile, Mexico and Ukraine.

Further, we continue to expand our operations in Europe, which has been a consistent revenue contributor for our global business over the years. We have built a strong customer base of more than 35 customers in Europe and we are continuously strengthening our product portfolio with them. Further, our business in Canada and Australia is expected to see significant growth based on new launches and new partnerships. In the US market, we are seeing product specific opportunities due to rationalisation of product portfolio and plants by some of our peers.

The business derives benefit of backward integration with a part of our commercial Solid Dosage Formulations backward integrated to in-house APIs. This helps us reduce costs and maintain optimal efficiency.

LIFE SCIENCE INGREDIENTS SEGMENT

Revenue contribution from the Life Science Ingredients segment to Total revenue from operations stood at 39%. During the year revenue in the segment were at ₹ 35,452 million as against ₹ 33,649 million in FY 2018, a growth of 5% YoY. The improvement in revenue is attributable to better pricing in Life Science Chemicals business.

Specialty Intermediates

This business comprises Advanced Intermediates like Pyridine, Picolines, Cyanopyridines, Piperidine and their value added derivatives known as Fine Ingredients and Crop Science Ingredients. The Company is one of the few global companies in this business space, fully integrated both upstream and downstream. We have leveraged backward integrated feedstock of Acetaldehyde produced from Ethanol, coupled with global expertise in Pyridine chemistry to achieve global leadership position in Pyridine business.

We have forward integrated this Pyridine and Picolines platform to develop more than 60 commercial products, with global leadership position in 10 value added products. The Specialty Intermediates products of the Company are used in pharmaceutical, agrochemicals, food, personal care, healthcare and nutrition products, Oil & Gas and various other life science industries.

During the year, the Company has started producing Alpha and Gamma Picolines. The key derivative of Gamma picolone is 4-Cyanopyridine, which finds application mainly in Anti-tuberculosis drugs. The Company has made significant presence in supply of 4-Cyanopyridine.

We are also serving the demand of Formaldehyde in northern India. Customers see significant value in sourcing Formaldehyde from the Company on account of consistency in supplies.

The Company has started supplying two products in Oil & Gas Industry. These products are used as corrosion inhibitors and clay stabilisers. Supplies are made to customers in India, UAE and North America.

Revenue from this business was at ₹ 10,113 million during the year as against ₹ 9,770 million in FY 2018, a growth of 4% YoY.

Our business has strong enablers in place to ensure successful execution, including differentiated strategy, scale, cost effectiveness, strategic tie-ups and an experienced and dedicated team.

This year, we focused on strengthening our processes and capabilities as well as new products' portfolio for long-term growth and sustainability of Specialty Intermediates business. We have also invested to reduce our carbon footprint through effective effluent management for complex chemistries, as well as improving process safety.

We enhanced capacities of three products by 25-30% through debottlenecking initiatives and also by working with external manufacturers for outsourcing of few products. A new GMP multipurpose plant for pharma intermediates and a multipurpose plant for agro chemical intermediates was commissioned during the year. Additionally, another facility has been setup for fluorinated derivatives to be launched in FY 2020. We also undertook projects to optimise product costs and stay competitive in the market.

Due to Chinese government actions with respect to environmental challenges, demand for our products has been positive. We are continuously exploring opportunities to get long term benefits from this situation and look into products that are key raw materials as an intermediate for agrochemicals and other associated industries. We also entered markets of Brazil, Argentina, Mexico, Australia, Oman and Bahrain with new biocide derivatives.

We successfully developed and commercialised seven new products in FY 2019 having a good global potential and rapid growth in near term. We are working on five more new products to be launched in FY 2020.

Nutritional Products

In this business, we primarily cater to Human Nutrition, Animal Nutrition, Pharmaceuticals and Personal Care segments. One of our key products in this segments is Vitamin B3 (Niacinamide and Niacin) for which we hold a global leadership position. The product is typically used in the food, animal feed, pharmaceuticals and personal care industries. Our Vitamin B3 business is fully backward integrated with feedstock raw material (i.e. Beta Picoline and 3-Cyanopyridine) which is produced by our Specialty Intermediates business as a by-product. We have recently received World Health Organisation's (WHO) Good Manufacturing Practice (GMP) certification for our Vitamins facility which will help us increase our footprint in the premium food, personal care and other value added applications.

Shortage of Vitamins A and Vitamin E during most of the year had adverse impact on the vitamins premix market leading to shrinkage in consumption of Vitamins B3 that led to high inventories of the product. Also, integrated producers of Vitamin B3 in China resorted to predatory pricing to garner market share, which led to sharp drop in prices. This situation has now normalised and demand is catching up.

Through our Animal Nutrition business, we offer high quality specialty feed supplements and additives and premixes in the category of vitamin and mineral premixes, Betaine, Acidifier, Toxin Binders, encapsulated products, Growth Promoters, Liver Nourishment Products and Emulsifiers to integrators, feed millers and commercial farmers across the globe. We cater to various segments of industry like poultry, dairy, aqua and pet food.

In Nutritional Products business we have recently entered into Human Nutrition offering nutritional and functional ingredient solutions and tailored premixes for use in food, nutrition and fortification markets. We are the right partner of choice for developing client's business in today's ever-conscious clean label market by providing natural, minimally processed and familiar ingredients.

Revenue from this business was at ₹ 4,105 million during the year as against ₹5,656 million in FY 2018.

Our association with customers across the world is based on trust and reliability. Our facilities adhere to best practices and processes including ISO, cGMP, FAMI-QS, FSSC: 22000, Kosher & Halal certifications. We are associated with globally renowned analytical equipment manufacturers for providing nutritional services to our customers.

Vertically integrated value chain and low cost manufacturing are our key competitive advantages. The green route production with delivery of high quality product will help us increase our market share in better margin segments such as food, cosmetics and pharmaceuticals.

Life Science Chemicals

This business deals in Acetyl range of products like Acetic Anhydride, Ethyl Acetate, Acetic Acid, Anhydrous Alcohol, with a streamlined production process. Acetic Anhydride finds usage in cellulose acetate, pharmaceuticals, agrochemicals, aromatics, dyes intermediate, wood acetylation etc. We are the market leader in India and enjoy a substantial share in global markets. The demand of Acetic Anhydride has been growing consistently both in domestic and international markets and we are competitively placed to capture this growth in global markets. We also have a significant presence in Ethyl

Acetate - an environment friendly solvent, which is used by the pharmaceutical, packaging, coating and ink industries. We are the market leader across India and have been increasing our presence in international markets like Europe and South East Asia. During the year, our capacity utilisation of Ethyl Acetate has been better than last year due to better market demand in India as well as in international markets.

We have optimised the manufacturing process over a period, aligning with operational excellence and thereby achieved cost competitiveness in the market place. We have strong enablers to succeed, with competitive advantages such as backward integration, global sales and distribution networks, reliable customer base, a strong cost control from continuous capacity debottlenecking and with the highest commitment towards environment and safety.

Over the last year, we have become the largest Ethanol supplier to Oil Marketing Companies (OMCs) among standalone distilleries. Our Ethanol business is vigorously supporting 'Ethanol Blending Program (EBP)' of Government of India. In the current EBP tender from December 2018 to November 2019, the Company has been successfully awarded a significant contract for supplies in Uttar Pradesh, Delhi and Maharashtra states. With these expected supplies, we will become the 4th largest supplier in the EBP program. The business is focused on improving production capacities with continuous investments and operational excellence; this will eventually help us in being one of the largest contributors in the EBP programs.

The Company is the global leader in production of green Acetaldehyde made from bio-route of cane or corn based Ethanol. Off-late the Company's Acetaldehyde has found place in end applications such as pharma intermediates, paint binders, food and flavor ingredients, etc. The Company has successfully commenced exports to Europe, besides meeting domestic demand.

Revenue for FY 2019 stood at ₹ 21,235 million as compared to ₹ 18,223 million in the previous year, up 17% YoY, due to firm pricing for our key products.

Going forward, to further strengthen our global positioning in Acetic Anhydride market, we are expanding capacity of Acetic Anhydride by building a new plant at our Bharuch manufacturing facility. This is expected to be commercialised during FY 2020 and make us the largest merchant market supplier of Acetic Anhydride globally.

'Others' Segment

The Others segment includes our Drug Discovery & Development Solutions and the India Branded Pharma businesses. Revenues in FY 2019 were at ₹ 2,416 million as compared to ₹ 1,942 million in the previous year, up 24% YoY.

We have optimised the manufacturing process over a period, aligning with operational excellence and thereby achieved cost competitiveness in the market place.

DRUG DISCOVERY & DEVELOPMENT SOLUTIONS

In our Drug Discovery & Development Solutions business, we focus on offering our integrated solutions to our customers which maximises speed to develop a new lead. Our broad service offering from early Drug Discovery Services, GMP scale up of Intermediates and New Chemical Entity (NCE's), complements very well with our Contract Development & Manufacturing (CDMO) offering of large scale GMP and non-GMP manufacturing through our Life Science Ingredients business. This provides an integrated solution (from early phase discovery & development to commercialisation of the molecule) to our pharmaceutical and other life science customers.

The operation comprises two subsidiaries; Jubilant Biosys and Jubilant Chemys. In addition to these service offerings, we have started development of a set of early stage pre-clinical assets which we will then offer for out-licensing or collaboration to the pharmaceuticals innovator industry. This is accomplished by leveraging our therapeutic expertise and technology platforms in advanced biology and medicinal chemistry expertise.

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

We are continually expanding our relationships in this sector and expanding our service offering by investing in new technologies and capabilities which enhance our knowledge in select therapeutic areas. The business presents a cost-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.

During FY 2019, the business reported revenue of ₹ 2,168 million from ₹ 1,763 million in FY 2018. The business continues to strategically invest in creating a portfolio of novel products that can, in the future, be suitably monetised. Our focus also remains on integrated programs as well as discrete Full Time Equivalent (FTE) and Free For Service (FFS) services.

We will further strengthen the in-house proprietary discovery research for out licensing of new molecules to speed up the process for our innovator customers and add more value.

INDIA BRANDED PHARMACEUTICALS (IBP)

In this business, we target the local formulations market in India. The chosen therapeutic areas include chronic specialties like Cardiology and Diabetes. This is underlined by combination of enabling growth factors, including higher awareness, longer life spans, enhanced propensity to spend and evolving lifestyles.

During FY 2019, revenue in the business were at ₹ 247 million as compared to ₹ 179 million in FY 2018.

Our portfolio includes high growth molecules and combinations like Rosuvastatin, Telmisartan, Teneligliptin, Glimepiride, Cilnidipine and Azilsartan. These primary therapies are supported by supplementary or nutritional formulations like Vitamin B12, Vitamin D3, Proton Pump Inhibitor (PPI) & multivitamin preparations. The growing portfolio is backed by an increasing distribution network covering 30,000 retail points and robust field force of more than 230 sales representatives that serve 20,000 cardiologists, diabetologists, nephrologists, neurologists and consulting physicians across the country.

We see ample growth opportunity and will evaluate additional products where we believe we can make an impact in our preferred segments of therapy.

In FY 2019, IBP was amongst the fastest growing Cardiovascular Diseases (CVD) divisions in India. We shall continue launching relevant products in the CVD domain and at the same time, evaluate interesting opportunities in other segments/therapies to tap potential growth opportunities.

BUSINESS ENABLERS

Research & Development and Intellectual Property

Pharmaceuticals

At Jubilant, Research & Development (R&D) is the manifestation of our belief in innovation and quality that fuels our business aspirations.

The focus of R&D is to enhance innovation level, scientific efficiency, effectiveness in compliance with Jubilant core values and support the execution of business strategies.

In Pharmaceuticals segment, 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, analytical research and biological support including pharmacokinetics and Bio Availability (BA)/ Bio Equivalence (BE) research. R&D supports the activities of various businesses through developing new breakthrough products, process development, technologies, process intensification and establishing technologies at commercial scale. All R&D centres are process driven and have disciplined work culture. We have a strong internal audit frame-work in place which ensures overall R&D regulatory compliance. 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 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. R&D set up at various plant locations continuously work on cost optimisation of products.

APIs R&D is focused on developing commercially competitive, robust and eco-friendly technologies. The APIs R&D is capable of developing difficult to handle complex multi-step synthesis of APIs having many chiral centres and has outstanding capabilities of carrying out PolyState studies of APIs. Our APIs R&D thrives on 'green chemistry culture' and has developed various environmental friendly and disruptive technologies wherein many batch processes have been replaced by continuous processes and chemical processes with enzymatic / chemo catalysis processes. APIs R&D also keeps on developing NCE-1 molecules meant for FTF opportunities and continue evaluating options for 505(b)(2) and Day 1/181 launches. Focusing on sustainable and competitive offerings to customers, APIs R&D is critical in ensuring development of Key Starting Materials (KSMs) to enhance the overall control over process, quality and compliance.

We have a dedicated and agile 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. 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 Radiopharmaceuticals business has a focused R&D team with radiochemical 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) in addition to specialised Radiopharmacies and through them patients, 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, and also collaborating with our R&D team in India. In Radiopharmaceuticals, we are continually engaged in the development of new products that have yielded a pipeline of products that can be introduced in the future. Also, the Radiopharmaceuticals focused area of development is to enhance the product offerings across the diagnostics, therapeutics and theragnostics to increase the bandwidth of products and their applications.

Jubilant is also working in the space of allergy diagnostics and therapeutics for treating allergies caused by companion animals (cats & dogs). Allergy R&D has expertise in biopharmaceuticals – specifically sterile liquid vaccines. Core focus is on allergen (natural) extracts for immunotherapy – range of vaccines to immunise patients against IgE mediated allergen specific hypersensitivity. The Allergy Therapy products business has evolved into a global player in providing high quality products to the global immunotherapy market for the 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 (resale item for diagnostic use etc.) 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 have helped us avoid IP disputes after developing outstanding designing around 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 for the generic pharmaceutical business in regulated markets.

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 till grant and maintain them in countries of business interest. Following is the list of Company's Patent Portfolio as on 31st March, 2019.

R&D	Inventions Filed	Patent Applications Filed	Patents Granted
Radiopharmaceuticals	38	345	222
Active Pharmaceutical Ingredient (APIs)	164	328	79
Solid Dosage Formulations	94	177	13
Allergy Therapy Product	2	2	1
Total	298	852	315

In addition, we have various trademarks in our Company's name and in the names of our subsidiaries, in India and outside.

Life Science Ingredients

Research & Development (R&D) is a key driver for innovation and plays a vital role in developing and adopting new technologies in the technologically intensive life sciences industry. In Jubilant, a team of well qualified and experienced professionals in R&D centres spread across multiple locations are specialised across the value chain of chemical research, chemistry/ process development of advance intermediates, fine ingredients and contract research. Our R&D centres conform to international standards and are well equipped with world-class infrastructure managed by best-in-class manpower. Each R&D centre has dedicated unit integrated with relevant business. Our consistent endeavors to invest in R&D have helped to create a robust product pipeline ensuring sustainable growth.

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 team focuses on process intensification, absorption of technologies and establishing technologies at commercial scale.

A dedicated team of scientists focuses on product/process development in the area of Pyridine and its derivatives and related heterocyclic chemistry, development of advance heterogeneous catalysts, extension of chemistry skills to non-heterocyclic compounds, value creation in existing key products through process improvements / process intensification, chiral compounds, technology development of vitamins and especially Vitamin B3 and development of animal health care products.

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 rampup 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 enhancing the efficiencies of our manufacturing facilities to provide better services to 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 continually develop new products that provide our customers with better solutions for existing problems and new solutions for emerging problems. This requires us to undertake 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 continuously improve our production efficiencies. 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.

We have designed a successful R&D, which continues to ensure delivery of a sustainable pipeline of high-value products of Fine Ingredients and Intermediates. Our R&D

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 undertake significant effort on research, development, manufacturing and marketing.

strategy is centered on improving the speed and yield. 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.

Fine Ingredients business faces significant competition from China and other competitors. R&D has taken a proactive approach to introduce new products in Pyridine chemistry and also in Non-Pyridine chemistry. This is being done by deploying our various technological capabilities. 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. Further, in order to ensure that cost competitiveness is maintained, R&D is working on the improvement of existing processes including atom economy.

Following is the list of Patent Portfolio as on 31st March, 2019

R&D	Inventions Filed	Patent Applications Filed	Patents Granted
Life Science Ingredients	54	147	83

Drug Discovery & Development Solutions

Drug Discovery & Development Solutions in Jubilant 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, in vitro and in vivo Biology, DMPK studies, Pharmacology, and Toxicology. Our disease biology expertise spans across multiple therapy areas including oncology, metabolic disorders, neurological disorders and inflammation.

Drug discovery at Jubilant is driven by the passion of its personnel, to provide affordable drugs to patients worldwide in areas of unmet needs. Jubilant 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 efforts of our collaborators. The competence of this team has been demonstrated by the progression of molecules to candidates starting from targets in a span of three years or less. Jubilant's ISO 27001-certified facility is designed to firewall collaborations for scientific, operational and data exclusivity.

FY 2019 was a turnaround year for the Drug Discovery & Development Solutions business. On the operations side, the year was marked by the acquisition of state of the art instruments such as SPR, initiation of work on new technology such as flow chemistry and various Artificial Intelligence (AI) initiatives. Electronic lab notebooks will be introduced to significantly increase productivity and strengthen data management capabilities. In parallel, numerous investments were made to enhance EHS standards in our laboratories. All these investments and initiatives will provide a solid basis for the growth of the business in the coming years.

In FY 2019 Jubilant Biosys filed six patent applications and enabled the filing of patents for various clients. 11 research articles were published in high impact journals and oral and poster presentations were made at numerous international and national conferences.

With regard to project achievements, the highlights were the delivery of a preclinical candidate for IND application that was optimised after only 18 months of work starting from a hit compound identified from in silico screening carried out by the Jubilant computational chemistry group, and the identification of a preclinical candidate in another collaboration that has led to the expansion of the project into other therapeutic areas.

Drug discovery is inherently a risky venture with a high failure rate. To mitigate this, we maintain a pipeline of client programs that can help offset attrition of client programs and we continue our efforts to expand this business base.

MANUFACTURING

Pharmaceuticals

Jubilant Pharma's manufacturing operations continue to strengthen with strong focus on the following 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. Capabilities enhancement to keep up with technology advancements
- **Cost leadership:** Continue to improve our conversion cost to be more competitive and to stay longer in the market place
- **Continuous improvement:** Continually improve our processes using Business Excellence models
- **Continuity:** Business continuity through risk mitigation and sustainability measures

Compliance: We continue to improve our quality systems to ensure compliance with ever evolving regulations. Jubilant always strives to stay ahead of the curve to ensure compliance with regulations and meeting patient needs. We have implemented 'Track and Trace' system in compliance with EU-FMD requirements on the packaging of medicinal products at Roorkee, India. The EU-FMD Track and Trace System will enhance the EU countries ability to help protect consumers from exposure to drugs that may be counterfeit, stolen, contaminated or otherwise harmful. The system will improve detection and removal of potentially dangerous drugs from the supply chain to protect consumers. Jubilant is fully compliant to this regulatory system and all applicable finished dosage form manufacturing facilities had gone live in February 2019 with 'Track and Trace' systems for the EU. Compliance wire, a Learning Management System was launched across the pharma sites to enhance training and compliance.

During FY 2019, the manufacturing facilities of Jubilant Pharma underwent several regulatory inspections. USFDA has inspected our Jubilant Cadista facility at Salisbury, Maryland, US and provided Establishment Inspection Report (EIR) designating the site as No Action Indicated (NAI), denoting high confidence in its GMP compliant state and complete closure of all observations from any prior inspections. USFDA has inspected our Jubilant HollisterSteir facility at Spokane, Washington, US; Jubilant HollisterSteir, Montreal, Canada and Jubilant Generics APIs facility at Nanjangud, India. Health Canada has inspected our Jubilant HollisterSteir facility at Montreal, Canada and Jubilant Generics facility at Nanjangud, India (Joint inspection with USFDA). Our Nanajangud facility received observations from the USFDA as well as Health Canada in their joint inspection. We are working with both agencies to address all concerns. We have engaged 3rd party expert consultants to help us with the remediation. Jubilant Generics facility at Roorkee, India was inspected by USFDA in July, 2018. Based on the observations, site received an OAI followed by issuance of Warning Letter. However, site is working on the remedial actions along with regulatory consultants and providing periodic updates to USFDA on corrective actions. MOH, Belarus has inspected our Jubilant Generics facility at Roorkee, India in February 2019.

For Jubilant Pharma, we have always included Environment, Health & Safety (EHS) as one of the key decision enablers for any process implementation. Awareness sessions have been timely conducted to keep our employees, community and other stakeholders informed on key EHS aspects relevant to their operations. Status of the EHS compliance with respect to various statutes, rules and regulations applicable to the Company is governed through an intranet based application 'Statutory Compliance Reporting System' (SCRS) for Indian manufacturing facilities and we are in the process of conducting compliance audit to create a baseline on regulatory requirements for the North American manufacturing facilities considering the regulatory requirements applicable to the different sites and regions. Compliances are reported and reviewed by the Board on a periodic basis. The intent is to ensure that the compliances are effectively managed and controlled and that they support the Company's business objectives and corporate policy requirements.

At Nanjangud manufacturing facility, there has been a minimisation of the hydraulic load and treatment cost on ETP from the lean effluent (generated from main steam condensate, supplied from neighbouring industry) by treating only through Reverse Osmosis (RO) system based on its characteristics rather taking through primary, biological followed by RO system.

The process for open unloading of major quantity of hazardous solid process residue generated, has been minimised by in-line dilution with stripper solvent and sent to cement industry as an ancillary fuel, which has substantially reduced the safety hazard in the process and improved the calorific value.

Customer service: Jubilant operations fundamentally focuses on Supply Level Adherence (SLA) and Right First Time (RFT). By achieving excellence in these two key metrics, high levels of customer service is automatically achieved.

Capacity and Capabilities expansion: Our Roorkee, India manufacturing facility completed the expansion to increase its capacity to manufacture multiple dosage forms. With state-of-the-art facility and machinery, plant capacity will increase by one billion doses with large batch sizes. Our manufacturing facility in Salisbury, US has made major capital investment to increase our capacity and capabilities for Roller Compaction, in order to scale up for potential market opportunities requiring this technology.

At our manufacturing facility in Nanjangud, India we have established effluent treatment capability with advanced technology like DAF (Dissolved Air Flotation system) in the primary treatment and Ammonia stripping, Anoxic system and MBR (Membrane Bio Reactor system) in the biological treatment in view of improving the treatability.

We have added Isolator technologies at our Montreal, Canada manufacturing facility to ensure sterility of the product as well as reduce radiation exposure to our employees. We also have automated our RUBY- FILL® manufacturing processes by installing automated loading stations resulting in efficiency gains and capacity expansion and improved compliance. We are investing to automate several other manual processes to enhance efficiencies, compliance as well as health and safety of our employees.

At our CMO Operations in Spokane, US, we are increasing our Sterile Liquid and Lyophilisation capacity and are also undertaking a site master planning to plan future expansions to further augment our capacities and capabilities. Additionally, another new filler and Lyophiliser are in the process of procurement to replace older equipment at our Allergy Therapy Products manufacturing facility to further improve operations reliability and capacities. At our CMO operations at Montreal, Canada we have completed upgrades of our filling line and Lyophiliser and we are in the process of procuring additional Ophthalmic manufacturing and filling capacities.

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

At Nanjangud, various capacity enhancement projects (Oxcarbazepine, Tramadol and Azithromycin Dihydrate) have been implemented in view of minimising the COGM and improving the capacity utilisation and for capability building.

Cost leadership: Our focus has been on conversion cost optimisation without compromising our quality and customer service standards. Several initiatives have been undertaken to reduce the conversion cost. Our manufacturing facility in Salisbury has 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 several energy saving projects to reduce our utilities costs. Several automation projects and increased batch sizes in our operations are leading to head count rationalisation. 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 have led to reduction of discards and improved 'Right First Time' (RFT).

At Nanjangud, as part of continuous improvement journey towards cost leadership / cost optimisation, our business excellence team along with CFT (Production, Technical services and R&D) have executed yield improvement projects for major volume contributing products.

Continuous improvements: In Jubilant Pharma, 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 three critical pillars of the organisation – customer, process and people.

The continual effort of Business Excellence function is to understand processes and systems, model them by transfer functions 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 various improvement methodologies in line with organisation priorities like Lean Six Sigma, Total Productive Maintenance (TPM) and Business Intelligence (BI) tools etc. This year also Business Excellence function has added competencies like Lean Lab deployment for optimising the efficiencies in Quality Labs.

The Business Excellence infrastructure element 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. This sustained culture of innovation and excellence is the result of deep commitment of Jubilant employees.

Our Technical Services function is conducting more technology transfers than ever before. We understand that process robustness is 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 transfer and enhanced product and process understanding, Jubilant has 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 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.

The Business Excellence team at Nanjangud facility is focused on continuous improvement and has taken up five yield improvement projects in FY 2018-19 and various projects for OPE enhancement and capacity building. In Feb 2019, 5S+1S concept has been initiated at the site.

Also as part of green energy initiative at Nanjangud, solar power is under implementation.

The Nanjangud team participated in QCFI, Mysore chapter and won four golds in different categories.

Continuity: Business continuity is key for sustenance for which sound strategy is already in place. 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. We see our sustainability programs a key enabler for ensuring business continuity. At Nanjangud, four units of an RO water treatment facility have been constructed (in coordination with the Municipal Corporation) to supply purified water to the surrounding area.

A new initiative (World on Wheels) has been implemented at Nanjangud. This comprises a mobile computer lab which is taken to surrounding villages, schools and colleges to train students, youth and villagers on basic computer skills.

A government school (with two class rooms) has also been constructed near Mysore by Jubilant.

Jubilant Generics has been conferred with the FICCI Corporate Social Responsibility (CSR) Award for the commendable work done in the area of women empowerment in the community around Nanjangud site.

Life Science Ingredients (LSI)

Manufacturing function has played an important role in supporting business competitiveness by creating a cost leadership position in a highly competitive market. We have established high production benchmarks across all the sites with significant improvements by savings in raw material and energy norms. Our operations continue to be driven by the manufacturing strategy of 'Transforming Manufacturing for Operational Excellence and Sustainability' with 'zero tolerance to any non-compliance' as the core focus of LSI Manufacturing and EHS functions in continuation to last year. All LSI Manufacturing facilities have accelerated their initiatives on capacity enhancements, capability improvements, production efficiency improvement, Environment, Health & Safety (EHS) improvement and cost reduction to further improve operating parameters. During the year, we have made considerable investment across the manufacturing facilities, which has enabled facilities to significantly improve in the areas of environment, energy conservation and recycling of water including water security. Our multi-purpose GMP plant has been operating with good efficiency levels. Agro-chemicals plant has been commissioned at Bharuch manufacturing facility to further enhance LSI manufacturing capability.

Continuous focus on manufacturing excellence, enhancement in automation levels, Business Excellence initiatives, EHS improvements and natural resource conservation has enabled LSI to save on operating costs and improve the overall statutory and regulatory compliances. Energy conservation and effluent reduction

efforts have been intensified during the year and will be carried forward more aggressively in the coming years.

Asset reliability and integrity improvement including structural integrity and infrastructure renovation and aggressive deployment of Total Productivity Management (TPM) concepts across all Strategic Business Units (SBUs') has enabled the sites to improve on the OPEs' and plant efficiencies, visual make-over, industrial safety and culture building towards a high performance organisation.

Following the approach of triple bottom line (Environment, Economic and Social) factors, we have marched ahead towards creating a Sustainable environment and have achieved the coveted Responsible Care® logo usage approval for Bharuch, India. This is over and above the existing certification for Corporate Office at Noida, Uttar Pradesh, India and plant at Gajraula, India under the American Chemical Council's (ACC) Responsible Care® program.

Accreditations/Certifications:

- Gajraula, Nira, Savli and Bharuch manufacturing facilities, in India are now upgraded to the 2015 standards of Integrated Management systems (ISO 9001: 2015, ISO 14001:2015 & OHSAS 18001: 2007) by Det Norske Veritas
- Animal Nutrition manufacturing facility at Savli, India and Vitamins plant at Bharuch, India is certified for FAMI-QS Code Version 5.1 in Feed Safety Management System
- Vitamins manufacturing facility of Bharuch, India is certified to Kosher, Halal-India, Halal-Malaysia, Halal Indonesia, Food Safety System Certification (FSSC) 22000 (Global Food Safety) compliance and has been licensed by Food Safety and Standards Authority of India (FSSAI)
- Gajraula Quality Control Laboratory has also been accredited by National Accreditation Board for Testing and Calibration Laboratories (NABL) for chemical testing in accordance with the ISO/ IEC 17025:2005, Gajraula, India
- Gajraula, India manufacturing facility has been Kosher approved for Nine core products in the Fine Ingredient business and also Halal certified for eight core products
- The Carbon Dioxide plant at Gajraula, India manufacturing facility has been certified for FSSC 22000:2005 also against TS22002-01:2009 (Food Safety System Certification) for production and dispatch of food grade Carbon Dioxide for beverages. This facility is also approved by FSSAI
- At Nira, India manufacturing facility Ethyl Acetate and Acetic Anhydride are certified for Food Safety System Certification (FSSC) ISO-22000:2005 for production and dispatch of these food grade products
- Glacial Acetic Acid from Nira, India manufacturing facility has been certified FSSC /ISO-22000:2005 for storage and supply of food grade Acetic acid
- Manufacturing facility at Nira, India has been Kosher approved for four products i.e. Ethyl Acetate, Acetic Acid, Acetic Anhydride and Ethyl Alcohol. The facility is also Halal Certified for Acetic Anhydride, Ethyl Acetate and Acetic Acid
- FICCI Chemicals & Petrochemicals award 2018 for Excellence in Safety in Chemical Sector for Gajraula, India
- Certificate of appreciation for Good Practices in Safety Systems by FICCI -2018 for Gajraula, India
- Certification of EnMS ISO 50001:2011 for Gajraula, India
- Up-gradation RC 14001:2013 to RC 14001:2015 for Gajraula, India

- FICCI Chemicals & Petrochemicals Awards for 'Efficiency in Water Usages in Chemicals' for Gajraula, India
- ICC Certificate of Merit for Excellence in 'Energy Conservation and Management for Excellence in Energy Conservation & Management' for Gajraula, India
- Awarded 4-Star (Good) rating by MPCB (Maharashtra Pollution Control Board) for maintaining good air quality index from operations at Nira, India

Supply Chain

Pharmaceuticals

Cost optimisation through consolidation of spend across organisation continued to be the focus area for supply chain. We continued our efforts to improve working capital by reducing inventory through the value chain. With maturity of SAP in our processes, we have been able to take advantage of planning and procurement optimisation that has positive impact on capacity utilisation and cost optimisation.

FY 2019 was an year of several niche initiatives taken by supply chain – automation of supply chain performance dashboard through Qlikview applications, global spend consolidation initiatives, de-risking of single sourced items and many more. Due to environment control in China, prices of many of the Active Pharmaceutical Ingredients (APIs) and Key Starting Material (KSM) increased. Further there was availability constraints that supply chain had to navigate through by strategic negotiations and securing required quantities even at higher prices to ensure business continuity. This was a major challenge for Supply Chain Management (SCM) to keep spend within the budget. We advanced our initiative for alternate vendor development for critical APIs and KSMs to ensure security of supply. Plans are in place to come out of this dependency by outsourcing model developing our own processes.

Initiatives like outsourcing the Advance Intermediates helped in releasing in-house capacities and generating more sales revenue. Consolidation of spend with other businesses helped us in achieving saving and better service levels to internal customers.

We have coordinated and supported the timely filing of new DMFs and ANDAs which are critical for business growth. Plant expansion projects were taken up and successfully completed on time during the year through excellent coordination and delivery adherence.

In our journey of excellence and to de-risk supply chain from single sourced components, for short term we augmented components inventory to minimise business disruption risks and embarked on focused Alternate Source Development (AVD) program for long terms business sustainability. Plans are in place to come out of dependency on single sourced components.

Many green supply chain initiatives were taken like disposing of solid waste and spent solvents to cement industry thereby reducing burden on land filling. Usage of Bio-Diesel as a boiler fuel. Power trading through Indian Energy Exchange (IEX) giving good savings.

Life Science Ingredients

The year FY 2019 was another challenging year for Supply Chain in Life Science Ingredients. The international and domestic macro-economic activities affected our Supply Chain immensely. Last year GST was implemented across India, however continuous changes in GST rules put pressure on team to update the system as per the new requirements. The team did a splendid job in this regard.

On the commodity front, volatility in Crude oil, Solvents and other chemicals severely impacted the procurement in entire chemical industry. However, the Supply Chain closely monitored the market condition and acted to protect the interest of the Company by not taking any long term exposure.

This year, supplies from Coal India were severely affected despite the company having long term Fuel Supply Agreement (FSA) with Coal India Limited. This situation forced us to procure coal from international market at much higher price. This ensured that the sales were not affected though some impact was felt on bottom-line.

Supply Chain was also actively involved in execution of many capacity expansion projects of the business including green field Acetic Anhydride project at Bharuch, India.

We went live with some of our digitalisation projects and also created pipeline of around four projects which should help in improving the productivity, efficiency and customer experience.

Going forward, we shall continue to target and achieve higher levels of efficiency across categories with a primary focus in the area of raw material and logistics while ensuring delivery of value to our end customer.

'OTHERS'

Drug Discovery & Development Solutions

For the first time in FY 2019 a new purchase concept 'Just in Case' for crucial lab needs was introduced, allowing execution through contingency plans.

Better networking with neighbouring pharma firms have helped good purchasing techniques that slashed negotiation cycle times for high value capital procurements. Supply chain representing during business process review meetings has brought greater level of understanding that enabled supply chain as contributors to the value proposition of speed as well as EBIDTA was a major paradigm shift.

Developing agile modes of working became the facet amongst other supply chain objectives and that helped next level project results and time saving. Judicious decisions on categorical spend realisation from in-house materials distribution has brought in awareness on cost saving methodologies. Increased scrutiny at customs statutory continue to dominate the import/export norms whilst supply chain continues to endeavor to bridge the gap to match its stakeholders need for speed. Several forms of revision to GST governance tightened the compliance at every strand of supply chain activities.

For the upcoming fiscal year, DDDS plans to re-design the entire procurement cycle, paving the way for higher performance results; at DDDS we are aware that supply processes are directly tied to its business performance.

Business Excellence

Business Excellence continuously strives to build excellence in our Management Systems, to facilitate organisation's growth, meet financial goals and create value through a culture of continuous improvement. Value is derived by deployment of state-of-the-art transformational methodologies backed by strong execution capabilities. At the same time, involvement of all employees through initiatives like training, certification and *Sankalp* helps to build the cultural DNA of the organisation.

Pharmaceuticals

Along with process owners the team is engaged in enhancement of efficiencies through reduction in process lead times in operations, supply chain, quality as well as R&D. Reduction of losses in the production processes, improvement in planning process have increased Overall Plant Effectiveness (OPE) leading to enhanced capacities and ensuring reliable and repeatable output. At the same time, we have worked on product quality drastically reducing discards and improving yields. All this has been done by using the latest tools and technologies

Engagement in North American sites has being enhanced to identify more opportunities to add substantial value to our organisation. We have increased our engagements with all Business Units, including the new area of Radiopharmacies, which will bring us substantial benefits in the future.

Every cost element is analysed for improvement opportunity. Site level profitability will be increased by mapping and reducing internal costs.

Life Science Ingredients

A very strong culture of deploying process improvement tools and techniques has been established in operations. Projects leading to capacity enhancements, yield improvements, energy savings and effluent reduction have significantly contributed to the operating margins. While we sustain and enhance these gains in operations, we have extended engagement of Business Excellence to supply chain and office functions through deployment of lean methodologies. This year we brought strong focus to establishing a safe and clean workplace by deploying methodologies like 5S and Visual Management.

We will continue to aggressively deploy TPM across all manufacturing facilities, leading to enhancement in asset reliability, reduction in production losses and improvement in Overall Plant Effectiveness (OPE).

Drug Discovery & Development Solutions

Last financial year has been a year of some major initiatives on Business Excellence fronts to improve upon various functions within Drug Discovery & Development Solutions to the next level. At DDDS we believe that the scientific services organisation can only excel by creating a culture of excellence in the organisation by continuously seeking to enhance people, processes and systems.

Initiatives on the supply chain front included inventory and cost optimisation projects, harmonisation of contracts for products and services areas Jubilant lead to the significant reduction on Turn Around Time (TAT) to the internal customers which in turn improved the prompt delivery to the clients.

At DDDS, much like the parent organisation, continuous improvement is the mantra and with the induction of seven new green belts we have a larger project on hand to add to this process in the current year.

Human Resource Management

Digitisation is the buzzing concept in the corporate world, which is evolving rapidly in the dynamic and competitive environment. Digitisation is not only about technological shift but also about a change in organisation intersecting technology, business and people.

At the helm of any transformation, it's the employee who is leading and bringing the change across the organisation. This transformation that we are witnessing at Jubilant is futuristic where we will utilise the big data, analyse it, draw inferences and conclude to predict the future.

To make the organisation 'Digital Ready', we partnered with Singularity University to provide high quality education on scientific progress and 'exponential' technologies to our leaders. In addition, 'Digital Day' workshop with Bain & Company and AT Kearney helped prioritise some of the focus areas for Jubilant.

Our employees remain at the core of the Company's growth strategy and play a vital role in ensuring sustainable business growth and future readiness. The Company has been focusing on strengthening its talent management and employee engagement processes through clear role expectations with specific and well-defined Key Performance Indicators for each role.

We believe in creating a culture of high performance and meritocracy that provides all our employees with opportunities to excel, learn and progress. We have introduced mid-year performance discussion for all employee to take a stock of their performance and do course correction of any during the year. We have also revamped the look and feel of Key Responsibility Area (KRA) setting and annual performance review where an employee is assessed against the performance milestones set at the beginning of the year.

With the endeavour to strengthen the talent pipeline, we have been focusing on attracting the best talent from India's leading campuses to have a steady flow of fresh talent, thereby creating a strong pool of internal talent. We have engaged with management and engineering colleges across India in quiz competition 'Mind Fizz' to increase our visibility. We have been focusing on digitisation our talent attraction and hiring platform by revamping and simplifying our internal talent acquisition process. We also ensure strong media presence, advertisement of position internally and externally to attract right talent.

In the learning and development space, we are leveraging our 'Learning Management System' (LMS) which provides online training courses on business, functional, management and leadership skills to hone and foster a culture of continuous learning in the organisation. The LMS 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.

Our well defined leadership competency framework continues to be the bedrock of our developmental activities. It forms the basis for the annual training calendar which has programs with standard curriculum that are offered across the company sites. The talent management program lays the foundation for identification of talent at different levels within the organisation and their development, for building of an internal talent pipeline.

Every great organisation stands on a strong foundation of its values. At Jubilant, it is the thread, which connects all of us together - cutting across the boundaries of businesses, sites and levels. With the intent to be better equipped to 'live' the 'values in action' and inspire others, an organisation wide values cascade through 'Jubilant Values' workshops has been done by all businesses to make all the employees internalise the Jubilant values and their associated behaviours. The values will also be a part of the annual performance evaluation from this year.

In our journey towards building the employee experience, we have launched multiple priority initiatives at organisational and business levels. We have also conducted the Employee Experience survey in 2019 to understand the 'pulse' and the impact of the initiatives taken so far. The employee Net Promoter Score (eNPS) has become a part of the performance KRAs of the business leaders and will encourage them to strive towards creating superior employee experience within the company.

As on March 31, 2019, a total of 355 employees at our manufacturing plants at Savli, Nira and Gajraula were either members of unions or had collective bargaining capabilities. During the year, we enjoyed cordial relations with our employees and there have been no instances of labour unrest or disputes at any of the manufacturing sites.

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 these are adequate and operating effectively. Internal Financial Controls, here, means the policy and procedure adopted by the company for ensuring the orderly and efficient conduct of its business including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information.

The above requirement has the following elements:

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

At Jubilant Life Sciences Limited, the Internal Financial Controls (IFC) system has been established and incorporates all the five elements as mentioned above. In addition, the Company has a transparent framework for periodic evaluation of the Internal Financial Controls in the form of internal audit exercise carried out through the year and 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 is given below:

Orderly and Efficient Conduct of Business

The Company has a well laid down organisational structure which defines the authority-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 taken at an appropriate level, the Board of Directors of the Company has 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'.

Compliance with respect to various statutes, rules and regulations applicable to the Company is managed by the Secretarial Department. Status of compliance is governed through an intranet based application. Respective control owners certify the compliances on a quarterly basis and a compliance report is prepared. The objective of the certification is to ensure that the compliances are effectively managed and controlled and that they support the Company's business objectives and corporate policy requirements.

Safeguarding of its Assets

The Company has taken an All Industrial Risk Policy for its plants as well as Fire policy for Corporate Office to safeguard its assets. The Company also carries out a physical verification of its assets.

Adherence to the Company's Policies

The Company has two tier policies and procedures viz. 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 Ombudsman. 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, R&D, ITGC etc.

Self-assessment certification of controls is being done by the control owners through a verifiable and transparent process and such 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 above 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, perpetual internal audit activity is carried out by Ernst & Young LLP. 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'), 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 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 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, Ombudsman 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 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 – We have appointed a Big Four firm as our internal auditors to perform systematic independent audit of every aspect of the business to provide independent assurance on the effectiveness of the internal controls and highlight the gaps for continuous improvement.

We have implemented a program under which more than 2,500 financial controls are 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 exercise of review of controls was conducted during the year by in-house process owners with the help of a Big Four firm. The revised control framework after such review 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) Life Science Ingredients and c) Others. The 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. 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 SBU (Strategic Business Unit) / functional head.
- Capex Committee which ensures cost reduction with proper negotiation and monitors time & cost overrun. This committee includes CEO, CFO, Head of Project, head of Supply Chain and the relevant SBU 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 SBU head.
- Business Performance Committee which reviews the business performance on a monthly basis. This committee includes CEO, CFO, functional heads and the relevant SBU head.

In addition to the above, 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/ Executive Director/ Chief Scientific Officer from Corporate side and 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.

Our Vision on Risk Management

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 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 and Audit Committee at the apex level, supported by Executive Director (ED), Chief Executive Officers (CEOs), Business Chief Financial Officers (CFOs), functional Heads, Strategic Business Heads (SBUs) Units and heads 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 Executive Director and CEOs and actions are drawn upon. Progress against the risk management plan is periodically monitored.

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

Risk Mitigation Methodology

We have a comprehensive internal audit plan 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 SBU head updates the risk register and identifies top three to five risks for the business. The CEO then consolidates top 10 risks of the Life Science Ingredients segment and reports the same on a periodic basis to the Board of Directors along with 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 12 years and covers over 2,500 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

We have 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.

with the same. Some of the key risks affecting its businesses are laid out below:

Competition, Cost Competitiveness & Pricing

Competition we face in some of our business lines is described in detail below.

Specialty Pharmaceuticals

We face extensive competition in our Specialty Pharmaceuticals segment. Many of our competitors have substantially greater experience in the development and marketing of branded, innovative and consumer oriented products. New competitors, including large pharmaceutical companies, have also recently entered the specialty pharmaceuticals market. They may be able to respond more quickly to new or emerging market preferences or to devote greater resources to the development and marketing of new products and/or technologies than we can. As a result, any products and innovations that we develop may become obsolete or non-competitive before we can recover the expenses incurred in connection with their development. In addition, for these product categories we must demonstrate to physicians, patients and third party payers, the benefits of our products relative to competing products that are often more familiar or otherwise more established. If competitors introduce new products or new variations on their existing products, our products may be replaced in the marketplace or we may be required to lower our prices. In our Radiopharmaceutical business, the market for diagnostic medical imaging agents is highly competitive and continually evolving. Our principal competitors in the Radiopharmaceutical business include, but are not limited to, Lantheus Holdings Inc., GE Healthcare Inc., The Bracco Group and Curium, as well as Cardinal Health Inc. in the Radiopharmacy business. We cannot anticipate their actions in the same or competing diagnostic modalities, such as significant price reductions on products that are comparable to our own, development or introduction of new products that are more cost-effective or have superior performance than our current 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 as a result of these activities.

Contract Development and Manufacturing (CDMO)

For our CMO business, pricing is a key driver to gain market share. We are under pressure to either engage in competitive pricing or to differentiate our services by other means. 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. If we fail to implement our CMO strategy, our business, financial condition and results of operations will be adversely impacted.

We face intense competition in the market for APIs business. Once we develop 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. Suppliers who can gain early approval for their products have a competitive advantage for that API product. There is also no assurance that we will be able to continue identifying generic drug manufacturers as suitable partners.

Many of our competitors have greater financial resources, marketing capabilities and greater experience than we do in the testing and production of APIs, obtaining regulatory approvals, manufacturing and marketing. If our competitors who are developing APIs, which are coming off patent for sales in regulated markets, are able to gain early approval and commercialise their products before we can, we will lose market share for such API products, and we may not be able to generate sufficient revenue and profit to offset our development costs for those APIs. Our competitors may also have long-term relationships with customers such as global generic companies in the field of APIs, which we are in the process of developing. As a result, we will have to commit resources in such a way as to inspire the trust and confidence of new customers, particularly in relation to our API business. If we are unable to obtain new customers or maintain our relationships with existing customers, we may be unable to successfully commercialise the APIs currently in the development phase.

Generics – Solid Dosage Formulations

We also face intense competition in the market for Solid Dosage Formulations. The Generics segment of the Pharmaceutical market is characterised by a high level of price competition, as well as other competitive factors including reliability of supply, quality and enhanced product features. To the extent that any of our competitors are more successful with respect to any key competitive factor, including but not limited to greater financial resources, marketing capabilities and greater experience in the testing and production of Solid Dosage formulations, obtaining regulatory approvals, long term relationship with customers, our business, financial position and results of operations could be adversely affected. Pricing pressure could arise from, among other things, limited demand growth or additional 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 and the access of competitors to new technology that we do not possess.

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. Our competitors in Solid Dosage Formulations include major pharmaceutical and chemical companies that develop or may develop products within the same therapeutic areas as our current and future products, specialised Contract Research Organisations (CROs), R&D firms, universities and other research institutions.

In order to combat the risk of rising competition and to ensure that cost competitiveness is maintained, we continue to explore all options viz.

- New products continue to get launched by experienced and talented R&D teams which work to deliver on the marketing strategy by focusing on quality assurance through the development of new cost effective processes/ products to meet customer demand, build market share and minimise the possibilities of commoditisation. 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
- The competitive strengths of our manufacturing expertise across different businesses of our Pharmaceuticals segment along with our market lead in North America in sterile vial manufacturing and active relationships with global pharmaceutical companies allow us to compete effectively against our competitors.

Life Science Ingredients

In the Life Science Ingredients segment, a significant share of our business comes from exports and it faces stiff competition in both domestic and international markets.

Manufacturers in China, who gain from economies of scale, favourable policies and lower cost along with other advantages, may adversely affect our ability to maintain market leadership, achieve planned growth and generate planned margins.

Additional risk of competition exists in the form of (i) certain competitors being suppliers of core raw materials for Life Science Chemicals business of the Company, (ii) new entrants resorting to penetration pricing to make inroads, (iii) Chinese manufacturers' strategy to initiate price wars with Indian manufacturers. These competition risks and excess capacity, amongst others, can force a decrease in prices and consequently affect margins.

Our Advance Intermediates business comprises Pyridines and Picolines. While we continue to retain our global leadership position, the industry is having excess capacity, primarily due to new players coming up in China. Over the last few years, China has been focussing more on its environmental standards and requirements, which forces industry to financially invest more on compliance related matters. This is expected to continue for few more years, which means that the cost structure in China would go up and might also lead to potential supply disruptions. Further though Paraquat, which is the primary end use of Pyridine, has been officially banned in China since 2016, a stricter implementation mechanism has been put in place now. While Vietnam and Taiwan have completely banned the use of Paraquat since Q1 2018, ban in other countries such as Thailand and Brazil is yet to be formally announced. Demand in countries such as US and those in Western Africa is increasing. This would result in some short term increase in Pyridine demand, but eventually the demand will even out. This will have a proportional impact on demand and supply of Beta Picoline. We continuously focus on cost of key raw materials, consumption norms of both starting raw materials and energy so as to remain competitive. The Company is also making Alpha Picoline and Gamma Picoline on the same assets as well as selling the upstream in-house products like Acetaldehyde and Formaldehyde in merchant markets, with a view to broad base the asset utilisation thereby driving overall cost competitiveness.

Fine Ingredients business faces significant competition from Chinese players both in the Indian as well as international markets. The competition has intensified due to the entry of manufacturers of Pyridine and its derivatives in the Fine Ingredients market. At the same time, China has significant advantages in terms of excess capacity, low cost capital and availability of raw materials. This poses a risk of downward pressure on the prices of Fine Ingredients products and may lead to supply of material at low prices by Chinese companies in the Indian market adversely affecting our market share. We recognise the risk and have engaged in proactive mitigation by doing continuous improvement in processes, promoting our products into new applications, entering into long term contracts with customers and maximising the utilisation of existing assets through forward integration of existing products to improve margins. Due to reduction in the lifecycle of new products, we are working towards creating new building-blocks and new chemistry platforms to increase the product portfolio and market offerings.

In Vitamin B3 market, capacity far exceeds demand and there has been emergence of new vertically integrated competitors. This could result in downward pressure on Vitamin B3 pricing if these players resort to aggressive pricing to gain market share, however their capacity utilisation is restricted by availability of a critical raw material i.e. Beta Picoline, which is evident from the current market situation where Beta Picoline availability is low. We plan to mitigate this risk by focusing our effort on more profitable market applications which are less price sensitive.

In the Animal Nutrition business, we are facing stiff competition. High fluctuation in demand and supply continued to exert pressure on prices of broiler and eggs, leading to unpredictable price trends in domestic poultry market during FY 2018-19. Diversification to other species' feed markets such as aqua and exploring export markets are primary risk mitigation measures being undertaken by us.

There has been strong demand for crop protection intermediates because of environmental issues in China which the factories in China are not able to fulfil. Hence, there is a good opportunity for our Crop Science Ingredients business to develop and launch new products. We plan to launch four new products in the near future. However, we may face Chinese competition in these products once Chinese producers shift their plants to new locations to increase manufacturing capacity. We plan to mitigate this risk by planning alternative products using the same assets (i.e. our multipurpose plants) and continuously improve on product costs to protect our margins.

The Ethanol business is vigorously supporting the Ethanol Blending Program (EBP) of the Government of India. In the current EBP tender from December 2018 to November 2019, we have been successfully awarded a tender for supplying 70 million litres of Ethanol in the states of Uttar Pradesh, Delhi and Maharashtra in India. With these expected supplies, we will be the fifth largest supplier for EBP nationally. Moreover, a price increase based on Government's new policy has improved our business margins. The business is focused on improving our production capacities with continuous investment and operational excellence. This is expected to eventually help us in maintaining our position as one of the largest contributors to the EBP.

In order to combat the risk of rising competition and to ensure that cost competitiveness is maintained, we continue to explore all options viz.

- 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. Wherever feasible, we enter into long term contracts with volume commitments and prices which are linked to key input material prices to mitigate risks

- Building long term relationships with key customers by offering improved quality and service experience. Passing-on the increase in the raw material prices to customers on the strength of excellent customer relationships and sales and distribution network
- 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 program and by applying many tools and techniques e.g. Lean, Six Sigma and Total Productive Maintenance
- Developing economical alternatives and re-engineering costs to counter increase in input cost. Cost optimisation has enabled us to counter international competition
- 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
- Developing new suppliers to mitigate the risk of higher input prices and non-availability of raw material in time. Micro level planning of inventory also places focus on handling inventory costs

Others

Drug Discovery & Development Solutions

In the Drug Discovery & Development Solutions business, 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. The pharmaceutical industry as a whole has been constantly re-evaluating its business model across the entire R&D value chain. This has resulted in a drive towards cost reduction which has increased the industry's appetite for externalisation of more R&D processes. This increased outsourcing has benefited us as well as the entire drug discovery and development market place which has resulted in a better market, albeit with increased competition from CROs around the world and notably from China. A further risk in this business is the intrinsic discovery and development risk when programs fail to meet efficacy which leads to suspension of the efforts and short term decline in revenue till other compensatory programs are developed. To mitigate this risk, we are constantly reviewing our internal processes and organisational structure to ensure higher efficiency, increased scientific output and cost effectiveness. In addition, the pharmaceutical industry is investing increasingly in new modalities such as cell and gene as well as monoclonal antibodies which are outside the scope of the Company. To mitigate this risk, we are expanding our geographical reach to South Korea, Japan and Australia while improving our business model for biotech companies in the key markets of US and Europe. We have also evolved our business model to include a portfolio of proprietary drug discovery projects which we can out-license to the pharmaceutical industry to generate revenue in the form of milestone based fees and royalties along with research funding. We perform the role of traditional CROs, by delivering small molecule drug discovery services to our clients. We also develop our own portfolio of proprietary Pre-clinical drug discovery programs that we use to initiate discovery collaborations with our clients through out-licensing or partnership models.

Dependence on Certain Key Products and Customers

The Company depends on certain key products and key long-term contracts with customers for a significant portion of its total revenue, cash flows and earnings and any events that adversely affect the markets for key products or key contracts may adversely affect its financial condition, results of operations and profitability. If the volume or pricing of our largest selling products declines in future or the Company is unable to satisfy market demand for these products, its financial condition, results of operations and profitability could also be adversely affected. Any event that adversely affects any of these products or their markets could have a material and adverse effect on our business, financial condition and results of operations. While we are not dependent on any single customer and have a broad and diversified customer base across businesses, if any of our long-term customers terminate their contracts, delay payments or breach payment obligations, reduce the volume of business we receive under the contracts, do not renew

such contracts on favourable terms or at all, our revenues and profitability may be adversely affected.

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. We may also change our product mix appropriately.

In the Drug Discovery & Development Solutions business, we have several large collaborations with key pharmaceutical and biotech companies that provide a large portion of the revenue each year. If these collaborations were to end abruptly there would be an impact on our revenue and profitability. To mitigate this risk, we have a team of business development professionals in the field who interact with clients on a constant basis to generate additional business. These interactions include the development of new clients as well as strengthening of relationships with existing clients. We have a strong brand and reputation in the industry that helps us to attract and retain our clients. In addition, our mixed business model with our portfolio of proprietary programs is also an attractive marketing tool to bring in larger deals and to develop our long-term interaction with key clients.

Foreign Currency and Interest Rate Exposures

There has been significant movement in exchange rates over many years. Due to our global operations, we have significant foreign currency exposures. 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. We may also be exposed to credit risks in some of these markets. The imposition of price controls or restrictions on the conversion of foreign currencies could also have a material adverse effect on our financial results.

We borrow funds in the domestic and international markets from various banks, financial institutions and Public Financial Markets to meet the long-term and short-term funding requirements for operations and growth initiatives at fixed and floating rates of interest. Any increase in interest rates may increase the cost of any floating rate debt that we incur.

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

Capacity Planning and Optimisation

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.

We ensure that capacities are well planned and optimised to respond to market realities in the following ways:

- The Company continues to invest in the optimisation of our manufacturing capacity utilisation. Such optimisation is driven by continuous de-bottlenecking of our manufacturing plants and by value engineering through the application of Six Sigma, Lean Sigma and other value-added tools for productivity enhancement. In addition, we also build new capacities as per our commercialisation plans based on customer approvals and patent expiry of various molecules. We intend to continuously increase production capacity for several of our APIs.
- The business teams regularly track the trends for each product to ensure that there is sufficient capacity to meet demand. We have robust processes to continuously monitor plant capacities and utilisation, drive improvements aligned with good manufacturing practices such as preventive maintenance schedules and modify plant designs

in case of repeated breakdown. We periodically undertake de-bottlenecking and other initiatives to improve efficiency in terms of throughput, cost reduction and to also build additional capacities without committing significant capital outlay thereby generating better return on investment. We have proactively improved capacities of key Fine Ingredient products by 25-30% by debottlenecking and outsourcing, hence gearing up for the growing demand for their end products.

- 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.
- To mitigate excess capacity situations or lower asset utilisation, we continuously evaluate manufacturing of new intermediates by using existing assets thereby making the plants multi-purpose, thus improving flexibility. We have commenced commercial scale production of 'Alpha Picoline' and 'Gamma Picoline', on our existing assets which caters to our captive requirements, besides meeting market demand. As a derivative of Gamma Picoline, we have started making '4-Cyano Pyridine' which is used in Pharma and industrial applications.
- In order to maximise asset utilisation, the Company has started focusing on selling both Acetaldehyde and Formaldehyde in merchant market. As we are the largest bio-based Acetaldehyde manufacturer, there is an increasing interest among domestic as well as overseas customers.
- We have retrofitted our existing multi-purpose plants to manufacture new Pyridine derivatives for pharmaceutical and biocide applications. We are also doing forward integration to create value added Fine Ingredients products from our current Good Manufacturing Practices (cGMP) multi-purpose facility for global customers.

Manufacturing Operations

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 Good Manufacturing Practices (cGMP).

One of our key strengths is excellence in carrying out manufacturing activities with utmost efficiency. Hence, any risk that challenges the manufacturing operations would be a cause of concern as extensive time, money, and effort is expended in all areas of regulatory compliance, including manufacturing, production and quality. We have made an effort to identify such risks and are prepared to mitigate the same to avoid significant additional regulatory compliance expense and/or regulatory penalties.

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.

Any inconsistency in the availability of water may pose a threat to our manufacturing operations in India. As a pro-active approach, our operations team has been working on maximising the recycling of water from effluent streams and reduction of water intake at source.

In the Pharmaceuticals segment, manufacturing problems could cause inventory shortages and delay product shipments and regulatory approvals, which may adversely affect the Company's financial condition, results of operations and profitability. In order to generate revenue from our products, we must be able to produce sufficient quantities of our products to satisfy demand. Many of our products are the result of complex manufacturing processes and subject to regulation by various governmental authorities. Failure to comply with these requirements may lead to delays in the submission or approval of potential new products or financial penalties. In order to distribute our products in US, we must register our facilities, whether located in US or elsewhere, with the USFDA as well as regulators outside the US. Our products must be made in a manner consistent with cGMP or similar standards in each territory in which we manufacture. We may have to write-off the costs of manufacturing any batch that fails to comply with approved specifications. Furthermore, the USFDA or other regulatory authorities may inspect our facilities and identify deviations from cGMPs. The deviations are reported by the USFDA investigators on a Form 483 and may result into subsequent regulatory actions such as Warning Letter, Import Alert and Seizures.

During the financial year ended March 31, 2019, our facilities were inspected by various regulatory authorities e.g. the Jubilant Cadista Pharmaceuticals Inc.- Salisbury, US facility was inspected in April 2018, the Jubilant HollisterStier General Partnership - CMO Montreal, Canada facility was inspected in May 2018 and the Jubilant Generics Limited - Roorkee, India facility was inspected in August 2018. Recently, our Jubilant HollisterStier LLC - Spokane, US facility was inspected by the USFDA and the CBER USFDA in October 2018, and our Jubilant Generics Limited - Nanjangud, India facility was jointly inspected by the USFDA and Health Canada in December 2018. Some of these inspections resulted in the issuance of Form-483 inspectional observations for Jubilant Generics Limited - Roorkee, India facility and Nanjangud, India facility, Jubilant HollisterStier LLC - Spokane facility and Jubilant HollisterStier General Partnership - CMO Montreal, Canada facility. Our Radiopharmacy in Kansas City (part of Jubilant DraxImage Radiopharmacies Inc.) was also inspected in June 2017, before we acquired it in September 2017, for which Form-483 inspectional observations were issued.

Upon receipt of a Form-483, we work to address any inspectional observations in a timely manner to obtain the EIR (Establishment Inspection Report) from such inspections, which indicates formal closure of the inspection. As of March 31, 2019, we have not received the EIRs from the most recent inspections of the Jubilant HollisterStier LLC - Spokane, US facility and the Jubilant Generics Limited - Nanjangud, India facility or the Kansas City, US Radiopharmacy (part of Jubilant DraxImage Radiopharmacies Inc.). We believe the findings from both the Spokane facility and the Kansas City Radiopharmacy inspections have been corrected and are awaiting verification by the USFDA. The USFDA has acknowledged and accepted the corrective actions to mitigate the gaps identified at our Spokane facility. The USFDA has indicated an Official Action Indicated at our Nanjangud APIs facility and similarly Health Canada has classified the facility with an NC (Non-Compliant) rating. We are working with both the agencies to remediate the gaps indicated. We have received a warning letter at our Jubilant Generics Limited - Roorkee manufacturing facility in India. We are working to remediate the gaps identified in the Warning Letter with the help of independent cGMP consultants. There is no impact from this warning letter on the existing business and we are periodically providing updates to the FDA on the progress of the remediation activities.

Dependence on Single Manufacturing facility

In the Pharmaceuticals segment, some of our products are produced by a single manufacturing facility. For instance, Allergy Therapy Products within our business of 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. If any event arises that affects the production of such products by the relevant manufacturing facility, we will not be able to reallocate production to alternative manufacturing facilities, which may affect our ability to manage our capacity utilisation and product mix and to that extent our business may be materially and adversely affected.

Similarly, our manufacturing facility in Nanjangud, India is the sole manufacturing facility for APIs. On account of this facility being located in India, it may be subject to risks such as political instability - resulting from a change in government, changes in regulatory, economic, fiscal and taxation policies, natural calamities, terrorist attacks etc. which may affect the operations or profitability of our APIs manufacturing facility and other manufacturing facilities located in India.

Research and Development (R&D) Effectiveness

As a pharmaceutical manufacturer, we are dependent on our R&D to effectively improve and enhance our existing products, develop commercially viable and sustainable new products along with process improvements that can improve time, quality and cost efficiency. To that end, 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. 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.

In the Pharmaceuticals segment, the R&D team primarily focuses on APIs & Generics research including APIs, Solid Dosage Formulations and Radiopharmaceuticals. R&D supports the activities of various businesses through new product and process development, process intensification, absorption of technologies and establishing technologies at a commercial scale. Regarding APIs, our focus continues to be on developing commercially competitive, intellectual property compliant, robust and eco-friendly technologies. Our Radiopharmaceuticals business has a small focused R&D team with Radiochemical expertise, based in Montreal, Canada. This team supports existing products and leads the development of new products using its own resources and also collaborating with our R&D team in India. In Radiopharmaceuticals, we are continuously engaged in the development of new products that have yielded a pipeline of products that can be introduced in the future.

Since our LSI segment faces significant competition from Chinese and other competitors, the R&D team has taken a pro-active approach to introduce new products in Pyridine chemistry and also in non-Pyridine chemistry, by deploying our various technological platforms and capabilities. New products continue to get developed by experienced and talented R&D teams which work in alignment with the marketing strategy by developing new cost effective processes/ products. Further, in order to ensure that cost competitiveness is maintained along with minimal environmental impact, R&D is working on the improvement of existing processes, their carbon efficiency and atom economy. Initiatives are also being taken to develop alternative green processes involving fewer manufacturing steps with reduced consumption of utilities and increased manufacturing efficiency. R&D also has a dedicated team which works on Homogenous and Heterogeneous catalysis for process intensification and reducing the synthetic steps.

The focus is on development of processes within the deadlines at optimum cost with effective and efficient scalability. We have institutionalised robust processes and proven R&D methodologies to ensure successful commercialisation of the products for which research has been conducted to avoid any unpleasant surprises during the scale-up. The R&D function keeps itself updated with the regulations, upcoming technological changes and trends and proactively aligns with pharmacopoeia methods and industry best practices.

In Drug Discovery & Development Solutions, we have a mixed business model that delivers small molecule drug discovery services to our clients and also have a portfolio of proprietary discovery programs that is used to initiate drug discovery collaborations with our clients through out-licensing or partnerships. Drug discovery is inherently a risky venture with a high failure rate. To mitigate this, we maintain a pipeline of client programs that can help offset attrition of client programs. For our own portfolio of internal proprietary drug discovery programs to help offset attrition risk, we have 1) built a pipeline of early and late stage discovery programs and 2) are developing select relationships with academic groups as a source for new targets which allows us to replace programs where the science does not deliver an asset that is fit for out-licensing. We create small molecule assets through Intellectual Property (IP) filing in a time bound manner. This enables us to out-licence the asset to clients to jump start their efforts through the integrated outsourcing model and earn an upfront payment. IP rights which create any assets leading to Investigational New Drug Application (IND) filing will enable us to maximise returns. Hence, creating and protecting our IP portfolio for these assets is a risk mitigation strategy for the Drug Discovery & Development Solutions business. Further risk mitigation is achieved by developing growth plans for our research sites and investing in new technologies such as Flow chemistry, Surface Plasmon Resonance (SPR) testing and digitization of Critical Processes to drive both speed and efficiency.

Innovation, speed-to-market and a robust and diverse product pipeline are critical factors in ensuring success for an integrated global pharmaceutical and life sciences company. Failure of R&D to provide innovative and cost effective products would result in non-achievement of top line or bottom-line goals. Similarly, an R&D function which fails to meet the expectations of the business, such as, meeting target product costs and minimising product cost deviations between R&D and operational phase will adversely impact our ability to launch products competitively and hence, diminish market penetration and/or diminish our market share. Risk of failing to develop products which are compliant with accepted standards documentation will significantly dent the Company's reputation in addition to the financial loss associated with the failed launch. Further, emergence of new cost effective methods for producing core products supplied by us can pose a risk to the Company's competitive position.

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.

Supply Interruptions due to Single Source Supplier

In our Pharmaceuticals segment which includes Solid Dosage Formulations, APIs, Radiopharmaceuticals and commercial Radiopharmacy businesses, we must ensure a regular and secure supply of the raw materials required to produce our products. For some of our key raw materials in this segment, we have only a single or a few external sources of supply, and alternative sources of supply may not be readily available. If we are unable to maintain our relationships with our suppliers or find alternative suppliers on commercially acceptable terms, our financial condition, results of operations and profitability could be materially and adversely affected in the event of any supply shortage or disruption. In addition, if we are unable to obtain such raw materials, or if we are unable to obtain them at a competitive cost, the Company's competitiveness would be affected and we may lose market share.

For both our Radiopharmaceutical and our commercial Radiopharmacy businesses, a critical ingredient is Tc99m, used for a majority of cold-kit preparations. Tc99m is generated through the decay of Molybdenum, which is the parent Radioisotope contained in the Technetium generator. Molybdenum is produced by a limited number of nuclear reactors, all of which are located outside the United States. These limited Molybdenum processing sites supply generator manufacturers with the needed parent isotope to manufacture generators, thus providing the Tc99m in North America. Any prolonged disruption of supply from the Molybdenum reactors or processors could have a material adverse effect on our business, financial condition, results of operations and cash flows. We require Radioisotopes such as Strontium-82 ('Sr-82') and I-131, which are procured from third party isotope processing companies. According to Frost & Sullivan, there are only three major suppliers globally for I-131 Radioisotopes, of which we have entered into supply contracts with two such suppliers. If the available supply of Radioisotopes is insufficient to meet the demand of our Radiopharmaceutical business or there is any interruption of supply from any one or both of our suppliers, including any unanticipated outage, shutdown and/or suspension of production of Radioisotope producers, it could lead to sudden shortages of Radioisotopes in the market and could have a material adverse effect on our business, financial condition, results of operations and cash flows.

For our Allergy Therapy Products, in connection with manufacturing of venom products for the treatment of allergies, we must source venom for its production. Venom products are made from venom gathered by hand from individual insects. A scarcity of venom could lead to backorders and affect our reputation among customers.

In our APIs and Solid Dosage Formulations businesses, we must ensure a regular and secure supply of the raw materials required to produce our products. The principal raw materials for our APIs are fine chemical products and other advanced intermediate compounds, almost all of which we purchase from third party sources. China has recently tightened implementation of environmental regulations, which had an impact on the chemical and pharmaceutical industries. In addition, for our Solid Dosage Formulations, we currently use one supplier for one of the raw materials used to produce Methylprednisolone.

Any failure to source any of our key raw materials required to produce our products, even on a temporary basis, could affect our ability to deliver some products to our customers in required quantities, within the required timeframe or at all, which could result in order cancellations and decrease in revenues.

Also, in the light of strong regulations on pollution, the chemical industry has seen a lot of outages in China. In view of this, we need to evaluate suppliers outside China so that we are adequately protected.

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.

Limited Product Pipeline

In the Pharmaceuticals segment, if we are unable to maintain a sufficiently large portfolio of pharmaceutical products and services and manage their development and approval processes so as to bring them to market on a timely basis, our growth strategy may not be successful and our business operations would be adversely affected. Our future success will depend to a significant degree on our ability to continue to develop and commercialise new pharmaceutical products in a timely and cost-effective manner. The success of any product offerings will depend upon several factors, including our ability to properly anticipate and respond to customer needs, to obtain timely regulatory approval for new products, identify available suppliers and create manufacturing capacity for such products. To that end, it is important that we maintain a sufficiently large portfolio of products and a product pipeline to manage their development and approval processes so as to bring products to market on a timely basis.

As mitigating steps, our R&D team strives to create new, innovative processes and new knowledge-driven products that allow us to capitalise on opportunities for growth in competitive markets. We have R&D centres located in India and North America and employ a large team of research scientists with expertise in the development of non-infringing products for APIs, Solid Dosage Formulations, Radiopharmaceuticals and other products.

Failure to Supply to Customers

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 and the Company's financial condition, results of operations and profitability could be materially and adversely affected. It may also adversely affect our reputation and our competitiveness and we may lose market share. Such failures can have a far-reaching adverse impact on the reputation of our business and brand value. We ensure that such risks are monitored and mitigated on a continuous basis to avoid customer dissatisfaction, order cancellations and decreased revenues.

Human Resources – Acquire and Retain Talent

We have committed substantial resources and strategies to acquire, retain and develop talent, given the size, complexity and geographic reach of our businesses because of competition for qualified and experienced professional personnel. Job enrichment along with timely and appropriate job training is provided to employees at all levels. To execute its ambitious growth and diversification plans, the Company continues to hire and retain highly skilled scientific and technical personnel. Employees get evaluated under reward and recognition programs based on performance.

We realise that an insufficient or minimal focus on human resources processes (e.g. recruiting, talent management, talent retention, labour management, development and training) threatens our ability to recruit and retain the qualified personnel required to maintain desired operational standards. Further, 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 the Company's financial condition in case of unexpected departures from key positions.

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. The leadership development program and the 360-degree feedback are conducted by us for these employees based on the leadership competency framework, helping the human resources department to perform gap analysis followed by capability development activities.

The gap analysis is used to create individual development program to develop the next line of managers. In certain businesses, sales trainees recruited from campuses, are being groomed for future sales positions. We also recruit management trainees and graduate engineer trainees to build a strong talent pipeline.

As talent development is imperative for the success of businesses, training need identification is done during annual performance appraisal. This is included in the Company's training calendar and courses are designed to help employees to perform their roles at their highest potential. Senior management employees at critical positions are also sent 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 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 of LMS.

We also understand the need to create a culture of high employee engagement as a method to retain talent in the organisation. Regular communication forums are organised in the form of town hall, skip meeting and new joiner assimilation program to understand employee concerns and a structured mitigation process is developed for effective redressal.

Today's fast paced business changes make it imperative to focus on forward looking and futuristic systems and applications. As a step in this direction, we have integrated a PeopleSoft based Human Resource Information Systems (HRIS) across all our locations and entities across the globe. The HRIS system is designed to cover all key human resource processes – performance management, recruitment, training and development, profile and position management, career and succession planning, compensation and benefits. We continue to make improvements in this system.

We ensure that there is full adherence to the code of conduct and fair business practices are followed.

Compliance and Regulatory

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, especially in some countries/regions, such as US, Europe and Japan. We have to comply with the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) regulations in 28 member countries of the European Union and REACH like regulations in all major countries for Company's business, like China, Korea, Japan, Malaysia, Taiwan, Turkey etc. These regulations require registration and extensive data submission without which we cannot enter the market. We have established systems and controls to monitor and upgrade the registrations as per business needs. There are also other major challenges in terms of meeting the requirements of other compliances like United Nations Globally Harmonised System (GHS), Classification, Labelling and Packaging (CLP) and other country specific GHS requirements.

We expect the regulatory requirements to continue to trend upward globally. Although we have adopted measures to address these stricter regulations, such as increasing the efficiency of our internal R&D process in order to reduce the impact of extended testing on the time-to-market for our products, stricter regulatory regimes may increase our compliance costs, delay our product development and hinder our marketing and sales and we may, therefore, not be able to recover our investment in R&D in a timely manner or at all. If we fail to comply with regulatory requirements, or if allegations are made that we fail to comply, our financial condition and results of operations could be adversely affected.

In addition, failure to achieve regulatory approval of new products in a timely manner or at all can mean that we do not recoup our R&D investment through sales of that product. Regulatory agencies may at any time change regulations or reassess the safety and efficacy of our products based on new scientific knowledge or other factors. Such reassessments could result in the amendment or withdrawal of existing approvals to market our products, which in turn could result in a loss of revenue. This may occur even if regulators take action falling short of actual withdrawal. In addition, if we fail to comply fully with such regulations, then civil or criminal actions could be brought against us.

Any change in the regulations, enforcement procedures or regulatory policies set by regulatory agencies could increase the costs or time of development of our products and delay or prevent sales of our products. We cannot determine what effect changes in regulations, statutes, legal interpretation or policies, when and if promulgated, enacted or adopted, may have on our business in future. Such changes or new legislation, could increase the costs or delay or prevent sales of our products and our revenues may decline and we may not be able to maintain profitability. In addition, increases in the time that is required for us to obtain required approvals could delay the commercialisation of our new products.

Besides, there are other specific regulatory requirements that pertain to end use applications like biocides, pesticides, food and feed applications etc. which have various parameters depending upon the geography.

These are being complied with for all businesses proactively.

Over the last few years, various regulators and law enforcement agencies are adopting a zero tolerance approach towards non-compliance. We need to comply with a broad range of regulatory controls on testing, manufacturing and marketing of our products in the pharmaceuticals and life sciences space. Besides, there are laws of many countries that we need to comply with. In some countries, including the US, regulatory controls have become increasingly demanding leading to increased costs and reduced operating margins for our line of products and services. Failure to achieve regulatory approval for new products can mean that we do not recoup our R&D investment through the sale of final products. Any change in regulations or reassessment of safety and efficacy of products based on new scientific knowledge or other factors could result in the amendment or withdrawal of existing approvals to market our products, which may adversely affect the Company's financial condition, results of operations and profitability. This may occur even if regulators take action falling short of actual withdrawal.

We have adopted measures to address these stricter regulations by increasing the efficiency of our R&D process, reducing the impact of extended testing, 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. Further, estimation of risks on account of failure/ delay in obtaining approvals is duly considered while designing business plans. 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.

Environment, Health and Safety (EHS)

Our operations are spread across different geographical regions and are subject to a wide range of Environmental, Health and Safety (EHS) laws and regulations. For North America, we are regulated by various environmental agencies and authorities including the United States Environmental Protection Agency (US EPA), and Environment and Climate Change Canada. In India, we are also regulated by various environmental agencies and authorities including the Central Pollution Control Board and State Pollution Control Boards. As such, we require certain statutory and regulatory permits and approvals to operate our business, including environmental clearances. 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 resulting violation may lead to the interruption of our operations and may have a material adverse effect on the Company's financial condition, results of operations and profitability.

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 pressure. To face these challenges and ensure sustainability, excellence in cost, quality, services, and Environment, Health and Safety is of paramount importance. We are committed to protecting the environment and ensuring the health and safety of our employees, customers and the public. We take pride in managing our operation with a high concern for EHS.

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, responsible care, climate change and green supply chain. The Company does the right things right so that its employees, the community at large, and the environment, including natural resources, are protected. Leaving minimal environmental footprint is integral to our EHS

We have integrated a PeopleSoft based Human Resource Information Systems (HRIS) across all our locations and entities across the globe.

philosophy. On the road to achieving EHS excellence, we have adopted a top down approach and have been enhancing the impact of EHS initiatives by making it a line function responsibility through active employee consultation and participation.

Caring for the environment is a core corporate promise and as a part of this commitment, high 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. Efforts to process more by-products and waste to make them reusable are paying off in terms of ecological and economic impact.

The Government of India has rightly been focusing on the environmental issues and making the environmental laws appropriately stringent for industry to follow. With the initiatives of cleaning the river Ganges, these laws and guidelines are expected to get even more stringent and industries in India will have to be more disciplined in adhering to the same. We are extremely sensitive to these externalities and strive to pro-actively adhere to all latest guidelines laid out by Government of India from time to time for all our locations.

Investments were made for the up-gradation of process safety and enhanced process controls at our sites. Safety culture in terms of safe behaviour is being aggressively promoted and propagated at workplace through *Sanchetna* – a platform for encouraging identification and 360-degree correction of unsafe acts and conditions. Safety knowledge of the technical personnel is constantly updated through various external and in-house training programs, including special training programs by external experts and consultants.

All our manufacturing sites are equipped with an Occupational Health Centre (OHC) run by an occupational health physician. We run a comprehensive health assessment program in our manufacturing sites, wherein the occupational health of the employees is assessed on a periodic basis. The OHC provides curative, advisory and health promotion services to the employees.

We proactively engage with government, industry forums and academia to support creation of responsible and practicable EHS regulations.

We have a full-fledged EHS team which is continuously addressing the issues of environmental safeguards by conducting periodical safety audits and training programs.

Protecting Intellectual Property Rights (IPR)

Companies in the pharmaceutical industry commonly assert patent and other IPR claims in order to delay or prevent competition. In the normal course of business, we are sometimes subject to lawsuits. The ultimate outcome of any such litigation could adversely affect our financial condition, results of operations and cash flow. Regardless of regulatory approval, should anyone commence a lawsuit against us with respect to any alleged patent infringement by us, whether because of the filing of an application for governmental approval, such as an ANDA, or otherwise, the expense of any such litigation and the resulting disruption to our business, whether or not we are successful, could harm our business. The uncertainties inherent in patent litigation make it difficult for us to predict the outcome of any such litigation. If we are unsuccessful in defending ourselves against these suits, we could be prevented from selling our products, resulting in a decrease in revenues, or to damages, which may be substantial. Either event could adversely affect our consolidated financial position, results of operations or liquidity. Furthermore, in order to sell our API products in regulated markets, we are required to submit DMFs, which among other things, provide information regarding the production site, the API product, the manufacturing process and input materials. If the DMF for a particular API product is determined by a regulatory authority to be inaccurate and cancelled as a result, we could lose access to regulated markets. Similarly, in order to sell our solid dosage formulations, we require ANDAs or dossiers, which provide information on, among others, manufacturing process and facility, stability data, input material, and make reference to the DMF of APIs used. If the ANDA or dossier is found to be incorrect, launches of our Solid Dosage Formulations may be delayed and we could fail to capitalise on related business opportunities. Historically, in addition to patents, we have relied on trade secrets, know-how and other proprietary information. To protect such information, we require our employees, vendors and suppliers to sign confidentiality agreements. However, these confidentiality agreements may be breached and we may not have adequate remedies for any breach. If our IPRs are infringed or if our trade secrets are compromised by third parties, competitive advantages deriving from our usage or access of such rights and information may be revealed to our competitors, compromising our competitiveness and adversely affecting our business. Third parties that obtain our proprietary information may procure IPR on such information, or on substantially equivalent proprietary information that they develop based on our proprietary information, which could affect the validity of our own IPR claims on the revealed proprietary information. Our development of products may be limited to the extent that their manufacturing processes are considered to infringe existing third party IPRs, although the Company is not aware of any such infringements in the past. In particular, an ANDA for a generic formulation utilising APIs that we have developed will not be approved by the USFDA if our APIs infringe on a third party's IPR. We cannot be certain our APIs do not infringe on the IPRs of other parties. In addition, patent applications are currently pending for some of the technologies currently being utilised by us. If the patent application is rejected or challenged, any aspect of our business reliant on such technologies would be disrupted. Any such disruption would harm our business.

Our efforts have helped us avoid any intellectual property issues by developing designed around research strategies, better understanding of emerging challenges, identifying newer opportunities and creating intellectual property which is well protected in defined geographies of our business interests. Our efforts have been rewarded, resulting in growth of our intellectual property over the years.

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 protection that a patent provides varies from country to country, depending on the type of claim granted, the scope of the claim's coverage and the legal remedies available for enforcement. 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.

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.

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 communications alleging such infringements could delay the sale of or prevent us from selling our products. In the normal course of business, we are sometimes subject to litigation. Further to our launch of RUBY-FILL®, an innovative technology for PET Myocardial Perfusion Imaging (MPI), Bracco

Diagnostics Inc. ('Bracco') filed 2 legal challenges in 2018 against us, the Parent Company and Jubilant DraxImage Inc. ('JDI' and collectively, the 'Jubilant Defendants') in the United States District Court for the District of New Jersey (the 'New Jersey District Court') and with the US International Trade Commission ('USITC') alleging patent infringement. We do not expect the ongoing litigation to affect the continuing availability of RUBY-FILL® products in the US or elsewhere. These challenges and any similar challenges, if not adjudicated in our favour, may result in monetary damages, the exclusion of certain systems and components from importation as well as suspension and/or cessation of our manufacture and sale of RUBY-FILL® or other product candidates in the US, which could materially affect our business, financial condition, results of operations and future prospects.

Information Technology (IT)

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.

Our Information security framework is certified for ISO/IEC 27001 standards which ensures that all the information assets are adequately safeguarded. 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 impacting critical IT infrastructure are getting logged and monitored round the clock by our Security Operations Centre (SOC).

Most of the Information Technology assets are hosted in the ISO certified data centres which are subject to appropriate physical and logical access controls. Various components of information technology like network, operating system, firewall, software license compliance, applications controls etc. 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 ensure availability of information at all times.

Since employee awareness is an integral part of managing information security risk, we provide structured training to the employees through internal and external training programs. We also publish a monthly information security newsletter to create end user awareness about information security risks and mitigation strategies.

In the ordinary course of our business, we collect and store sensitive data in our data centres and on our networks, including intellectual property, proprietary business information (both ours and that of our customers, suppliers and business partners) and personal identifiable information of our employees. The collection, use, disclosure, transfer, or other processing of personal data regarding individuals in the European Union ('EU'), including personal health data, is subject to the EU General Data Protection Regulation, or the GDPR, which became effective on May 25, 2018. Compliance with the GDPR will be a rigorous and time-intensive process that may increase our cost of doing business or require us to change our business practices. Despite our efforts, there is a risk that we may be subject to fines and penalties, litigation, and reputational harm in connection with any European activities.

Risk of Changes in Tax Legislation

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. Although we believe our estimates are reasonable, the ultimate outcome of such audits and related litigation could be different from our provision for taxes and might have a material adverse effect on our financial statements. In addition, we may become subject to various tax litigation and claims. Any consequent rulings against us could materially and adversely affect our business, financial condition and results of operations.

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.

Mergers & Acquisitions

In the Pharmaceuticals segment, we may expand our business through selective, targeted mergers or acquisitions of businesses and assets we believe to be complementary to our existing business. We may also seek to expand our business through complementary or strategic acquisitions of other businesses, products, or assets, or through joint ventures, strategic agreements or other arrangements. Mergers and acquisitions may involve a number of risks, including that our management's attention may be diverted due to integration efforts; we may have cultural differences; we may fail to retain key personnel and clients of the acquired business; future developments may impair the value of our purchased goodwill or intangible assets; we may face difficulties or delays establishing, integrating or combining operations and systems; we may assume liabilities related to legal proceedings involving the acquired business; or we may encounter unforeseen internal control, regulatory or compliance issues some or all of which could harm our results of operations and financial condition. We may overpay for a business or if we are not able to successfully integrate other businesses we may acquire or merge with in the future, with the rest of our business, we may be unable to realise the anticipated benefits of such mergers or acquisitions, or our existing business may be harmed. We have adopted measures to address these issues by increasing the efficiency and reducing the impact, if any. Further, estimation of risks on account of failure/ delay in integration is duly considered while designing business plans. We have a dedicated team of experts whose knowledge ensures that the requirements are met and we can build competitive advantage.

Political or Economic Instability or Acts of Terrorism

Jubilant Life Sciences is an integrated global pharmaceutical and life sciences company with worldwide operations and one of its strategic objectives is to continue to expand its geographic outreach. We derive sales and procure materials from countries/ regions that may be adversely affected by political or economic instability, major hostilities or acts of terrorism. Any such events may adversely affect the Company's financial condition, results of operations and profitability. Moreover, as we export and import a substantial number of products and raw materials, we may be denied access to customers or suppliers of our raw materials. We may also be denied the ability to ship products from any of our sites if the borders of some countries are closed due to political or economic instability or acts of terror, in such countries.

Duties by Export Destination Countries

A substantial part of the Company's revenue is derived from exports and our products are sold in various countries across the world. Export destination countries impose varying duties on our products, which may adversely affect our ability to compete with the local manufacturers and other competitors on cost. There can be no assurance that the duties or other levies imposed on our products by such destination countries will not change or increase, or that a change or increase will not adversely affect the Company's financial condition, results of operations and profitability.

Acceptance of Our Products in Market

In the Pharmaceuticals segment, our ability to market our products successfully depends, in part, upon the acceptance of the products not only by customers, but also by independent third parties including wholesalers, distributors, physicians, hospitals, pharmacies, government representatives and other retailers, as well as patients. Unanticipated side effects or unfavourable publicity concerning any of our products or brands, could have an adverse effect on our ability to achieve acceptance by prescribing physicians, managed care providers, pharmacies and other retailers, customers and patients.

If our products are approved by the regulatory authorities but do not achieve an adequate level of acceptance by independent third parties, we may be unable to generate any or sufficient revenue from these products to make them profitable. If our products fail to maintain significant market acceptance, it could have a material adverse effect on our projected business, financial condition and results of operations.

Policies Regarding Returns, Allowances and Chargebacks in the United States

In the Pharmaceuticals segment, consistent with the industry practice in US, our US subsidiary, Jubilant Cadista Pharmaceuticals Inc., like many other generic product manufacturers, has liberal return policies and has been willing to give customers post-sale inventory allowances in our Solid Dosage Formulations business. Under these arrangements, from time to time, this subsidiary may give customers credits on generic products that customers hold in inventory after it has decreased the market prices of the same generic products. Therefore, if new competitors enter the marketplace and significantly lower the prices of any of their competing products, we may reduce the price of our product. As a result, this subsidiary may be obligated to provide significant credits to customers who are then holding inventories of such products, which could reduce sales revenue and gross margin for the period the credit is provided.

Like our competitors, this subsidiary also gives credits for chargebacks to wholesale customers that have contracts with us for their sales to hospitals, group purchasing organisations, pharmacies or other retail customers. A chargeback represents an amount payable in the future to a wholesaler for the difference between the invoice price paid to us by our wholesale customer for a particular product and the negotiated contract price that the wholesaler's customer pays for that product. As a mitigation strategy, the Company establishes reserves based on prior experience and best estimates of the impact that these policies may have in subsequent periods. However, we cannot ensure that our reserves are adequate or that actual product returns, allowances and chargebacks will not exceed our estimates, which could have material adverse effect on our financial condition, results of operations and cash flows.

Labour Unions

If the Company experiences labour union issues, our production capacity and overall profitability could be adversely affected. Although we generally enjoy cordial relations with our employees, the Company may experience a strike over wages and other matters. This may be resolved amicably through a voluntary negotiation and mediation process. However, if any such negotiation in future regarding wages with our employees or any of the labour unions is not concluded quickly, our relations with employees could suffer, which may adversely affect our financial condition, results of operations and profitability.

Consolidation of Customer Base

In the Pharmaceuticals segment, sales of our products may be adversely affected by the continuing consolidation of its customer base. A significant part of our Generics sales is made to the relatively few retail drug chains and pharmaceutical wholesalers in the US and in other geographical markets. These customers are continuing to undergo significant consolidation. Such consolidation (e.g. the joint venture of Walgreen Company and Alliance Boots forming a long-term partnership with AmerisourceBergen Corporation) has provided and may continue to provide them with additional purchasing leverage or negotiating power, and consequently may increase the pricing pressure that we face. We expect that consolidation of drug wholesalers and retailers will increase pricing pressures and competition, including product price erosion on generic drug manufacturers, including those in the US. The consolidation resulting from the merger of CVS Health Corporation and Aetna Inc. is expected to create a vertically integrated organisation with increased control over the physician and pharmacy networks and, ultimately, over which medicines are sold to patients. In addition, several major hospital systems in the United States announced a plan to form a non-profit company that will provide US hospitals with a number of generic drugs. In January 2018, Amazon Inc., Berkshire Hathaway Inc. and JPMorgan Chase & Co., announced that they plan to join forces by forming an independent healthcare company for their combined one million US employees. This initiative is expected to further increase competition and enhance price erosion. These changes to the traditional supply chain could lead to our customers having increased negotiation leverage as well as additional pricing pressure which could have a material adverse effect on our business, financial condition and results of operations. This dual effect of increased competition and increased purchasing power has resulted in a downward trend for prices of our Solid Dosage Formulations & APIs products. If these trends continue or worsen, or if we experience further difficulty in this market, this may continue to adversely affect our revenues and profits from the Solid Dosage Formulations and/or APIs products.

We are able to manage pricing pressure by taking initiatives to continuously redefine production processes to control cost. For some of our generic formulations, we have captive manufacturing of APIs to ensure effective cost control to focus on improving profit margins.

Business Interruption

A significant invasion, interruption, destruction or breakdown of our information technology systems and/or infrastructure by persons with authorised or unauthorised access could negatively impact our business and operations. In the ordinary course of our business, we collect and store sensitive data in our data centres and on our networks, including intellectual property, proprietary business information (both ours and that of our customers, suppliers and business partners) and personally identifiable information of our employees. We could also experience business interruption, information theft, legal claims and liability, regulatory penalties and/or reputational damage from cyber-attacks, which may compromise our systems and lead to data leakage either internally or at our third party providers. Our systems may be the target of malware and other cyber-attacks.

Absence of a response plan or delays in response may adversely affect the business in the event of anticipated or unanticipated disruption due to internal and external factors. We have dedicated teams (including for EHS, supply chain and IT) which are responsible to monitor and manage an event of disruption on account of a disaster, supply issues and network/ IT breakdown. Emergency response plan exists for each location with individually assigned roles and responsibility for responding to an emergency. Extensive training programs focusing on EHS are conducted annually. For the Radiopharmaceuticals business, we have a dedicated Radiation and Safety officer at the manufacturing sites with the responsibility of monitoring radiation levels and emission to environment as per the prescribed levels. Our maintenance and EHS teams ensure periodic maintenance and safeguarding of assets and environment. Our IT team ensures internet and plant level connectivity, data back-up, restoration plan and security of data centre.

Dependence on Third Parties to conduct our Clinical Trials

We may depend upon third parties to conduct our clinical trials under agreements with universities, medical institutions, Clinical Research Organisations, strategic partners and others. For example, we have a contract with a third party Clinical Research Organisations for our MIBG (Metaiodobenzylguanidine) clinical trial. We depend on our industry partners, including medical institutions and in particular Clinical Research Organisations, to conduct clinical trials in compliance with Good Clinical Practice ('GCP'), and in compliance with other applicable regulatory and technical requirements. If these third parties do not successfully carry out their contractual duties or meet expected deadlines or comply with regulatory requirements, we may not be able to obtain regulatory approval for potential product candidates or be able to commercialise them.

Directors' Report

Your Directors are pleased to present the Forty First Annual Report together with the Audited Standalone and Consolidated Financial Statements for the year ended March 31, 2019.

OVERVIEW

Jubilant Life Sciences Limited (the 'Company' or 'Jubilant') is an integrated global pharmaceutical and life sciences company engaged in Pharmaceuticals, Life Science Ingredients and Other businesses including Drug Discovery & Development Solutions and India Branded Pharmaceuticals. The Pharmaceuticals segment, through its wholly owned subsidiary Jubilant Pharma Limited, is engaged in manufacturing and supply of Active Pharmaceutical Ingredients (APIs), Solid Dosage Formulations, Radiopharmaceuticals, Allergy Therapy Products and Contract Manufacturing of Sterile Injectables and Non-sterile products through 6 US Food and Drug Administration ('USFDA') approved manufacturing facilities in the US, Canada and India and a network of over 50 Radiopharmacies in the US. The Life Science Ingredients segment is engaged in Specialty Intermediates, Nutritional Products and Life Science Chemicals through five manufacturing facilities in India. The Drug Discovery & Development Solutions business provides proprietary in-house innovation and collaborative research and partnership for out-licensing through two world class research centers in India. Jubilant Life Sciences Limited has a team of around 7,600 multicultural people across the globe and is committed to deliver value to its customers across over 100 countries. The Company is well recognized as a 'Partner of Choice' by leading pharmaceuticals and life sciences companies globally. For more information, please visit the Company's website www.jubl.com.

RESULTS OF OPERATIONS AND STATE OF COMPANY'S AFFAIRS

FINANCIAL RESULTS

(₹/ Million)

Particulars	Standalone		Consolidated	
	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018
Total Revenue from Operations	**34,386**	33,430	**91,108**	75,578
Total Operating Expenditure	**31,177**	28,037	**73,718**	60,394
EBITDA	**3,209**	5,393	**17,390**	15,184
Other Income	**780**	462	**357**	400
EBITDA including Other Income	**3,989**	5,855	**17,747**	15,584
Depreciation, Amortisation and Impairment Expense	**865**	826	**3,709**	4,150
Finance Costs	**1,290**	1,352	**2,198**	2,843
Exceptional Items	**-**	-	**2,802**	-
Profit before Tax	**1,834**	3,677	**9,038**	8,591
Tax Expenses	**358**	1,043	**3,268**	2,247
Reported Net Profit After Tax	**1,476**	2,634	**5,770**	6,344
Attributable to:				
Shareholders of the Company	**-**	-	**5,745**	6,428
Non-Controlling Interests	**-**	-	**25**	(84)
Other Comprehensive Income	**(5)**	(25)	**(138)**	654
Total Comprehensive Income for the period	**1,471**	2,609	**5,632**	6,998
Retained Earnings brought forward from previous year	**9,517**	7,836	**26,397**	20,939
Adjustment on account of consolidation of Jubilant Employees Welfare Trust	**-**	-	**11**	11
Retained Earnings available for appropriation which the Directors have appropriated as follows:	**10,982**	10,442	**32,142**	27,349
- Dividend on Equity Shares	**478**	478	**478**	478
- Tax on Dividend on Equity Shares	**83**	72[1]	**83**	97
- Transfer to Debenture Redemption Reserve	**552**	375	**552**	375
- Transfer to Legal Reserve	**-**	-	**3**	2
Retained Earnings to be carried forward	**9,869**	9,517	**31,026**	26,397

[1]After reversal of dividend distribution tax of ₹ 24.57 Million on account of dividend received during the year from a subsidiary company.

(i) Standalone Financials

Revenue from Operations

In the Financial Year 2018-19, on standalone basis, the Company recorded total revenue from operations of ₹ 34,386 Million.

International Revenues

International business contributed 33% to the net revenue from operations at ₹ 11,184 Million.

EBITDA

For the year ended March 31, 2019, Earnings before Interest, Taxes, Depreciation and Amortisation ('EBITDA') stood at ₹ 3,989 Million with EBITDA margins at 12%.

Reported Net Profit after Tax and EPS

Reported Net Profit after Tax was ₹ 1,476 Million in the Financial Year 2018-19. Basic Earnings Per Share ('EPS') stood at ₹ 9.27.

(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

The Company reported record performance in revenue and profitability in Financial Year 2018-19 led by robust growth in our Pharmaceuticals segment. Our strategic focus on de-risked business model and being closer to customer with leadership position in key products has driven this growth. Our global competitive edge due to low cost and vertical integration and capacity additions with commitment to ensure high level of compliance will further strengthen our businesses.

Revenue from operations was the highest ever at ₹ 91,108 Million, up 21% YoY, with International revenue at ₹ 66,702 Million, contributing 73% of the total revenue. Pharmaceuticals revenues were at ₹ 53,240 Million, up 33% YoY and contributing 58% to the revenues. Within this segment, Specialty Pharma revenues grew 42% YoY, constituting 53% of total Pharma segment revenues. This consistent growth is a testimony to our strategy and differentiated business model wherein we have been able to build multiple levers of businesses with significant barriers to entry which have helped the business deliver robust performance. Life Science Ingredients revenue stood at ₹ 35,452 Million, up 5% YoY and contributing 39% to the revenues. Revenue from Other businesses stood at ₹ 2,416 Million contributing 3% of the revenue.

EBITDA was 14% higher YoY at record ₹ 17,747 Million, with margins at 19% as against 21% in the Financial Year 2017-18. Adjusted EBITDA after adjusting one-time expense stood at ₹ 19,321 Million as against ₹ 16,487 Million in the Financial Year 2017-18. Pharmaceuticals segment reported EBITDA of ₹ 13,858 Million, a margin of 26% as against the margin of 25% achieved last year. The growth in EBITDA was led by a 38% YoY increase in Pharmaceutical segment EBITDA, led by growth in Generics, CDMO and Specialty Pharma businesses. The Pharmaceuticals segment now contributes about 78% to the overall EBITDA.

Life Science Ingredients reported EBITDA of ₹ 4,451 Million translating to EBITDA margin of 13%. EBITDA from Other businesses was ₹ 43 Million translating to EBITDA margin of 2%. Depreciation, amortization and impairment in the Financial Year 2018-19 was ₹ 3,709 Million as compared to ₹ 4,150 Million in the Financial Year 2017-18. Finance cost stood at ₹ 2,198 Million during the Financial Year 2018-19.

Net profit attributable to shareholders was ₹ 5,745 Million as compared to ₹ 6,428 Million in the Financial Year 2017-18 with a Basic EPS of ₹ 36.86 as compared to ₹ 41.25 in the Financial Year 2017-18.

DIVIDEND

The Board is pleased to recommend a dividend of 450% i.e. ₹ 4.50 per fully paid up equity share of ₹ 1 for the year ended March 31, 2019. Total dividend payout of ₹ 864.10 Million includes tax on dividend of ₹ 147.33 Million. The payment of dividend is subject to approval of the shareholders at the forthcoming Annual General Meeting ('AGM') of the Company.

CAPITAL STRUCTURE

(a) Share Capital

During the year, there has been no change in the authorised, subscribed and paid-up share capital of the Company. As on March 31, 2019, the paid-up share capital stood at ₹ 159,281,139 comprising of 159,281,139 equity shares of ₹ 1 each.

(b) Employees Stock Option Plans (ESOPs)

The Company has two employees stock option plans namely Jubilant Employees Stock Option Plan 2005 ('Plan 2005') and JLL Employees Stock Option Plan 2011 ('Plan 2011'). During the year, there was no material change in Plan 2005 and Plan 2011 and both the plans are in compliance with the SEBI (Share Based Employee Benefits) Regulations, 2014 (the 'SEBI ESOP Regulations').

Plan 2005: No Options were outstanding under the Plan 2005. The Board has decided that no further grants will be made under Plan 2005.

Plan 2011: During the year, 22,588 Options were exercised by the option holders. As on March 31, 2019, 9,628 Options were outstanding under the Plan 2011. Each Option entitles the holder to acquire one equity share of ₹ 1 each of the Company at the exercise price fixed at the time of grant, being the market value as per the erstwhile SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.

No dilution of paid-up capital is expected due to exercise of Options as it is envisaged to transfer the shares held by Jubilant Employees Welfare Trust to the employees on exercise of Options.

The details pursuant to the SEBI ESOP Regulations have been placed on the website of the Company and weblink of the same is https://www.jubl.com/Uploads/image/893imguf_esop_disclosure2019.pdf.

(c) Debentures

During the year, the Company has offered, issued and allotted Secured Redeemable Non-Convertible Debentures ('NCDs') of ₹ 3,500 Million on a private placement basis. NCDs are listed on the Whole-sale Debt Market Segment of National Stock Exchange of India Limited ('NSE'). The net proceeds of the funds raised 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.

The NCDs of ₹ 4,950 Million issued in the financial year 2016-17 are also listed on the Whole-sale Debt Market Segment of NSE. During the year, the Company has redeemed NCDs of ₹ 1,000 Million upon maturity.

SUBSIDIARIES

As on March 31, 2019, the Company had 50 subsidiaries. Brief particulars of the principal subsidiaries 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, 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 more than 50 pharmacies in 22 states of USA. Total income of the company during the Financial Year 2018-19 was ₹ 598.37 Million as compared to ₹ 192.19 Million during the Financial Year 2017-18.

During the year, Jubilant Pharma has raised US$ 200 Million by offering 6% Rated Unsecured High Yield Bonds due for repayment in 2024 ('2024 Notes') under Regulation S of the US Securities Act of 1933. The 2024 Notes are listed on the Singapore Exchange Securities Trading Limited.

Further, 4.875% Rated Unsecured High Yield Bonds of US$ 300 Million issued in the financial year 2016-17 are also listed on the Singapore Exchange Securities Trading Limited.

During the year, Jubilant Pharma has fully redeemed the outstanding zero coupon convertible loan of International Finance Corporation (IFC), Washington, on a one-time settlement of US$135 Million based on the mutual agreement. With the above payment of the convertible loan, all loans outstanding to IFC have been fully repaid.

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 business, respectively.

The manufacturing location at Nanjangud, Karnataka, spread over 69 acres, is engaged in manufacturing of APIs and caters to the sales worldwide primarily to regulated markets. The manufacturing facility is approved by global regulatory agencies, which include USFDA, Canadian Health Authority, Japanese PMDA, AFSSAPS France, National Institute of Pharmacy and Nutrition Hungary, TGA Australia, COFEPRIS Mexico, KFDA Republic of Korea, ANVISA Brazil among others. API portfolio is focused on Lifestyle driven Therapeutic Areas (CVS, CNS) and also targets complex and newly approved molecules. The company is market leader in four APIs and is amongst the top 3 players for another three APIs in its portfolio helping it to maintain a high contribution margin.

The dosage formulations manufacturing location at Roorkee, Uttarakhand, with 5 acres of infrastructure, is USFDA, Japan PMDA, UK MHRA, TGA, WHO and Brazil ANVISA audited and approved. This facility primarily manufactures oral solids (Tablets and Capsules) with capabilities on complex processes like pallet coating, MUPS (Multi Unit Particulate System) and extended release technology based on Matrix formulations and functional coating. JGL's non-US finished formulation business is focussed on B2B business model in EU, Japan, Canada, Australia and it has also initiated B2C model in select countries of emerging markets. JGL's major therapy area includes Cardiovascular, CNS and Gastrointestinal products with special focus on backward integration and in-house API leading to greater competitiveness in the market place. JGL has capabilities to develop multiple dosage forms including Oral solid, injectable and ophthalmic dosage forms at its research and development centre at Noida, Uttar Pradesh.

During the year, USFDA inspected both the Roorkee and Nanjangud facilities of JGL. Pursuant to the inspection, USFDA has classified the inspection as "Official Action Indicated" (OAI). As a result, approvals of pending applications or supplements from the above facilities may be withheld. Further, USFDA has issued Warning Letter to the Roorkee facility. For Nanjangud facility, USFDA also stated that the facility might be subject to a cGMP regulatory or enforcement action based on the inspection. However, this will not have any impact on the current manufacturing and distribution of the approved products at these plants. JGL is committed to implement the necessary corrective actions required to address the USFDA concerns and has provided a thorough and comprehensive response to the USFDA.

Total income of the company during the Financial Year 2018-19 was ₹ 12,006.33 Million as compared to ₹ 9,944.09 Million during the Financial Year 2017-18.

Cadista Holdings Inc. and Jubilant Cadista Pharmaceuticals Inc.

(i) Cadista Holdings Inc. ('Cadista'), a corporation incorporated in Delaware, USA is a wholly-owned subsidiary of Jubilant Pharma Holdings Inc.

(ii) Jubilant Cadista Pharmaceuticals Inc., a corporation incorporated in Delaware, USA is a wholly-owned subsidiary of Cadista. 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. Besides manufacturing its own label products, it also provides product development and contract manufacturing services. As on March 31, 2019, there were 35 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 2018-19 was ₹ 7,719.24 Million as compared to ₹ 5,610.94 Million during the Financial Year 2017-18.

Jubilant HollisterStier LLC

This subsidiary is based in Spokane, State of Washington, USA. It is a wholly-owned subsidiary of HSL Holdings Inc. This subsidiary has 2 businesses; Contract Manufacturing (CMO) and Allergenic Extracts.

In the contract manufacturing business of sterile injectables, this company provides a complete range of services to support drug manufacturing in the pharmaceutical and biopharmaceutical industries. Its contract manufacturing capabilities include aseptic liquid fill/ finishing and lyophilisation of small lot parenteral for commercial and clinical requirements. Its capabilities can be applied to a variety of projects from pre-clinical through commercial scale across a multitude of dosage forms including microspheres, suspensions, WFI/ diluents, biologics (proteins), lyophilized products and liposomes. Jubilant HollisterStier is approved across global regulated markets including USFDA (both CDER and CBER), Europe, Japan, Brazil and Canada. Its contract manufacturing business serves customers including innovators ranging from small biotechnology to large pharmaceutical companies.

Additionally, it is an innovator, manufacturer and distributor of allergenic extracts, targeted primarily at treating allergies. With nearly 100 years of leadership in research, extract production and immunotherapy products, the organization is respected worldwide in the field of allergy. Currently, the business is comprised of allergenic extracts and mixes, along with specialized skin test diagnostic devices. The business lays special emphasis on innovation towards introducing new products to treat and cure allergies. Total income of the company during the Financial Year 2018-19 was ₹ 9,970.36 Million as compared to ₹ 7,968.58 Million during the Financial Year 2017-18.

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 specialized manufacturing facility approved by both USFDA and Health Canada. JDI develops, manufactures and commercializes radiopharmaceuticals used in Nuclear Medicine for the diagnosis, treatment and monitoring of various diseases. It serves hospital-based customers (Nuclear Medicine Physicians, Nuclear Cardiologists and Technologists) in addition to specialized commercial radiopharmacies. JDI employs about 170 highly skilled professionals dedicated to providing high quality, reliable products and services to healthcare providers around the globe. The business is backed by a dedicated research and development team, specialized manufacturing, strong regulatory affairs and commercial operations. The areas of specialization include cardiac, pulmonary, skeletal and thyroid diseases.

JDI is a market leader in North America in several specialty niche products including I-131 Therapeutic and Diagnostic capsules for imaging and treatment of thyroid diseases and thyroid cancer, Methylene-Diphosphonate (MDP) for bone imaging, Macro-Aggregated Albumin (MAA) for lung imaging and Diethylene Triamine Penta-acetic Acid (DTPA) for renal, brain and functional pulmonary imaging. RubyFill®, a cutting edge technology for PET myocardial perfusion imaging (MPI) under rest and pharmacological stress conditions to evaluate regional myocardial perfusion in adult patients with suspected or existing coronary artery disease is approved by both USFDA and Health Canada. JDI has a strong vision to improve lives through nuclear medicine on a global scale, and continues to invest in the development of novel radiopharmaceutical products in the fields of diagnostics and radiotherapy "Theranostics", which will enable early and accurate diagnosis and treatment of diseases leading to better patient recovery across the globe. Total income of the company during the Financial Year 2018-19 was ₹ 12,806.34 Million as compared to ₹ 10,526.37 Million during the Financial Year 2017-18.

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 2018-19 was ₹ 17.92 Million as compared to ₹ 5.83 Million during the Financial Year 2017-18.

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 2018-19 was ₹ 520.01 Million as compared to ₹ 470.40 Million during the Financial Year 2017-18.

Jubilant Life Sciences NV

This is a wholly-owned subsidiary of the Company. 99.99% of its shares are held by the Company and the balance by Jubilant Infrastructure Limited. It is engaged in the supply of bulk chemicals such as ethyl acetate, acetic anhydride, etc. and vitamins (feed and food grade) to the European markets. Total income of the company during the Financial Year 2018-19 was ₹ 3,710.39 Million as compared to ₹ 3,723.21 Million during the Financial Year 2017-18.

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;
- In-house proprietary model to develop assets that can be out-licensed under terms including research funding, payments for scientific milestones achieved through Discovery, Development and Commercialisation phases and royalties on successful commercialization of drugs.

During the year, Biosys has converted 18,66,20,000 12% Optionally Convertible Non-cumulative Redeemable Preference Shares ('OCPS') of ₹ 10 each held by the Company at par into 18,66,20,000 Equity Shares of ₹ 10 each, pursuant to the terms of issue of OCPS. Post conversion, Biosys became a direct subsidiary of the Company.

Total income of the company during the Financial Year 2018-19 was ₹ 1,584.07 Million as compared to ₹ 844.70 Million during the Financial Year 2017-18.

Jubilant Chemsys Limited

Jubilant Chemsys Limited ('Chemsys') offers services in Synthetic Organic Chemistry, Combinatorial Chemistry, Medicinal Chemistry, Process Research and Development, Scale up services and GMP Manufacturing-Clinical Supply to drug discovery companies of US, Europe and rest of the world on Full Time Equivalent, Fee for Service and Hybrid Model.

It also works closely with Jubilant Biosys Limited in collaborative drug discovery research. Total income of the company during the Financial Year 2018-19 was ₹ 1,255.17 Million as compared to ₹ 1,014.15 Million during the Financial Year 2017-18.

During the year, Chemsys has converted 62,00,000 8% Optionally Convertible Non-cumulative Redeemable Preference Shares ('OCPS') of ₹ 10 each held by the Company at par into 62,00,000 Equity Shares of ₹ 10 each, pursuant to the terms of issue of OCPS. Post conversion, Chemsys continues to be a wholly-owned subsidiary of the Company (including through Jubilant Drug Development Pte. Ltd., Singapore).

Jubilant Clinsys Limited

This is a wholly-owned subsidiary of the Company through Jubilant Chemsys Limited. Total income of the company during the Financial Year 2018-19 was ₹ 2.31 Million as compared to ₹ 9.66 Million during the Financial Year 2017-18.

Jubilant Infrastructure Limited

This wholly-owned subsidiary of the Company has developed a Sector Specific Special Economic Zone ('SEZ') for Chemicals in Gujarat with the best in class infrastructure facilities and utility plants like Boiler, Gas Turbine, Effluent Treatment, Incinerator and DM Water.

The Company has two units in this SEZ. The finished products of Unit-1 and Unit-2 are fully backward integrated and are using in-house developed innovative technologies. During the year, the Company has entered into an agreement for taking on lease 10 acres of land for 25 years for upcoming Unit-4. This unit is now expected to become operational by the end of June, 2019.

The global scale plants of Vitamin B3 and 3-Cyanopyridine at the SEZ make your Company the largest producer of Vitamin B3 in India and the second largest globally. Total income of the company during the Financial Year 2018-19 was ₹ 862.32 Million as compared to ₹ 786.62 Million during the Financial Year 2017-18.

Jubilant Life Sciences (USA) Inc.

This corporation incorporated in Delaware, USA is a wholly-owned subsidiary of the Company. It undertakes sales and distribution of advance intermediates, vitamins, life science chemicals and fine ingredients in North America. Total income of the company during the Financial Year 2018-19 was ₹ 1,428.16 Million as compared to ₹ 1,521.88 Million during the Financial Year 2017-18.

Jubilant Life Sciences (Shanghai) Limited

This wholly-owned subsidiary of the Company is held through Jubilant Life Sciences International Pte. Limited. It undertakes sales and distribution of products in China. This company is engaged in trading of advance intermediates (pyridine and its derivatives), specialty ingredients and nutrition products. It is catering to pharmaceutical, animal feed and agrochemical industries in China. This subsidiary is also a sourcing hub of raw materials for your Company. Total income of the company during the Financial Year 2018-19 was ₹ 1,002.74 Million as compared to ₹ 1,310.89 Million during the Financial Year 2017-18.

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 more than 50 pharmacies in the United States.

Total income of the company during the Financial Year 2018-19 was ₹ 14,457.28 Million as compared to ₹ 7,701.06 Million during the Financial Year 2017-18.

Jubilant Pharma SA (Pty) Limited

During the year, Jubilant Pharma SA (Pty) Limited was incorporated in South Africa as a wholly-owned subsidiary of Jubilant Pharma Limited. The proposed business activities of South African subsidiary includes importing of products from Jubilant Generics Limited and selling in the South African market and identifying opportunities for in-licensing business.

Other subsidiaries are mentioned below:

Jubilant Pharma Holdings Inc.

Jubilant Pharma Australia Pty Limited

Jubilant Life Sciences International Pte. Limited

Jubilant Life Sciences (BVI) Limited

Jubilant Innovation Pte. Limited

Jubilant Innovation (USA) Inc.

Jubilant Innovation (India) Limited

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 Biosys (Singapore) Pte. Limited

Jubilant Biosys (BVI) Limited

HSL Holdings Inc.

Drug Discovery and Development Solutions Limited

Draxis Pharma LLC

Draximage Limited, Ireland

Draximage Limited, Cyprus

Draximage (UK) Limited

6981364 Canada Inc.

Vanthys Pharmaceutical Development Private Limited

TrialStat Solutions Inc. (earlier known as Jubilant Drug Discovery & Development Services Inc.)

During the year, Jubilant Therapeutics India Limited, Jubilant Business Services Limited, Jubilant Therapeutics Inc., Jubilant Episcribe LLC, Jubilant Epicore LLC, Jubilant Prodel LLC and Jubilant Epipad LLC have been incorporated as wholly-owned subsidiaries of the Company. Further, Jubilant Pharma UK Limited has been incorporated on April 17, 2019 as a wholly-owned subsidiary of the Company through Jubilant Pharma Limited.

During the year, Jubilant Pharma Trading Inc. has been merged into Jubilant Pharma Holdings Inc. and 6963196 Canada Inc. has been merged into 6981364 Canada Inc.

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, 2019.

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, 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 manufacturing location at Montreal, Quebec, Canada is approved by Health Canada, USFDA and other regulatory authorities.

Draximage General Partnership

It is a partnership based in Canada managed by two Canadian subsidiaries of the Company i.e. Jubilant Draximage Inc. (90%) and 6981364 Canada Inc. (10%).

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 40th 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 40th AGM of the Company till conclusion of the 45th AGM of the Company to be held in the year 2023.

The Auditors' Reports for the Financial Year 2018-19 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 2018-19.

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 2018-19. 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. Priyavrat Bhartia and Mr. Arjun Shanker Bhartia retire by rotation at the ensuing AGM and being eligible, offer themselves for re-appointment.

The Board has, at its meeting held on October 22, 2018, appointed Mr. Arun Seth as an Additional Director in the category of Independent Director. At the said meeting, the Board also appointed Mr. Anant Pande as Whole-time Director of the Company for a period of 5 years effective from October 22, 2018. Appointments of Mr. Seth and Mr. Pande are subject to approval of the Shareholders at the ensuing AGM.

The Shareholders have, at the 40th AGM of the Company 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 5 consecutive years effective from April 1, 2019.

MEETINGS OF THE BOARD

Six meetings of the Board of Directors of the Company were held during the Financial Year 2018-19.

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 Schedule II, Part D of the Listing Regulations. The Policy was revised during the year to align the same with the provisions of the revised Listing Regulations. Salient features of the Policy and other details have been disclosed in the Corporate Governance Report attached to this Report.

ANNUAL PERFORMANCE EVALUATION OF THE BOARD

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, 2019 and of the profits of the Company for the year ended March 31, 2019;

(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 2018-19; 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 and Mr. Priyavrat Bhartia. 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 minimization and risk optimization 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
- Supply Interruptions due to Single Source Supplier
- 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)
- Risk of 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

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 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 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 defense strategy which is as under:

- <u>First Line of Defense</u>: Build internal controls into operating processes – To this end, we have ensured that a detailed Delegation of Authority is issued, Standard Operating Procedures 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, Ombudsman Office, etc. are put in place, etc.
- <u>Second Line of Defense</u>: 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 finalized with the help of global consulting firms.

- Third Line of Defense: 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 2,500 financial controls are 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 stipulated by Regulation 17(8) read with Part B of Schedule II to 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 effectively managed and controlled and that they 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 Secretarial Team. The status is 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 exercise of review of controls was conducted during the year by the in-house process owners with the help of a Big Four firm. The revised control framework after such review was tested for operational effectiveness by the Statutory Auditors and they have given an affirmative opinion about the adequacy and effectiveness of the Internal Controls for Financial Reporting in the Company.

The Company has three business segments namely (a) Pharmaceuticals (b) Life Science Ingredients and (c) Others. The Segments have a complete management set up with CEO, CFO, Business leaders and other functional heads who are responsible for running the operations and report to the Chairman/Co-Chairman and Managing Director 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.

A detailed note on Internal Control Systems and Risk Management is given under **'Management Discussion and Analysis Report'.**

CERTIFICATIONS

The Corporate Office in Noida and Gajraula and Bharuch Manufacturing facilities are certified for Responsible Care®14001:2015 under the American Chemistry Council's (ACC) Responsible Care® program. Implementation of RC14001 and Responsible Care Management System by Jubilant demonstrates its commitment to employee health and safety, community and the environment.

Responsible Care initiative encompasses comprehensive environmental management system, occupational health and safety, product stewardship, security, community outreach and transportation safety and aims at achieving and sustaining high standards of performance.

Gajraula, Nira, Bharuch and Savli Manufacturing facilities are certified under Integrated Management System program for ISO 9001 (Quality Management System), ISO 14001 (Environmental Management System) and OHSAS 18001 (Occupational Health and Safety Management system).

The Corporate Office in Noida is certified for Information Security Management System ISO/IEC 27001:2013.

Gajraula

Gajraula Quality Control Laboratory has also been accredited by National Accreditation Board for Testing and Calibration Laboratories in accordance with the ISO/ IEC 17025:2005. The Carbon Dioxide manufacturing facility is certified for FSSC 22000 (Food Safety System Certification) for production and dispatch of food grade Carbon Dioxide for Beverages. Carbon Dioxide product is approved by Food Safety and Standards Authority of India (FSSAI).

Gajraula manufacturing facility is Kosher and Halal Certified for key products used for human consumption.

Gajraula site is certified for Energy Management System Certification ISO 50001:2011 for Energy Conservation programme (ENCON).

Savli

Animal Nutrition Unit at Savli is certified for FAMI-QS Code Version 5.1 in Feed Safety Management System.

Ambernath

Ambernath Manufacturing facility is ISO 9001:2015 certified for Quality Management System.

Bharuch

Bharuch Site is certified for Energy Management System Certification ISO 50001:2011 for Energy Conservation programme (ENCON).

Vitamins plant at Bharuch is certified for FAMI-QS Code Version 5.1 in Feed Safety Management System, Kosher, Halal-India, Halal-Malaysia, Halal-Indonesia, FSSC 22000 (Food Safety System Certification) and Good Manufacturing Practices ('GMP').

Nira

Acetyl manufacturing facility at Nira has been certified for FSSC 22000 (Food Safety System Certification) for production and dispatch of Acetic Anhydride and Ethyl Acetate and also for storage, packaging and dispatch of Glacial Acetic Acid for food application. Manufacturing facility at Nira is Kosher and Halal certified for key products used for human consumption.

HUMAN RESOURCES

Digitization is the buzzing concept in the corporate world, which is evolving rapidly in the dynamic and competitive environment. Digitization is not only about technological shift but also about a change in organisation intersecting technology, business and people.

At the helm of any transformation, it is employees who lead and bring the change across the organisation. We at Jubilant, are preparing for this transformation where we can utilize the big data, analyse it to draw inferences and conclusion to predict the future.

All our initiatives are backed by an action oriented development plan. The development initiatives lay the foundation of our talent pipeline.

In our journey towards building the Employee Experience, we have launched multiple priority initiatives at organizational and business levels. We have also conducted the Employee Experience survey in 2019 to understand the 'pulse' and the impact of the initiatives taken so far. The Employee Net Promoter Score (eNPS) has become a part of the performance KRAs of the business leaders and will encourage them to strive towards creating superior employee experience within the Company.

In the learning and development space, we launched "Learning Management System" providing online training courses on business, functional, management and leadership skills to hone and foster a culture of continuous learning in the organisation. 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.

To strengthen the talent pipeline, we have been focusing on attracting the best talent from India's leading campuses to have a steady flow of fresh talent, thereby creating a strong pool of internal talent. We have engaged with management and engineering colleges across India in quiz competition "Mind Fizz" to increase our visibility. We have been focusing on digitization of our talent attraction and hiring platform by revamping and simplifying our internal talent acquisition process. We also ensure strong media presence, advertisement of position internally and externally to attract the right talent.

As on March 31, 2019, a total of 328 employees at our manufacturing plants at Savli, Nira and Gajraula were either members of unions or had collective bargaining capabilities. During the year, we enjoyed cordial relations with our employees and there have been no instances of labour unrest or disputes at any of the manufacturing sites. We have successfully closed long term wage settlements at Gajraula, Nira and Savli sites.

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.jubl.com;
- A dedicated e-mail address viz. 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.jubl.com under the head 'Investor Feedback Form' to obtain valuable feedback and suggestions of the investors, by submitting the Form electronically;
- Earnings Presentation and Release detailing the quarterly results are uploaded on the website of the Company www.jubl.com. Earnings call is typically conducted post announcement of 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 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

Corporate Social Responsibility ('CSR') is an integral part of Jubilant's framework for sustainable development. The Company's approach towards sustainable development focuses on the triple bottom line of Economic, Environmental and Social performance. The CSR activities at Jubilant are in line with the provisions of Section 135 read with Schedule VII to the Act. The Company's CSR initiatives thrust on creating value in the lives of the communities around its areas of operations. Jubilant as a responsible corporate works in the line of Sustainable Development Goals (SDGs) with a strong focus on social performance indicated in the CSR projects of the organization. The SDGs, otherwise known as the Global Goals, are a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity.

Following are the highlights of CSR at Jubilant:

- CSR is deeply imbibed in the Company's approach towards sustainable development. Jubilant considers community as one of its apex stakeholders and believes in inclusive growth.
- During the year, Jubilant continued its CSR initiatives in the realm of Education, Health, Livelihood, Rural Development and Social Entrepreneurship.
- Jubilant has been publishing its Corporate Sustainability Report every year from 2003 onwards. The report is externally verified and is in accordance with the Global Reporting Initiative ('GRI') guidelines.
- Acknowledged application level A+ by GRI for our Corporate Sustainability Report since 2007 onwards. Report from FY 2016-17 onwards is being prepared in line with GRI G4 Guidelines in accordance with 'Comprehensive' option. All our reports are available on the Company's website www.jubl.com.
- CSR initiatives of the Company are conceptualized and implemented through Jubilant Bhartia Foundation ('JBF'), the social wing of Jubilant Bhartia Group, established in 2007 as a not-for-profit organization. JBF works on 4P model (Public-Private-People-Partnership) for empowering communities. JBF in partnership with Schwab Foundation for Social Entrepreneurship has been conferring Social Entrepreneur of the Year (SEOY) Award in India since the year 2010. The award celebrates mature-stage social entrepreneurs and their organizations that implement innovative, sustainable and large-scale solutions to address social issues. SEOY does not fall in the purview of CSR activities pursuant to the provisions of Schedule VII to the Act. The Company shall, however, continue to confer the SEOY award over and above CSR budget of the Company in view of the social benefits of the award.
- JBF's detailed activities are available on its website www.jubilantbhartiafoundation.com. Annual Report on CSR including contents of the CSR Policy is attached as **Annexure-4** to this Report. 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 92 of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014, extract of the Annual Return is attached as **Annexure-5** to this Report.

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 2018-19.

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 40 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 2018-19 were in the ordinary course of business and on arm's length basis. No material RPTs were entered into during the Financial Year 2018-19 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. 37 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 2018-19 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 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-6** 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, 2019. 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	**Hari S Bhartia**
Chairman	Co-Chairman & Managing Director
(DIN: 00010484)	(DIN: 00010499)

Place: Noida
Date: May 17, 2019

Annexure-1

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019

[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 Life Sciences 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 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 31st March, 2019 ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2019 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, 2009 and 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

(Buyback of Securities) Regulations, 1998 and Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018, to the extent applicable; 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 complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards, to the extent applicable, as mentioned above.

(vi) Jubilant Life Sciences Limited is an integrated global pharmaceutical and life sciences company engaged in Pharmaceuticals, Life Science Ingredients and Other businesses including Drug Discovery & Development Solutions and India Branded Pharmaceuticals. The Pharmaceuticals segment, through its wholly owned subsidiary Jubilant Pharma Limited, is engaged in manufacturing 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 the US, Canada and India and a network of over 50 Radiopharmacies in the US. The Life Science Ingredients segment, is engaged in Specialty Intermediates, Nutritional Products and Life Science Chemicals through 5 manufacturing facilities in India. The Drug Discovery & Development Solutions business, provides proprietary in-house innovation and collaborative research and partnership for out-licensing through 2 world class research centers in India. As informed by the management, following are some of the laws specifically applicable to the Company:

- Narcotics Drugs and Psychotropic Substances 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 seems adequate to ensure compliance of laws specifically applicable to the Company.

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 composition of 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-

➢ Pursuant to the provisions of Section 42, 179 and all other applicable provisions of the Companies Act 2013 and Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and other listing regulations, the Members of the Company passed a Special Resolution by way of postal ballot dated August 6, 2018 for issuance of Non-Convertible debentures on private placement basis for an amount upto ₹ 350 Crore (Rupees Three Hundred and Fifty Crores only) which were subsequently allotted in the Capital issue committee meeting held on September 5, 2018.

➢ Pursuant to the provisions of Section 62(1)(b) of the Companies Act, 2013 and SEBI (Share based Employee Benefits) Regulations, 2014, the Members of the Company passed a special resolution by way of postal ballot dated August 6, 2018 for approval of JLL Employee Stock Option Plan 2018 for employees of the Company and its subsidiaries for issue of upto 1,500,000 (Fifteen Lakhs) equity shares.

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

Sanjay Grover
Managing Partner
CP No.: 3850

Place: New Delhi
Date: May 17, 2019

Annexure-2

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 towards conserving energy in its operations. This year, Gajraula site has been certified for implementing Energy Management System (EnMS) ISO:50001:2011 by DNV:GL. Bharuch site is already an EnMS certified Site.

i) Steps taken or impact on conservation of energy

- Reduced energy consumption in plant processes by process re-engineering, adopting Pinch technology and recycling waste heat.
- Used Cavitation technology in bio-methanation process to improve energy efficiency.
- Improved power plant efficiency by operational control and variable frequency drives.
- Improved heat recovery from incinerators and other waste heat recovery systems.
- Reduced energy requirement by installation of dry vacuum pumps.
- Improved efficiency in plant lighting.

The above steps have resulted in savings of ₹ 131.80 Million during the Financial Year 2018-19.

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

The Company recognizes the reality of climate change and its impact. To bring down the carbon foot print, the Company continuously strives to use renewable energy. The Company has implemented solar power at Gajraula for lighting remote operating locations. Canteen facilities at Bharuch are already using solar power. Biogas generation and usage in Gajraula and Nira and solar energy are the key renewable sources in the overall energy mix of the Company.

iii) Capital investment on energy conservation equipment

Capital investment on energy conservation equipment during the Financial Year 2018-19 was ₹ 184.70 Million.

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 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 practice.

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 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 specialized 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, fine 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/

minimization of hazardous chemicals and replacing chemical processes with enzymatic/ chemo catalysis processes.

We have evolved our production technologies including specialized 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 underutilization 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 specialized 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 capitalize 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	2018-19	2017-18
(a)	Capital	**17.02**	17.96
(b)	Recurring	**202.20**	182.05
Total		**219.22**	200.01

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

(₹/Million)

Particulars	2018-19	2017-18
Foreign exchange outgo in terms of actual outflows	**17,227**	12,044
Foreign exchange earned in terms of actual inflows	**12,422**	14,402

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 2018-19 and the percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary, in the Financial Year 2018-19 are as under:

Sr. No.	Name and Designation of Director/ Key Managerial Personnel	Remuneration during Financial Year 2018-19 (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	110,719,923	(17.32)	186.30
3	Mr. S Sridhar Non-Executive Independent Director	1,530,000	(0.65)	2.57
4	Ms. Sudha Pillai, Non-Executive Independent Director	1,605,000	3.21	2.70
5	Dr. Ashok Misra Non-Executive Independent Director	1,485,000	6.45	2.50
6	Mr. Sushil Kumar Roongta Non-Executive Independent Director	1,480,000	33.63	2.49
7	Mr. Vivek Mehra Non-Executive Independent Director	1,525,000	37.70	2.57
8	Mr. Arun Seth Non-Executive Independent Director	541,100	-	0.91
9	Mr. Priyavrat Bhartia Non-Executive Director	-	-	-
10	Mr. Arjun Shanker Bhartia Non-Executive Director	-	-	-
11	Mr. Rajesh Kumar Srivastava Whole-time Director	45,680,055	-	76.86
12	Mr. Anant Pande Whole-time Director	7,924,865	-	13.33
13	Mr. Sankaraiah Rajagopal Chief Financial Officer (Designated as Executive Director - Finance)	70,301,246	11.75	Not Applicable
14	Mr. Rajiv Shah Company Secretary	8,426,170	3.22	Not Applicable

Notes:

1. Mr. Shyam S Bhartia, Chairman, Mr. Priyavrat Bhartia and Mr. Arjun Shanker Bhartia, Non-Executive Directors have opted not to take commission and sitting fees for the Financial Year 2018-19.
2. Remuneration of Mr. Hari S Bhartia includes commission payable, which is lower compared to the previous year due to lower profits.
3. The increase in remuneration of Mr. Sushil Kumar Roongta and Mr. Vivek Mehra is on account of expanding their role in Board committees.
4. Mr. Arun Seth was appointed as Non-Executive Independent Director effective from October 22, 2018. Therefore, percentage increase in his remuneration is not quantified.
5. Mr. Rajesh Kumar Srivastava was appointed as Whole-time Director ('WTD') of the Company for a period of 5 years effective from January 17, 2018. Therefore, percentage increase in his remuneration is not quantified.
6. Mr. Anant Pande was appointed as WTD of the Company for a period of 5 years effective from October 22, 2018. Therefore, percentage increase in his remuneration is not quantified.
7. Remuneration of Non-Executive Independent Directors consists of sitting fees and commission payable.
8. Median of Total Cost to Company (CTC) on payable basis has been taken for all on-roll employees as on March 31, 2019. Median salary of all on-roll employees is ₹ 594,310.

(ii) The percentage increase in the median remuneration of employees in the Financial Year 2018-19 was 11.81%.

(iii) 2,390 permanent employees were on the rolls of the Company as on March 31, 2019.

(iv) 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 11.84% in the Financial Year 2018-19. 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.

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

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

PART B:

Sr. No.	Employee Name	Designation & Nature of Duties	Qualification	Total Work Experience (Years)	Date of Commencement of Employment	Age	Remuneration (₹)	Previous Employment held	
								Designation	Name of the Company
A. Top Ten Employees in terms of remuneration drawn during the Financial Year 2018-19									
1	Ajay Khanna	Chief-Strategic and Public Affairs	B.Com, LL.B	38	1-Jun-09	59	29,991,635	Partner	Accenture India Pvt. Limited
2	Anil Khubchandani	Executive VP & SBU Head – Speciality Ingredients	B.Tech.	27	19-Jul-02	49	16,343,488	Plant Manager-Technical	Duncans Industries Limited
3	Ashutosh Agarwal	CSO-Chemicals & Life Science Ingredients	M.Sc., Ph.D	39	20-Aug-98	61	33,738,395	DGM - Organic Chemical Business	Ballarpur Industries Limited
4	Chandan Singh Sengar	President - Life Science Chemicals	B.Sc., MBA	33	13-Jul-88	55	24,376,886	Assistant Officer	J.K. Synthetics Limited
5	Hari S Bhartia	Co-Chairman & Managing Director	IIT Delhi - Chemical Engineering	37	1-Jan-82	62	110,719,923	-	-
6	Rajesh Kumar Srivastava	Whole-time Director	B.Tech., MMM	32	19-Aug-00	54	45,680,055	Marketing Manager	Ranbaxy Fine Chemicals Limited
7	Raju Sunil Mistry	Chief Human Resources Officer	M.A., Ph.D	26	24-Nov-16	55	24,022,965	Group Head- Talent Management	Aditya Birla Group
8	Ravindra Tiwari	Senior VP & Head Projects-LSI	B.Tech., M.Tech.	27	17-Apr-08	59	18,279,572	Project Head	Abhishek Industries Ltd.
9	Sankaraiah Rajagopal	Executive Director-Finance	B.Sc., FCA	35	9-Sep-02	60	70,301,246	GM - Finance	SRF Limited
10	Siddhartha Pahwa	Chief -Supply Chain	CA, CWA	22	30-Jun-17	46	21,911,943	Group CEO	Meru Cabs

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. 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)									
1	Ashok Varma	VP-HR	B.A., PGDM	27	01-Aug-14	52	10,254,248	Head- HR Operations	Heinz India
2	C B Bhardwaj	Chief of Manufacturing-LSI	B.E., M.E.	23	15-Oct-10	54	11,373,257	VP-Operations	Bhansali Engineering Polymers Limited
3	J Devarajan	Senior VP-Indirect Taxation	B.Com, ACS, AICWA	27	1-Sep-14	49	11,176,110	Senior VP-Indirect Taxation	Indiabulls Group
4	Manish Chandra Nigam	Senior VP and SBU Head-Animal and Human Nutrition	B.Pharma, MBA	24	16-Apr-13	47	11,406,579	Business Head	Piramal Healthcare Limited
5	Prasad Vasant Joglekar	Executive VP-Supply Chain	B.E. MBA	26	20-Aug-14	50	12,602,128	Senior GM-Procurement	Jindal Films Limited
6	Praveen Kumar Gupta	Senior VP & Head- Direct Taxation	B.Com, FCA, FCS	22	25-Jan-05	45	14,833,884	DGM Taxation	Ballarpur Industries Limited
7	Puneet Sud	SBU Head - External Manufacturing	B.Tech.	30	5-Aug-16	53	11,850,716	VP- Operation	Piramal Enterprises Ltd
8	R Kumar	Senior VP and SBU Head-Advance Intermediates	B.Com., MBA	33	03-Feb-14	55	11,430,290	Director	Management Consultant
9	Radheshyam Singh	Site Head-Gajraula	P.E, PGD	31	22-Feb-06	53	11,139,251	Production Manager	Duncans Industries Limited
10	Ravi Agrawal	Head-Investor Relations	B.Com., PGDM	21	05-Aug-13	47	10,638,070	Lead Analyst	Standard Chartered Securities Limited
11	Samit Srivastava	VP and Business Head - IBP	B.Sc., PGDM	19	3-Apr-17	42	12,847,314	Senior VP	Bright Life Care
12	Sanjay Gupta	Senior VP –Head Legal	B.Com. (H), LL.B., FCS, ACMA	31	25-Nov-14	54	14,200,506	Partner	Hammurabi & Solomon Advocates
13	Satish Bhat	Site Head-Nira	B.E., MBA	21	16-Jun-17	53	11,039,651	AVP	United Breweries Limited
14	Shoubhik Sen	Senior VP and Head-BE & Six Sigma	B. E.	34	22-Dec-14	57	13,242,560	Senior Director-GB Excellence	Flextronics
15	Umesh Mehta	CIO	B.Sc. (Computer Science), PGLSCM	30	1-Sep-10	53	12,497,050	Vice President	Asia Motor Work Limited
16	Vimal Deep Kulshrestha	Senior VP and SBU Head-Ethanol & Speciality Gases	B.Tech. (Chemical Engg.)	32	28-Jun-95	55	14,504,197	Asstt. Manager-Poly	Modipon Fibres Company

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
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)									
1	Anant Pande	Whole-time Director	B.E., M.Sc.	34	25-Jul-18	56	13,227,680	President-Technical & Manufacturing	Atul Limited
2	Arun K Sharma	CFO (LSI) & Executive VP (Corporate Finance)	B.Sc., CA	30	04-Oct-17	53	5,469,970	CFO	Jubilant Pharma Limited
3	Biswajit Mitra	Executive VP & Chief of Manufacturing	B.Tech.	29	20-Jun-16	57	6,790,152	Director- Global Operations	Chemo Espana Madrid

Notes:

1. Employment of Mr. Hari S Bhartia, Mr. Rajesh Kumar Srivastava and Mr. Anant Pande are contractual. Employment of other officials are governed by the rules and regulations of the Company from time to time.
2. All above persons are/ were full time employees of the Company.
3. 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.
4. Mr. Anant Pande has been appointed as WTD of the Company for a period of 5 years effective from October 22, 2018.
5. None of the above employees is covered under Rule 5 (2) (iii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
6. Remuneration comprises salary, allowances, perquisites/ taxable value of perquisites etc. including perquisite value of ESOPs exercised. Remuneration of Mr. Hari S Bhartia includes commission payable.
7. Abbreviations: BE - Business Excellence; CEO - Chief Executive Officer; CFO - Chief Financial Officer; CIO - Chief Information Officer; CSO - Chief Scientific Officer; DGM - Deputy General Manager; GB - Global Business; GM - General Manager; HR - Human Resources; IBP - India Branded Pharma; LSI - Life Science Ingredients; SBU - Strategic Business Unit; VP - Vice President.

Annexure-4

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES-FINANCIAL YEAR 2018-19

1. **A brief outline of the Company's Corporate Social Responsibility Policy ('CSR Policy'), including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs**

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

   CSR segment of the organisation is guided by the Sustainability Mission of the Company. In compliance with the provisions of Section 135 of the Companies Act, 2013 (the 'Act') read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has taken the following steps:

   ➢ Updation of CSR Policy which has been placed on the Company's website www.jubl.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 behaviour;
   - **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

   ➢ While Social Entrepreneur of the Year Award is not a part of Schedule VII to the Act, the Company shall continue its support to the project over and above the CSR Budget

2. **Composition of the Sustainability & CSR Committee**

   Composition of the Committee as on March 31, 2019:

Sr. No.	Name of Director	Designation in CSR Committee
1	Dr. Ashok Misra	Chairman
2	Mr. Shyam S Bhartia	Member
3	Mr. Hari S Bhartia	Member
4	Mr. S Sridhar	Member
5	Ms. Sudha Pillai	Member
6	Mr. Sushil Kumar Roongta	Member
7	Mr. Priyavrat Bhartia	Member
8	Mr. Arjun Shanker Bhartia	Member
9	Mr. Rajesh Kumar Srivastava	Member

3. **Average net profit of the Company for last three Financial Years:** ₹ 1,911.40 Million
4. **Prescribed CSR Expenditure (2% of the amount as in item 3 above):** ₹ 38.23 Million
5. **Details of CSR Expenditure during the Financial Year 2018-19**

   (a) Total amount to be spent as per budget for the Financial Year 2018-19: ₹ 38.23 Million

   (b) Amount unspent vis-à-vis prescribed CSR expenditure as per Section 135(5) of the Act: Nil

(c) Manner in which the amount spent during the year is detailed below:

(₹ in Million)

(1)	(2)	(3)	(4)		(5)	(6)		(7)	(8)
Sr. No.	CSR Project or Activity identified	Sector in which the Project is covered	Projects or Programmes		Amount outlay (budget) Project or Programme wise	Amount spent on the Projects or Programmes		Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
			Local area or other	State and District where Projects or Programmes were undertaken		Direct expenditure on Projects or Programmes	Over-heads		
1	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	Local	Uttar Pradesh (Gajraula - Distt. Amroha), Maharashtra (Nira - Distt. Pune and Ambernath - Distt. Thane), Gujarat (Samlaya, Distt. Vadodara and Vilayat, Distt. Bharuch)	6.89	6.89	-Nil-	6.89	Jubilant Bhartia Foundation
2	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	Local	Uttar Pradesh (Gajraula - Distt. Amroha), Maharashtra (Nira - Distt. Pune and Ambernath - Distt. Thane), Gujarat (Samlaya, Distt. Vadodara and Vilayat, Distt. Bharuch)	8.30	8.30	-Nil-	8.30	Jubilant Bhartia Foundation
3	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	Local	Uttar Pradesh (Gajraula - Distt. Amroha), Maharashtra (Nira - Distt. Pune and Ambernath - Distt. Thane), Gujarat (Samlaya, Distt. Vadodara and Vilayat, Distt. Bharuch)	2.92	2.92	-Nil-	2.92	Jubilant Bhartia Foundation
4	Rural Development (Local Area Development)	Rural Development (Local Area Development)	Local/ Other	Uttar Pradesh (Gajraula - Distt. Amroha), Maharashtra (Nira - Distt. Pune and Ambernath - Distt. Thane), Gujarat (Samlaya, Distt. Vadodara and Vilayat, Distt. Bharuch) and 5 Districts of Punjab (Hoshiarpur, Rupnagar, Fatehgarh Sahib, Barnala and Sangrur)	20.12	20.12	-Nil-	20.12	Jubilant Bhartia Foundation
		Total			**38.23**	**38.23**	-	**38.23**	

Note: Jubilant Bhartia Foundation is the implementing agency.

6. **In case the Company has failed to spend 2% of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report:** Not Applicable

7. **The Sustainability & CSR Committee confirms that the implementation and monitoring of the CSR Policy is in compliance with CSR objectives and Policy of the Company.**

For Jubilant Life Sciences Limited

Hari S Bhartia
Co-Chairman & Managing Director
(DIN: 00010499)

Ashok Misra
Chairman - Sustainability & CSR Committee
(DIN: 00006051)

Annexure-5

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

as on the Financial Year ended on March 31, 2019
[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

i)	**CIN**	L24116UP1978PLC004624
ii)	**Registration Date**	June 21, 1978
iii)	**Name of the Company**	Jubilant Life Sciences Limited
iv)	**Category/ Sub-Category of the Company**	Public Company/ limited by shares
v)	**Address of the Registered office and contact details**	Bhartiagram, Gajraula, District Amroha-244 223, Uttar Pradesh, India Ph. +91-5924-267200
vi)	**Whether listed company**	Yes
vii)	**Name, Address and Contact details of Registrar and Transfer Agent, if any**	Alankit Assignments Limited (Unit: Jubilant Life Sciences Limited) Alankit Heights, 3E/7 Jhandewalan Extension, New Delhi - 110055 Ph.+91-11-42541234 Email: rta@alankit.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:

Sr. No.	Name and Description of Main Products/ Services	NIC Code of the Product/Service	% to Total Turnover of the Company
1	Basic Organic Chemicals	2011	84.47%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN/ GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section of the Companies Act, 2013
1	Jubilant Clinsys Limited 1A, Sector-16A, Noida-201301, U.P.	U24232UP2004PLC029008	Subsidiary	100% (Through subsidiary)	2(87)
2	Jubilant Biosys Limited 1A, Sector-16A, Noida-201301, U.P.	U24110UP1998PLC029591	Subsidiary	99.92% (Including through subsidiary)	2(87)
3	Jubilant Chemsys Limited 1A, Sector-16A, Noida-201301, U.P.	U24232UP2004PLC029009	Subsidiary	100% (Including through subsidiary)	2(87)
4	Jubilant First Trust Healthcare Limited 1A, Sector-16A, Noida-201301, U.P.	U74110UP2006PLC035993	Subsidiary	100%	2(87)
5	Jubilant Infrastructure Limited 1A, Sector-16A, Noida-201301, U.P.	U45201UP2006PLC031618	Subsidiary	100%	2(87)
6	Jubilant DraxImage Limited 1A, Sector-16A, Noida-201301, U.P.	U74900UP2009FLC038194	Subsidiary	100% (Through subsidiary)	2(87)

Sr. No.	Name and Address of the Company	CIN/ GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section of the Companies Act, 2013
7	Jubilant Innovation (India) Limited 1A, Sector-16A, Noida-201301, U.P.	U73100UP2007PLC034211	Subsidiary	100% (Through subsidiary)	2(87)
8	Vanthys Pharmaceutical Development Private Limited 1A, Sector-16A, Noida-201301, U.P.	U73100UP2009PTC037333	Subsidiary	100% (Through subsidiary)	2(87)
9	Jubilant Generics Limited 1A, Sector-16A, Noida-201301, U.P.	U24100UP2013FLC060821	Subsidiary	100% (Through subsidiary)	2(87)
10	Jubilant Therapeutics India Limited 1A, Sector-16A, Noida-201301, U.P.	U74994UP2019PLC114901	Subsidiary	100%	2(87)
11	Jubilant Business Services Limited 1A, Sector-16A, Noida-201301, U.P.	U74999UP2019PLC115185	Subsidiary	100%	2(87)
12	Cadista Holdings Inc. 207 Kiley Drive, Salisbury, MD 21801, USA	N.A.	Subsidiary	100% (Through subsidiary)	2(87)
13	Jubilant Cadista Pharmaceuticals Inc. 207 Kiley Drive, Salisbury, MD 21801, USA	N.A.	Subsidiary	100% (Through subsidiary)	2(87)
14	TrialStat Solutions Inc. 16751 Trans-Canada Highway Kirkland, Quebec H9H 4J4, Canada	N.A.	Subsidiary	100% (Through subsidiary)	2(87)
15	Jubilant Pharma Holdings Inc. 790 Township Line Road Suite 175 Yardley, PA 19067, USA	N.A.	Subsidiary	100% (Through subsidiary)	2(87)
16	Jubilant Clinsys Inc. One Crossroads Drive, Building A, Second Floor, Bedminster, New Jersey 07921, USA	N.A.	Subsidiary	100% (Through subsidiary)	2(87)
17	HSL Holdings Inc. 2711 Centerville Road, Suite 400, City of Wilmington, 19808, County of New Castle, Delaware, USA	N.A.	Subsidiary	100% (Through subsidiary)	2(87)
18	Jubilant HollisterStier LLC 2711 Centerville Road, Suite 400, City of Wilmington, 19808, County of New Castle, Delaware, USA	N.A.	Subsidiary	100% (Through subsidiary)	2(87)
19	Jubilant Life Sciences (USA) Inc. 790 Township Line Road Suite 120 Yardley, PA 19067, USA	N.A.	Subsidiary	100%	2(87)
20	Jubilant DraxImage (USA) Inc. 2711 Centerville Road, Suite 400, City of Wilmington, 19808, County of New Castle, Delaware, USA	N.A.	Subsidiary	100% (Through subsidiary)	2(87)
21	Draxis Pharma LLC 790 Township Line Road Suite 120 Yardley, PA 19067, USA	N.A.	Subsidiary	100% (Through subsidiary)	2(87)

Sr. No.	Name and Address of the Company	CIN/ GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section of the Companies Act, 2013
22	Jubilant HollisterStier Inc. 790 Township Line Road Suite 120 Yardley, PA 19067, USA	N.A.	Subsidiary	100% (Through subsidiary)	2(87)
23	Jubilant Discovery Services LLC 365 Phoenixville pike LLC, Malvern, PA 19355, USA	N.A.	Subsidiary	100% (Through subsidiary)	2(87)
24	Draximage (UK) Limited 125 Old Broad Street, 26th Floor, London EC2N 1AR United Kingdom	N.A.	Subsidiary	100% (Through subsidiary)	2(87)
25	Jubilant Pharma Limited 80 Robinson Road, #02-00, Singapore 068898	N.A.	Subsidiary	100%	2(87)
26	Jubilant Life Sciences International Pte. Limited 9 Raffles Place, #27-00, Republic Plaza, Singapore 048619	N.A.	Subsidiary	100%	2(87)
27	Jubilant Biosys (Singapore) Pte. Limited 9 Raffles Place, #27-00, Republic Plaza, Singapore 048619	N.A.	Subsidiary	100% (Through subsidiary)	2(87)
28	Jubilant Drug Development Pte. Limited 9 Raffles Place, #27-00, Republic Plaza, Singapore 048619	N.A.	Subsidiary	100% (Through subsidiary)	2(87)
29	Jubilant Innovation Pte. Limited 9 Raffles Place, #27-00, Republic Plaza, Singapore 048619	N.A.	Subsidiary	100% (Through subsidiary)	2(87)
30	Drug Discovery and Development Solutions Limited 9 Raffles Place, #27-00, Republic Plaza, Singapore 048619	N.A.	Subsidiary	100%	2(87)
31	Jubilant Life Sciences (Shanghai) Limited Room No: 401-A, No.169, Tiagu Road, Wai Gao Qiao Free Trade Zone, Shanghai-2001317, China	N.A.	Subsidiary	100% (Through subsidiary)	2(87)
32	Draximage Limited, Cyprus Themistokli Dervi, 3, Julia House, P.C. 1066, Nicosia, Cyprus	N.A.	Subsidiary	100% (Through subsidiary)	2(87)
33	Draximage Limited, Ireland 1st Floor, Riverview House, 21/ 23 City Quay, Dublin 2, Ireland	N.A.	Subsidiary	100% (Through subsidiary)	2(87)
34	Jubilant Pharma NV AXXES BUSINESS PARK, Guldensporenpark 22 - Blok C, B - 9820 Merelbeke, Belgium	N.A.	Subsidiary	100% (Through subsidiary)	2(87)
35	Jubilant Pharmaceuticals NV AXXES BUSINESS PARK, Guldensporenpark 22 - Blok C, B - 9820 Merelbeke, Belgium	N.A.	Subsidiary	100% (Through subsidiary)	2(87)
36	PSI Supply NV AXXES BUSINESS PARK, Guldensporenpark 22 - Blok C, B - 9820 Merelbeke, Belgium	N.A.	Subsidiary	100% (Through subsidiary)	2(87)

Sr. No.	Name and Address of the Company	CIN/ GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section of the Companies Act, 2013
37	Jubilant Life Sciences NV AXXES BUSINESS PARK, Guldensporenpark 22 - Blok C, B - 9820 Merelbeke, Belgium	N.A.	Subsidiary	100% (Including through subsidiary)	2(87)
38	Jubilant Life Sciences (BVI) Limited Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands	N.A.	Subsidiary	100% (Through subsidiary)	2(87)
39	Jubilant Biosys (BVI) Limited Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands	N.A.	Subsidiary	100% (Through subsidiary)	2(87)
40	Jubilant DraxImage Inc. 16751 Trans-Canada Highway Kirkland, Quebec H9H 4J4, Canada	N.A.	Subsidiary	100% (Through subsidiary)	2(87)
41	6981364 Canada Inc. 100, King St. West 1 First Canadian Place, #6100 Toronto, Ontario M5X 1B8, Canada	N.A.	Subsidiary	100% (Through subsidiary)	2(87)
42	Jubilant Innovation (USA) Inc. 365 Phoenixville pike LLC, Malvern, PA 19355, USA	N.A.	Subsidiary	100% (Through subsidiary)	2(87)
43	Jubilant Pharma Australia Pty Limited 'Freshwater Place' Level 13, 2 Southbank Boulevard, Southbank VIC, 3006, Australia	N.A.	Subsidiary	100% (Through subsidiary)	2(87)
44	Jubilant DraxImage Radiopharmacies Inc. 2711 Centerville Road, Suite- 400, City of Wilmington, 19808, County of New Castle, Delaware, USA	N.A.	Subsidiary	100% (Through subsidiary)	2(87)
45	Jubilant Pharma SA Pty Limited Suite 101 Laudium Plaza, Tangerine Street, Laudium, Gauteng, 0037, South Africa	N.A.	Subsidiary	100% (Through subsidiary)	2(87)
46	Jubilant Therapeutics Inc. 251 Little Falls Drive Wilmington, DE 19808-1674, County of New Castle, USA	N.A.	Subsidiary	100% (Through subsidiary)	2(87)
47	Jubilant Episcribe LLC 251 Little Falls Drive Wilmington, County of New Castle, 19808, USA	N.A.	Subsidiary	100% (Through subsidiary)	2(87)
48	Jubilant Epicore LLC 251 Little Falls Drive Wilmington, County of New Castle, 19808, USA	N.A.	Subsidiary	100% (Through subsidiary)	2(87)
49	Jubilant Prodel LLC 251 Little Falls Drive Wilmington, County of New Castle, 19808, USA	N.A.	Subsidiary	100% (Through subsidiary)	2(87)
50	Jubilant Epipad LLC 251 Little Falls Drive Wilmington, County of New Castle, 19808, USA	N.A.	Subsidiary	100% (Through subsidiary)	2(87)

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Shareholding

	Category of Shareholders	No. of Shares held at the beginning of the year (April 1, 2018)				No. of Shares held at the end of the year (March 31, 2019)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	**Promoters**									
(1)	**Indian**									
	a) Individual/ HUF	503,500	–	503,500	0.32	503,500	–	503,500	0.32	–
	b) Central Govt.	–	–	–	–	–	–	–	–	–
	c) State Govt(s)	–	–	–	–	–	–	–	–	–
	d) Bodies Corporate	73,243,176	–	73,243,176	45.98	73,893,176	–	73,893,176	46.39	0.41
	e) Banks/ FI	–	–	–	–	–	–	–	–	–
	f) Any Other	–	–	–	–	–	–	–	–	–
	Sub-total (A) (1):-	**73,746,676**	**–**	**73,746,676**	**46.30**	**74,396,676**	**–**	**74,396,676**	**46.71**	**0.41**
(2)	**Foreign**									
	a) NRIs-Individuals	1,399,935	–	1,399,935	0.88	1,399,925	–	1,399,925	0.88	–
	b) Other-Individuals	–	–	–	–	–	–	–	–	–
	c) Bodies Corporate	5,570,445	–	5,570,445	3.50	4,920,455	–	4,920,455	3.09	(0.41)
	d) Banks/ FI	–	–	–	–	–	–	–	–	–
	e) Any Other	–	–	–	–	–	–	–	–	–
	Sub-total (A) (2):-	**6,970,380**	**–**	**6,970,380**	**4.38**	**6,320,380**	**–**	**6,320,380**	**3.97**	**(0.41)**
	Total Shareholding of Promoters (A)=(A)(1)+(A)(2)	**80,717,056**	**–**	**80,717,056**	**50.68**	**80,717,056**	**–**	**80,717,056**	**50.68**	**-**
B.	**Public Shareholding**									
(1)	**Institutions**									
	a) Mutual Funds	8,386,858	–	8,386,858	5.26	7,459,330	–	7,459,330	4.69	(0.57)
	b) Banks/ FI	201,850	600	202,450	0.13	142,994	600	143,594	0.09	(0.04)
	c) Central Govt.	–	–	–	–	–	–	–	–	–
	d) State Govt(s)	–	–	–	–	–	–	–	–	–
	e) Venture Capital Funds	–	–	–	–	–	–	–	–	–
	f) Insurance Companies	–	–	–	–	–	–	–	–	–
	g) FIIs	368,624	–	368,624	0.23	142,076	–	142,076	0.09	(0.14)

	Category of Shareholders	No. of Shares held at the beginning of the year (April 1, 2018)				No. of Shares held at the end of the year (March 31, 2019)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
	h) Foreign Venture Capital Funds	–	–	–	–	–	–	–	–	–
	i) Others									
	(a) Alternate Investment Funds	600,476	–	600,476	0.38	5,001	–	5,001	0.00	(0.38)
	(b) Foreign Portfolio Investors	36,699,927	–	36,699,927	23.04	42,450,505	–	42,450,505	26.65	3.61
	Sub-total (B)(1):-	**46,257,735**	**600**	**46,258,335**	**29.04**	**50,199,906**	**600**	**50,200,506**	**31.52**	**2.48**
(2)	**Non-Institutions**									
	a) Bodies Corporate									
	i) Indian	7,372,802	1,490	7,374,292	4.63	8,451,723	1,350	8,453,073	5.30	0.67
	ii) Overseas	–	–	–	–	–	–	–	–	–
	b) Individuals									
	i) Individual shareholders holding nominal share capital upto ₹ 1 Lac	13,232,894	1,049,478	14,282,372	8.97	12,090,814	727,931	12,818,745	8.05	(0.92)
	ii) Individual shareholders holding nominal share capital in excess of ₹ 1 Lac	5,467,943	–	5,467,943	3.43	5,358,709	–	5,358,709	3.36	(0.07)
	c) Others									
	i) Trusts	3,517,078	–	3,517,078	2.21	50,391	–	50,391	0.03	(2.18)
	ii) Non-Resident Individuals/ Foreign Nationals	814,016	42,880	856,896	0.54	607,704	31,565	639,269	0.40	(0.14)
	iii) IEPF	807,167	–	807,167	0.50	1,043,390	–	1,043,390	0.66	0.16
	Sub-total (B)(2):-	**31,211,900**	**1,093,848**	**32,305,748**	**20.28**	**27,602,731**	**760,846**	**28,363,577**	**17.80**	**(2.48)**
	Total Public Shareholding (B)=(B)(1)+(B)(2)	**77,469,635**	**1,094,448**	**78,564,083**	**49.32**	**77,802,637**	**761,446**	**78,564,083**	**49.32**	–
C.	**Shares held by Custodian for GDRs & ADRs**	–	–	–	–	–	–	–	–	–
	Grand Total (A+B+C)	**158,186,691**	**1,094,448**	**159,281,139**	**100.00**	**158,519,693**	**761,446**	**159,281,139**	**100.00**	–

ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (April 1, 2018)			Shareholding at the end of the year (March 31, 2019)			% Change in Shareholding during the Year
		No. of Shares	% of Total Shares of the Company	% of Shares Pledged/ Encumbered to Total Shares	No. of Shares	% of Total Shares of the Company	% of Shares Pledged/ Encumbered to Total Shares	
1	Mr. Shyam S Bhartia	1,399,935	0.88	–	1,399,925	0.88	–	–
2	Mr. Hari S Bhartia	360,885	0.23	–	360,885	0.23	–	–
3	Ms. Kavita Bhartia	10,285	0.01	–	10,285	0.01	–	–
4	Mr. Shamit Bhartia	129,245	0.08	–	129,245	0.08	–	–
5	Mr. Priyavrat Bhartia	3,085	0.00	–	3,085	0.00	–	–
6	Vam Holdings Limited	–	–	–	–	–	–	–
7	Jubilant Stock Holding Private Limited	21,871,992	13.73	2.77	22,521,992	14.14	–	0.41
8	Jaytee Private Limited	7,600	0.00	–	7,600	0.00	–	–
9	HSB Corporate Consultants Private Limited	18,698,979	11.74	–	18,698,979	11.74	–	–
10	SSB Consultants and Management Services Private Limited	21,007,665	13.19	–	21,007,665	13.19	–	–
11	Nikita Resources Private Limited	3,504,540	2.20	–	3,504,540	2.20	–	–
12	Rance Investment Holdings Limited	2,400,000	1.51	–	1,950,000	1.22	–	(0.29)
13	Torino Overseas Limited	770,445	0.48	–	770,445	0.48	–	–
14	Cumin Investments Limited	2,400,000	1.51	–	1,300,000	0.82	–	(0.69)
15	MAV Management Advisors LLP	5,321,400	3.34	–	5,321,400	3.34	–	–
16	Jubilant Consumer Private Limited	2,831,000	1.78	–	–	–	–	(1.78)
17	Jubilant Advisors LLP	–	–	–	–	–	–	–
18	Miller Holdings Pte. Limited	–	–	–	900,010	0.57	–	0.57
19	Jubilant Enpro Private Limited*	–	–	–	2,831,000	1.78	–	1.78
	Total	**80,717,056**	**50.68**	**2.77**	**80,717,056**	**50.68**	–	–

* Became part of the Promoter Group in FY 2018-19

(iii) Change in Promoters' Shareholding

The following changes took place in the shareholding of the Promoters during the year ended March 31, 2019:

Sr. No.	Name	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year (April 1, 2018 to March 31, 2019)	
		No. of shares at the beginning (April 1, 2018)/ end of the year (March 31, 2019)	% of total shares of the Company				No. of shares	% of total shares of the Company
1	Mr. Shyam S Bhartia	1,399,935	0.88	1-Apr-18				
				6-Jun-18	-10	Transfer	1,399,925	0.88
		1,399,925	0.88	31-Mar-19	–	–	1,399,925	0.88
2	Jubilant Consumer Private Limited	2,831,000	1.78	1-Apr-18				
				19-Mar-19	-2,831,000	Transfer	–	–
		–	–	31-Mar-19	–	–	–	–
3	Jubilant Enpro Private Limited	–	–	1-Apr-18				
				19-Mar-19	2,831,000	Transfer	2,831,000	1.78
		2,831,000	1.78	31-Mar-19	–	–	2,831,000	1.78
4	Rance Investment Holdings Limited	2,400,000	1.51	1-Apr-18				
				22-Mar-19	-450,000	Transfer	1,950,000	1.22
		1,950,000	1.22	31-Mar-19	–	–	1,950,000	1.22
5	Miller Holdings Pte. Limited	–	–	1-Apr-18				
				6-Jun-18	10	Transfer	10	0.00
				15-Mar-19	450,000	Transfer	450,010	0.28
				22-Mar-19	450,000	Transfer	900,010	0.57
		900,010	0.57	31-Mar-19	–	–	900,010	0.57
6	Cumin Investments Limited	2,400,000	1.51	1-Apr-18				
				7-Mar-19	-650,000	Transfer	1,750,000	1.10
				15-Mar-19	-450,000	Transfer	1,300,000	0.82
		1,300,000	0.82	31-Mar-19	–	–	1,300,000	0.82
7	Jubilant Stock Holding Private Limited	21,871,992	13.73	1-Apr-18				
				7-Mar-19	650,000	Transfer	22,521,992	14.14
		22,521,992	14.14	31-Mar-19	–	–	22,521,992	14.14

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	Name	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year (April 1, 2018 to March 31, 2019)	
		No. of shares at the beginning (April 1, 2018)/ end of the year (March 31, 2019)	% of total shares of the Company				No. of shares	% of total shares of the Company
1	East Bridge Capital Master Fund Limited	7,377,759	4.63	1-Apr-18				
		7,377,759	4.63	31-Mar-19	-	-	7,377,759	4.63
2	Motilal Oswal Mutual Fund	6,181,291	3.88	1-Apr-18				
				6-Apr-18	-105,293	Transfer	6,075,998	3.81
				20-Apr-18	10	Transfer	6,076,008	3.81
				27-Apr-18	-43,498	Transfer	6,032,510	3.79
				18-May-18	-236,047	Transfer	5,796,463	3.64
				25-May-18	-35,107	Transfer	5,761,356	3.62
				1-Jun-18	-219,605	Transfer	5,541,751	3.48
				8-Jun-18	-44,401	Transfer	5,497,350	3.45
				22-Jun-18	-150,603	Transfer	5,346,747	3.36
				29-Jun-18	-68,000	Transfer	5,278,747	3.31
				6-Jul-18	-110,712	Transfer	5,168,035	3.24
				13-Jul-18	-236,690	Transfer	4,931,345	3.10
				20-Jul-18	-59,167	Transfer	4,872,178	3.06
				27-Jul-18	-100,377	Transfer	4,771,801	3.00
				3-Aug-18	-130,678	Transfer	4,641,123	2.91
				10-Aug-18	-149,725	Transfer	4,491,398	2.82
				17-Aug-18	-150,877	Transfer	4,340,521	2.73
				24-Aug-18	-129,526	Transfer	4,210,995	2.64
				7-Sep-18	-74,644	Transfer	4,136,351	2.60
				28-Sep-18	158,949	Transfer	4,295,300	2.70
				5-Oct-18	100	Transfer	4,295,400	2.70
				12-Oct-18	1,505	Transfer	4,296,905	2.70
				19-Oct-18	41,337	Transfer	4,338,242	2.72
				26-Oct-18	68,569	Transfer	4,406,811	2.77
				9-Nov-18	-26,945	Transfer	4,379,866	2.75
				16-Nov-18	25	Transfer	4,379,891	2.75
				30-Nov-18	25	Transfer	4,379,916	2.75
				14-Dec-18	-30,682	Transfer	4,349,234	2.73
				21-Dec-18	-99,500	Transfer	4,249,734	2.67
				28-Dec-18	4	Transfer	4,249,738	2.67
				8-Feb-19	25	Transfer	4,249,763	2.67
				22-Feb-19	25	Transfer	4,249,788	2.67
				1-Mar-19	25	Transfer	4,249,813	2.67
				8-Mar-19	38,845	Transfer	4,288,658	2.69
				15-Mar-19	200	Transfer	4,288,858	2.69
				22-Mar-19	-37,953	Transfer	4,250,905	2.67
				29-Mar-19	149,407	Transfer	4,400,312	2.76
		4,400,312	2.76	31-Mar-19	-	-	4,400,312	2.76

Sr. No.	Name	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year (April 1, 2018 to March 31, 2019)	
		No. of shares at the beginning (April 1, 2018)/ end of the year (March 31, 2019)	% of total shares of the Company				No. of shares	% of total shares of the Company
3	Jubilant Employees Welfare Trust*	3,506,817	2.20	1-Apr-18				
				31-Aug-18	-5,435	Transfer	3,501,382	2.20
				7-Dec-18	-17,153	Transfer	3,484,229	2.19
				22-Mar-19	-3,474,601	Transfer	9,628	0.01
		9,628	0.01	31-Mar-19	-	-	9,628	0.01
4	Government Pension Fund Global	2,491,957	1.56	1-Apr-18				
				26-Oct-18	300,000	Transfer	2,791,957	1.75
				7-Dec-18	19,079	Transfer	2,811,036	1.76
				18-Jan-19	80,921	Transfer	2,891,957	1.82
				25-Jan-19	99,804	Transfer	2,991,761	1.88
				1-Feb-19	1,105	Transfer	2,992,866	1.88
				8-Feb-19	70,000	Transfer	3,062,866	1.92
				15-Feb-19	94,817	Transfer	3,157,683	1.98
				22-Feb-19	40,000	Transfer	3,197,683	2.01
				1-Mar-19	24,000	Transfer	3,221,683	2.02
				15-Mar-19	183,828	Transfer	3,405,511	2.14
				29-Mar-19	806,000	Transfer	4,211,511	2.64
		4,211,511	2.64	31-Mar-19	-	-	4,211,511	2.64
5	Morgan Stanley Asia (Singapore) Pte	1,978,708	1.24	1-Apr-18				
		1,978,708	1.24	31-Mar-19	-	-	1,978,708	1.24
6	Jhunjhunwala Rakesh Radheshyam	1,500,000	0.94	1-Apr-18				
				3-Aug-18	25,000	Transfer	1,525,000	0.96
				21-Sep-18	25,000	Transfer	1,550,000	0.97
				8-Feb-19	-40,000	Transfer	1,510,000	0.95
				15-Feb-19	-10,000	Transfer	1,500,000	0.94
				1-Mar-19	46,422	Transfer	1,546,422	0.97
				8-Mar-19	-922	Transfer	1,545,500	0.97
				15-Mar-19	-45,500	Transfer	1,500,000	0.94
		1,500,000	0.94	31-Mar-19	-	-	1,500,000	0.94
7	GHI LTP Limited*	1,095,841	0.69	1-Apr-18				
				16-Nov-18	-1,095,841	Transfer	0	0.00
		0	0.00	31-Mar-19	-	-	0	0.00
8	Rakesh Radheshyam Jhunjhunwala	2,000,000	1.26	1-Apr-18				
				11-May-18	50,800	Transfer	2,050,800	1.29
				1-Jun-18	-50,800	Transfer	2,000,000	1.26
				15-Jun-18	52,778	Transfer	2,052,778	1.29
				29-Jun-18	-52,778	Transfer	2,000,000	1.26
				27-Jul-18	25,000	Transfer	2,025,000	1.27
				10-Aug-18	475,000	Transfer	2,500,000	1.57
				31-Aug-18	50,000	Transfer	2,550,000	1.60
				7-Sep-18	-50,000	Transfer	2,500,000	1.57
				5-Oct-18	49,995	Transfer	2,549,995	1.60
				12-Oct-18	450,005	Transfer	3,000,000	1.88
				1-Mar-19	-246,422	Transfer	2,753,578	1.73

Sr. No.	Name	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year (April 1, 2018 to March 31, 2019)	
		No. of shares at the beginning (April 1, 2018)/ end of the year (March 31, 2019)	% of total shares of the Company				No. of shares	% of total shares of the Company
				8-Mar-19	-103,578	Transfer	2,650,000	1.66
				15-Mar-19	-50,000	Transfer	2,600,000	1.63
				22-Mar-19	-50,000	Transfer	2,550,000	1.60
				29-Mar-19	50,000	Transfer	2,600,000	1.63
		2,600,000	1.63	31-Mar-19	-	-	2,600,000	1.63
9	Vanguard Emerging Markets Stock Index Fund, A Series of Vanguard International Equity Index Fund	1,198,249	0.75	1-Apr-18				
				4-May-18	-2,760	Transfer	1,195,489	0.75
				11-May-18	-2,622	Transfer	1,192,867	0.75
				1-Jun-18	-2,070	Transfer	1,190,797	0.75
				15-Jun-18	-2,070	Transfer	1,188,727	0.75
				22-Jun-18	-5,371	Transfer	1,183,356	0.74
				29-Jun-18	-8,646	Transfer	1,174,710	0.74
				6-Jul-18	-3,537	Transfer	1,171,173	0.74
				13-Jul-18	-5,633	Transfer	1,165,540	0.73
				16-Nov-18	2,100	Transfer	1,167,640	0.73
				23-Nov-18	5,460	Transfer	1,173,100	0.74
				7-Dec-18	2,660	Transfer	1,175,760	0.74
				21-Dec-18	7,560	Transfer	1,183,320	0.74
				1-Feb-19	7,714	Transfer	1,191,034	0.75
				8-Feb-19	18,542	Transfer	1,209,576	0.76
				15-Feb-19	6,063	Transfer	1,215,639	0.76
				29-Mar-19	3,059	Transfer	1,218,698	0.77
		1,218,698	0.77	31-Mar-19	-	-	1,218,698	0.77
10	Atyant Capital India Fund I**	866,430	0.54	1-Apr-18				
				13-Jul-18	225,000	Transfer	1,091,430	0.69
		1,091,430	0.69	31-Mar-19	-	-	1,091,430	0.69
11	Dimensional Emerging Markets Value Fund*	993,088	0.62	1-Apr-18				
				11-May-18	9,273	Transfer	1,002,361	0.63
				18-May-18	7,154	Transfer	1,009,515	0.63
				25-May-18	16,619	Transfer	1,026,134	0.64
				22-Jun-18	2,018	Transfer	1,028,152	0.65
				15-Feb-19	4,807	Transfer	1,032,959	0.65
				22-Feb-19	2,207	Transfer	1,035,166	0.65
		1,035,166	0.65	31-Mar-19	-	-	1,035,166	0.65
12	Lazard Emerging Markets Small Cap Equity Trust***	965,297	0.61	1-Apr-18				
				20-Apr-18	199,683	Transfer	1,164,980	0.73
				18-May-18	413,169	Transfer	1,578,149	0.99
				25-May-18	34,938	Transfer	1,613,087	1.01
				8-Jun-18	146,776	Transfer	1,759,863	1.10
				22-Jun-18	-61,065	Transfer	1,698,798	1.07
				29-Jun-18	-156,312	Transfer	1,542,486	0.97
				6-Jul-18	98,707	Transfer	1,641,193	1.03
				13-Jul-18	18,249	Transfer	1,659,442	1.04

Sr. No.	Name	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year (April 1, 2018 to March 31, 2019)	
		No. of shares at the beginning (April 1, 2018)/ end of the year (March 31, 2019)	% of total shares of the Company				No. of shares	% of total shares of the Company
				20-Jul-18	121,632	Transfer	1,781,074	1.12
				27-Jul-18	17,747	Transfer	1,798,821	1.13
				16-Nov-18	69,655	Transfer	1,868,476	1.17
				23-Nov-18	36,941	Transfer	1,905,417	1.20
				30-Nov-18	16,018	Transfer	1,921,435	1.21
		1,921,435	1.21	31-Mar-19	-	-	1,921,435	1.21
13	Gothic Corporation**	-	-	1-Apr-18				
				16-Nov-18	1,095,841	Transfer	1,095,841	0.69
		1,095,841	0.69	31-Mar-19	-	-	1,095,841	0.69
14	Vanguard Total International Stock Index Fund***	966,828	0.61	1-Apr-18				
				1-Jun-18	36,280	Transfer	1,003,108	0.63
				8-Jun-18	7,040	Transfer	1,010,148	0.63
				31-Aug-18	22,496	Transfer	1,032,644	0.65
				7-Sep-18	25,411	Transfer	1,058,055	0.66
				14-Dec-18	48,883	Transfer	1,106,938	0.69
		1,106,938	0.69	31-Mar-19	-	-	1,106,938	0.69
15	DSP Mutual Fund***	615,720	0.39	1-Apr-18				
				27-Apr-18	70,646	Transfer	686,366	0.43
				18-May-18	88,537	Transfer	774,903	0.49
				29-Jun-18	37,600	Transfer	812,503	0.51
				20-Jul-18	289	Transfer	812,792	0.51
				27-Jul-18	15,073	Transfer	827,865	0.52
				14-Sep-18	-35,699	Transfer	792,166	0.50
				28-Sep-18	76,400	Transfer	868,566	0.55
				5-Oct-18	37,000	Transfer	905,566	0.57
				12-Oct-18	53,868	Transfer	959,434	0.60
				16-Nov-18	21,800	Transfer	981,234	0.62
				7-Dec-18	37,988	Transfer	1,019,222	0.64
				14-Dec-18	3,675	Transfer	1,022,897	0.64
				28-Dec-18	2,172	Transfer	1,025,069	0.64
				4-Jan-19	11,096	Transfer	1,036,165	0.65
				11-Jan-19	2,266	Transfer	1,038,431	0.65
				18-Jan-19	4,537	Transfer	1,042,968	0.65
				25-Jan-19	9,399	Transfer	1,052,367	0.66
				22-Mar-19	-130,534	Transfer	921,833	0.58
				29-Mar-19	484,382	Transfer	1,406,215	0.88
		1,406,215	0.88	31-Mar-19	-	-	1,406,215	0.88
16	Canara Robeco Mutual Fund	1,221,462	0.77	1-Apr-18				
				6-Apr-18	-700	Transfer	1,220,762	0.77
				27-Apr-18	-100,000	Transfer	1,120,762	0.70
				4-May-18	-18,322	Transfer	1,102,440	0.69
				11-May-18	-62,678	Transfer	1,039,762	0.65
				8-Jun-18	-23,597	Transfer	1,016,165	0.64
				10-Aug-18	-234,150	Transfer	782,015	0.49
				17-Aug-18	-27,977	Transfer	754,038	0.47

Sr. No.	Name	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year (April 1, 2018 to March 31, 2019)	
		No. of shares at the beginning (April 1, 2018)/ end of the year (March 31, 2019)	% of total shares of the Company				No. of shares	% of total shares of the Company
				7-Dec-18	15,700	Transfer	769,738	0.48
				14-Dec-18	60,349	Transfer	830,087	0.52
				21-Dec-18	63,356	Transfer	893,443	0.56
				15-Mar-19	105,509	Transfer	998,952	0.63
				22-Mar-19	25,000	Transfer	1,023,952	0.64
				29-Mar-19	261,000	Transfer	1,284,952	0.81
		1,284,952	0.81	31-Mar-19	-	-	1,284,952	0.81
17.	Copthall Mauritius Investment Limited*	981,207	0.62	1-Apr-18				
				6-Apr-18	-206,595	Transfer	774,612	0.49
				13-Apr-18	-89,472	Transfer	685,140	0.43
				20-Apr-18	-378,282	Transfer	306,858	0.19
				22-Mar-19	-306,835	Transfer	23	0.00
				29-Mar-19	4,550	Transfer	4,573	0.00
		4,573	0.00	31-Mar-19	-	-	4,573	0.00

*Ceased to be in the Top 10 shareholders as on March 31, 2019. The same is reflected above as the shareholder was one of the Top 10 shareholders as on April 1, 2018.

**Not in the list of Top 10 shareholders as on April 1, 2018. The same has been reflected above as the shareholder was one of the Top 10 shareholders during the year and ceased to be one of the Top 10 shareholders as on March 31, 2019.

***Not in the list of Top 10 shareholders as on April 1, 2018. The same is reflected above since the shareholder was one of the Top 10 shareholders as on March 31, 2019.

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name	Shareholding at the beginning of the year (April 1, 2018)		Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity, etc.)	Cumulative Shareholding during the year (2018-19)		At the end of the year (March 31, 2019)	
		No. of shares	% of total shares of the Company		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Mr. Shyam S Bhartia, Chairman	1,399,935	0.88	Refer Note 3			1,399,925	0.88
2	Mr. Hari S Bhartia, Co-Chairman and Managing Director	360,885	0.23	No change during the Financial Year 2018-19	360,885	0.23	360,885	0.23
3	Mr. S Sridhar, Director	–	–		–	–	–	–
4	Ms. Sudha Pillai, Director	–	–		–	–	–	–
5	Dr. Ashok Misra, Director	–	–		–	–	–	–
6	Mr. Sushil Kumar Roongta, Director	–	–		–	–	–	–
7	Mr. Vivek Mehra, Director	–	–		–	–	–	–

Sr. No.	Name	Shareholding at the beginning of the year (April 1, 2018)		Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity, etc.)	Cumulative Shareholding during the year (2018-19)		At the end of the year (March 31, 2019)	
		No. of shares	% of total shares of the Company		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
8	Mr. Arun Seth, Director	–	–		–	–	–	–
9	Mr. Priyavrat Bhartia, Director	3085	0.00		3085	0.00	3085	0.00
10	Mr. Arjun Shanker Bhartia, Director	–	–		–	–	–	–
11	Mr. Rajesh Kumar Srivastava, Whole-time Director	10,029	0.01	Refer Note 4			11	0.00
12	Mr. Anant Pande, Whole-time Director	–	–	No change during the Financial Year 2018-19	–	–	–	–
13	Mr. Sankaraiah Rajagopal, Chief Financial Officer (Designated as Executive Director - Finance)	28,155	0.02	Refer Note 5			–	–
14	Mr. Rajiv Shah, Company Secretary	–	–	No change during the Financial Year 2018–19	–	–	–	–

Notes:

1. Mr. Arun Seth was appointed as Non-Executive Independent Director effective from October 22, 2018.
2. Mr. Anant Pande was appointed as Whole-time Director of the Company for a period of 5 years effective from October 22, 2018.
3. Movement in shares held by Mr. Shyam S Bhartia, Chairman during the Financial Year 2018-19:

Sr. No.	Date	Increase/ Decrease in Shareholding	Reasons for Increase/ Decrease (e.g. allotment/ transfer/ bonus/ sweat equity, etc.)	Cumulative Shareholding during the year (2018-19)	
				No. of shares	% of total shares of the Company
1	April 1, 2018	–	–	1,399,935	0.88
2	June 6, 2018	-10	Transfer	1,399,925	0.88

4. Movement in shares held by Mr. Rajesh Kumar Srivastava, Whole-time Director during the Financial Year 2018-19:

Sr. No.	Date	Increase/ Decrease in Shareholding	Reasons for Increase/ Decrease (e.g. allotment/ transfer/ bonus/ sweat equity, etc.)	Cumulative Shareholding during the year (2018-19)	
				No. of shares	% of total shares of the Company
1	April 1, 2018	–	–	10,029	0.01
2	February 26, 2019	-5,000	Transfer	5,029	0.00
3	March 1, 2019	-500	Transfer	4,529	0.00
4	March 11, 2019	-3,000	Transfer	1,529	0.00
5	March 12, 2019	-1,518	Transfer	11	0.00

5. Movement in shares held by Mr. Sankaraiah Rajagopal, Chief Financial Officer (Designated as Executive Director - Finance) during the Financial Year 2018-19:

Sr. No.	Date	Increase/ Decrease in Shareholding	Reasons for Increase/ Decrease (e.g. allotment/ transfer/ bonus/ sweat equity, etc.)	Cumulative Shareholding during the year (2018-19)	
				No. of shares	% of total shares of the Company
1	April 1, 2018	–	–	28,155	0.02
2	March 14, 2019	-28,155	Transfer	-	-

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/ accrued but not due for payment:

(₹ / Million)

Particulars		Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the Financial Year (April 1, 2018)					
i)	Principal Amount	9,028.88	5,210.62	-	14,239.50
ii)	Interest due but not paid	-	-	-	-
iii)	Interest accrued but not due	85.93	27.48	-	113.41
Total (i+ii+iii)		**9,114.81**	**5,238.10**	**-**	**14,352.91**
Change in Indebtedness during the Financial Year (including Forex effect)					
i)	Addition	2,150.45	883.18	-	3,033.63
ii)	Reduction	73.05	169.48	-	242.53
Net Change		**2,077.40**	**713.70**	**-**	**2,791.10**
Indebtedness at the end of the Financial Year (March 31, 2019)					
i)	Principal Amount	11,096.70	5,923.50	-	17,020.20
ii)	Interest due but not paid	-	-	-	-
iii)	Interest accrued but not due	95.51	28.30	-	123.81
Total (i+ii+iii)		**11,192.21**	**5,951.80**	**-**	**17,144.01**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director/ Whole-time Director and/ or Manager:

Amount (₹)

Sr. No.	Particulars of Remuneration		Mr. Hari S Bhartia, Co-Chairman and Managing Director	Mr. Rajesh Kumar Srivastava, Whole-time Director	Mr. Anant Pande, Whole-time Director	Total Amount
1	Gross Salary					
	(a)	Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	85,327,608	43,501,440	7,467,958	136,297,006
	(b)	Value of Perquisites under Section 17(2) of the Income Tax Act, 1961	58,619	93,480	3,687	155,786
	(c)	Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-	-	-	-
2	Stock Option		-	-	-	-
3	Sweat Equity		-	-	-	-
4	Commission payable -as a % of Profit		22,000,000	-	-	22,000,000
5	Others (Mediclaim, Provident Fund, etc.)		3,333,696	2,085,135	453,220	5,872,051
	Total (A)		**110,719,923**	**45,680,055**	**7,924,865**	**164,324,843**
	Total (A) (₹ / Million)		**110.72**	**45.68**	**7.92**	**164.32**
	Ceiling as per the Act		₹ 200.68 Million (being 10% of Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013)			

Note: Mr. Anant Pande was appointed as Whole-time Director of the Company for a period of 5 years effective from October 22, 2018.

B. Remuneration to other Directors:

Amount (₹)

Sr. No.	Particulars of Remuneration	Names of Directors									Total Amount
		Non-Executive Non-Independent Directors			Independent Directors						
		Mr. Shyam S Bhartia	Mr. Priyavrat Bhartia	Mr. Arjun Shanker Bhartia	Mr. S Sridhar	Ms. Sudha Pillai	Dr. Ashok Misra	Mr. Sushil Kumar Roongta	Mr. Vivek Mehra	Mr. Arun Seth	
1	Fees for attending Board/ Committee meetings	–	–	–	530,000	605,000	485,000	480,000	525,000	100,000	2,725,000
2	Commission payable	–	–	–	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	441,100	5,441,100
3	Others	–	–	–	–	–	–	–	–	–	–
	Total (B)	**–**	**–**	**–**	**1,530,000**	**1,605,000**	**1,485,000**	**1,480,000**	**1,525,000**	**541,100**	**8,166,100**
	Total (B) (₹ / Million)	**–**	**–**	**–**	**1.53**	**1.60**	**1.49**	**1.48**	**1.53**	**0.54**	**8.17**
	Ceiling as per the Act	₹ 20.07 Million (being 1% of Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013)									
	Overall Ceiling as per the Act (A+B)	₹ 220.75 Million (being 11% of Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013)									

Notes:

1. Mr. Shyam S Bhartia, Chairman, Mr. Priyavrat Bhartia and Mr. Arjun Shanker Bhartia, Non-Executive Directors have opted not to take commission and sitting fees for the Financial Year 2018-19.
2. Mr. Arun Seth was appointed as Non-Executive Independent Director effective from October 22, 2018.

C. Remuneration to Key Managerial Personnel other than Managing Director/ Manager/ Whole-time Director

Amount (₹)

Sr. No.	Particulars of Remuneration		Name of Key Managerial Personnel		Total Amount
			Mr. Sankaraiah Rajagopal, Chief Financial Officer (Designated as Executive Director - Finance)	Mr. Rajiv Shah, Company Secretary	
1	Gross Salary:				
	(a)	Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	67,947,062	7,971,489	75,918,551
	(b)	Value of perquisites under Section 17(2) of the Income Tax Act, 1961	39,600	15,186	54,786
	(c)	Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock Option		-	-	-
3	Sweat Equity		-	-	-
4	Commission – as % of profit – others		-	-	-
5	Others (Mediclaim, Provident Fund, etc.)		2,314,584	439,495	2,754,079
	Total		**70,301,246**	**8,426,170**	**78,727,416**

VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES

There were no penalties / punishment / compounding of offences for breach of any Section of the Companies Act against the Company or its Directors or other officers in default, if any, during the year.

Report on Corporate Governance

Annexure – 6

A) COMPANY'S PHILOSOPHY

At Jubilant Life Sciences 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; two top executives on the Board of Directors;
- Implementation and certification of ISO/ IEC 27001:2013 based ISMS (Information Security Management System) in Corporate Office at Noida;
- Responsible Care®14001:2015 certification for Bharuch manufacturing unit during April 2019;
- Focus on energy management in plant operations - ISO 50001:2011 certification for Energy Management System at Gajraula Manufacturing Plant in the Financial Year 2018-19;
- Publication of Corporate Sustainability Report following GRI Standards in accordance with the 'Comprehensive' option from Financial Year 2017-18;
- Online monitoring of internal controls on all operations spanning more than 2,500 control assertions through a specially designed software to institutionalize a quarterly system of certification to enable CEO/CFO certification of internal controls as per Regulation 17(8) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (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;
- Effective control on statutory compliances by online reporting and quarterly presentations;
- Paperless meetings of Board and Committees;
- Comprehensive Corporate Sustainability Management System;
- Established Codes of Conduct for Directors and Senior Management as also for other employees;
- Robust Vigil Mechanism and Ombudsman 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 Stock Exchanges, e-mailing of Annual Reports and Corporate Sustainability Reports and obtaining online feedback from shareholders.

Securities and Exchange Board of India ('SEBI') regulates Corporate Governance practices and disclosure for 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, including a Woman Director, of which six are Non-Executive Independent Directors, three Non-Executive Non-Independent Directors, one Managing Director and two Whole-time Directors.

The tenure of Independent Directors is five consecutive years from the date of their appointment. The date 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	Upto the date of ensuing Annual General Meeting

Notes:

1. Shareholders have, at the Annual General Meeting 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.

2. Shareholders shall be considering appointment of Mr. Arun Seth as an Independent Director at the ensuing Annual General Meeting for a period of five years effective from October 22, 2018.

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:

a. 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.

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

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

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

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

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

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

h. Overseeing the process of disclosure and communications.

i. 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 six times i.e. on May 9, 2018, June 27, 2018, July 27, 2018, October 22, 2018, February 1, 2019 and March 29, 2019.

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, 2019 and attendance at the Board meetings held during the Financial Year ended March 31, 2019 and at the last Annual General Meeting ('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	6	5	No
Mr. Hari S Bhartia *Co-Chairman & Managing Director*	Executive and Promoter	6	6	Yes
Mr. S Sridhar *Director*	Non-Executive Independent	6	5	Yes
Ms. Sudha Pillai *Director*	Non-Executive Independent	6	6	Yes
Dr. Ashok Misra *Director*	Non-Executive Independent	6	5	No
Mr. Sushil Kumar Roongta *Director*	Non-Executive Independent	6	6	No
Mr. Vivek Mehra *Director*	Non-Executive Independent	6	5	No
Mr. Arun Seth *Director*	Non-Executive Independent	3	2	Not Applicable
Mr. Priyavrat Bhartia *Director*	Non-Executive and Promoter	6	5	Yes
Mr. Arjun Shanker Bhartia *Director*	Non-Executive and Promoter	6	6	Yes
Mr. Rajesh Kumar Srivastava *Whole-time Director*	Executive	6	6	Yes
Mr. Anant Pande *Whole-time Director*	Executive	3	3	Not Applicable

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. Arun Seth has been appointed as an Independent Director effective from October 22, 2018
3. Mr. Anant Pande has been appointed as Whole-time Director effective from October 22, 2018

(iv) Other Directorships

Details of directorships in other bodies corporate and chairmanship/membership of Board Committees held by the Directors as on March 31, 2019 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	2	2	11	16	0	2	1. Jubilant FoodWorks Limited - Non-Executive Director 2. Chambal Fertilisers and Chemicals Limited - Non-Executive Director
Mr. Hari S Bhartia	2	1	9	1	0	0	1. Jubilant FoodWorks Limited - Non-Executive Director 2. Shriram Pistons & Rings Limited - Non-Executive Director
Mr. S Sridhar	4	2	4	0	5	1	1. Strides Pharma Science Limited - Independent Director 2. DCB Bank Limited - Independent Director 3. Tourism Finance Corporation of India Limited - Independent Director 4. Shriram Transport Finance Company Limited - Independent Director
Ms. Sudha Pillai	3	3	1	0	1	7	1. Odisha Cement Limited (now known as Dalmia Bharat Limited) - Independent Director 2. Amber Enterprises India Limited - Independent Director 3. International Travel House Limited - Independent Director
Dr. Ashok Misra	1	1	3	0	1	2	1. Kirloskar Electric Company Limited - Independent Director
Mr. Sushil Kumar Roongta	4	6	0	0	1	5	1. Jubilant Industries Limited - Independent Director 2. ACC Limited - Independent Director 3. CL Educate Limited - Independent Director 4. JK Paper Limited - Non-Executive Director
Mr. Vivek Mehra	3	2	2	0	0	5	1. DLF Limited - Independent Director 2. HT Media Limited - Independent Director 3. Chambal Fertilisers and Chemicals Limited - Independent Director
Mr. Arun Seth	1	5	2	0	0	3	1. Narayana Hrudayalaya Limited - Independent Director
Mr. Priyavrat Bhartia	3	3	10	0	0	6	1. Jubilant Industries Limited - Non-Executive Director 2. HT Media Limited - Non-Executive Director 3. Hindustan Media Ventures 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. Arjun Shanker Bhartia	0	0	4	0	0	0	-
Mr. Rajesh Kumar Srivastava	0	5	0	0	0	1	-
Mr. Anant Pande	0	1	0	0	0	0	-

Note: Pursuant to Regulation 26 of the Listing Regulations, Chairmanship/ Membership of Audit Committee and Stakeholders Relationship Committee of Indian Public Companies, whether listed or not, have been considered. Committees of Jubilant are also included.

(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 May 17, 2019 without the attendance of Non-Independent Directors and members of the Management of the Company. The Independent Directors, *inter alia*, evaluated performance of the Non-Independent Directors, Chairperson of the Company and the Board of Directors as a whole for the Financial Year ended March 31, 2019. They also assessed the 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

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.jubl.com. The web-link for the same is: https://www.jubl.com/Uploads/image/1190imguf_JLLFamiliarisationProgramme-FY2019.pdf

(viii) List of core skills/ expertise/ competencies identified by the Board

The following core skills/ expertise/ competencies identified for effective functioning of the Company are available with the Board:

- Deep understanding of the Company's business, strategy and structure;
- Financial acumen;
- Knowledge in Accounting and Auditing Standards and tax matters;
- Knowledge of the Companies Act 2013, 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 the Shareholders and obligations of the Management; and
- 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 fulfill 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 a 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.

Committees of the Board are:

- Audit Committee
- Nomination, Remuneration and Compensation Committee
- Stakeholders Relationship Committee
- Sustainability & CSR Committee
- Risk Management 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 the 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 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 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. During the year, terms of reference of the Committee have been revised to align the same with the revised Listing Regulations and the SEBI (Prohibition of Insider Trading) Regulations, 2015. 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 utilized for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue and making appropriate recommendations to the Board to take steps in this matter.
7. Reviewing and monitoring with the management, independence and performance of statutory and internal auditors, adequacy of internal control systems and effectiveness of the audit processes.
8. Reviewing adequacy of internal audit function including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
9. Discussion with internal auditors on any significant findings and follow up 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 utilization of loans, advances and 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. 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, Ms. Sudha Pillai, Dr. Ashok Misra, Mr. Vivek Mehra and Mr. Priyavrat Bhartia.

Invitees

Mr. Sankaraiah Rajagopal, Executive Director-Finance, Mr. Rajesh Kumar Srivastava, Whole-time Director and Mr. Pramod Yadav, CEO-Pharma 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 meetings. Cost Auditors and other executives, as desired by the Committee, attend the 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 five times i.e. on May 9, 2018, July 27, 2018, October 22, 2018, February 1, 2019 and March 29, 2019.

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	5	5
Ms. Sudha Pillai	5	5
Dr. Ashok Misra	5	5
Mr. Vivek Mehra	5	5
Mr. Priyavrat Bhartia	5	4

Nomination, Remuneration and Compensation Committee

The Nomination, Remuneration and Compensation 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

During the year, terms of reference of the Committee have been revised to align the same with the revised Listing Regulations. The role of the 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, Directors and its committees and review its implementation and compliance.
4. To formulate the criteria for determining qualifications, positive attributes and independence of a director.
5. 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 director 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. Sankaraiah Rajagopal, Executive Director-Finance are permanent invitees to the Nomination, Remuneration and Compensation 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 higher with atleast one Independent Director.

During the year, the Committee met four times i.e. on May 9, 2018, July 27, 2018, October 22, 2018 and February 1, 2019.

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	4	4
Mr. Shyam S Bhartia	4	4
Mr. Sushil Kumar Roongta	4	4
Mr. Vivek Mehra	4	4

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 Executive Director-Finance 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

During the year, terms of reference of the Committee have been revised to align the same with the revised Listing Regulations. 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

During the year, the Stakeholders Relationship Committee was re-constituted. Mr. Arun Seth was appointed as a member of the Committee effective from February 1, 2019. As on date, the Committee comprises Mr. S Sridhar, Chairman, Mr. Shyam S Bhartia, Dr. Ashok Misra, Mr. Arun Seth and Mr. Rajesh Kumar Srivastava.

Invitee

Mr. Sankaraiah Rajagopal, Executive Director-Finance is a permanent invitee to the meetings of the Committee.

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 twice i.e. on May 9, 2018 and February 1, 2019.

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	2	2
Mr. Shyam S Bhartia	2	2
Dr. Ashok Misra	2	2
Mr. Arun Seth	0	Not Applicable
Mr. Rajesh Kumar Srivastava	2	2

(iv) Investor Complaints

During the year, the Company received 10 complaints, out of which 9 were duly resolved to the satisfaction of the shareholders. The remaining complaint has been resolved on April 4, 2019.

(v) Transfers and Transmissions approved

During the year, the Company received 196 cases representing 302,696 shares for share transfer/ transmission of which, 117 cases representing 161,630 shares were approved and 79 cases representing 141,066 shares were rejected on technical grounds.

The Company had 44,441 shareholders as on March 31, 2019.

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

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 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 and Mr. Rajesh Kumar Srivastava.

Invitees

Mr. Sankaraiah Rajagopal, Executive Director-Finance and Mr. Pramod Yadav, CEO-Pharma are permanent invitees to the meetings of the Committee.

(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 twice i.e. on May 9, 2018 and October 22, 2018.

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

Risk Management Committee

During the year, the Board has constituted Risk Management Committee pursuant to the provisions of the Listing Regulations.

(i) Terms of Reference

The role of the Committee is:

1. Advise the Board on the Company's overall risk tolerance and strategy.
2. Oversee and advise the Board on the current risk exposures and future risk strategy of the Company.
3. Oversee and review various aspects of risk management and review the major risk exposures of the Company including but not limited to Cyber Security risk.
4. In relation to risk assessment, keep under review the Company's overall risk assessment processes, review regularly and approve the parameters used in these measures and the methodology adopted and set a process for the accurate and timely monitoring of large exposures and certain risk types of critical importance.
5. Review and discuss with the management of the Company (the 'Management'), the risk governance structure, risk assessment and risk management practices and the guidelines, policies and processes for risk

assessment, risk management and internal control systems.

6. 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.
7. To discuss with the Company's Management Assurance Head, the Company's risk assessment and risk management guidelines, policies and processes, as the case may be.
8. 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.
9. Review the Company's procedures for detecting fraud. The Committee shall ensure that these arrangements allow proportionate and independent investigation of such matters and appropriate follow up action.
10. 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

The Committee comprises Mr. Sushil Kumar Roongta, Chairman, Mr. Hari S Bhartia, Ms. Sudha Pillai, Mr. S Sridhar, Mr. Arun Seth, Mr. Sankaraiah Rajagopal, Mr. Rajesh Kumar Srivastava and Mr. Pramod Yadav.

(iii) Meetings and Quorum

The terms of reference of the Committee provide for atleast one meeting in a year. The quorum for the meetings is two members or one-third of members, whichever is higher.

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, Mr. Arjun Shanker Bhartia and Mr. Rajesh Kumar Srivastava.

Invitee

Mr. Sankaraiah Rajagopal, Executive Director-Finance is a permanent invitee to the Capital Issue Committee meetings.

(iii) Meetings, Quorum and Attendance

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, the Committee met three times i.e. on June 29, 2018, August 27, 2018 and September 5, 2018.

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	3	2
Mr. Hari S Bhartia	3	1
Mr. S Sridhar	3	3
Mr. Priyavrat Bhartia	3	2
Mr. Arjun Shanker Bhartia	3	2
Mr. Rajesh Kumar Srivastava	3	3

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. Rajesh Kumar Srivastava.

Invitee

Mr. Sankaraiah Rajagopal, Executive Director-Finance 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 five times i.e. on April 2, 2018, May 28, 2018, June 29, 2018, October 8, 2018 and November 27, 2018.

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	5	4
Mr. Hari S Bhartia	5	3
Mr. Priyavrat Bhartia	5	3
Mr. Arjun Shanker Bhartia	5	4
Mr. Rajesh Kumar Srivastava	5	4

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 and Mr. Arjun Shanker Bhartia.

Invitee

Mr. Sankaraiah Rajagopal, Executive Director-Finance 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 once i.e. on May 28, 2018.

Attendance details of the members are given in the table below:

Name of the Committee Member	Meeting Held During Tenure	Meeting Attended
Mr. Shyam S Bhartia, Chairman	1	1
Mr. Hari S Bhartia	1	1
Mr. Priyavrat Bhartia	1	1
Mr. Arjun Shanker Bhartia	1	1

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 2018-19 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	Mr. Anant Pande, Whole-time Director
1	Salary	27,000,000	12,509,850	3,332,840
2	Commission Payable (as a % of profit)	22,000,000	-	-
3	House Rent Allowance	-	7,505,910	1,999,704
4	Contribution to Provident Fund	3,240,000	1,501,182	399,939
5	Gratuity	-	-	-
6	Leave Encashment	-	-	-
7	Perquisite Value of Stock Options	-	-	-
8	Allowances/ Perquisites	58,479,923	24,163,113	2,192,382
Total		**110,719,923**	**45,680,055**	**7,924,865**

Notes:

1. Mr. Anant Pande has been appointed as Whole-time Director effective from October 22, 2018.
2. Perquisites have been taken at actual value/ in accordance with the Income Tax Rules prescribed under the Income Tax Act, 1961.

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 through commission, as approved by the Board and shareholders of the Company.

Details of commission and sitting fees of the Non-Executive Directors for the year ended March 31, 2019 are given in the table below:

Name of Director	Sitting Fees (₹)	Commission Payable (₹)	Total (₹)
Mr. Shyam S Bhartia	–	–	–
Mr. S Sridhar	530,000	1,000,000	1,530,000
Ms. Sudha Pillai	605,000	1,000,000	1,605,000
Dr. Ashok Misra	485,000	1,000,000	1,485,000
Mr. Sushil Kumar Roongta	480,000	1,000,000	1,480,000
Mr. Vivek Mehra	525,000	1,000,000	1,525,000
Mr. Arun Seth	100,000	441,100	541,100
Mr. Priyavrat Bhartia	–	–	–
Mr. Arjun Shanker Bhartia	–	–	–
Total	**2,725,000**	**5,441,100**	**8,166,100**

Note: Mr. Shyam S Bhartia, Chairman, Mr. Priyavrat Bhartia and Mr. Arjun Shanker Bhartia, Directors have opted not to take commission and sitting fees for the Financial Year 2018-19.

Details of Equity Shares/ Stock Options held by the Non-Executive Directors in the Company as on March 31, 2019 are given in the table below:

Name of Director	No. of Equity Shares of ₹ 1 held	No. of Options under Plan 2005	No. of Options under Plan 2011
Mr. Shyam S Bhartia	1,399,925	Nil	Nil
Mr. S Sridhar	Nil	Nil	Nil
Ms. Sudha Pillai	Nil	Nil	Nil
Dr. Ashok Misra	Nil	Nil	Nil
Mr. Sushil Kumar Roongta	Nil	Nil	Nil
Mr. Vivek Mehra	Nil	Nil	Nil
Mr. Arun Seth	Nil	Nil	Nil
Mr. Priyavrat Bhartia	3,085	Nil	Nil
Mr. Arjun Shanker Bhartia	Nil	Nil	Nil

Other than holding Shares/ Options 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
2015-16 (38th AGM)	August 30, 2016	11:30 a.m.	Registered Office: Bhartiagram, Gajraula, District Amroha – 244 223, Uttar Pradesh
2016-17 (39th AGM)	August 29, 2017		
2017-18 (40th AGM)	September 26, 2018		

Following are the Special Resolutions passed at the Annual General Meetings held in the last three years:

Meeting	Subject Matter of Special Resolutions Passed
38th AGM	Re-appointment of Mr. Hari S Bhartia as Co-Chairman and Managing Director for a period of 5 years effective from April 1, 2017.
39th AGM	Appointment of Mr. Pramod Yadav as Whole-time Director for a period of 2 years effective from April 1, 2017.
40th AGM	1. Re-appointment of Mr. S Sridhar as an Independent Director for a term of 5 years effective from April 1, 2019 2. Re-appointment of Ms. Sudha Pillai as an Independent Director for a term of 5 years effective from April 1, 2019 3. Re-appointment of Dr. Ashok Misra as an Independent Director for a term of 5 years effective from April 1, 2019 4. Appointment of Mr. Rajesh Kumar Srivastava as a Whole-time Director for a period of 5 years effective from January 17, 2018

(ii) Special Resolutions passed through Postal Ballot in Financial Year 2018-19

Details of Special Resolutions passed through Postal Ballot during the Financial Year 2018-19 and the pattern of voting are given below:

Sr. No.	Particulars of Resolutions	Votes in Favour of Resolution	Votes Against Resolution
1	Approval for JLL Employees Stock Option Plan 2018 for employees of the Company	94,599,562	14,498,434
2	Approval of JLL Employees Stock Option Plan 2018 for employees of the holding/ subsidiary companies of the Company	94,596,417	14,501,029
3	Implementation of JLL Employees Stock Option Plan 2018 through the Trust	94,446,174	14,651,772
4	Authorization to the Trust for secondary market acquisition	94,445,387	14,652,474
5	Approval for provision of money by the Company to the Trust	94,418,917	14,679,052
6	Approval for issue of Non-Convertible Debentures	108,659,988	438,754

The Company had appointed Mr. Sanjay Grover, a Practicing Company Secretary (FCS No. 4223, C.P. No. 3850) of M/s Sanjay Grover & Associates, Company Secretaries as the Scrutinizer to conduct the Postal Ballot process.

(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 Scrutinizer 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 Scrutinizer;
- The Scrutinizer 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.jubl.com.

ii. Code of Conduct for Prevention of Insider Trading

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities of the Company by the Designated Persons. The Code has been broad-based effective from April 1, 2019 pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended. Salient changes in the revised Code include revised definitions of Designated Persons, Unpublished Price Sensitive Information ('UPSI') and material subsidiary, additional disclosures requirements, etc. The Company has also implemented the Policy and Procedure for inquiry in case of leak or suspected leak of UPSI, pursuant to the 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 shares of the Company by the Designated Persons is placed before the Chairman of the Audit Committee and the Board.

iii. Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information

The Company has adopted a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information with a view to facilitate prompt, uniform and universal dissemination of unpublished price sensitive information. Pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended, the Code has been revised to include the Policy for Determination of Legitimate Purposes. The Code is posted on the Company's website www.jubl.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.jubl.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. It enables the Directors and full time employees to voice their concerns or disclose or report fraud, unethical behaviour, violation of the Code of Conduct, questionable accounting practices, grave misconduct, etc. without fear of retaliation/ unlawful victimization/ discrimination which is a sine qua non for an ethical organization.

The Whistle Blower Policy has been posted on the Company's website www.jubl.com. The Audit Committee periodically reviews the functioning of the Policy and Ombudsman 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. During the year, the Policy was revised by amending the provisions pertaining to remuneration of Senior Management to align the same with the provisions of the revised Listing Regulations. 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.jubl.com/investors/corporate-governance/policies-and-codes/appointment-and-remuneration-policy.

vii. Policy for Determining Material Subsidiaries

During the year, the Policy has been revised pursuant to the provisions of the revised Listing Regulations and is displayed on the Company's website. The web-link for the same is: https://www.jubl.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

During the year, the Policy has been revised pursuant to the provisions of the revised Listing Regulations and is displayed on the Company's website. The web-link for the same is: https://www.jubl.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 has been posted on the Company's website www.jubl.com and is given as **Annexure-C.**

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.

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.jubl.com.

xii. 'Corporate Social Responsibility Policy' is displayed on the Company's website www.jubl.com.

xiii. Policy on Board Diversity.

xiv. Succession Plan for Board Members and Senior Management.

xv. Performance Evaluation Policy (aligned with the revised Listing Regulations).

xvi. Code of Conduct for Employees.

xvii. 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. 37 to the Standalone Financial Statements;

(ii) 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, Chairman, Mr. Hari S Bhartia, Co-chairman and Managing Director 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 has 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 have filed appeals against the Adjudication Order on April 24, 2018 before the Securities Appellate Tribunal, Mumbai.

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 2019-20 have been paid to the Stock Exchanges on which securities of the Company are listed;

(iv) Detailed note on risk management is included in the Management Discussion and Analysis section;

(v) Commodity Price Risks/ Foreign Exchange Risk and Hedging Activities: Your Company is exposed to foreign exchange risks on its imports of raw materials/ trading goods/ capital items, export receivables and borrowings denominated in foreign exchange.

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

As per the Company's Policy for Determination of Materiality of Events and Information, your Company does not have material exposure of any commodity and accordingly, no hedging activities for the same are carried out. Therefore, there is no disclosure to offer in terms of SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2018/0000000141 dated November 15, 2018.

(vi) Fees paid to Statutory Auditors: The Company and its subsidiaries have paid aggregate audit fees of ₹ 11.11 Million to the Statutory Auditors and its network firms/ entities for audit and non-audit services availed during the Financial Year 2018-19;

(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 2018-19	2
2	Number of complaints disposed of during the Financial Year 2018-19	2
3	Number of complaints pending as on end of the Financial Year 2018-19	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 normally published in leading business newspapers of the country like 'Mint'/ 'Financial Express' and regional newspapers like '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.jubl.com.

(iii) Various sections of the Company's website www.jubl.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 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 works towards excellence in stakeholder communication. It believes in sharing all material information that may directly or indirectly affect the financial and operational performance of the Company and consequently the share price.

A detailed docket on the financials and business highlights is released to the stock exchanges after the Board approves the results every quarter. We host a quarterly conference call to share the financial results of the Company along with discussion on the performance of the businesses by the 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. We conducted 4 conference calls during the year 2018-19, 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 41st Annual General Meeting

As per the notice of 41st 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 2019-20 is as follows:

Item	Tentative Dates*
First Quarter Results	Friday, July 26, 2019
Second Quarter Results	Friday, October 25, 2019
Third Quarter Results	Friday, January 31, 2020
Audited Annual Results for the year	Friday, May 22, 2020

*As approved by the Board. These dates are subject to change.

(iii) Book Closure & Dividend Payment Dates

As per the Notice convening the 41st 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.	BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001	Equity Shares	530019
2.	National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051	Equity Shares	JUBILANT
		Non-Convertible Debentures	-

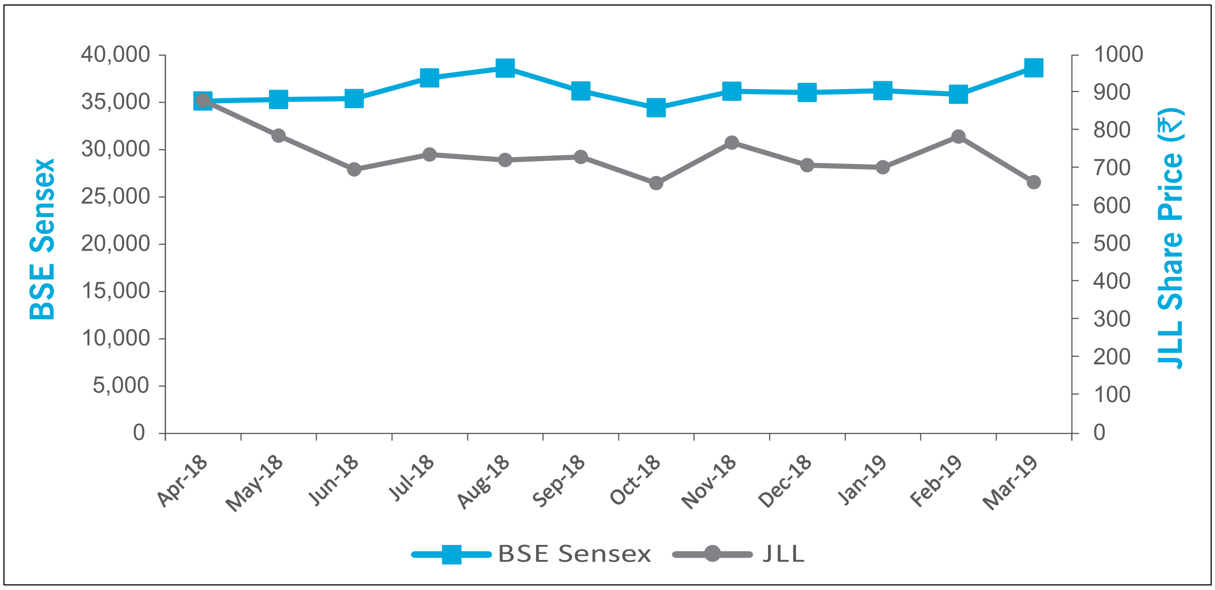
(v) Market Information

Monthly high/ low of the market price of the Company's Equity Shares (of ₹ 1 each) traded on the Stock Exchanges during the year 2018-19 is given hereunder:

(Amount in ₹)

Month	BSE Limited		National Stock Exchange of India Limited	
	High	Low	High	Low
Apr-18	889.50	736.85	890.00	736.05
May-18	891.00	769.95	886.45	771.00
Jun-18	802.20	685.90	801.70	685.65
Jul-18	825.00	690.00	819.70	691.50
Aug-18	788.95	706.00	789.60	706.95
Sep-18	867.00	690.00	868.80	686.05
Oct-18	734.85	617.45	735.50	586.35
Nov-18	775.00	663.05	780.00	663.10
Dec-18	844.40	694.50	846.35	695.10
Jan-19	768.90	697.75	769.80	697.05
Feb-19	795.00	705.00	797.00	705.00
Mar-19	898.00	647.05	898.85	648.15

(vi) Performance of the Company's Equity Shares vis-a-vis BSE Sensex during 2018-19



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

Year	Particulars	Increase in Number of Shares	Cumulative Number of Shares	Face Value (₹)/ Per Share
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

(viii) Appreciation in Share Price

A person who invested ₹ 1 Lac in the Company in April, 2001 has holdings worth approximately ₹ 170 lac now as computed below:

Date	Action	No. of Resultant Shares of JLL	Face Value of JLL Shares (₹)	No. of Resultant Shares of JIL	Face Value of JIL 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

Market Value of 25,437.20 Equity Shares of JLL as at the end of Financial Year 2018-19 @ ₹ 664.80 per share was ₹ 16,910,651 and Market Value of 1,271.86 Equity Shares of JIL as at the end of Financial Year 2018-19 @ ₹ 126.20 per share was ₹ 160,509 resulting in an aggregate of ₹ 17,071,160. Thus, the shareholder has multiplied his wealth over 170 times in 18 years, implying a Compounded Annual Growth Rate of 33% approximately. In addition, he has got handsome dividends.

(Note: JLL means Jubilant Life Sciences Limited and JIL means Jubilant Industries 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 Life Sciences Limited), Alankit Heights, 3E/7 Jhandewalan Extension, New Delhi-110055; Tel: +91-11-42541234; E-mail: rta@alankit.com.

(xi) Share Transfer System

Stakeholders Relationship Committee is authorised to approve transfers of shares. Share transfers which are received in physical form, are processed and share certificates are returned within a period of 15 days from the date of receipt subject to the documents being valid and complete in all respects. The dematerialised shares are transferred directly to the beneficiaries by the depositories.

Trading in equity shares of the Company is permitted only in dematerialised form. SEBI has mandated that securities of listed companies can be transferred only in dematerialised form effective from April 1, 2019. Accordingly, the Company/ its Registrar and Transfer Agent have stopped accepting any fresh lodgement for transfer of shares in physical form. Members holding shares in physical form are advised to avail of the facility of dematerialisation.

(xii) Shareholder Satisfaction Survey

The Company offers the facility of online survey to assess the shareholders' satisfaction level for the investor services rendered by the Company. The shareholders can submit their feedback for investor services on the following parameters by accessing the web-link: http://www.jubl.com/investors/investor-feedback-form

1. Timely receipt of Annual Report, Dividend & other documents/ correspondence
2. Quality & contents of Annual Report
3. Dissemination of information about the Company
4. Response time & satisfaction level experienced
5. Interaction with the Company officials
6. Interaction with Registrar & 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, 2019

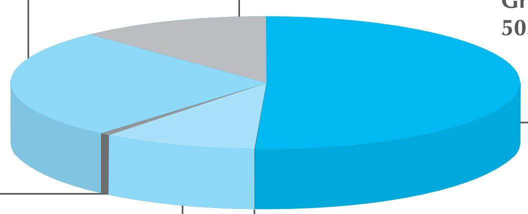
(a) Value wise

Shareholding of Nominal Value in ₹	Shareholders		Shareholding	
	Number	% of Total	Number	% of Total
Upto 5,000	43,774	98.50	10,723,782	6.73
5,001 to 10,000	263	0.59	1,909,125	1.20
10,001 to 20,000	133	0.30	1,899,674	1.19
20,001 to 30,000	49	0.11	1,214,106	0.76
30,001 to 40,000	31	0.07	1,041,386	0.66
40,001 to 50,000	23	0.05	1,049,840	0.66
50,001 to 100,000	56	0.13	3,919,090	2.46
100,001 and above	112	0.25	137,524,136	86.34
Total	**44,441**	**100.00**	**159,281,139**	**100.00**

(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	143,594	0.09
	2. Mutual Funds/ Domestic Companies	15,912,403	9.99
	3. Non Resident Indians/ Foreign Nationals	639,269	0.40
	4. FPI / FII	42,592,581	26.74
	5. Indian Public/ Trusts/ Others	19,276,236	12.10
Grand Total		**159,281,139**	**100.00**

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 Investor Education and Protection Fund Authority constituted by the Central Government.

Dividends pertaining to the financial years 1994-95 to 2010-11 remaining unpaid and shares pertaining to unpaid dividend of the financial year 2010-11 have been transferred to the Investor Education and Protection Fund (the 'Fund') during the year.

In respect of unpaid/ unclaimed dividends for the financial year 2011-12 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
2011-12	August 28, 2012	September 29, 2019
2012-13	August 27, 2013	September 30, 2020
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

(xv) Compliance Certificate of Practicing Company Secretary

The Company has obtained a certificate from a 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-D.**

(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 dematerialization connectivity. As on March 31, 2019, 158,519,693 Equity Shares of the Company (99.52% 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, 2019, no FCCBs / GDRs / ADRs / Warrants or convertible instruments were outstanding.

(b) Paid-up Share Capital

The Paid-up Share Capital as on March 31, 2019 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

Uttar Pradesh	Gujarat	
Bhartiagram, Gajraula, District Amroha – 244 223	1	Block 133, Village Samlaya, Taluka Savli, District Vadodara – 391 520
	2	Plot No. P1-L1 (Plot No. 5 of Jubilant SEZ), Vilayat GIDC, Taluka Vagra, District Bharuch - 392 012
	3	P1-L13 to L16, Plot No. 5, Vilayat GIDC, Taluka Vagra, District Bharuch - 392 012
Maharashtra		
1	Village Nimbut, Railway Station Nira, Taluka - Baramati, District Pune - 412 102	
2	B-34, Vadolgaon, MIDC, Behind Reliance Petrol Pump, Ambernath(W) - 421 501, District Thane	
3	N-34, MIDC Anand Nagar, Addl. Ambernath, Ambernath(E) - 421 506, District Thane	

(xix) R&D Centre

Bhartiagram, Gajraula, District Amroha - 244 223, Uttar Pradesh

(xx) Address for Correspondence

Jubilant Life Sciences Limited
1A, Sector 16A
Noida - 201 301, Uttar Pradesh
Tel: +91-120-4361000
Fax: +91-120-4234895
E-mail: investors@jubl.com
Website: www.jubl.com

(xxi) Corporate Identification Number (CIN)

L24116UP1978PLC004624

(xxii) Details of Credit Ratings obtained by the Company alongwith revisions thereof during the year are mentioned below:

Sr. No.	Facility/ Instrument	Rating Agency	Rating	Outlook	Remarks
1.	Bank Loan	India Ratings & Research	IND AA	Stable	Rating upgraded from IND AA-/Stable
2.	Non-Convertible Debentures of ₹ 495 Crore	India Ratings & Research	IND AA	Stable	Rating upgraded from IND AA-/Stable
3.	Non-Convertible Debentures of ₹ 350 Crore	India Ratings & Research	IND AA	Stable	Rating assigned
		CRISIL Limited	CRISIL AA	Stable	Rating assigned
4.	Commercial Paper	India Ratings & Research	IND A1+	-	Rating affirmed
		CRISIL Limited	CRISIL A1+	-	Rating affirmed

(xxiii) 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 requested them to claim their equity shares. In terms of the aforesaid clause, equity shares which remained unclaimed were transferred during 2012 to JLL 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, 2018	2,806	1,591,890
Number of shareholders who approached the Company for claiming shares from the Unclaimed Suspense Account during 2018-19	83*	63,780
Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during 2018-19	83*	63,780
Number of shares transferred to Investors Education and Protection Fund (the 'Fund') during 2018-19	482#	219,445
Aggregate number of shareholders and outstanding shares lying in the Unclaimed Suspense Account as on March 31, 2019	2,241	1,308,665

*Excludes 33 shareholders who have lodged claim for part of their shareholding.

#Excludes 6 sharesholders whose part shareholding have been transferred to the Fund.

The voting rights on the shares lying in JLL-Unclaimed Suspense Account shall remain frozen till the rightful owners of such shares claim the shares.

(xxiv) Pursuant to the provisions of Regulation 53 of the Listing Regulations, the details of Debenture Trustee are:

Name	Vistra ITCL (India) Limited
Address	The IL&FS Financial Centre Plot No. C-22, G Block, 7th Floor, Bandra Kurla Complex, Bandra (East), Mumbai - 400051, Maharashtra
Telephone Number	+91-22-26593535
Fax Number	+91-22-26533297
Email ID	itclcomplianceofficer@vistra.com

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. **Separate posts of Chairman and Managing Director/CEO**

   The Co-Chairman is the Managing Director of the Company.

5. **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 CFO i.e. the Executive Director-Finance, is enclosed as **Annexure-E** 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: May 17, 2019

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 Life Sciences Limited
CIN: L24116UP1978PLC004624
Bhartiagram, Gajraula
District Amroha - 244223
Uttar Pradesh

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Jubilant Life Sciences Limited (CIN: L24116UP1978PLC004624) having registered office at Bhartiagram, Gajraula, District Amroha - 244223, Uttar Pradesh (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) 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 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such 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. S 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. Arun Seth	00204434	22/10/2018
9	Mr. Priyavrat Bhartia	00020603	23/05/2017
10	Mr. Arjun Shanker Bhartia	03019690	23/05/2017
11	Mr. Rajesh Kumar Srivastava	02215055	17/01/2018
12	Mr. Anant Pande	08186854	22/10/2018

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

Tanuj Vohra
Partner
M. No.: F5621, C.P. No.: 5253

Delhi, May 17, 2019

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, 2019.

For **Jubilant Life Sciences Limited**

Place: Noida
Date: May 17, 2019

Hari S Bhartia
Co-Chairman & Managing Director

Annexure-C

DIVIDEND DISTRIBUTION POLICY

PURPOSE

In compliance with the provisions of the Companies Act, 2013 and rules made thereunder (the 'Act') and Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations'), as amended from time to time, this Policy provides guidance for declaration of dividend and its pay-out by the Company. The Board of Directors (the 'Board') will consider the Policy while declaring / recommending dividend on behalf of the Company. The Policy is not an alternative to the decision of the Board for recommending / declaring dividend, which takes into consideration all the relevant circumstances enumerated hereunder or other factors as may be decided by the Board.

CONCEPT OF DIVIDEND

Dividend is the share of the profit that a company decides to distribute among its shareholders. The profits earned by the company can either be retained in the business or can be distributed among the shareholders as dividend.

TYPES OF DIVIDEND

The Act deals with two types of dividend - Interim and Final.

- Interim Dividend

  Interim dividend is the dividend declared by the Board between two Annual General Meetings as and when considered appropriate. The Board shall have the absolute power to declare interim dividend during the financial year, as and when deemed fit. The Act authorises the Board to declare interim dividend during any financial year out of the profits for the financial year in which the dividend is sought to be declared and/or out of the surplus in the profit and loss account.

  Normally, the Board could consider declaring an interim dividend after finalization of quarterly (or half yearly) financial statements.

- Final Dividend

  Final dividend is recommended for the financial year at the time of approval of the annual financial statements. The Board shall have the power to recommend final dividend to the shareholders for their approval at the Annual General Meeting of the Company.

DECLARATION OF DIVIDEND

Subject to the provisions of the Act, dividend shall be declared and paid out of:

A. Profits of the Company for the year for which the dividend is to be paid after setting off carried over previous losses and depreciation not provided in the previous year(s);

B. Undistributed profits of the previous financial years after providing for depreciation in accordance with law and remaining undistributed.

C. Out of A and B both.

Before declaration of dividend, the Company may transfer a portion of its profits to reserves of the Company as may be considered appropriate by the Board at its discretion.

In the event of inadequacy or absence of profits in any financial year, a company may declare dividend out of free reserves subject to the compliance with the Act.

FACTORS GOVERNING DECLARATION OF DIVIDEND

The decision regarding dividend pay-out is a crucial decision as it determines the amount of profit to be distributed among shareholders and amount of profit to be retained in business.

The circumstances for dividend pay-out decision depends on various external and internal factors:

- **External Factors:**

  The Board shall consider various external factors while declaring dividend including the following:

  - Economic Scenario - The Board shall endeavour to retain a larger portion of profits to build up reserves, in case of adverse economic scenario.
  - Competitive / Market Scenario - The Board shall evaluate the market trends in terms of technological changes mandating investments, competition impacting profits, etc., which may require the Company to conserve resources.
  - Regulatory Restrictions / Obligations - In order to ensure compliance with the applicable laws, the Board shall consider the restrictions, if any, imposed by the Act and other applicable laws with regard to declaration of dividend.

    Statutory obligations under the Companies Act, 2013 to transfer a certain portion of profits to any specific reserve such as Debenture Redemption Reserve, Capital Redemption Reserve, etc. may impact the decision with regard to dividend declaration.

    Dividend distribution tax or any tax deduction at source as required by tax regulations in India, applicable at the time of declaration of dividend may impact the decision with regard to dividend declaration.
  - Agreements with Lenders / Debenture Trustees - The decision of dividend pay-out may also be affected by the restrictions and covenants contained in the agreements entered into with the lenders or Debenture Trustees of the Company from time to time.
  - Other Factors - Other factors beyond control of the Management like natural calamities, fire, etc. effecting operations of the Company may impact the decision with regard to dividend declaration.

- **Internal Factors:**

  The Board shall consider internal factors while declaring dividend including the following:

  - Profitability;
  - Availability and Liquidity of Funds;
  - Capex needs for the existing businesses;
  - Mergers and Acquisitions;
  - Expansion / Modernization of the business;
  - Additional investments in subsidiaries/associates of the Company;
  - Cost of raising funds from alternate sources;
  - Cost of servicing outstanding debts;
  - Funds for meeting contingent liabilities;
  - Any other factor as deemed appropriate by the Board.

FINANCIAL PARAMETERS FOR DECLARING DIVIDEND

The Company is committed to deliver sustainable value to its stakeholders. The Company shall strive to distribute an optimal and appropriate level of the profits among the shareholders in the form of dividend.

To keep investment attractive and to ensure capital appreciation for the shareholders, the Company shall also endeavour to provide consistent return over a period of time. While deciding on the dividend, micro and macro economic parameters for the country in general and the Company in particular shall also be considered.

Taking into consideration the aforementioned factors, the Board shall endeavour to maintain a dividend pay-out.

UTILISATION OF RETAINED EARNINGS

Subject to the provisions of the Act and other applicable laws, retained earnings may be utilised as under:

- o Issue of fully paid-up bonus shares;
- o Declaration of dividend - Interim or Final;
- o Augmenting internal resources;
- o Funding for Capex / expansion plans / acquisition;
- o Repayment of debt;
- o Any other permitted use as may be decided by the Board.

PARAMETERS FOR VARIOUS CLASSES OF SHARES

Currently, the Company has only one class of shares - Equity Shares. There is no privilege amongst Equity shareholders of the Company with respect to dividend distribution.

CIRCUMSTANCES IMPACTING DIVIDEND PAYMENT

The Company has been paying dividend to its shareholders over the last three decades and shall endeavour to continue with the dividend payment.

Given below are some of the circumstances in which shareholders of the Company may or may not expect dividend pay-out:

<u>May expect dividend</u>:

- o Adequate profits and liquidity;
- o Accumulated profits not warranted for immediate business needs.

<u>May not expect dividend</u>:

- o Non availability of profits for dividend distribution;
- o Funds available for dividend but need to be conserved due to:
    - Business needs;
    - Adverse economic /market scenario expected in near future;
    - Augmenting internal resources.

DISCLOSURE

This Dividend Distribution Policy shall be disclosed in the Annual Report of the Company and on the Company's website www.jubl.com.

If the Company proposes to declare dividend on the basis of any additional parameters apart from those mentioned in the Policy or proposes to change the parameters contained in this Policy, it shall disclose such changes along with the rationale for the same in the Annual Report and on the website.

EFFECTIVE DATE

This Policy shall be effective and applicable for dividend, if any, declared for the Financial Year 2016-17 onwards.

REVIEW / AMENDMENT

The Board may amend, abrogate, modify or revise any or all provisions of this Policy. However, amendments in the Act or in the Listing Regulations shall be binding even if not incorporated in this Policy.

Annexure-D

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 LIFE SCIENCES LIMITED
CIN: L24116UP1978PLC004624
Bhartiagram, Gajraula
District Amroha - 244 223
Uttar Pradesh

1. We have examined the compliance of the conditions of Corporate Governance by Jubilant Life Sciences Limited (the 'Company') for the Financial Year ended on March 31, 2019, as stipulated under 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.

TVA & Co. LLP
Company Secretaries

Tanuj Vohra
Partner
M. No.: F5621, C.P. No.: 5253

Delhi, May 17, 2019

Annexure-E

CERTIFICATE OF CEO - CFO

This is to certify that:

A. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2019 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 Life Sciences Limited**

Place: Noida
Date : May 17, 2019

Sankaraiah Rajagopal
Executive Director-Finance

Hari S Bhartia
Co-Chairman & Managing Director

Business Responsibility Report

Business Responsibility Report

The Directors are pleased to present the Business Responsibility ('BR') Report of the Company for the Financial Year ended March 31, 2019. The Company also publishes annually, a comprehensive Sustainability Report based on the Global Reporting Initiative (GRI) guidelines.

The details on the aspects discussed in this Report are available in the Company's Sustainability Report for the Financial Year 2018-19. The Sustainability Report of the Company is available on the Company's website www.jubl.com.

Commitment to Sustainable and Inclusive Growth

Jubilant's continued focus on sustainability aims at improving stakeholders value through improved eco efficient 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. Our sustainability efforts are being reported through Corporate Sustainability Report since 2003 and the Report has been receiving GRI G3.1 A+ level and GRI Check since 2007 from GRI. Our Sustainability Report for the Financial Year 2017-18 was prepared following the latest GRI Standards in accordance with 'Comprehensive' option and was assured by Ernst & Young LLP and the application level was checked by GRI. The Sustainability Report for the Financial Year 2018-19 is 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 Life Sciences Limited
3.	Registered Address	Bhartiagram, Gajraula, District Amroha-244 223, Uttar Pradesh, India
4.	Website	www.jubl.com
5.	E-mail Address	rajesh.srivastava@jubl.com
6.	Financial Year Reported	2018-19
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) (b) Number of National Locations	The Company's businesses and operations are spread across the Country. Details of plant locations of the Company are provided in the section 'General Shareholder Information' in the Corporate Governance Report forming part of the Annual Report.
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 ₹)	34,386 Million
3.	Total profit after taxes (in ₹)	1,476 Million
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	2.59% (CSR expenses of the Company for the Financial Year 2018-19 were ₹ 38.23 Million)

5.	List of activities in which expenditure in 4 above has been incurred:	**(a) Project Arogya & Swasthya Prahari –** Improving health indices through innovative services and promoting health seeking behaviour. **(b) Project Muskaan –** Universalising elementary education and improving quality parameters for primary education through community involvement. **(c) Nayee Disha –** Enhancing employability through vocational training. **(d) Rural Development** - Local area development.

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/ Companies?

Yes, the Company had 50 Subsidiaries as on March 31, 2019.

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
8. Jubilant Chemsys Limited, India
9. Jubilant Infrastructure 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 Suppliers' Meet, publication of Annual Suppliers Report, Customer 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. Rajesh Kumar Srivastava
Designation	Whole-time Director
Director Identification Number	02215055
Phone Number	+91-120-4361000
Email ID	rajesh.srivastava@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 marginalized
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)

<table>
<tr><th></th><th>Principle-wise Policies</th><th>P1</th><th>P2</th><th>P3</th><th>P4</th><th>P5</th><th>P6</th><th>P7</th><th>P8</th><th>P9</th></tr>
<tr><td>1</td><td>Do you have a policy/ policies for:</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td></tr>
<tr><td rowspan="2">2</td><td rowspan="2">Has the policy been formulated in consultation with the relevant stakeholders?</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td></tr>
<tr><td colspan="9">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.</td></tr>
<tr><td rowspan="2">3</td><td rowspan="2">Does the policy conform to any national / international standards? If yes, specify? (50 words)</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td></tr>
<tr><td colspan="9">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 guidelines and international standards such as ISO 14001, ISO 9001, ISO 22000, ISO 50001, RC 14001, OHSAS 18001 / ISO 45001 and others.</td></tr>
<tr><td rowspan="2">4</td><td rowspan="2">Has the policy been approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td></tr>
<tr><td colspan="9">The policies are approved by the Board/Competent Authority to which the requisite authority has been delegated by the Board.</td></tr>
<tr><td rowspan="2">5</td><td rowspan="2">Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td></tr>
<tr><td colspan="9">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.</td></tr>
<tr><td>6</td><td>Indicate the link for the policy to be viewed online?</td><td colspan="9">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.jubl.com. Relevant policies are also published in the Annual Report.</td></tr>
<tr><td rowspan="2">7</td><td rowspan="2">Has the policy been formally communicated to all relevant internal and external stakeholders?</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td></tr>
<tr><td colspan="9">Policies are communicated to all relevant stakeholders through Company website, meetings, emails, annual report, etc.</td></tr>
</table>

	Principle-wise Policies	P1	P2	P3	P4	P5	P6	P7	P8	P9
8	**Does the company have in-house structure to implement the policy/ policies?**	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	**Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?**	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	**Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?**	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	www.jubl.com
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	www.jubl.com
Corporate Social Responsibility Policy	Board	www.jubl.com
Policy for Determining Materiality of Events and Information	Board	www.jubl.com
Policy on Board Diversity	Board	-
Succession Plan for Board Members and Senior Management	Board	-
Performance Evaluation Policy	Board	-
Appointment and Remuneration Policy	Board	www.jubl.com
Whistle Blower Policy	Board	www.jubl.com and Intranet portal of the Company
Policy for Determining Material Subsidiaries	Board	www.jubl.com
Archival Policy	Board	www.jubl.com
Policy for Preservation of Documents	Board	-
Dividend Distribution Policy	Board	www.jubl.com (Also forms part of Annual Report)
Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information ('UPSI')	Board	www.jubl.com
Policy 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

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	www.jubl.com
Climate Change Mitigation Policy	Chairman and Co-Chairman & Managing Director	www.jubl.com
Environment, Occupational Health and Safety Policy	Chairman and Co-Chairman & Managing Director	www.jubl.com
Responsible Care Policy	Chairman and Co-Chairman & Managing Director	www.jubl.com
Green Supply Chain Policy	Chairman and Co-Chairman & Managing Director	www.jubl.com
Quality Policy	Chairman and Co-Chairman & Managing Director	www.jubl.com
Energy Policy	Chairman and Co-Chairman & Managing Director	www.jubl.com

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 in line with GRI guidelines since the Financial Year 2002-03. Every year, the Report is assured by a third party. Sustainability Report for the Financial Year 2017-18 was prepared following GRI Standards in accordance with 'Comprehensive' option and was assured by Ernst & Young LLP. The Report for the Financial Year 2018-19 is published on similar lines along with the Annual Report of the Company for the Financial Year 2018-19. Sustainability Reports of the Company are available on the Company's website at the following link: http://www.jubl.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	Corporate Governance - Ethics, Transparency & Accountability	133	√
P2	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	134	√
P3	Businesses should promote the well-being of all employees	Employee well being	135	√
P4	Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized	Stakeholder Prioritization and Engagement	136	√
P5	Businesses should respect and promote human rights	Promote Human Rights	136	√
P6	Businesses should respect, protect and make efforts to restore the environment	Respect, Protect and restore the Environment	136	√
P7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner	Public Policy Advocacy	136	√
P8	Businesses should support inclusive growth and equitable development	Corporate Social Responsibility	137	√
P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner	Customer Satisfaction	137	√

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 Life Sciences 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 May 17, 2019, the Board comprised 3 Executive Directors and 9 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 Life Sciences, Pharmaceuticals, Chemical Engineering, 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, 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
- 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 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
- 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 Policy
- Environment, Occupational Health and Safety Policy
- Responsible Care Policy
- Green Supply Chain Policy
- Quality Policy
- Energy 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 Life Sciences Limited is an integrated global pharmaceutical and life sciences company engaged in Pharmaceuticals, Life Science Ingredients and Other businesses including Drug Discovery & Development Solutions and India Branded Pharmaceuticals. The Pharmaceuticals segment, through its wholly owned subsidiary Jubilant Pharma Limited, is engaged in manufacturing 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 the US, Canada and India and a network of over 50 Radiopharmacies in the US. The Life Science Ingredients segment is engaged in Specialty Intermediates, Nutritional Products and Life Science Chemicals through 5 manufacturing facilities in India. The Drug Discovery & Development Solutions business provides proprietary in-house innovation and collaborative research and partnership for out-licensing through 2 world class research centers in India.

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

The Company sources its materials, machinery, spares, stores, etc. from across the globe without compromising on quality and value. In value terms, 15.6% of the material was sourced domestically whereas 84.4% was sourced from other countries for Indian operations in the Financial Year 2018-19.

On the Road to 'Green Chemistry'

Jubilant manufactures Pyridine using alcohol produced from agricultural feedstock (molasses) instead of using alcohol produced by conventional petro route. As per the Life Cycle based carbon footprint study in the Financial Year 2011-12, it was evident that Pyridine manufactured by Jubilant through ethanol (biogenic source) route has a much lesser carbon footprint than similar products which are manufactured through conventional petro route.

Energy Consumption and Conservation

Cost of energy and its linkage with climate change impact is a major business concern at Jubilant like any other industry. To optimise its energy consumption and decouple climate change impact from energy usage, the Company has decided to focus on improving process energy efficiency, find alternate sources of uninterrupted low cost energy and increasing the percentage of renewable energy in the present energy mix. In the Financial Year 2015-16, Jubilant inducted solar energy in its renewable energy mix of bio-gas, biodiesel and biomass.

In line with the established practice, the Company took up several resource saving initiatives at its manufacturing facilities. During the year under review, 64 energy saving projects of the Company led to an estimated saving of ₹ 131.80 Million.

Water and Waste Water Management

Jubilant is aware of the growing conflict for water usage between industry and public at large across the globe. In its bid to become water sustainable, the Company is continuously striving to follow zero discharge strategy. Majority of its plants have already achieved zero discharge and all the plants try to optimize water consumption and maximize effluent recycle and reuse. In addition to process modification, the site management has also put in place the best available effluent treatment technologies for its better recycling and reuse. Further, the Company has also implemented rainwater harvesting structures at several locations to support its commitment in water conservation. Please refer the Sustainability Report of the Company for details of water and waste-water performance.

Waste Management

Waste minimization, waste recovery and reuse and scientific disposal of waste are the three approaches adopted by Jubilant for all types of wastes, whether hazardous or non-hazardous. The Company, while continuing the waste treatment, is laying emphasis on waste minimization. At Jubilant, the non-hazardous wastes are either recycled or reused by the third parties. Fly ash, metal scrap, plastic scrap, paper and wooden material scraps are a few major contributors of non-hazardous waste. For hazardous waste generated at its facilities, the Company follows the methods stated below for its proper disposal depending on their nature and local regulations:

- Recycle and reuse through authorized third party
- Co-processing at cement kiln
- Secured land fill
- Incineration (both solid & liquid)

Co-processing of hazardous waste with high calorific value in cement kilns result in reducing the carbon footprint which would have otherwise generated during treatment of the waste through Multi Effect Evaporator (MEE) and incinerator.

Sustainable Supply Chain

The principal goal of supply chain management (SCM) at Jubilant is to provide a substantial and sustainable value contribution for the success of our businesses. In line with our vision to do business sustainably, Jubilant is keen to take its partners along in this sustainability journey. We have processes and systems in place to engage with them on a continuous basis. Various categories of suppliers include raw material and packaging vendors, engineering item suppliers, transporters, contractors and other service providers. Considering the growing demand for a sustainable supply chain globally, Jubilant has already developed and communicated its Green Supply Chain Policy to its suppliers.

We also regularly update our suppliers on the latest sustainable procurement requirements. Suppliers' concerns are addressed through various interactions on a continual basis. To fulfil our Green Supply Chain commitments, Jubilant has been engaging extensively with its suppliers since 2014 to ensure compliance of applicable laws pertaining to Environment, Health and Safety, Human Rights and Social Requirements. The standard terms and conditions of contracts with the suppliers cover clauses for ensuring compliance with laws pertaining to EHS, Human Rights and Social requirements since 2014. Supplier sustainability audits are conducted annually to cover critical vendors and at least 10% of critical suppliers are to be evaluated every year. All external manufacturers are audited at least annually for their environmental & social performance.

Principle 3: Businesses should promote the well-being of all employees

Employee Well-Being

Engaged and committed workforce is key to our success. It onsets from recruiting qualified professionals, designed on-boarding and regular training, periodic performance discussions and rewarding meritocracy. Our Business Principles commit us to provide our people with a safe working environment, respecting their human rights, promoting their professional development and creating an inclusive work environment. Human Resource policies and benefits have been articulated in the 'HR Policy Manual'. The manual defines eligibility, entitlement, terms & conditions and associated documentation for each policy.

Employee Benefits

To improve employee satisfaction and retention, the Company has put in place several employee benefit schemes. These include maternity leave for female employees, disability and invalidity coverage as per the Maternity Benefit Act, 1961, Industrial Disputes Act, 1947, the Employee's Compensation Act, 1923 and Group Medical Insurance for employees and their dependents. All female employees in Indian units and all employees in North American units are entitled to parental leave. Long term employee benefits include Pension, Provident Fund, Super-annuation and Gratuity. These constitute the key elements of employee's post-retirement benefits in India. 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.

Head Count and Break-up

All permanent employee records are maintained in our PeopleSoft database in HRIS system. Details of category-wise head count, attrition and new joinees of the Company are available in the Sustainability Report of the Company.

As Chemical manufacturing sites of the Life Science Ingredients business are hazardous in nature, the Company does not encourage employment of differently abled persons on these sites. However, in line with local regulatory requirements, our two Indian manufacturing facilities at Gujarat has employed 8 differently abled persons (with more than 40% physical disability). Based on voluntary declaration by employees, Pharma business employs 97 differently abled personnel as on March 31, 2019.

Employee Association

328 employees of the Company were covered by Collective Bargaining Agreements with Trade Unions and Worker Committees as on March 31, 2019. During the year, we enjoyed cordial relations with our employees and there have been no instances of labour unrest or disputes at any of the manufacturing sites.

Safety and Skill Upgradation Training

Imparting periodic quality training to employees is fundamental to improve the existing talent pool. As a part of learning and development opportunities, the Company organizes various internal and external trainings on a regular basis which include key capability development programs such as leadership development programs, strategic initiatives programs, self-development program and other customized programs. The Company has a dedicated in-house learning and development team which identifies the training needs of the employees, prepares training calendars and conducts trainings. The Company also organises induction programs for new employees at regular intervals and it has been made mandatory to participate in the induction training after joining the organization. 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 marginalized

Stakeholder Prioritization and Engagement

Stakeholder engagement is the foundation of every sustainable business model. Jubilant recognizes the essence and invests significant time and efforts in improving the mode of stakeholder engagement. The Company has always strived to engage in an active dialogue with all its stakeholders. Stakeholders' aspirations and concerns are important elements of Jubilant's decision-making process. The Company has a robust system for maintaining a progressive relationship with its stakeholders.

The Company appreciates the need for a formal and systematic approach towards stakeholder prioritization and materiality assessment for better understanding of the ever changing expectations of our stakeholders. In this regard, a practice was developed and introduced in the Financial Year 2014-15 on Stakeholder Prioritisation and Materiality Assessment. In Phase-I, the Stakeholder Prioritisation & Materiality Assessment Survey was conducted, internally engaging the senior leadership team to assess the Company's key stakeholders and key issues influencing decisions of stakeholders. In the financial year 2017-18, internal materiality assessment was conducted covering Heads of Departments of all Sites as well as Site Heads across all Indian manufacturing operations.

The Company has operations in various locations across India and North America. 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 Mission 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 Business Code of Conduct. Jubilant's policies on Human Rights cover issues of Child Labour, Forced and Compulsory Labour, Non Discrimination, Bribery and Corruption and Collective Bargaining. The Company has made the Business Code of Conduct available to all employees through intranet portal of the Company.

The Company has well established Whistle-blower Policy and a dedicated Ombudsman team for addressing the grievances reported by the Directors and employees. During the financial year 2018-19, 2 cases of sexual harassment were reported to Ombudsman Office. Other than these, no cases of human rights violation and corruption were reported to the Ombudsman Office during the financial year 2018-19.

Principle 6: Businesses should respect, protect and make efforts to restore the environment

Respect, Protect and Restore the Environment

In response to its commitment towards better environmental performance, Jubilant's top management has designed and implemented several policies and communicated the same to its employees and other stakeholders. Environment, Occupational Health & Safety (EHS) Policy and the Climate Change Mitigation Policy set the overall tone of the Company's aspiration towards achieving excellence in environmental performance. In addition, the Company has also adopted and effectively communicated Green Supply Chain Policy to its suppliers, expecting them to be sensitive towards the environment. From the Financial Year 2013-14, the Company has also adopted and communicated Responsible Care Policy, which depicts the Company's commitment towards reducing environmental impact due to its business activities beyond the boundaries of its manufacturing facilities. The largest manufacturing facility at Gajraula and Corporate Office in India were certified for RC 14001 during the Financial Year 2016-17. Another site located at Bharuch has also been certified for RC 14001 in April 2019.

Jubilant recognizes the significance of climate change impact on its business and monitors business risks and opportunities arising out of national and international regulations and protocols related to climate change. The Company is continuously striving to reduce its energy consumption for reducing its carbon footprint. The Company has engaged a dedicated team for identification and implementation of energy efficiency measures and cleaner technology to fulfil its commitment defined in the Climate Change Mitigation Policy. Our Gajraula and Bharuch sites have implemented ISO 50001 based energy management system and are certified for the same.

Environmental performance is reviewed regularly through internal and external audits. New projects are assessed for identifying any potential hazards related to environment, health and safety.

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 Distillers' Association
- 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
- Indian Chemical Council
- Indian Chemical Society
- PHD Chamber of Commerce and Industry
- Society of Nuclear Medicine and Molecular Imaging
- The Institution of Engineers (India)
- US-India Business Council
- World Economic Forum

Principle 8: Businesses should support inclusive growth and equitable development

Corporate Social Responsibility (CSR)

Jubilant recognizes that it is extremely important for any organization to function in sync with the community it operates in. Jubilant Bhartia Foundation ('JBF'), the corporate social responsibility wing of Jubilant Bhartia Group established in 2007, is strongly focused on fulfilling 'Our Promise' of Caring, Sharing, Growing. JBF touches different areas of social development including primary education, basic healthcare and skill development for employability and self-sustenance. JBF's regular interface with the local opinion leaders and community representatives provides adequate feedback which helps in evaluating the community requirements and measure the impact of JBF's social initiatives. This feedback helps in shaping the community initiatives at the manufacturing facilities. CSR teams at various locations interact continuously with the surrounding community to address the local needs.

Community Interface Meets: During the Financial Year 2018-19, the Company organised Community Interface Meets at various manufacturing locations in India. During these community interfaces, the Company briefed about the business processes like products being manufactured, raw materials utilised and effluent and its management system, safety systems and Corporate Social Responsibility activities. At the end, suggestions/feedbacks were sought from the community.

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 implement the CSR activities through JBF. The Company continues to focus on the communities around the manufacturing locations for its CSR projects. 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. JBF has structured most of its community programs considering the expectations of the surrounding communities and the direction defined in 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: Universalizing 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.

Total expenditure on CSR activities during the Financial Year 2018-19 was ₹ 38.23 Million which was in line with the expenditure prescribed under the Companies Act, 2013.

In addition, the Company supports 'Social Entrepreneur of the Year Award' being organised in association with Schwab Foundation and also supports various charities being coordinated by employees of North America and Singapore.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

Customer Satisfaction

Customer Relationship Management: Meeting customer requirements is essential for our inclusive growth. Recently, there has been a paradigm shift in the customer expectations and the management is meticulously reaching out to the customers for understanding their expectations and concerns and addressing them on time. The Company has implemented Salesforce.com-Customer Relationship Management (CRM) software. Salesforce.com gives the Company an effective digital platform to address customer queries more efficiently. Any customer can float a product query and dedicated business personnel respond to those queries online.

Customer Feedback Mechanism: Customer feedback is taken both in formal and informal ways depending on the type of business and products. A standard customer feedback form has been prepared under the existing customer feedback system. Feedback forms are sent to the 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. The customer satisfaction index paves the way forward for respective businesses and gives direction to the sales and marketing teams to improve customer satisfaction.

Labelling and Packaging: The products are packed with proper labelling and bar-coding, wherever applicable. In its bid to be more inclusive, the Company also uses Braille Code for the products meant for end consumers in Europe. For communication of hazards, international labelling guidelines are followed depending on the requirements of the target customer. For the customers in Europe, CLP (Classification, Labelling and Packaging) is followed, whereas for Chinese customers - China GHS (Global Harmonised System), for Korean customers – Korea GHS and for USA and rest of the world, GHS is followed for classification and labelling of chemicals. Labels are also continuously updated as per the changes and updates in the relevant regulations. There has been no incidence of non-compliance with the regulations or voluntary codes concerning product and services information and labelling in our Life Science Ingredients (LSI) business during the Financial Year 2018-19.

For Jubilant Pharma Limited, a wholly owned subsidiary of the Company, we continue to manufacture and distribute approved products to USA and Rest-of-the-World markets from all 6 Plants from India and North America. During the year, USFDA inspected both the Roorkee and Nanjangud facilities of Jubilant Generics Limited ('JGL'). Pursuant to the inspection, USFDA has classified the inspection as "Official Action Indicated" (OAI). As a result, approvals of pending applications or supplements from the above facilities may be withheld. Further, USFDA has issued Warning Letter to the Roorkee facility. For Nanjangud facility, USFDA also stated that the facility might be subject to a cGMP regulatory or enforcement action based on the inspection. However, this will not have any impact on the current manufacturing and distribution of the approved products at these plants. JGL is committed to implement the necessary corrective actions required to address the USFDA concerns and has provided a thorough and comprehensive response to the USFDA.

The Company adheres to all applicable laws, standards and voluntary codes related to marketing communications. The Company does not engage in sale of any banned or disputed products and adheres to the Government of India Competition Policy which protects the interests of consumers and producers by promoting and sustaining a fair competition. During the reporting year, there have been no legal actions concerning any anti-competitive behaviour, anti-trust and monopoly practices by the Company.

Independent Auditors' Report

To the Members of Jubilant Life Sciences Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Jubilant Life Sciences Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2019, 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.

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 2019, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with 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.

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.

Investments

See note 5 to the standalone financial statements

The key audit matter	How the matter was addressed in our audit
The Company carries its investments in subsidiaries at cost at an aggregate amount of ₹ 17,559 million as at 31 March 2019. The amount being significant to the standalone financial statements, the determination of impairment charge require the application of significant judgments by management, in particular with respect to determination of recoverable amount/ fair value of these investment.	Our procedures performed included: 1) Obtaining and reviewing recoverable amount as determined by the management for each investment; 2) Verifying the method of determining recoverable amount and key assumptions used therein through historical information, approved budget, market data and any other relevant information, as applicable; 3) Involving internal specialists in carrying out these procedures, as considered appropriate.

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 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 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 the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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 detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

   (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.

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

   f) With respect to the adequacy of the internal financial controls 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 2019 on its financial position in its standalone financial statements - Refer Note 38 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 financial statements since they do not pertain to the financial year ended 31 March 2019.

   (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 **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.: 101248W/W-100022

Pravin Tulsyan
Partner
Membership No.: 108044

Place: Noida
Date: 17 May 2019

Annexure A to the Independent Auditor's Report of even date on standalone financial statements of Jubilant Life Sciences 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. In accordance with this programme, certain fixed assets were verified 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. For stocks lying with third parties at the year-end, written confirmations have been obtained. 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) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. As informed to us, there are no firms covered in the register maintained under section 189 of the Act. Accordingly, paragraph 3(iii) of the Order is not applicable.

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

(v) According to the information and explanations given to us, the Company has not accepted any deposits 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 2019 for a period of more than six months from the date they became payable.

The Company does not have any liability in respect of service tax, duty of excise, sales tax, value added tax since effective 1 July 2017, these statutory dues has been subsumed into GST.

(b) According to the information and explanations given to us, there are no dues of sales-tax which have not been deposited with the appropriate authorities on account of any dispute. According to the information and explanations given to us, the following dues of income-tax, service tax, duty of customs, duty of excise and value added tax have not been deposited by the Company on account of disputes:

Name of the Statute	Nature of the Dues	Amount involved* (₹ in million)	Amount paid under protest (₹ in million)	Financial year to which the amount relates	Forum where dispute is pending
Income-tax Act, 1961	Income Tax	261.56**	-	1988-89 2001-02 2003-08	Income Tax Appellate Tribunal
Central Excise Act, 1944	Excise Duty	15.01	9.05	2009-11	Supreme Court
		280.51	-	2006-10	High Court
		42.39	-	2011-13	Custom Excise and Service Tax Appellate Tribunal
		26.24	0.53	2007-09	
		0.40	-	2010-13	
		27.21	0.36	2011-17	Commissioner (Appeals)
Finance Act, 1994	Service Tax	1.25	-	2015-17	Assistant Commissioner
Customs Act, 1962	Custom Duty	29.45	-	2012-15	Custom Excise and Service Tax Appellate Tribunal
		0.01	-	2006-07	Assistant Commissioner
		4.93	-	2016-17	Assistant Commissioner
Uttar Pradesh Value Added Tax Act, 2008	Value Added Tax	66.97	-	2010-18	Supreme Court
The Maharasthra Value Added Tax Act, 2002	Value Added Tax	0.27	-	2012-13	Maharashtra Sale Tax Tribunal
		9.47	-	2014-15	Joint Commissioner
The Karnatak Value Added Tax Act, 2003	Value Added Tax	0.27	-	2014-15	Assistant Commissioner
The Central Goods and Service Tax Act, 2017	Goods and Service Tax	0.89	0.89	2017-18	Additional Commissioner

* amount as per demand orders including interest and penalty, wherever indicated in the order.

** During the Financial Year ("FY") 2018-19, the Company had received favourable order dated 12 March 2019 from Hon'ble Income Tax Appellate Tribunal, Delhi pertaining to FY 1999-00 to FY 2007-08. The Hon'ble ITAT had vide its order allowed various grounds in favour of the Company. Further, the Tax Department may file appeal before the Hon'ble High Court against the aforesaid order passed by the Hon'ble ITAT, Delhi.

The above table excludes the disputed cases pertaining to the businesses demerged into Jubilant Industries Limited pursuant to the Scheme of Amalgamation and Demerger as sanctioned by Hon'ble Allahabad High Court in the earlier year and businesses transferred into Jubilant Generics Limited, though some of the same are still being pursued in the Company's name.

(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 taken any term loans during the year. Further, moneys raised during the year through issue of non-convertible debentures have been applied for the purposes for which they were obtained. As informed to us, the Company has not raised any 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 Registration Number: 101248W/W-100022

Pravin Tulsyan
Partner
Membership No.: 108044

Place: Noida
Date: 17 May 2019

Annexure 'B' to the Independent Auditors' report of even date on standalone financial statements of Jubilant Life Sciences Limited.

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

Opinion

We have audited the internal financial controls with reference to standalone financial statements of Jubilant Life Sciences Limited ("the Company") as of 31 March 2019 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 2019, 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 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 standalone 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 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 Registration No.: 101248W/W-100022

Pravin Tulsyan
Partner
Membership No.: 108044

Place: Noida
Date: 17 May 2019

Balance Sheet as at 31 March 2019

(₹ in million)

	Notes	As at 31 March 2019	As at 31 March 2018
ASSETS			
Non-current assets			
Property, plant and equipment	3	14,879.08	14,331.56
Capital work-in-progress	3	2,838.21	1,153.17
Other intangible assets	4	34.46	46.53
Financial assets			
i. Investments	5	17,638.90	17,063.01
ii. Loans	6	32.92	32.03
iii. Other financial assets	7	5.01	4.03
Income tax assets (net)		129.62	36.76
Other non-current assets	9	266.36	319.44
Total non-current assets		**35,824.56**	**32,986.53**
Current assets			
Inventories	10	4,919.39	5,855.80
Financial assets			
i. Trade receivables	11	4,805.24	4,936.61
ii. Cash and cash equivalents	12(a)	186.98	364.67
iii. Other bank balances	12(b)	160.44	10.40
iv. Loans	6	31.77	205.76
v. Other financial assets	7	598.18	398.39
Other current assets	13	2,109.69	1,487.24
Total current assets		**12,811.69**	**13,258.87**
Total assets		**48,636.25**	**46,245.40**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	159.30	159.30
Other equity		23,243.80	22,334.52
Total equity		**23,403.10**	**22,493.82**
Liabilities			
Non-current liabilities			
Financial liabilities			
i. Borrowings	16(a)	11,395.73	10,593.81
Provisions	17	619.55	573.71
Deferred tax liabilities (net)	8	240.52	199.25
Total non-current liabilities		**12,255.80**	**11,366.77**
Current liabilities			
Financial liabilities			
i. Borrowings	16(b)	4,627.12	1,906.41
ii. Trade payables	18		
Total outstanding dues of micro enterprises and small enterprises		60.34	19.37
Total outstanding dues of creditors other than micro enterprises and small enterprises		5,900.18	7,472.41
iii. Other financial liabilities	19	1,961.30	2,473.40
Other current liabilities	20	181.46	229.03
Provisions	17	207.75	183.49
Current tax liabilities (net)		39.20	100.70
Total current liabilities		**12,977.35**	**12,384.81**
Total liabilities		**25,233.15**	**23,751.58**
Total equity and liabilities		**48,636.25**	**46,245.40**

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 Life Sciences Limited**

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

Pravin Tulsyan
Partner
Membership No.: 108044

Shyam S. Bhartia
Chairman
DIN:00010484

Place: Noida
Date: 17 May 2019

Rajiv Shah
Company Secretary

Sankaraiah Rajagopal
Executive Director-Finance

Hari S. Bhartia
Co-Chairman and Managing Director
DIN:00010499

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

(₹ in million)

	Notes	For the year ended	
		31 March 2019	31 March 2018
Revenue from operations	21	34,386.11	33,430.07
Other income	22	780.01	462.12
Total income		**35,166.12**	**33,892.19**
Expenses			
Cost of materials consumed	23	18,745.97	16,444.51
Purchases of stock-in-trade	24	1,314.74	1,540.52
Changes in inventories of finished goods, stock-in-trade and work-in-progress	25	467.41	(181.04)
Excise duty on sales		-	366.83
Employee benefits expense	26	2,657.09	2,644.15
Finance costs	27	1,289.62	1,351.71
Depreciation and amortisation expense	28	864.83	825.95
Other expenses	29	7,992.15	7,222.62
Total expenses		**33,331.81**	**30,215.25**
Profit before tax		**1,834.31**	**3,676.94**
Tax expense	30		
- Current tax		310.79	753.67
- Deferred tax charge		47.22	288.85
Total tax expense		**358.01**	**1,042.52**
Profit for the year		**1,476.30**	**2,634.42**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Changes in fair value of equity investments which are classified at fair value through OCI		5.39	2.83
Remeasurement of defined benefit obligations		(17.03)	(43.06)
Income tax relating to items that will not be reclassified to profit or loss	30	5.95	15.04
Other comprehensive loss for the year, net of tax		**(5.69)**	**(25.19)**
Total comprehensive income for the year		**1,470.61**	**2,609.23**
Earnings per equity share of ₹ 1 each	50		
Basic (₹)		9.27	16.54
Diluted (₹)		9.27	16.54

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 Life Sciences Limited**

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

Pravin Tulsyan
Partner
Membership No.: 108044

Shyam S. Bhartia
Chairman
DIN:00010484

Place: Noida
Date: 17 May 2019

Rajiv Shah
Company Secretary

Sankaraiah Rajagopal
Executive Director-Finance

Hari S. Bhartia
Co-Chairman and Managing Director
DIN:00010499

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

A. Equity share capital

	(₹ in million)
Balance as at 1 April 2017	**159.30**
Changes in equity share capital during the year	-
Balance as at 31 March 2018	**159.30**
Changes in equity share capital during the year	-
Balance as at 31 March 2019	**159.30**

B. Other equity

(₹ in million)

	Reserves and surplus (2)									Items of Other Comprehensive Income (2)	Total
	Capital reserve	Securities premium	Capital redemption reserve	Amalgamation reserve	General reserve	Debenture redemption reserve	Share based payment reserve (3)	Foreign currency monetary item translation difference account (FCMITDA)	Retained earnings	Equity instruments through OCI	
Balance as at 1 April 2017	**83.10**	**5,878.41**	**9.86**	**13.21**	**6,070.03**	**374.60**	**4.86**	**(7.07)**	**7,835.76**	**6.01**	**20,268.77**
Profit for the year	-	-	-	-	-	-	-	-	2,634.42	-	2,634.42
Other comprehensive income/(loss)	-	-	-	-	-	-	-	-	(28.02)	2.83	(25.19)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2,606.40**	**2.83**	**2,609.23**
Employee stock option exercised/forfeited/lapsed	-	-	-	-	3.20	-	(3.20)	-	-	-	-
Dividend	-	-	-	-	-	-	-	-	(477.84)	-	(477.84)
Tax on dividend (1)	-	-	-	-	-	-	-	-	(72.71)	-	(72.71)
Transfer to debenture redemption reserve	-	-	-	-	-	374.60	-	-	(374.60)	-	-
Exchange loss during year on long-term foreign currency term loan	-	-	-	-	-	-	-	1.81	-	-	1.81
Amortised during the year	-	-	-	-	-	-	-	5.26	-	-	5.26
Balance as at 31 March 2018	**83.10**	**5,878.41**	**9.86**	**13.21**	**6,073.23**	**749.20**	**1.66**	**-**	**9,517.01**	**8.84**	**22,334.52**
Profit for the year	-	-	-	-	-	-	-	-	1,476.30	-	1,476.30
Other comprehensive income/(loss)	-	-	-	-	-	-	-	-	(11.08)	5.39	(5.69)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,465.22**	**5.39**	**1,470.61**
Employee stock option exercised/forfeited/lapsed	-	-	-	-	1.16	-	(1.16)	-	-	-	-
Dividend	-	-	-	-	-	-	-	-	(477.84)	-	(477.84)
Tax on dividend (1)	-	-	-	-	-	-	-	-	(83.49)	-	(83.49)
Transfer to debenture redemption reserve	-	-	-	-	-	551.63	-	-	(551.63)	-	-
Balance as at 31 March 2019	**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**

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

Notes:

(1) During the year ended 31 March 2019 and 31 March 2018, the Company has paid dividend to its shareholders that result in payment of dividend distribution tax in terms of Section 115O 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.

(3) Refer note 46.

The accompanying notes form an integral part of the standalone 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

Pravin Tulsyan
Partner
Membership No.: 108044

Place: Noida
Date: 17 May 2019

For and on behalf of the Board of Directors of **Jubilant Life Sciences Limited**

Shyam S. Bhartia
Chairman
DIN:00010484

Rajiv Shah
Company Secretary

Sankaraiah Rajagopal
Executive Director-Finance

Hari S. Bhartia
Co-Chairman and Managing Director
DIN:00010499

Statement of Cash Flows for the year ended 31 March 2019

(₹ in million)

		For the year ended	
		31 March 2019	31 March 2018
A.	**Cash flow from operating activities**		
	Net profit before tax	**1,834.31**	**3,676.94**
	Adjustments:		
	Depreciation and amortisation expense	864.83	825.95
	Loss on sale/ disposal/ discard of property, plant and equipment (net)	55.49	16.99
	Finance costs	1,289.62	1,351.71
	Amortisation of foreign currency monetary item translation difference	-	5.26
	Unrealised foreign exchange loss/(gain)	(4.15)	3.48
	Interest income	(20.31)	(15.76)
	Dividend income	(592.89)	(120.69)
		1,592.59	**2,066.94**
	Operating cash flow before working capital changes	**3,426.90**	**5,743.88**
	Increase in trade receivables, loans, other financial assets and other assets	(630.00)	(924.73)
	Decrease / (increase) in inventories	936.41	(1,311.50)
	(Decrease) / increase in trade payables, other financial liabilities, other liabilities and provisions	(1,426.68)	2,652.53
	Cash generated from operations	**2,306.63**	**6,160.18**
	Income tax paid (net of refund)	(489.25)	(581.69)
	Net cash generated from operating activities	**1,817.38**	**5,578.49**
B.	**Cash flow from investing activities**		
	Purchase of property, plant and equipment, other intangible assets (including capital work-in-progress and intangible asset under development)	(2,825.73)	(1,429.30)
	Proceeds from sale of property, plant and equipment	18.11	16.67
	Investment in subsidiaries	(570.00)	(234.32)
	Proceeds on capital reduction in subsidiary (Refer note 47)	-	270.50
	Loans repaid by / (given to) subsidiaries (net)	70.00	(70.00)
	Movement in other bank balances*	(151.02)	1.82
	Interest received	17.85	54.65
	Dividend received	592.89	120.69
	Net cash used in investing activities	**(2,847.90)**	**(1,269.29)**
C.	**Cash flow from financing activities ****		
	Proceeds from long term borrowings	3,482.43	-
	Repayment of long term borrowings	(3,477.90)	(2,864.07)
	Proceeds from/(repayment of) short term borrowings (net)	2,730.22	(84.34)
	Loans taken from subsidiaries	50.00	220.00
	Repayment of loans taken from subsidiaries	(25.00)	(50.00)
	Repayment of short term borrowings taken from subsidiaries (net)	(10.00)	-
	Dividend paid (including dividend distribution tax)	(556.36)	(546.36)
	Finance costs paid	(1,340.56)	(1,379.62)
	Net cash generated from / (used in) financing activities	**852.83**	**(4,704.39)**

Statement of Cash Flows for the year ended 31 March 2019 (Continued)

(₹ in million)

	For the year ended	
	31 March 2019	**31 March 2018**
Net decrease in cash and cash equivalents (A+B+C)	**(177.69)**	**(395.19)**
Add: cash and cash equivalents at the beginning of year*	364.67	759.86
Cash and cash equivalents at the end of the year (Refer note 12 (a)).*	**186.98**	**364.67**

* ₹ 220.18 million (31 March 2018: ₹ 64.19 million) has restricted use.

**Refer note 16 (d) for changes in liabilities arising from financing activities

Notes:

1. Statement of Cash Flows has been prepared under the indirect method as set out in the Ind AS 7 "Statement of Cash Flows".
2. During the year, the Company paid in cash ₹ 38.23 million (31 March 2018: ₹ 10.90 million) towards corporate social responsibility (CSR) expenditure (included in donation-Refer note 41).

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 Life Sciences Limited**

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

Pravin Tulsyan
Partner
Membership No.: 108044

Shyam S. Bhartia
Chairman
DIN:00010484

Place: Noida
Date: 17 May 2019

Rajiv Shah
Company Secretary

Sankaraiah Rajagopal
Executive Director-Finance

Hari S. Bhartia
Co-Chairman and Managing Director
DIN:00010499

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

1. Corporate Information

Jubilant Life Sciences 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 and other businesses including drug discovery and development solutions and India Branded Pharmaceuticals. The pharmaceuticals segment, through its 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 radio-pharmacies in the US. The life science ingredients segment is engaged in specialty intermediates, nutritional products and life science chemicals through 5 manufacturing facilities in India. The drug discovery and development solutions business provides proprietary in-house innovation & collaborative research and partnership for out-licensing through 2 world class research centers in India. The Company is well recognized as a 'Partner of Choice' by leading pharmaceuticals and life sciences companies globally.

2. Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. The accounting policies adopted are consistent with those of the previous financial year except for Ind AS 115 "Revenue from Contracts with Customers" and Appendix B, "Foreign currency transactions and advance consideration" to Ind AS 21, "the effects of changes in foreign exchange rates" which did not have any significant impact on the financial position or performance of the Company. Also refer to respective accounting policies for further details.

(a) Basis of preparation

(i) *Statement of compliance*

These Standalone Ind AS Financial Statements ("financial statements") have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, ("the Act") and other relevant provisions of the Act. 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 authorized for issue by the Company's Board of Directors on 17 May 2019.

(ii) *Historical cost convention*

The 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.

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

(c) Property, plant and equipment (PPE) and intangible assets

(i) Property, plant and equipment

Freehold land is carried at cost. All other items of property, plant and equipment are stated at cost, which includes capitalized finance costs, less accumulated depreciation and any

Notes to the financial statements for the year ended 31 March 2019 (Continued)

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 amortization methods, estimated useful lives and residual value

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

Category of assets	Management estimate of useful life	Useful life as per Schedule II
Motor vehicles (Vehicles – Owned)	5 years	8 years
Motor vehicles under finance lease (Vehicles – Leased)	Tenure of lease or 5 years whichever is shorter	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

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

Software systems are being amortised over a period of five years being their useful life. Rights are amortised over the useful life.

Notes to the financial statements for the year ended 31 March 2019 (Continued)

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

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

(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 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.

The recoverable amount of a CGU is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU.

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

(f) Financial instrument

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

Financial assets

Initial recognition and measurement

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

Subsequent measurement

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

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

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if the asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and contractual terms of the asset give rise on specified dates to cash flows that

Notes to the financial statements for the year ended 31 March 2019 (Continued)

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 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 FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVPL

FVPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVOCI, is classified as at FVPL. In addition, 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 recognized in the Statement of Profit and Loss.

Impairment of financial assets

The Company recognizes loss allowance using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all financial assets with contractual cash flows other than trade receivable, ECLs are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of 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 derecognized (i.e., removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received

cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

Financial liabilities

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

Derecognition of financial liabilities

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

Derivative financial instruments

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

Offsetting

Financial assets and financial liabilities are 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 Company uses weighted average method to determine cost for all categories of inventories except for goods in transit which is valued at specifically identified purchase cost. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition inclusive of non-refundable (adjustable) taxes wherever applicable. The cost of work in progress and manufactured finished goods include an appropriate share of variable and fixed production overheads. Fixed production overheads are included based on normal capacity of production facilities.

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 recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future

Notes to the financial statements for the year ended 31 March 2019 (Continued)

cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

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

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

Effective 1 April 2018, the Company adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method, applied to contracts that were not completed as at 1 April 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. There is no material effect on adoption of Ind AS 115 on the financial statements.

Revenue from sale of products is recognised 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 as and when the underlying services are performed. The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time.

Revenues are measured based on the transaction price, which is the consideration, net of tax collected from customers and remitted to government authorities such as Goods and services tax (GST), sales tax, excise duty, value added tax and applicable discounts and allowances including expected sales return etc. The computation of these estimates using expected value method involves significant judgment based on various factors including contractual terms, historical experience, estimated inventory levels etc.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are 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 ('the Plan'), a defined contribution plan. Contribution made by the Company to the plan during the year is charged to Statement of Profit and Loss.

c) Provident fund

- 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.

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 recognized as an employee expense, and those granted to employees of subsidiaries is considered as the Company's equity contribution and is added to the carrying value of investment in the respective subsidiaries, with a corresponding increase in 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 recognized in connection with share based payment transaction is presented as a separate component in equity under "share based payment reserve". The amount recognized as an expense is adjusted to reflect the actual number of stock options that vest. For the option awards, grant date fair value is determined under the option-pricing model (Black-Scholes-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

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

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the finance costs eligible for capitalization. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the effective interest method. Ancillary costs incurred in connection with the arrangement of borrowings are amortised over the period of such borrowings.

(n) Income tax

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

- ***Current tax:***

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

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

- ***Deferred tax:***

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

  – temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;

  – temporary differences related to freehold land and investments in subsidiaries, to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

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

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

  Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used. Deferred tax is measured at the tax rates that are expected to be 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 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

Notes to the financial statements for the year ended 31 March 2019 (Continued)

the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

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

(o) Leases

At inception of an arrangement, it is determined whether the arrangement is or contains a lease. If it is a lease arrangement, it is classified as either a finance lease or an operating lease, based on the substance of the lease arrangement.

Finance leases

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

Operating leases

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

(p) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Chairman and Co-Chairman and Managing Director (CCMD) of the Company is responsible for allocating resources and assessing performance of the operating segments and accordingly identified as the chief operating decision maker. Revenues, expenses, assets and liabilities, which are common to the enterprise as a whole and are not allocable to segments on a reasonable basis, have been treated as "unallocated revenues/ expenses/ assets/ liabilities", as the case may be.

(q) Foreign currency translation

(i) *Functional and presentation currency*

The functional currency of the Company 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).

(r) 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.

(s) 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.

Notes to the financial statements for the year ended 31 March 2019 (Continued)

(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

(t) 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.

(u) Critical estimates and judgements

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

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

- Assessment of useful life of property, plant and equipment and intangible asset – Note 2(c)
- Valuation of inventories – Note 2(g)
- Recognition of revenue and related accruals– Note 2(j)
- Fair value measurement – Note 2(t)
- Estimation of assets and obligations relating to employee benefits – Note 32
- Recognition and estimation of tax expense including deferred tax– Note 8 & 30
- Estimated impairment of financial assets and non-financial assets – Note 2(e), 2(f)
- Recognition and measurement of contingency: Key assumption about the likelihood and magnitude of an outflow of resources – Note 38
- Lease classification – Note 39(b)

(v) Recent accounting pronouncements

Applicable standards issued but not yet effective

The Company has not early adopted the following new standards or amendments to standards in preparing these financial statements.

Ind AS 116, Leases

MCA vide its notification dated 30 March 2019, notified Ind AS 116 "Leases". The standard is effective from 1 April 2019. Ind AS 116 will replace the existing leases standard, Ind AS 17 "Leases" and sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises present value

Notes to the financial statements for the year ended 31 March 2019 (Continued)

of the lease payment (discounted using incremental borrowing rate or interest rate implicit in the lease) as right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments and lease rent expense will be replaced with the amortization of right-of use-asset and interest accrued on lease liability. The standard also contains enhanced disclosure requirements for lessees and will have consequential impact on cash flows categories as well. The new standard substantially carries forward the lessor accounting requirements in Ind AS 17.

The Company will adopt Ind AS 116 effective annual reporting period beginning 1 April 2019 using the modified retrospective approach. Therefore, the cumulative effect of adopting new standard will be recognized as an adjustment to the opening balance of retained earnings at 1 April 2019, with no restatement of comparative information.

The Company has completed an initial assessment of the potential impact on its financial statements but has not yet completed its detailed assessment. The quantitative impact of adoption of Ind AS 116 on the financial statements in the period of initial application is not reasonably estimable as at present.

Ind AS 19, Employee Benefits

MCA vide its notification dated 30 March 2019, notified amendments to Ind AS 19 – "Employee Benefits" regarding plan amendments, curtailments and settlements. The amendments are as follows:

- If a plan amendment, curtailment or settlement occurs, it is now mandatory that the current service cost and the net interest for the period after the remeasurement are determined using the assumptions used for the remeasurement;
- In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding asset ceiling.

The above amendments are effective from 1 April 2019. The Company is currently in the process of evaluating the impact of this change on its financial statements.

Appendix C, "Uncertainty over Income Tax Treatments", to Ind AS 12, Income Taxes

MCA vide its notification dated 30 March 2019, notified Appendix C, "Uncertainty over Income Tax Treatments", to Ind AS 12, which clarifies how the recognition and measurement requirements of Ind AS 12 "Income taxes", are applied where there is uncertainty over income tax treatments. This appendix explains how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. An uncertain tax treatment is any tax treatment applied by an entity where there is uncertainty over whether that treatment will be accepted by the applicable tax authority. For example, a decision to claim a deduction for a specific expense or not to include a specific item of income in a tax return is an uncertain tax treatment if its acceptability is uncertain under applicable tax law.

The appendix provides specific guidance in several areas where previously Ind AS 12 was silent. Appendix applies to all aspects of income tax accounting where there is an uncertainty regarding the treatment of an item, including taxable profit or loss, the tax bases of assets and liabilities, tax losses and credits and tax rates. The Appendix is effective from 1 April 2019. The Company is currently in the process of evaluating the impact of this change on its financial statements.

Notes to the financial statements for the year ended 31 March 2019 (Continued)

(₹ in million)

	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
3. Property, plant and equipment and capital work-in-progress												
Gross carrying amount as at 1 April 2017	**219.57**	**324.83**	**894.91**	**1,655.98**	**12,116.09**	**93.71**	**31.59**	**37.77**	**289.44**	**108.43**	**15,772.32**	**646.22**
Additions/adjustments (5)	7.44	-	109.92	42.58	740.79	19.27	1.89	24.67	43.20	-	**989.76**	1,462.71
Deductions/adjustments	-	-	(0.06)	-	(19.96)	(3.59)	-	(11.63)	(3.01)	-	**(38.25)**	(955.76)
Gross carrying amount as at 31 March 2018	**227.01**	**324.83**	**1,004.77**	**1,698.56**	**12,836.92**	**109.39**	**33.48**	**50.81**	**329.63**	**108.43**	**16,723.83**	**1,153.17**
Accumulated depreciation as at 1 April 2017	**-**	**9.02**	**63.79**	**74.42**	**1,238.95**	**34.09**	**14.07**	**12.55**	**129.42**	**22.16**	**1,598.47**	-
Depreciation charge for the year	-	4.51	34.40	44.21	636.89	15.71	6.08	10.78	46.04	11.08	**809.70**	-
Deductions/adjustments	-	-	(0.02)	-	(5.50)	(1.74)	-	(6.98)	(1.66)	-	**(15.90)**	-
Accumulated depreciation as at 31 March 2018	**-**	**13.53**	**98.17**	**118.63**	**1,870.34**	**48.06**	**20.15**	**16.35**	**173.80**	**33.24**	**2,392.27**	-
Net carrying amount as at 31 March 2018	**227.01**	**311.30**	**906.60**	**1,579.93**	**10,966.58**	**61.33**	**13.33**	**34.46**	**155.83**	**75.19**	**14,331.56**	**1,153.17**

(₹ in million)

	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
Gross carrying amount as at 1 April 2018	**227.01**	**324.83**	**1,004.77**	**1,698.56**	**12,836.92**	**109.39**	**33.48**	**50.81**	**329.63**	**108.43**	**16,723.83**	**1,153.17**
Additions/adjustments (5)	-	-	3.90	92.89	1,264.10	15.51	8.32	12.67	78.33	-	**1,475.72**	3,139.77
Deductions/adjustments	-	-	-	-	(89.56)	(6.18)	(4.22)	(5.14)	(1.95)	-	**(107.05)**	(1,454.73)
Gross carrying amount as at 31 March 2019	**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**	**2,838.21**
Accumulated depreciation as at 1 April 2018	**-**	**13.53**	**98.17**	**118.63**	**1,870.34**	**48.06**	**20.15**	**16.35**	**173.80**	**33.24**	**2,392.27**	-
Depreciation charge for the year	-	4.51	36.79	51.15	675.49	13.64	4.80	13.50	38.75	11.08	**849.71**	-
Deductions/adjustments	-	-	-	-	(15.97)	(3.64)	(3.88)	(3.47)	(1.60)	-	**(28.56)**	-
Accumulated depreciation as at 31 March 2019	**-**	**18.04**	**134.96**	**169.78**	**2,529.86**	**58.06**	**21.07**	**26.38**	**210.95**	**44.32**	**3,213.42**	-
Net carrying amount as at 31 March 2019	**227.01**	**306.79**	**873.71**	**1,621.67**	**11,481.60**	**60.66**	**16.51**	**31.96**	**195.06**	**64.11**	**14,879.08**	**2,838.21**

Notes:

(1) Refer note 16(c) for information on property, plant and equipment are provided as security by the Company.

(2) Refer note 39(a) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(3) Refer note 43 for finance costs capitalised.

(4) Represent land on long-term lease basis.

(5) Includes ₹ 13.63 million (31 March 2018: ₹ 18.66 million) in respect of research and development (R&D) assets.

(6) Capital research and development expenditure aggregating to ₹ 17.02 million (31 March 2018: ₹ 17.96 million) incurred during the year included in additions to fixed assets/capital work-in-progress.

(7) Addition includes exchange gain of ₹ Nil (31 March 2018: ₹ 4.94 million) (Refer note 44).

Notes to the financial statements for the year ended 31 March 2019 (Continued)

(₹ in million)

		Rights	Softwares	Total	Intangible assets under development
4.	**Other intangible assets and intangible assets under development**				
	Gross carrying amount as at 1 April 2017	**12.24**	**87.20**	**99.44**	**7.78**
	Additions/adjustments	-	25.15	**25.15**	17.37
	Deductions/adjustments	-	-	**-**	(25.15)
	Gross carrying amount as at 31 March 2018	**12.24**	**112.35**	**124.59**	**-**
	Accumulated amortisation as at 1 April 2017	**12.24**	**49.57**	**61.81**	**-**
	Amortisation for the year	-	16.25	**16.25**	**-**
	Accumulated amortisation as at 31 March 2018	**12.24**	**65.82**	**78.06**	**-**
	Net carrying amount as at 31 March 2018	**-**	**46.53**	**46.53**	**-**

(₹ in million)

	Rights	Softwares	Total	Intangible assets under development
Gross carrying amount as at 1 April 2018	**12.24**	**112.35**	**124.59**	**-**
Additions/adjustments	-	3.05	**3.05**	3.05
Deductions/adjustments	-	-	**-**	(3.05)
Gross carrying amount as at 31 March 2019	**12.24**	**115.40**	**127.64**	**-**
Accumulated amortisation as at 1 April 2018	**12.24**	**65.82**	**78.06**	**-**
Amortisation for the year	-	15.12	**15.12**	**-**
Accumulated amortisation as at 31 March 2019	**12.24**	**80.94**	**93.18**	**-**
Net carrying amount as at 31 March 2019	**-**	**34.46**	**34.46**	**-**

(₹ in million)

		As at	
		31 March 2019	**31 March 2018**
5.	**Non-current investments**		
	I. Investment in equity shares (at cost)		
	Unquoted (fully paid up)		
	Subsidiary companies:		
	375 (31 March 2018: 375) equity shares with no par value		
	Jubilant Life Sciences (USA) Inc.	17.11	17.11
	326,758,994 (31 March 2018: 326,758,994) equity shares with no par value		
	Jubilant Pharma Limited	14,913.01	14,913.01
	34,484,000 (31 March 2018: 34,484,000) equity shares of ₹ 10 each		
	Jubilant Infrastructure Limited	1,298.82	1,298.82
	2,050,000 (31 March 2018: 2,050,000) equity shares of ₹ 10 each		
	Jubilant First Trust Healthcare Limited	44.43	44.43
	437,503 (31 March 2018: 437,503) equity shares of USD 1 each		
	Jubilant Life Sciences International Pte. Limited	3.56	3.56
	99,999 (31 March 2018: 99,999) equity shares with no par value		
	Jubilant Life Sciences NV	7.81	7.81

Notes to the financial statements for the year ended 31 March 2019 (Continued)

(₹ in million)

		As at	
		31 March 2019	31 March 2018
	4,650,001 (31 March 2018: 4,650,001) equity shares of USD 1 each		
	Drug Discovery and Development Solutions Limited	641.31	641.31
	50,000 (31 March 2018: Nil) equity shares of ₹ 10 each		
	Jubilant Business Services Limited	0.50	-
	57,000,000 (31 March 2018: Nil) equity shares of ₹ 10 each		
	Jubilant Therapeutics India Limited	570.00	-
	6,200,000 (31 March 2018: Nil) equity shares of ₹ 10 each		
	Jubilant Chemsys Limited (Refer Note 48)	62.00	-
	186,620,000 (31 March 2018: Nil) equity shares of ₹ 10 each		
	Jubilant Biosys Limited (Refer Note 49)	-	-
		17,558.55	**16,926.05**
II.	**Investment in equity shares (at fair value through other comprehensive income)**		
	Unquoted (fully paid up)		
	Other Companies:		
	6,569,310 (31 March 2018: 6,569,310) equity shares of ₹ 10 each		
	Forum I Aviation Limited	80.35	74.96
		80.35	**74.96**
III.	**Investment in preference shares (at cost)**		
	Unquoted (fully paid up)		
	Subsidiary companies:		
	Nil (31 March 2018: 186,620,000) 12% convertible non-cumulative redeemable preference shares of ₹ 10 each	-	-
	Jubilant Biosys Limited (Refer Note 49)		
	Nil (31 March 2018: 6,200,000) 8% convertible non-cumulative redeemable preference shares of ₹ 10 each		
	Jubilant Chemsys Limited (Refer Note 48)	-	62.00
		-	**62.00**
	Total non-current investments	**17,638.90**	**17,063.01**
	Aggregate amount of unquoted investments	**17,638.90**	**17,063.01**
	Aggregate amount of impairment in the value of investments	-	-

(₹ in million)

		As at			
		31 March 2019		31 March 2018	
		Current	Non-current	Current	Non-current
6.	**Loans**				
	Unsecured, considered good				
	Security deposits	25.95	27.30	37.89	26.66
	Loan to related parties (Refer note 37)	-	-	162.99	-
	Loan to employees	5.82	5.62	4.88	5.37
	Total loans	**31.77**	**32.92**	**205.76**	**32.03**

Notes to the financial statements for the year ended 31 March 2019 (Continued)

(₹ in million)

	As at			
	31 March 2019		31 March 2018	
	Current	Non-current	Current	Non-current
7. Other financial assets				
Other bank balances:				
Deposits with maturity after 12 months from the reporting date (1)	-	5.01	-	4.03
Recoverable from related parties (2) (Refer note 37)	336.64	-	177.90	-
Interest receivable	3.11	-	0.65	-
Others	258.43	-	219.84	-
Total other financial assets	**598.18**	**5.01**	**398.39**	**4.03**

Note:

(1) These deposits have restricted use.

(2) Including due by directors and private companies having common director aggregating to ₹ 5.17 million (31 March 2018: ₹ 3.43 million)

8. Deferred tax

Deferred income tax reflect 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 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	Accrued expenses and other temporary differences	Total
As at 1 April 2017	**221.72**	**23.25**	**2,184.72**	**11.56**	**2,441.25**
(Charged)/credited					
- to Statement of Profit and Loss	27.83	(4.02)	(167.59)	4.08	**(139.70)**
- to other comprehensive income	15.04	-	-	-	**15.04**
Reclassification to income tax assets	-	-	(19.43)	-	**(19.43)**
As at 31 March 2018	**264.59**	**19.23**	**1,997.70**	**15.64**	**2,297.16**
(Charged)/credited					
- to Statement of Profit and Loss	18.52	(5.03)	102.17	(0.40)	**115.26**
- to other comprehensive income	5.95	-	-	-	**5.95**
As at 31 March 2019	**289.06**	**14.20**	**2,099.87**	**15.24**	**2,418.37**

Deferred tax liabilities:

(₹ in million)

	Depreciation and amortisation	Others	Total
As at 1 April 2017	**2,335.85**	**11.41**	**2,347.26**
Charged/(credited)			
- to Statement of Profit and Loss	159.65	(10.50)	**149.15**
- to other comprehensive income	-	-	**-**
As at 31 March 2018	**2,495.50**	**0.91**	**2,496.41**
Charged/(credited)			
- to Statement of Profit and Loss	161.35	1.13	**162.48**
- to other comprehensive income	-	-	**-**
As at 31 March 2019	**2,656.85**	**2.04**	**2,658.89**

Notes to the financial statements for the year ended 31 March 2019 (Continued)

Reflected in the Balance Sheet as follows:

(₹ in million)

	As at	
	31 March 2019	31 March 2018
Deferred tax assets	2,418.37	2,297.16
Deferred tax liabilities	2,658.89	2,496.41
Deferred tax (liabilities) / asset, net	**(240.52)**	**(199.25)**

Reconciliation of deferred tax (liabilities) / asset (net):

(₹ in million)

	For the year ended	
	31 March 2019	31 March 2018
Balance as at the commencement of the year	(199.25)	93.99
Charge during the year recognised in Statement of Profit and Loss (including MAT)	(47.22)	(288.85)
Reclassification to income tax assets	-	(19.43)
Credit during the year recognised in OCI	5.95	15.04
Balance as at the end of the year	**(240.52)**	**(199.25)**

DTA has not been recognized on temporary differences in relation to indexation benefit of investment in subsidiaries and freehold land amounting to ₹ 4,205.51million (31 March 2018: ₹ 3,971.99 million) and ₹ 72.61 million (31 March 2018: ₹ 69.03 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. Further, DTA on temporary differences of capital nature amounting to ₹ Nil (31 March 2018: ₹ 434.74 million) has not been recognized as the management believes it is probable that the temporary differences will not reverse in foreseeable future.

(₹ in million)

		As at	
		31 March 2019	31 March 2018
9.	**Other non-current assets**		
	Capital advances	17.61	53.93
	Prepaid expenses	248.75	265.51
	Total other non-current assets	**266.36**	**319.44**

(₹ in million)

		As at	
		31 March 2019	31 March 2018
10.	**Inventories**		
	Raw materials *	2,505.83	2,803.91
	Work-in-progress	725.32	881.54
	Finished goods	1,062.45	1,377.64
	Stock-in-trade	23.49	19.49
	Stores and spares *	188.73	193.41
	Others- process chemicals and fuels *	413.57	579.81
	Total inventories	**4,919.39**	**5,855.80**
	* Goods-in-transit included in above		
	Raw materials	457.62	640.10
	Stores and spares	4.05	17.19
	Others- process chemicals and fuels	17.13	95.11
	Total goods-in-transit	**478.80**	**752.40**
	Total write down of inventories recognised during the year	8.23	8.55

Notes to the financial statements for the year ended 31 March 2019 (Continued)

(₹ in million)

	As at	
	31 March 2019	31 March 2018
11. Trade receivables		
Unsecured and current		
Trade receivables - considered good	3,512.01	2,874.29
Receivables from related parties (Refer note 37)	1,293.23	2,062.32
Trade receivables - which have significant increase in credit risk	7.57	7.15
Less: Expected credit loss allowance (Refer note 34)	(7.57)	(7.15)
Total trade receivables	**4,805.24**	**4,936.61**

(₹ in million)

	As at	
	31 March 2019	31 March 2018
12(a). Cash and cash equivalents		
Balances with banks		
- in current accounts	109.13	284.67
- in dividend accounts	54.73	49.76
Cash on hand	0.72	0.45
Cheques/ drafts on hand	-	14.80
Others		
- Funds in transit	22.34	14.97
- Imprest	0.06	0.02
Total cash and cash equivalents (1)	**186.98**	**364.67**

Note:

(1) ₹ 54.73 million (31 March 2018: ₹ 49.76 million) has restricted use.

(₹ in million)

	As at	
	31 March 2019	31 March 2018
12(b). Other bank balances		
Deposit accounts with maturity up to twelve months from the reporting date-held as margin money	160.44	10.40
Total other bank balances (1)	**160.44**	**10.40**

Note:

(1) These have restricted use.

(₹ in million)

	As at	
	31 March 2019	31 March 2018
13. Other current assets		
Prepaid expenses	99.53	77.76
Recoverable from/balance with government authorities (Refer note 42)	1,769.50	1,134.01
Advance to employees	3.23	4.72
Advance for supply of goods and services	203.34	237.32
Assets held for sale (1)	34.09	31.08
Others	-	2.35
Total other current assets	**2,109.69**	**1,487.24**

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 2019 (Continued)

(₹ in million)

		As at	
		31 March 2019	31 March 2018
14.	**Equity share capital**		
	Authorised		
	655,000,000 (31 March 2018 : 655,000,000) equity shares of ₹ 1 each	655.00	655.00
		655.00	**655.00**
	Issued and subscribed		
	159,313,139 (31 March 2018 : 159,313,139) equity shares of ₹ 1 each	159.31	159.31
		159.31	**159.31**
	Paid up capital		
	159,281,139 (31 March 2018 : 159,281,139) equity shares of ₹ 1 each	159.28	159.28
	Add: Equity shares forfeited (paid up)	0.02	0.02
		159.30	**159.30**

Movement in equity share capital:

	As at 31 March 2019		As at 31 March 2018	
	Number	₹ in million	Number	₹ in million
At the commencement and at the end of the year	159,281,139	159.28	159,281,139	159.28

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 2019		As at 31 March 2018	
	Number	% of total shares	Number	% of total shares
Jubilant Stock Holding Private Limited	22,521,992	14.14%	21,871,992	13.73%
SSB Consultants & Management Services Private Limited	21,007,665	13.19%	21,007,665	13.19%
HSB Corporate Consultants Private Limited	18,698,979	11.74%	18,698,979	11.74%

Others:

a) 114,835 (31 March 2018: 114,835) equity shares of ₹ 1 each allotted on exercise of the vested stock options in accordance with the terms of exercise under the "Jubilant Employees Stock Option Plan, 2005". (Refer note 46).

b) Under the Jubilant Employees Stock Option 2011 Plan as at 31 March 2019 – 9,628 (31 March 2018: 32,216) outstanding options are convertible into 9,628 (31 March 2018: 32,216) shares. (Refer note 46).

15 Nature and purpose of other equity

- *Capital reserve*

  Accumulated capital surplus not available for distribution of dividend and expected to remain invested permanently.

- *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.

Notes to the financial statements for the year ended 31 March 2019 (Continued)

- *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.

- *Foreign Currency Monetary Item Translation Difference Account (FCMITDA)*

  This represent accumulated Monetary Item Translation Difference of long-term foreign currency monetary items to be amortised over the period in which long-term foreign currency monetary items is payable.

- *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.

(₹ in million)

		As at	
		31 March 2019	**31 March 2018**
16 (a).	**Non-current borrowings**		
	Secured debentures		
	Secured rated listed non-convertible debentures	6,435.66	3,938.56
	Term loans		
	From banks		
	Indian rupee loans (secured)	1,569.95	2,168.32
	From other parties		
	Indian rupee loans (secured)	-	1,118.53
	From related parties		
	Indian rupee loans from subsidiaries (unsecured)	3,367.40	3,342.40
	Long term maturity of finance lease obligations (secured)	22.72	26.00
	Total non-current borrowings	**11,395.73**	**10,593.81**
	Add: Current maturities of non-current borrowings (Refer note 19)	984.11	1,727.74
	Add: Current maturities of financial lease obligations (Refer note 19)	13.24	11.54
	Total Non-current borrowings (including current maturities)	**12,393.08**	**12,333.09**

Notes to the financial statements for the year ended 31 March 2019 (Continued)

(₹ in million)

	As at	
	31 March 2019	**31 March 2018**
16(b). Current borrowings		
Loans repayable on demand		
From banks		
Secured	2,071.03	38.19
Unsecured	2,315.09	1,617.22
From related parties(unsecured)	241.00	251.00
Total current borrowings	**4,627.12**	**1,906.41**

16 a Nature of security of non-current borrowings and other terms of repayment

16(a) (i) Indian rupee term loans amounting to ₹ 1,575.00 million (31 March 2018: to ₹ 2,177.90 million) from Axis Bank Limited, RBL Bank Limited and Non-Convertible Debentures amounting to ₹ 7,450.00 million (31 March 2018: ₹ 4,950.00 million) are secured by a first pari-passu charge created amongst the lenders by way of:

1) Mortgage on the immovable fixed assets, both present and future, situated at Bhartiagram, Tehsil Dhanora, District Amroha, Uttar Pradesh, India, save and except the following immovable fixed assets from mortgage:

(i) 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, being under common title deeds with other Group companies;

(ii) 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

(iii) 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, being under common lease deed with other Group companies;

2) Hypothecation on the entire movable fixed assets, both present and future of the Company.

16(a) (ii) Non-convertible debentures amounting to ₹ 3,950.00 million (31 March 2018: ₹ 4,950.00 million repayable in four yearly installments) is repayable in three yearly installments as given below:

a. 8.47% Non-convertible debentures of ₹1,000 million repayable on 27 January 2020.

b. 8.65% Non-convertible debentures of ₹ 1,500 million repayable on 27 January 2021.

c. 8.88% Non-convertible debentures of ₹ 1,450 million repayable on 27 January 2022.

8.20% Non-convertible debentures of ₹ 1,000 million has been repaid during the year.

16(a) (iii) Non-convertible debentures amounting to ₹ 3,500.00 million (31 March 2018: ₹ Nil) is repayable in three yearly installments as given below:

a. 8.95% Non-convertible debentures of ₹ 1,000 million repayable on 5 September 2020.

b. 9.10% Non-convertible debentures of ₹ 1,000 million repayable on 5 September 2021.

c. 9.26% Non-convertible debentures of ₹ 1,500 million repayable on 5 September 2022.

16(a) (iv) Indian rupee term loan amounting to ₹ 1,575.00 million (31 March 2018: ₹ 1,575.00 million repayable in three half yearly installments from March 2021) from Axis Bank Limited is repayable in three half yearly installments from March 2021.

16(a) (v) Indian rupee term loan amounting to ₹ Nil (31 March 2018: ₹ 602.90 million repayable in eight quarterly installments from March 2020) from RBL Bank Limited has been fully repaid during the year.

16(a) (vi) Indian rupee term loan amounting to ₹ Nil (31 March 2018: ₹ 1,875.00 million repayable in five equal half yearly installments from September 2018) from Housing Development Finance Corporation Limited has been fully repaid during the year.

16(a) (vii) Term loans from subsidiaries are repayable up to five years from the date of respective disbursement and carry interest rate ranging from 6.75% to 8.75% (31 March 2018: 6.75 % to 9.75% per annum).

Notes to the financial statements for the year ended 31 March 2019 (Continued)

16(a) (viii) Finance lease obligations are secured by hypothecation of specific assets taken under such lease. The same are repayable within five years.

16(a) (ix) The term loans 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 2019, the interest rate on Indian currency loans and foreign currency loans range from 8.00% to 10.09% per annum (31 March 2018: 7.90 % to 9.75% per annum) and NA (31 March 2018: 4.46% to 5.16% per annum), respectively.

The composition of property, plant and equipment and current assets as mentioned above are defined in detail in the respective financing/credit arrangements.

16 b. Nature of security of Current borrowings and other terms of repayment

16(b) (i) 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 the Company wherever the same may be or be held. Working capital loans are repayable as per terms of agreement within one year.

16(b) (ii) Short term loans are availed in Indian rupees and in foreign currency which 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 2019, the interest rate on Indian currency loans and foreign currency loans range from 6.10% to 10.60% per annum (31 March 2018: 5.95% to 11.65% per annum) and 1.44% to 5.58% per annum (31 March 2018: 1.10% to 3.78% per annum) , respectively

The composition of property, plant and equipment and current assets as mentioned above are 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 2019	**31 March 2018**
Property, plant and equipment	12,459.92	14,175.80
Inventory	4,919.39	5,855.80
Other financial assets	4,805.24	4,936.61
	22,184.55	**24,968.21**

(₹ in million)

	31 March 2019	**31 March 2018**
16 d. Analysis of movement in borrowings		
Borrowings at the beginning of the year	**14,239.50**	**16,978.06**
Movement due to cash transactions per the Statement of Cash Flows	2,749.75	(2,778.41)
Movement due to non-cash transactions:		
- Foreign exchange movement	0.48	(6.75)
- Effective interest rate accounting	32.05	36.68
- Liability for assets taken on lease	(1.58)	9.92
Borrowings at the end of the year	**17,020.20**	**14,239.50**

(₹ in million)

	As at			
	31 March 2019		**31 March 2018**	
	Current	**Non-current**	**Current**	**Non-current**
17. Provisions				
Unsecured, considered good				
Provision for employee benefits (Refer note 32)	207.75	619.55	183.49	573.71
Total provisions	**207.75**	**619.55**	**183.49**	**573.71**

Notes to the financial statements for the year ended 31 March 2019 (Continued)

(₹ in million)

		As at	
		31 March 2019	31 March 2018
18.	**Trade payables**		
	Current		
	Total outstanding dues of micro enterprises and small enterprises	60.34	19.37
	Total outstanding dues of creditors other than micro enterprises and small enterprises *	5,900.18	7,472.41
	Total trade payables	**5,960.52**	**7,491.78**
	* Amount payable to related party included in the above (Refer note 37)	236.97	304.10

(₹ in million)

		As at	
		31 March 2019	31 March 2018
19.	**Other current financial liabilities**		
	Current maturities of non-current borrowings [Refer note 16(a)]	984.11	1,727.74
	Current maturities of finance lease obligations [Refer note 16(a)]	13.24	11.54
	Interest accrued but not due on borrowings	123.81	113.41
	Unpaid dividend	54.73	49.76
	Security deposit	29.11	25.79
	Capital creditors *	405.36	219.72
	Employee benefits payable	323.50	275.72
	Other payables	27.44	49.72
	Total other current financial liabilities	**1,961.30**	**2,473.40**

* Includes outstanding dues of micro enterprises and small enterprises of ₹ 63.38 million (31 March 2018: ₹ 4.66 million).

(₹ in million)

		As at	
		31 March 2019	31 March 2018
20.	**Other current liabilities**		
	Contract liabilities	55.27	71.77
	Statutory dues payables	126.19	157.26
	Total other current liabilities	**181.46**	**229.03**

(₹ in million)

		For the year ended	
		31 March 2019	31 March 2018
21.	**Revenue from operations**		
	Sale of products (including excise duty)		
	- Finished goods	32,260.24	31,114.06
	- Traded goods	1,654.33	1,841.08
	Sale of services	19.21	22.12
	Other operating revenue (Refer note 42)	452.33	452.81
	Total revenue from operations	**34,386.11**	**33,430.07**

Note:

Revenue from operations for the current year is not comparable with previous year since the revenue is net of Goods and Services Tax (GST) w.e.f. 1 July 2017, whereas revenue includes excise duty upto 30 June 2017.

Notes to the financial statements for the year ended 31 March 2019 (Continued)

Disaggregation of revenue

In the following table, revenue is disaggregated by primary geographical market and major products & service lines.

(₹ in million)

	For the year ended 31 March 2019			For the year ended 31 March 2018		
	Life Science Ingredients	Other	Total	Life Science Ingredients	Other	Total
Primary geographical markets						
India	22,502.69	247.48	22,750.17	19,613.71	179.02	19,792.73
Americas and Europe	7,079.57	-	7,079.57	8,247.61	-	8,247.61
China	1,258.07	-	1,258.07	1,820.21	-	1,820.21
Rest of the world	2,845.97	-	2,845.97	3,116.71	-	3,116.71
Total	**33,686.30**	**247.48**	**33,933.78**	**32,798.24**	**179.02**	**32,977.26**
Major products/service lines						
Speciality Intermediates	9,641.30	-	9,641.30	9,269.57	-	9,269.57
Life Science Chemicals	20,529.70	-	20,529.70	17,838.52	-	17,838.52
Nutritional Products	3,515.30	-	3,515.30	5,690.15	-	5,690.15
India branded pharmaceuticals	-	247.48	247.48	-	179.02	179.02
Total	**33,686.30**	**247.48**	**33,933.78**	**32,798.24**	**179.02**	**32,977.26**

Reconciliation of the disaggregated revenue with the Company's reportable segments (refer note 36).

(₹ in million)

	For the year ended 31 March 2019			For the year ended 31 March 2018		
	Life Science Ingredients	Other	Total	Life Science Ingredients	Other	Total
Revenue from sale of products and services	33,686.30	247.48	33,933.78	32,798.24	179.02	32,977.26
Other operating revenue	452.33	-	452.33	452.81	-	452.81
Total	**34,138.63**	**247.48**	**34,386.11**	**33,251.05**	**179.02**	**33,430.07**

Contract Balances

(₹ in million)

	As at	
	31 March 2019	1 April 2018
Trade receivables	4,805.24	4,936.61
Contract liabilities	55.27	71.77

The amount of ₹ 71.77 million recognised in contract liabilities at the beginning of the period has been recognised as revenue for the year ended 31 March 2019.

Reconciliation of revenue recognized with the contracted price is as follows:

(₹ in million)

	For the year ended 31 March 2019
Contracted price	34,461.92
Reductions towards variable consideration components	(75.81)
Revenue recognised	34,386.11

The reduction towards variable consideration comprises of volume discounts, price discounts etc.

Notes to the financial statements for the year ended 31 March 2019 (Continued)

(₹ in million)

		For the year ended	
		31 March 2019	31 March 2018
22.	**Other income**		
	Interest income	20.31	15.76
	Dividend from subsidiaries	592.89	120.69
	Net foreign exchange income	-	126.20
	Other non-operating income	166.81	199.47
	Total other income	**780.01**	**462.12**

(₹ in million)

		For the year ended	
		31 March 2019	31 March 2018
23.	**Cost of materials consumed**		
	Raw materials consumed	18,745.97	16,444.51
	Total cost of materials consumed	**18,745.97**	**16,444.51**

(₹ in million)

		For the year ended	
		31 March 2019	31 March 2018
24.	**Purchase of stock-in-trade**		
	Purchase of stock-in-trade	1,314.74	1,540.52
	Total purchase of stock-in-trade	**1,314.74**	**1,540.52**

(₹ in million)

		For the year ended	
		31 March 2019	31 March 2018
25.	**Changes in inventories of finished goods, stock-in-trade and work-in-progress**		
	Opening balance		
	Work-in-progress	881.54	652.58
	Finished goods	1,377.64	1,415.57
	Stock-in-trade	19.49	29.48
	Total opening balance	**2,278.67**	**2,097.63**
	Closing balance		
	Work-in-progress	725.32	881.54
	Finished goods	1,062.45	1,377.64
	Stock-in-trade	23.49	19.49
	Total closing balance	**1,811.26**	**2,278.67**
	Total changes in inventories of finished goods, stock-in-trade and work-in-progress	**467.41**	**(181.04)**

(₹ in million)

		For the year ended	
		31 March 2019	31 March 2018
26.	**Employee benefits expense**		
	Salaries, wages, bonus, gratuity and allowances	2,371.58	2,373.08
	Contribution to provident fund, superannuation and other funds	135.44	123.21
	Staff welfare expenses	150.07	147.86
	Total employee benefits expense	**2,657.09**	**2,644.15**

Notes to the financial statements for the year ended 31 March 2019 (Continued)

(₹ in million)

		For the year ended	
		31 March 2019	31 March 2018
27.	**Finance costs**		
	Interest expense	1,231.99	1,292.87
	Other finance costs	45.57	50.45
	Exchange differences to the extent considered as adjustment to finance costs	12.06	8.39
	Total finance costs	**1,289.62**	**1,351.71**

Note:

(1) Refer note 43 for finance costs capitalised.

(₹ in million)

		For the year ended	
		31 March 2019	31 March 2018
28.	**Depreciation and amortisation expense**		
	Depreciation of property, plant and equipment	849.71	809.70
	Amortisation of intangible assets	15.12	16.25
	Total depreciation and amortisation expense	**864.83**	**825.95**

(₹ in million)

		For the year ended	
		31 March 2019	31 March 2018
29.	**Other expenses**		
	Power and fuel	3,582.81	3,398.00
	Consumption of stores and spares and packing materials	1,331.27	1,207.46
	Processing charges	174.86	124.73
	Excise duty related to decrease in inventory of finished goods	-	(92.81)
	Rental charges	146.49	140.22
	Rates and taxes	63.04	67.48
	Insurance	35.09	26.46
	Advertisement, publicity and sales promotion	45.27	62.57
	Travel and conveyance	178.12	182.46
	Repairs and maintenance:		
	i. Plant and machinery	880.34	769.68
	ii. Buildings	36.92	41.26
	iii. Others	128.98	112.18
	Office expenses	128.98	110.55
	Vehicle running and maintenance	30.68	28.65
	Printing and stationery	13.13	12.72
	Telephone and communication charges	20.34	22.75
	Staff recruitment and training	40.29	25.73
	Donation [including corporate social responsibility expenditure (Refer note 41)]	133.65	70.94
	Payments to statutory auditors (refer note 29(a) below)	8.40	8.46
	Legal and professional fees	142.38	137.04
	Freight and forwarding (including ocean freight)	448.83	514.19
	Subscription	18.33	15.21
	Claims and other selling expenses	41.09	60.37
	Commission on sales	27.78	40.02

Notes to the financial statements for the year ended 31 March 2019 (Continued)

(₹ in million)

	For the year ended	
	31 March 2019	31 March 2018
Loss on sale/ disposal/ discard of property, plant and equipment (net)	55.49	16.99
Provision/write off of bad debts/irrecoverable advances (net)	4.92	0.59
Amortisation of foreign currency monetary item translation difference	-	5.26
Net foreign exchange loss	187.08	-
Miscellaneous expenses	87.59	113.46
Total other expenses	**7,992.15**	**7,222.62**

(₹ in million)

	For the year ended	
	31 March 2019	31 March 2018
29(a). Details of payment to statutory auditors (excluding applicable taxes and including out of pocket expenses)		
As auditor:		
Audit fee	4.00	3.50
Certification fees and other services	4.40	4.96
Total payment to auditors	**8.40**	**8.46**

(₹ in million)

	For the year ended	
	31 March 2019	31 March 2018
29(b). Research and development expenses (excluding finance cost, depreciation and amortisation) comprises as mentioned here under:		
Cost of material consumed	18.50	19.19
Employee benefits expense	138.51	125.49
Utilities- power	4.84	4.37
Other expenses	40.35	33.00
	202.20	**182.05**

30. Income tax

The major components of income tax expense for the years ended 31 March 2019 and 31 March 2018 are:

(₹ in million)

	For the year ended	
	31 March 2019	31 March 2018
Profit or loss section		
Current income tax:		
Current income tax charge for the year	312.43	757.34
Adjustments in respect of current income tax of previous years	(1.64)	(3.67)
	310.79	**753.67**
Deferred tax:		
Deferred tax on profits for the year	138.04	283.66
Adjustments in respect of deferred tax of previous years	(90.82)	5.19
	47.22	**288.85**
Income tax expense reported in the Statement of Profit and Loss	**358.01**	**1,042.52**
OCI section		
Tax related to items that will not be reclassified to Profit & Loss	5.95	15.04
Income tax charged to OCI	**5.95**	**15.04**

Notes to the financial statements for the year ended 31 March 2019 (Continued)

Reconciliation between average effective tax rate and applicable tax rate for the year ended 31 March 2019 and 31 March 2018:

(₹ in million)

	For the year ended	
	31 March 2019	**31 March 2018**
Accounting profit before income tax	**1,834.31**	**3,676.94**
At India's statutory income tax rate of 34.944% (31 March 2018: 34.608%)	640.98	1,272.52
- Effect of non-deductible expenses and exempt income	(165.07)	(230.61)
- Incremental allowance for research and development and other capital expenditure	(24.56)	(20.88)
- Effect of prior year taxes	(92.46)	1.52
- Effect of rate change on deferred tax	-	21.12
- Others	(0.88)	(1.15)
Income tax expense reported in the Statement of Profit and Loss	**358.01**	**1,042.52**

During the year ended 31 March 2019 and 31 March 2018, the Company has paid dividend to its shareholders that result in payment of dividend distribution tax in terms of Section 115O 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.

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 2019	**31 March 2018**
The principal amount remaining unpaid to any supplier as at the end of the year	123.72	24.03
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	-	-

32. 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:

Notes to the financial statements for the year ended 31 March 2019 (Continued)

(₹ in million)

	For the year ended	
	31 March 2019	31 March 2018
Employer's contribution to provident fund (1)	10.75	7.88
Employer's contribution to employee's pension scheme	30.61	29.94
Employer's contribution to superannuation fund	7.21	6.98
Employer's contribution to employee state insurance	2.24	3.32

(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 7.65% p.a. (31 March 2018: 7.70% p.a.) which is determined by reference to market yield at the Balance Sheet date on Government bonds. The retirement age has been considered at 58 years (31 March 2018: 58 years) and mortality table is as per IALM (2006-08) (31 March 2018: IALM (2006-08)).

The estimates of future salary increases, considered in actuarial valuation is 10% p.a. for first three years and 6% p.a. thereafter (31 March 2018: 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 7.65% p.a. (31 March 2018: 7.70 % p.a.).

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

(₹ in million)

	31 March 2019	31 March 2018
Present value of obligation at the beginning of the year	526.42	440.16
Current service cost	47.40	44.64
Interest cost	40.53	33.01
Actuarial loss	17.05	43.09
Benefits paid	(52.80)	(34.48)
Present value of obligation at the end of the year	**578.60**	**526.42**

Fair value of plan assets:**

(₹ in million)

	31 March 2019	31 March 2018
Plan assets at the beginning of the year	5.22	5.44
Expected return on plan assets	0.40	0.41
Actual benefits paid	(0.93)	(0.66)
Actuarial gain	0.02	0.03
Plan assets at the end of the year	**4.71**	**5.22**

** 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 2019 (Continued)

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

(₹ in million)

	As at	
	31 March 2019	**31 March 2018**
Present value of obligation at the end of the year	578.60	526.42
Fair value of plan assets at the end of the year	(4.71)	(5.22)
Net liabilities recognised in the Balance Sheet	**573.89**	**521.20**

The Company's best estimate of contribution during next year is ₹ 93.92 million (31 March 2018: ₹ 87.19 million)

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

(₹ in million)

	For the year ended	
	31 March 2019	**31 March 2018**
Current service cost	47.40	44.64
Interest cost	40.13	32.60
Expense recognised in the Statement of Profit and Loss	**87.53**	**77.24**

Amount recognised in the other comprehensive income:

(₹ in million)

	For the year ended	
	31 March 2019	**31 March 2018**
Actuarial loss/(gain) due to demographic assumption change	0.31	(1.32)
Actuarial loss/(gain) due to financial assumption change	1.51	(2.47)
Actuarial loss due to experience adjustment	15.23	46.88
Actuarial gain on plan assets	(0.02)	(0.03)
Amount recognised in the other comprehensive income	**17.03**	**43.06**

Sensitivity analysis:

Discount rate

	31 March 2019		**31 March 2018**	
Sensitivity level	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Impact on defined benefit	(12.26)	12.88	(11.76)	12.36

Future salary increase

	31 March 2019		**31 March 2018**	
Sensitivity level	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Impact on defined benefit	12.94	(12.43)	12.42	(11.93)

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 2019	**31 March 2018**
Within one year	154.34	132.68
Between one to three years	77.03	46.63
Between three to five years	87.89	64.14
Later than five years	259.34	282.97
	578.60	**526.42**

Notes to the financial statements for the year ended 31 March 2019 (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 2018: ₹ 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 2019. Accordingly, liability of ₹ Nil (31 March 2018: ₹ Nil) has been allocated to Company and ₹ Nil (31 March 2018: ₹ 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 2019	31 March 2018
Discount rate	7.65%	7.70%
Guaranteed rate of return	8.65%	8.55%

The Company has contributed ₹ 92.82 million to provident fund (31 March 2018: ₹ 85.79 million) for the year.

(C) Other long term benefits (Compensated absences):

(₹ in million)

	As at	
	31 March 2019	31 March 2018
Present value of obligation at the end of the year	253.41	236.00

33. Fair value measurements

(₹ in million)

	Notes	Level of hierarchy	Carrying Value as at		Fair Value as at	
			31 March 2019	31 March 2018	31 March 2019	31 March 2018
Financial assets						
FVTOCI						
Investments in Equity instruments						
(excluding investment in subsidiaries)	(d)	3	80.35	74.96	80.35	74.96
Amortised Cost						
Trade receivables	(a)		4,805.24	4,936.61	4,805.24	4,936.61
Loans	(a, b)		64.69	237.79	64.69	237.79
Cash and cash equivalents	(a)		186.98	364.67	186.98	364.67
Other bank balances	(a)		160.44	10.40	160.44	10.40
Other financial assets	(a, b)		603.19	402.42	603.19	402.42
Total financial assets			**5,900.89**	**6,026.85**	**5,900.89**	**6,026.85**
Financial liabilities						
Amortised Cost						
Secured rated listed non-convertible debentures	(c)	1	7,424.05	4,930.33	7,423.16	4,843.57
Other borrowings	(a, c)	3	9,596.15	9,309.17	9,622.76	9,257.56
Trade payables	(a)		5,960.52	7,491.78	5,960.52	7,491.78
Other financial liabilities	(a)		963.95	734.12	963.95	734.12
Total financial liabilities			**23,944.67**	**22,465.40**	**23,970.39**	**22,327.03**

Notes to the financial statements for the year ended 31 March 2019 (Continued)

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.

(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) Fair value of quoted financial instruments (listed debentures) is based on quoted market price at the reporting date. The fair value of other 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 2019 and 31 March 2018.

Reconciliation of Level 3 fair value measurement:

(₹ in million)

	For the year ended	
	31 March 2019	31 March 2018
Opening balance	74.96	72.13
Gain recognized in other comprehensive income	5.39	2.83
Closing balance	**80.35**	**74.96**

34. 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

Notes to the financial statements for the year ended 31 March 2019 (Continued)

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 ₹ 2.01 million (31 March 2018: ₹ Nil)

Movement in the expected credit loss allowance of trade receivables are as follows:

(₹ in million)

	31 March 2019	31 March 2018
Balance at the beginning of the year	7.15	5.69
Add: Provided during the year (net of reversal)	2.19	1.98
Less: Amount written off *	(1.77)	(0.52)
Balance at the end of the year	**7.57**	**7.15**

* 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 excepted 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 and exclude the impact of netting agreements.

(₹ in million)

As at 31 March 2019	Carrying Amount	Contractual Cash flows (2)		
		Total	Within 1 year	More than 1 year
Non-derivative financial liabilities				
Borrowings (1)	17,020.20	17,055.48	5,640.36	11,415.12
Trade payables	5,960.52	5,960.52	5,960.52	-
Other financial liabilities	963.95	963.95	963.95	-

(₹ in million)

As at 31 March 2018	Carrying Amount	Contractual Cash flows (2)		
		Total	Within 1 year	More than 1 year
Non-derivative financial liabilities				
Borrowings (1)	14,239.50	14,289.25	3,667.95	10,621.30
Trade payables	7,491.78	7,491.78	7,491.78	-
Other financial liabilities	734.12	734.12	734.12	-

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 2019 (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:

(₹ in million)

	As at 31 March 2019				As at 31 March 2018			
	USD	EUR	CAD	OTHER	USD	EUR	CAD	OTHER
Cash and cash equivalents	68.97	-	-	-	227.89	-	-	-
Trade receivables	1,685.67	771.74	-	-	1,523.03	1019.58	-	-
Other financial assets	240.02	7.77	26.19	-	97.27	8.08	29.85	-
Trade payables	(3,682.72)	(36.27)	-	(1.60)	(4,531.03)	(35.42)	-	(2.96)
Borrowings	(380.19)	-	-	-	(617.22)	-	-	-
Net statement of financial position exposure	**(2,068.25)**	**743.24**	**26.19**	**(1.60)**	**(3,300.06)**	**992.24**	**29.85**	**(2.96)**

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.

(₹ in million)

	Profit or loss (before tax)	
	Strengthening	Weakening
31 March 2019		
USD (1% movement)	(20.68)	20.68
EUR (1% movement)	7.43	(7.43)
CAD (1% movement)	0.26	(0.26)
Other (1% movement)	(0.02)	0.02
31 March 2018		
USD (1% movement)	(33.00)	33.00
EUR (1% movement)	9.92	(9.92)
CAD (1% movement)	0.30	(0.30)
Other (1% movement)	(0.03)	0.03

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

Notes to the financial statements for the year ended 31 March 2019 (Continued)

variable interest rate. The borrowings of the Company are principally denominated in INR and USD with a mix of fixed and floating rates of interest. The Company has exposure to interest rate risk, arising principally on changes in base lending rate and LIBOR rates. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings.

Exposure to interest rate risk

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

(₹ in million)

	As at	
	31 March 2019	31 March 2018
Fixed-rate borrowings	11,509.75	9,080.94
Floating rate borrowings	5,545.73	5,208.31
Total borrowings (gross of transaction cost)	**17,055.48**	**14,289.25**

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

If interest rates had been 25 basis points higher / lower and all other variables were held constant, the Company's profit before tax for the year ended 31 March 2019 would decrease / increase by ₹ 13.86 million (31 March 2018: ₹ 13.02 million). This is mainly attributable to the Company's exposure to interest rates on its floating rate borrowings.

35. 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 2019	31 March 2018
Net debt	16,672.78	13,864.43
Total equity	23,403.10	22,493.82
Net debt to equity ratio	**0.71**	**0.62**

(b) Dividends

(₹ in million)

	31 March 2019	31 March 2018
Equity shares		
Final dividend for the year ended 31 March 2018 of ₹ 3 per fully paid equity share (including tax on dividend)	561.33	575.12
(31 March 2017 of ₹ 3 per fully paid up equity share)		

In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of ₹ 4.5 per fully paid equity share. The same amounts to ₹ 864.10 million including dividend distribution tax. This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.

Notes to the financial statements for the year ended 31 March 2019 (Continued)

36. Segment information

Business Segments

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

a. **Life Sciences Ingredients**: (i) Specialty Intermediates, (ii) Nutritional Products and (iii) Life Science Chemicals.

b. **Others:** 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.

(₹ in million)

	For the year ended 31 March 2019			For the year ended 31 March 2018		
	Total segment revenue	Inter-segment revenue	Revenue from external customer	Total segment revenue	Inter-segment revenue	Revenue from external customer
Revenue						
Life Science Ingredients	34,138.63	-	34,138.63	33,251.05	-	33,251.05
Others	247.48	-	247.48	179.02	-	179.02
Total segment revenue	**34,386.11**	**-**	**34,386.11**	**33,430.07**	**-**	**33,430.07**

(₹ in million)

	For the year ended	
	31 March 2019	31 March 2018
Result		
Life Science Ingredients	2,954.92	5,526.10
Others	(136.73)	(274.60)
Total segment result	**2,818.19**	**5,251.50**
Un-allocated corporate expenses (net of un-allocated income)	(285.43)	238.61
Interest income	20.31	15.76
Finance costs	1,289.62	1,351.71
Profit before tax	**1,834.31**	**3,676.94**
Tax expense	358.01	1042.52
Profit for the year	**1,476.30**	**2,634.42**

Notes to the financial statements for the year ended 31 March 2019 (Continued)

(₹ in million)

	Segment assets		Segment liabilities	
	As at			
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Life Science Ingredients	28,764.17	27,199.82	7,330.48	8,619.43
Others	56.83	48.19	63.72	85.56
Segment total	**28,821.00**	**27,248.01**	**7,394.20**	**8,704.99**
Un-allocated corporate assets/ liabilities	19,815.25	18,997.39	17,838.95	15,046.59
Total assets/liabilities	**48,636.25**	**46,245.40**	**25,233.15**	**23,751.58**

Other information: (₹ in million)

	Capital expenditure		Depreciation/Amortisation	
	For the year ended			
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Life Science Ingredients	3,147.53	1,506.38	819.83	767.84
Others	0.34	0.30	0.45	0.52
Un-allocated	15.94	7.40	44.55	57.59
Total	**3,163.81**	**1,514.08**	**864.83**	**825.95**

Information about Geographical segments: (₹ in million)

	For the year ended	
	31 March 2019	31 March 2018
Revenue by geographical markets		
India	23,202.50	20,245.54
Americas and Europe	7,079.57	8,247.61
China	1,258.07	1,820.21
Rest of the world	2,845.97	3,116.71
Total	**34,386.11**	**33,430.07**

(₹ in million)

	As at	
	31 March 2019	31 March 2018
Non-current assets (by geographical location of assets)*		
Within India	18,185.66	15,923.52
Outside India	-	-
Total	**18,185.66**	**15,923.52**

*Non-current assets are excluding financial instruments and deferred tax assets.

37. 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, Draximage Limited, Ireland, Jubilant DraxImage (USA) Inc., Jubilant DraxImage Inc., 6963196 Canada Inc. (Merged into 6981364 Canada Inc. w.e.f. 1 April 2018), 6981364 Canada Inc., DAHI Animal Health (UK) Limited (liquidated w.e.f. 19 December 2017), Draximage (UK) Limited, Jubilant Pharma Holdings Inc., Jubilant Clinsys Inc., Cadista Holdings Inc., Jubilant Cadista Pharmaceuticals Inc., Jubilant Life Sciences International Pte. Limited, HSL Holdings Inc., Jubilant HollisterStier LLC, Jubilant Life Sciences (Shanghai) Limited, Jubilant Pharma NV, Jubilant Pharmaceuticals NV, PSI Supply NV, Jubilant Life Sciences (USA) Inc., Jubilant Life Sciences (BVI) Limited, Jubilant Biosys (BVI) Limited,

Notes to the financial statements for the year ended 31 March 2019 (Continued)

Jubilant Biosys (Singapore) Pte. Limited, Jubilant Biosys Limited, Jubilant Discovery Services LLC, Jubilant Drug Development Pte. Limited, Jubilant Chemsys Limited, Jubilant Clinsys Limited, Jubilant Infrastructure Limited, Jubilant First Trust Healthcare Limited, Jubilant Pharma Trading Inc. (Merged into Jubilant Pharma Holdings Inc. w.e.f. 14 December 2018), Jubilant Innovation (BVI) Limited (liquidated w.e.f. 12 January 2018), Jubilant Innovation Pte. Limited, Jubilant DraxImage Limited, Jubilant Innovation (India) Limited, Jubilant Innovation (USA) Inc., Jubilant HollisterStier Inc., Draxis Pharma LLC, Jubilant Life Sciences (Switzerland) AG (liquidated w.e.f. 8 November 2017), Drug Discovery and Development Solutions Limited, TrialStat Solutions Inc. (Formerly Jubilant Drug Discovery & Development Services Inc.), Vanthys Pharmaceutical Development Private Limited, Jubilant Generics Limited, Jubilant Life Sciences NV, Jubilant Pharma Australia Pty Limited, Jubilant Draximage Radiopharmacies Inc., Jubilant Pharma SA (Pty) Limited (w.e.f. 14 February 2019), Jubilant Therapeutics India Limited (w.e.f. 20 March 2019), Jubilant Therapeutics Inc. (w.e.f. 19 February 2019), Jubilant Business Services Limited (w.e.f. 28 March 2019), Jubilant Episcribe LLC (w.e.f. 28 March 2019), Jubilant Epicore LLC (w.e.f. 28 March 2019), Jubilant Prodel LLC (w.e.f. 28 March 2019), Jubilant Epipad LLC (w.e.f. 28 March 2019), Jubilant Employee Welfare Trust.

b) **Other entities where control exists**:

Jubilant HollisterStier General Partnership Canada, Draximage General Partnership Canada (controlled through subsidiaries/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. Sankaraiah Rajagopal, Mr. Pramod Yadav (upto 16 January 2018), Mr. Rajesh Kumar Srivastava (w.e.f. 17 January 2018), Mr. Sushil Kumar Roongta (w.e.f. 23 May 2017), Mr. Vivek Mehra (w.e.f. 23 May 2017), Mr. Arun Seth (w.e.f. 22 October 2018), Mr. Anant Pande (w.e.f. 22 October 2018), Mr. Rajiv Shah.

Jubilant Enpro Private Limited, JOGPL Private Limited, Jubilant FoodWorks Limited, B&M Hot Breads Private Limited, Jubilant Industries Limited, Jubilant Agri and Consumer Products Limited, Jubilant MotorWorks Private Limited, Jubilant Consumer Private Limited, Priority Vendor Technologies Private Ltd. (related to relatives of KMP).

d) **Others:**

Vam Employees Provident Fund Trust, Jubilant Bhartia Foundation, Vam Officers Superannuation Fund.

2. Transactions with related parties

FY 2018-19 **(₹ in million)**

Sr. No.	Particulars	Subsidiaries	Enterprise in which certain key management personnel are interested	Key management personnel	Others	Total
	Description of transactions:					
1.	**Sales of goods and services:**					
	Jubilant Life Sciences (Shanghai) Limited	882.13				882.13
	Jubilant Life Sciences (USA) Inc.	1,059.39				1,059.39
	Jubilant Chemsys Limited	22.17				22.17
	Jubilant Infrastructure Limited	2.83				2.83
	Jubilant Life Sciences International Pte. Limited	1,081.51				1,081.51
	Jubilant Life Sciences NV	2,978.16				2,978.16
	Jubilant Generics Limited	73.46				73.46
	Jubilant Consumer Private Limited		0.15			0.15
	Jubilant FoodWorks Limited		0.54			0.54
	Jubilant Agri and Consumer Products Limited		149.78			149.78
		6,099.65	**150.47**			**6,250.12**
2.	**Rental and other income:**					
	Jubilant Chemsys Limited	14.31				14.31
	Jubilant Biosys Limited	5.91				5.91
	Jubilant Generics Limited	86.39				86.39
	Jubilant Enpro Private Limited		10.83			10.83

Notes to the financial statements for the year ended 31 March 2019 (Continued)

FY 2018-19 (₹ in million)

Sr. No.	Particulars	Subsidiaries	Enterprise in which certain key management personnel are interested	Key management personnel	Others	Total
	JOGPL Private Limited		3.44			3.44
	Jubilant FoodWorks Limited		7.12			7.12
	Jubilant Industries Limited		0.18			0.18
	Jubilant Agri and Consumer Products Limited		53.67			53.67
	Jubilant Consumer Private Limited		2.85			2.85
		106.61	**78.09**			**184.70**
3.	**Dividend income:**					
	Jubilant Pharma Limited	592.89				592.89
		592.89				**592.89**
4.	**Interest income:**					
	Jubilant Generics Limited	0.37				0.37
		0.37				**0.37**
5.	**Purchase of goods and services:**					
	Jubilant Infrastructure Limited	809.82				809.82
	Jubilant Chemsys Limited	0.03				0.03
	Priority Vendor Technologies Private Ltd		0.78			0.78
	Jubilant Agri and Consumer Products Limited		165.84			165.84
		809.85	**166.62**			**976.47**
6.	**Purchase of Merchandise Exports from India Scheme (MEIS) scripts and Duty Entitlement Pass Book and License (DEPB):**					
	Jubilant Generics Limited	32.43				32.43
		32.43				**32.43**
7.	**Recovery of expenses:**					
	Jubilant Chemsys Limited	17.35				17.35
	Jubilant Cadista Pharmaceuticals Inc.	96.20				96.20
	Jubilant HollisterStier LLC	116.93				116.93
	Jubilant DraxImage Inc.	126.23				126.23
	Jubilant Draximage Radiopharmacies Inc.	166.54				166.54
	Jubilant HollisterStier General Partnership	22.39				22.39
	Jubilant Biosys Limited	12.51				12.51
	Jubilant Generics Limited	115.22				115.22
	Jubilant Pharma Holdings Inc.	19.31				19.31
	Jubilant Pharma Limited	6.89				6.89
	Jubilant Business Services Limited	1.03				1.03
	Jubilant Therapeutics India Limited	4.63				4.63
	Jubilant Life Sciences NV	6.84				6.84
	Jubilant Enpro Private Limited		0.28			0.28
	Jubilant Agri and Consumer Products Limited		8.30			8.30
		712.07	**8.58**			**720.65**
8.	**Reimbursement of expenses:**					
	Jubilant Chemsys Limited	0.03				0.03
	Jubilant Life Sciences NV	31.40				31.40
	Jubilant Generics Limited	5.58				5.58
	Jubilant Biosys Limited	0.26				0.26
	Jubilant Life Sciences (USA) Inc.	15.73				15.73
	Jubilant Industries Limited		1.99			1.99
	Jubilant Enpro Private Limited		2.37			2.37
		53.00	**4.36**			**57.36**

Notes to the financial statements for the year ended 31 March 2019 (Continued)

FY 2018-19 (₹ in million)

Sr. No.	Particulars	Subsidiaries	Enterprise in which certain key management personnel are interested	Key management personnel	Others	Total
9.	**Remuneration (including perquisites)* :**					
	Mr. Hari S. Bhartia			110.72		110.72
	Mr. Sankaraiah Rajagopal			70.30		70.30
	Mr. Anant Pande			7.92		7.92
	Mr. Rajesh Kumar Srivastava			45.68		45.68
	Mr. Rajiv Shah			8.43		8.43
				243.05		**243.05**
10.	**Sitting fees:**					
	Dr. Ashok Misra			0.49		0.49
	Mr. S Sridhar			0.53		0.53
	Ms. Sudha Pillai			0.61		0.61
	Mr. Sushil Kumar Roongta			0.48		0.48
	Mr. Vivek Mehra			0.53		0.53
	Mr. Arun Seth			0.10		0.10
				2.74		**2.74**
11.	**Commission:**					
	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			0.44		0.44
				5.44		**5.44**
12.	**Company's contribution to provident fund trust :**					
	Vam Employee Provident Fund Trust				92.82	92.82
					92.82	**92.82**
13.	**Company's contribution to superannuation fund:**					
	Vam Officers Superannuation Fund				7.21	7.21
					7.21	**7.21**
14.	**Rent expenses:**					
	Jubilant Enpro Private Limited		17.36			17.36
			17.36			**17.36**
15.	**Donation:**					
	Jubilant Bhartia Foundation				44.27	44.27
					44.27	**44.27**
16.	**Lease rental expenses:**					
	Jubilant Infrastructure Limited	26.01				26.01
		26.01				**26.01**
17.	**Interest expenses on loans:**					
	Jubilant Generics Limited	276.27				276.27
	Jubilant Infrastructure Limited	8.77				8.77
	Jubilant Chemsys Limited	14.10				14.10
	Vanthys Pharmaceutical Development Private Limited	2.17				2.17
		301.31				**301.31**
18.	**Investment in equity share capital:**					
	Jubilant Business Services Limited	0.50				0.50
	Jubilant Therapeutics India Limited	570.00				570.00
		570.50				**570.50**

Notes to the financial statements for the year ended 31 March 2019 (Continued)

FY 2018-19 (₹ in million)

Sr. No.	Particulars	Subsidiaries	Enterprise in which certain key management personnel are interested	Key management personnel	Others	Total
19.	**Loans given:**					
	Jubilant Generics Limited	420.00				420.00
		420.00				**420.00**
20.	**Loans received back:**					
	Jubilant Employee Welfare Trust	92.99				92.99
	Jubilant Generics Limited	490.00				490.00
		582.99				**582.99**
21.	**Loans taken:**					
	Jubilant Chemsys Limited	40.00				40.00
	Jubilant Infrastructure Limited	50.00				50.00
	Jubilant Generics Limited	67.00				67.00
		157.00				**157.00**
22.	**Loans repaid:**					
	Jubilant Infrastructure Limited	25.00				25.00
	Jubilant Chemsys Limited	50.00				50.00
	Jubilant Generics Limited	67.00				67.00
		142.00				**142.00**
	Amount outstanding					
23.	**Loans payable:**					
	Jubilant Generics Limited	3,250.00				3,250.00
	Jubilant Infrastructure Limited	117.40				117.40
	Jubilant Chemsys Limited	210.00				210.00
	Vanthys Pharmaceutical Development Private Limited	31.00				31.00
		3,608.40				**3,608.40**
24.	**Interest payable on loan:**					
	Jubilant Generics Limited	21.12				21.12
		21.12				**21.12**
25.	**Commission payable #:**					
	Mr. Hari S. Bhartia			22.00		22.00
	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			0.44		0.44
				27.44		**27.44**
26.	**Trade payables:**					
	Jubilant Pharmaceuticals NV	14.82				14.82
	Jubilant Life Sciences (USA) Inc.	26.97				26.97
	Jubilant Infrastructure Limited	128.05				128.05
	PSI Supply NV	1.16				1.16
	Jubilant Biosys Limited	12.65				12.65
	Jubilant Chemsys Limited	4.50				4.50
	Jubilant Life Sciences NV	20.17				20.17
	Jubilant Generics Limited	9.67				9.67
	Jubilant Business Services Limited	0.50				0.50
	Jubilant DraxImage Limited	0.04				0.04

Notes to the financial statements for the year ended 31 March 2019 (Continued)

FY 2018-19 (₹ in million)

Sr. No.	Particulars	Subsidiaries	Enterprise in which certain key management personnel are interested	Key management personnel	Others	Total
	Priority Vendor Technologies Private Ltd		0.26			0.26
	Jubilant Industries Limited		3.70			3.70
	Jubilant Agri and Consumer Products Limited		13.56			13.56
	Jubilant Enpro Private Limited		0.92			0.92
		218.53	**18.44**			**236.97**
27.	**Other payables:**					
	JOGPL Private Limited		1.44			1.44
	Vam Employees Provident Fund Trust				21.89	21.89
	Vam Officers Superannuation Fund				1.81	1.81
			1.44		**23.70**	**25.14**
28.	**Advance from customers:**					
	Jubilant Life Sciences International Pte. Limited	4.62				4.62
		4.62				**4.62**
29.	**Trade receivables:**					
	Jubilant Life Sciences (USA) Inc.	345.14				345.14
	Jubilant Life Sciences (Shanghai) Limited	119.63				119.63
	Jubilant Chemsys Limited	0.50				0.50
	Jubilant Infrastructure Limited	0.26				0.26
	Jubilant Generics Limited	0.84				0.84
	Jubilant Life Sciences NV	746.07				746.07
	Jubilant Consumer Private Limited		0.15			0.15
	Jubilant Industries Limited		0.32			0.32
	Jubilant Agri and Consumer Products Limited		80.32			80.32
		1,212.44	**80.79**			**1,293.23**
30.	**Deposits recoverable:**					
	Jubilant Enpro Private Limited		1.27			1.27
			1.27			**1.27**
31.	**Other recoverables:**					
	Jubilant Cadista Pharmaceuticals Inc.	45.87				45.87
	Jubilant HollisterStier LLC	3.84				3.84
	Jubilant HollisterStier General Partnership	14.47				14.47
	Jubilant DraxImage Inc.	11.72				11.72
	Jubilant DraxImage Limited	8.69				8.69
	PSI Supply NV	7.77				7.77
	Jubilant Pharma Holdings Inc.	17.18				17.18
	Jubilant Pharma Limited	6.90				6.90
	Jubilant Therapeutics India Limited	4.63				4.63
	Jubilant Business Services Limited	1.03				1.03
	Jubilant Draximage Radiopharmacies Inc.	166.24				166.24
	Jubilant Agri and Consumer Products Limited		42.61			42.61
	Jubilant FoodWorks Limited		0.52			0.52
	Jubilant Enpro Private Limited		0.87			0.87
	Jubilant Consumer Private Limited		4.30			4.30
		288.34	**48.30**			**336.64**

Notes to the financial statements for the year ended 31 March 2019 (Continued)

FY 2017-18 (₹ in million)

Sr. No.	Particulars	Subsidiaries	Enterprise in which certain key management personnel are interested	Key management personnel	Others	Total
	Description of transactions:					
1.	**Sales of goods and services:**					
	Jubilant Life Sciences (Shanghai) Limited	1,160.05				1,160.05
	Jubilant Life Sciences (USA) Inc.	1,466.35				1,466.35
	Jubilant Chemsys Limited	9.10				9.10
	Jubilant Infrastructure Limited	4.00				4.00
	Jubilant Life Sciences International Pte. Limited	1,725.18				1,725.18
	Jubilant Life Sciences NV	3,681.27				3,681.27
	Jubilant Generics Limited	79.53				79.53
	Jubilant FoodWorks Limited		0.95			0.95
	Jubilant Agri and Consumer Products Limited		131.64			131.64
		8,125.48	**132.59**			**8,258.07**
2.	**Rental and other income:**					
	Jubilant Chemsys Limited	14.87				14.87
	Jubilant Cadista Pharmaceuticals Inc.	0.47				0.47
	Jubilant HollisterStier LLC	1.35				1.35
	Jubilant DraxImage Inc.	0.31				0.31
	Jubilant HollisterStier General Partnership	0.68				0.68
	Jubilant Biosys Limited	6.80				6.80
	Jubilant Generics Limited	96.76				96.76
	Jubilant Enpro Private Limited		14.43			14.43
	JOGPL Private Limited		15.09			15.09
	Jubilant FoodWorks Limited		10.15			10.15
	Jubilant Industries Limited		0.18			0.18
	Jubilant Agri and Consumer Products Limited		49.31			49.31
	Jubilant MotorWorks Private Limited		0.64			0.64
	Jubilant Consumer Private Limited		1.87			1.87
		121.24	**91.67**			**212.91**
3.	**Dividend income:**					
	Jubilant Infrastructure Limited	120.69				120.69
		120.69				**120.69**
4	**Interest income:**					
	Jubilant Generics Limited	4.52				4.52
		4.52				**4.52**
5.	**Purchase of goods and services:**					
	Jubilant Infrastructure Limited	727.07				727.07
	Jubilant Generics Limited	2.14				2.14
	Jubilant Chemsys Limited	0.06				0.06
	Priority Vendor Technologies Private Ltd		0.84			0.84
	Jubilant Agri and Consumer Products Limited		142.49			142.49
		729.27	**143.33**			**872.60**
6.	**Purchase of Merchandise Exports from India Scheme (MEIS) scripts and Duty Entitlement Pass Book and License (DEPB)**					
	Jubilant Generics Limited	147.78				147.78
		147.78				**147.78**
7.	**Purchase of property, plant and equipment**					
	Jubilant Infrastructure Limited	0.03				0.03
		0.03				**0.03**

Notes to the financial statements for the year ended 31 March 2019 (Continued)

FY 2017-18 (₹ in million)

Sr. No.	Particulars	Subsidiaries	Enterprise in which certain key management personnel are interested	Key management personnel	Others	Total
8.	**Recovery of expenses:**					
	Jubilant Chemsys Limited	27.28				27.28
	Jubilant Cadista Pharmaceuticals Inc.	83.47				83.47
	Jubilant HollisterStier LLC	118.52				118.52
	Jubilant DraxImage Inc.	139.28				139.28
	Jubilant DraxImage Limited	1.21				1.21
	Jubilant HollisterStier General Partnership	20.84				20.84
	Jubilant Infrastructure Limited	0.02				0.02
	Jubilant Biosys Limited	26.49				26.49
	Jubilant Generics Limited	132.49				132.49
	Jubilant Pharma Holdings Inc.	10.68				10.68
	Jubilant Pharma Limited	0.17				0.17
	Jubilant Enpro Private Limited		0.21			0.21
	Jubilant Agri and Consumer Products Limited		22.61			22.61
	JOGPL Private Limited		0.65			0.65
		560.45	**23.47**			**583.92**
9.	**Reimbursement of expenses:**					
	Jubilant Chemsys Limited	0.05				0.05
	Jubilant Infrastructure Limited	0.32				0.32
	Jubilant Life Sciences NV	4.71				4.71
	Jubilant Generics Limited	5.16				5.16
	Jubilant HollisterStier LLC	0.07				0.07
	Jubilant Pharma Holdings Inc.	13.46				13.46
	Jubilant Industries Limited		1.27			1.27
	Jubilant Agri and Consumer Products Limited		1.06			1.06
	Jubilant Enpro Private Limited		1.46			1.46
		23.77	**3.79**			**27.56**
10.	**Remuneration (including perquisites)* :**					
	Mr. Hari S. Bhartia			133.92		133.92
	Mr. Sankaraiah Rajagopal			62.91		62.91
	Mr. Pramod Yadav			28.73		28.73
	Mr. Rajesh Kumar Srivastava			6.06		6.06
	Mr. Rajiv Shah			8.16		8.16
				239.78		**239.78**
11.	**Sitting fees:**					
	Dr. Ashok Misra			0.40		0.40
	Mr. S Sridhar			0.54		0.54
	Ms. Sudha Pillai			0.55		0.55
	Mr. Sushil Kumar Roongta			0.25		0.25
	Mr. Vivek Mehra			0.25		0.25
				1.99		**1.99**
12.	**Commission:**					
	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			0.86		0.86
	Mr. Vivek Mehra			0.86		0.86
				4.72		**4.72**
13.	**Company's contribution to provident fund trust :**					
	Vam Employee Provident Fund Trust				85.79	85.79
					85.79	**85.79**

Notes to the financial statements for the year ended 31 March 2019 (Continued)

FY 2017-18 (₹ in million)

Sr. No.	Particulars	Subsidiaries	Enterprise in which certain key management personnel are interested	Key management personnel	Others	Total
14.	**Company's contribution to superannuation fund:**					
	Vam Officers Superannuation Fund				6.98	6.98
					6.98	**6.98**
15.	**Rent expenses:**					
	Jubilant Enpro Private Limited		15.81			15.81
			15.81			**15.81**
16.	**Donation:**					
	Jubilant Bhartia Foundation				21.59	21.59
					21.59	**21.59**
17.	**Lease rental expenses:**					
	Jubilant Infrastructure Limited	19.55				19.55
		19.55				**19.55**
18.	**Interest expenses on loans:**					
	Jubilant Generics Limited	276.28				276.28
	Jubilant Infrastructure Limited	10.64				10.64
	Jubilant Chemsys Limited	1.07				1.07
	Vanthys Pharmaceutical Development Private Limited	2.94				2.94
		290.93				**290.93**
19.	**Share capital reduction:**					
	Jubilant Clinsys Limited	270.50				270.50
		270.50				**270.50**
20.	**Investment in equity share capital:**					
	Drug Discovery and Development Solutions Limited	234.32				234.32
		234.32				**234.32**
21.	**Loans given:**					
	Jubilant Generics Limited	1,830.50				1,830.50
		1,830.50				**1,830.50**
22.	**Loans received back:**					
	Jubilant Employee Welfare Trust	19.00				19.00
	Jubilant Generics Limited	1,760.50				1,760.50
		1,779.50				**1,779.50**
23.	**Loans taken:**					
	Jubilant Chemsys Limited	220.00				220.00
	Jubilant Generics Limited	55.00				55.00
		275.00				**275.00**
24.	**Loans repaid:**					
	Jubilant Infrastructure Limited	50.00				50.00
	Jubilant Generics Limited	55.00				55.00
		105.00				**105.00**
	Amount outstanding:					
25.	**Loans payable:**					
	Jubilant Generics Limited	3,250.00				3,250.00
	Jubilant Infrastructure Limited	92.40				92.40
	Jubilant Chemsys Limited	220.00				220.00
	Vanthys Pharmaceutical Development Private Limited	31.00				31.00
		3,593.40				**3,593.40**
26.	**Interest payable on loan**					
	Jubilant Generics Limited	21.12				21.12
		21.12				**21.12**

Notes to the financial statements for the year ended 31 March 2019 (Continued)

FY 2017-18 (₹ in million)

Sr. No.	Particulars	Subsidiaries	Enterprise in which certain key management personnel are interested	Key management personnel	Others	Total
27.	**Commission payable #:**					
	Mr. Hari S. Bhartia			45.00		45.00
	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			0.86		0.86
	Mr. Vivek Mehra			0.86		0.86
				49.72		**49.72**
28.	**Trade payables:**					
	Jubilant Pharmaceuticals NV	15.42				15.42
	Jubilant Life Sciences (USA) Inc.	10.79				10.79
	Jubilant Infrastructure Limited	201.48				201.48
	PSI Supply NV	1.21				1.21
	Jubilant Biosys Limited	0.27				0.27
	Jubilant Chemsys Limited	0.06				0.06
	Jubilant Life Sciences NV	3.63				3.63
	Jubilant Generics Limited	16.12				16.12
	Jubilant Pharma Holdings Inc.	13.46				13.46
	Jubilant Industries Limited		4.71			4.71
	Jubilant Agri and Consumer Products Limited		22.61			22.61
	Jubilant Enpro Private Limited		14.34			14.34
		262.44	**41.66**			**304.10**
29.	**Other payables:**					
	JOGPL Private Limited		1.44			1.44
	B&M Hot Breads Private Limited		0.32			0.32
	Vam Employees Provident Fund Trust				15.09	15.09
	Vam Officers Superannuation Fund				0.58	0.58
			1.76		**15.67**	**17.43**
30.	**Loans recoverable:**					
	Jubilant Generics Limited	70.00				70.00
	Jubilant Employee Welfare Trust	92.99				92.99
		162.99				**162.99**
31.	**Trade receivables:**					
	Jubilant Life Sciences (USA) Inc.	431.41				431.41
	Jubilant Life Sciences (Shanghai) Limited	185.92				185.92
	Jubilant Chemsys Limited	0.69				0.69
	Jubilant Infrastructure Limited	1.84				1.84
	Jubilant Life Sciences International Pte. Limited	303.82				303.82
	Jubilant Generics Limited	21.20				21.20
	Jubilant Life Sciences NV	1,057.16				1,057.16
	Jubilant FoodWorks Limited		0.95			0.95
	Jubilant Industries Limited		0.10			0.10
	Jubilant Agri and Consumer Products Limited		59.23			59.23
		2,002.04	**60.28**			**2,062.32**
32.	**Deposits recoverable:**					
	Jubilant Enpro Private Limited		1.27			1.27
			1.27			**1.27**

Notes to the financial statements for the year ended 31 March 2019 (Continued)

FY 2017-18 (₹ in million)

Sr. No.	Particulars	Subsidiaries	Enterprise in which certain key management personnel are interested	Key management personnel	Others	Total
33.	**Other recoverables:**					
	Jubilant Cadista Pharmaceuticals Inc.	29.36				29.36
	Jubilant HollisterStier LLC	43.76				43.76
	Jubilant Clinsys Inc.	13.43				13.43
	Jubilant HollisterStier General Partnership	4.54				4.54
	Jubilant DraxImage Inc.	25.31				25.31
	Jubilant DraxImage Limited	8.73				8.73
	Jubilant Biosys Limited	0.18				0.18
	PSI Supply NV	8.08				8.08
	Jubilant Pharma Holdings Inc.	10.72				10.72
	JOGPL Private Limited		1.16			1.16
	Jubilant Agri and Consumer Products Limited		20.52			20.52
	B&M Hot Breads Private Limited		0.32			0.32
	Jubilant FoodWorks Limited		9.84			9.84
	Jubilant MotorWorks Private Limited		0.26			0.26
	Jubilant Consumer Private Limited		1.69			1.69
		144.11	**33.79**			**177.90**
34.	Mortgage of Land and Building at Bharuch owned by one of Subsidiaries as Security against Term Loan					

* 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 2019	31 March 2018
Short term employment benefits	235.38	232.80
Post employment benefits	7.67	6.98
	243.05	**239.78**

Commission payable is subject to the approval of shareholders in the annual general meeting.

38. 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 2019	31 March 2018
Central Excise	407.55	664.19
Customs	34.48	15.52
Sales Tax	76.99	68.14
Income Tax	2,349.80	2,163.38
Service Tax and GST	2.42	13.61
State Excise	655.51	600.91
Others	324.24	334.06

During the FY 2018-19, the Company had received favourable order dated 12 March 2019 from Hon’ble Income Tax Appellate Tribunal, Delhi pertaining to FY 1999-00 to FY 2007-08. The Hon'ble ITAT had vide its order allowed various grounds in favour of the Company. Further, the Tax Department may file appeal before the Hon’ble High Court against the aforesaid order passed by the Hon’ble ITAT, Delhi.

Notes to the financial statements for the year ended 31 March 2019 (Continued)

Excluding claims in respect of business transferred to Jubilant Generics Limited and Jubilant Industries Limited in accordance with the demerger schemes approved by the Hon'ble Allahabad High Court, though the litigations may be continuing in the name of the Company.

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 can not 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.

39. Commitments as at year end

a) Capital Commitments:

Estimated amount of contracts remaining to be executed on capital account (net of advances) ₹ 724.00 million (31 March 2018: ₹ 1,137.35 million) for property, plant and equipment.

b) Leases:

(i) The Company's significant operating lease arrangements are in respect of premises (residential, offices, godown etc.). These leasing arrangements, which are cancellable, range between 11 months and 3 years generally and are usually renewable by mutual agreeable terms. The aggregate lease rentals payable are charged as expenses. Rental payments under such leases are ₹ 103.68 million (31 March 2018: ₹ 103.87 million) has been included under rent expense in note 29.

(ii) The Company has operating lease arrangements in respect of vehicles which are cancellable, range between 2 years and 5 years. The aggregate lease rentals payable are charged as expenses. Rental expenses recognized under such leases amounting to ₹ 5.52 million (31 March 2018: ₹ 5.81 million) has been included under vehicle running and maintenance expense in note 29.

(iii) The Company has significant operating lease arrangements which are non-cancellable for a period up to 25 years. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated.

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

(₹ in million)

	Minimum lease payments as at	
	31 March 2019	31 March 2018
Not later than one year	26.76	26.01
Later than one year but not later than five years	115.52	106.01
Later than five years	527.58	560.91

Rental expenses recognised under such leases during the year are ₹ 42.81 million (31 March 2018: ₹ 36.35 million).

Notes to the financial statements for the year ended 31 March 2019 (Continued)

(iv) Assets acquired under finance lease:

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

(₹ in million)

	Minimum lease payments		Present value of minimum lease payments		Future interest	
	As at					
	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Not later than one year	17.87	16.48	13.24	11.54	4.63	4.94
Later than one year but not later than five years	27.33	31.77	22.72	26.00	4.61	5.77
Later than five years	-	-	-	-	-	-

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

c) **Other Commitments:**

Export obligation under Advance License Scheme on duty free import of specific raw materials, remaining outstanding is ₹ 2,213.31 million (31 March 2018: ₹ 2,418.53 million).

40. Disclosure pursuant to section 186(4) of the Companies Act, 2013 in respect of unsecured loans to subsidiary companies [Refer note 37]:

(₹ in million)

	Purpose/Term of loan	As at	
		31 March 2019	31 March 2018
Jubilant Generics Limited	General business purpose and interest rate upto 7% p.a.		
Outstanding as at the beginning of year		70.00	-
Given during the year		420.00	1,830.50
Repaid during the year		490.00	1,760.50
Maximum balance outstanding		160.00	503.00
Outstanding as at the end of year		-	70.00

41. **(a) Corporate Social Responsibility (CSR) expense:**

(₹ in million)

	For the year ended	
	31 March 2019	31 March 2018
Prescribed CSR expenditure as per Section 135 of the Companies Act, 2013	38.23	10.90
Details of CSR spent during the financial year (1)		
a) Construction / acquisition of any asset	-	-
b) On purposes other than (a) above	38.23	10.90

(1) Included in Donation – Refer note 29

(b) Donation includes ₹ 30 million (31 march 2018 ₹ Nil) to Prudent Electoral Trust during the year.

42. Government grant recoverable ₹ 126.04 million (31 March 2018: ₹ 181.84 million) and government grant recognized ₹ 290.35 million (31 March 2018: ₹ 360.94 million) in the Statement of Profit and Loss.

43. During the year, finance costs amounting to ₹ 115.82 million (31 March 2018: ₹ 57.68 million) has been capitalized in property, plant and equipment, calculated using capitalisation rate of 8.4% (31 March 2018: 8.0%).

44. During year ended 31 March 2019, the Company has capitalised exchange gain amounting to ₹ Nil (31 March 2018: ₹ 4.94 million) to the cost of property, plant and equipment and exchange gain of ₹ Nil (31 March 2018: ₹ 1.81 million) to foreign currency monetary item translation difference account (FCMITDA). During the year ₹ Nil (31 March 2018:

Notes to the financial statements for the year ended 31 March 2019 (Continued)

₹ 5.26 million) has been amortised to the Statement of Profit and Loss and balance of ₹ Nil (31 March 2018: ₹ Nil) is carried in Balance Sheet as at 31 March 2019.

45. 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.

46. Employee Stock Option Scheme

The Company has two stock option plans in place namely:

- Jubilant Employees Stock Option Plan, 2005 ("Plan 2005")
- 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 2005, as amended, and under Plan 2011, up to 1,100,000 Stock Options and up to 5,352,000 Stock Options, respectively, can be issued to eligible directors (other than promoter directors) and other specified categories of employees of the Company/ subsidiaries. Options are to be granted at market price. As per the SEBI guidelines, the market price is taken as the closing price on the day preceding the date of grant of options, on the stock exchange where the trading volume is the highest. Under Plan 2005, each option, upon vesting, shall entitle the holder to acquire five equity shares of ₹ 1 each. Options granted up to 28 August 2009 will vest entirely within two years from the grant date, with certain lock-in provisions. Options granted after 28 August 2009 will vest gradually over a period of 5 years from the grant date, without any lock-in provisions.

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 2005						PLAN 2011		
	Vesting schedule (With lock in)			Vesting schedule (Without lock in)			Vesting schedule		
	Applicable for grants made up to 28 August, 2009			Applicable for grants made after 28 August, 2009					
Sr. No	% of options scheduled to vest	Vesting date	Lock-in period	% of options scheduled to vest	Vesting date	Lock-in period	% of options scheduled to vest	Vesting date	Lock-in period
1	10	1 year from grant date	Nil	10	1 year from grant date	Nil	20	1 year from grant date	Nil
2	15	2 years from grant date	Nil	15	2 years from grant date	Nil	30	2 years from grant date	Nil
3	20	2 years from grant date	1 year from vesting date	20	3 years from grant date	Nil	50	3 years from grant date	Nil
4	25	2 years from grant date	2 years from vesting date	25	4 years from grant date	Nil			
5	30	2 years from grant date	3 years from vesting date	30	5 years from grant date	Nil			

Notes to the financial statements for the year ended 31 March 2019 (Continued)

There were no options granted during the year ended 31 March 2019 and 31 March 2018, 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.

In 2008-09, members approved constitution of Jubilant Employees Welfare Trust ('Trust') for the purpose of acquisition of equity shares of the Company from the secondary market or subscription of shares from the Company, to hold the shares and to allocate/transfer these shares to eligible employees of the Company/subsidiaries from time to time on the terms and conditions specified under respective Plans. The members authorised grant of loan(s) from time to time to the Trust in one or more tranches, up to ₹ 1,000 million either free of interest or at interest agreed between the Board and the Trust. The outstanding loan to the Trust as at 31 March 2019 is ₹ Nil (31 March 2018: ₹ 92.99 million).

Up to 31 March 2019, the Trust has purchased 6,363,506 equity shares of the Company from the open market, out of interest free loan provided by the Company, of which 2,879,277 (31 March 2018: 2,856,689) shares were transferred to the employees on exercise of Options. Further, during the year ended 31 March 2019, in order to comply with SEBI (Share Based Employee Benefits) Regulations, 2014, Jubilant Employees Welfare Trust sold 3,474,601 equity shares of the Company representing shares which were not backed by stock option grants to employees. The Trust is also holding 170,364 (31 March 2018: 170,364) equity shares of Jubilant Industries Limited issued to it in accordance with the Scheme of Amalgamation and Demerger amongst the Company, Jubilant Industries Limited and others.

The movement in the equity shares held by trust:

	Number of equity shares	
	31 March 2019	31 March 2018
At the commencement of the year	3,506,817	3,548,951
Sale of shares by trust	3,474,601	-
Transfer to employees on exercise of options	22,588	42,134
At the end of the year	**9,628**	**3,506,817**

The movement in the stock options under both the Plans, during the year, is set out below:

Under Plan 2005

	For the year ended			
	31 March 2019		31 March 2018	
	Number of options	Weighted average exercise price (₹)	Number of options	Weighted average exercise price (₹)
Outstanding at the beginning of the year	-	-	2,867	295.87
Forfeited/lapsed during the year	-	-	(801)	258.31
Exercised during the year	-	-	(2,066)	310.42
Outstanding at the end of the year	-	-	-	-
Exercisable at the end of the year	-	-	-	-

The Board has decided that no further grants will be made under Plan 2005.

Under Plan 2011

	For the year ended			
	31 March 2019		31 March 2018	
	Number of options	Weighted average exercise price (₹)	Number of options	Weighted average exercise price (₹)
Outstanding at the beginning of the year	32,216	213.43	71,185	216.83
Forfeited/lapsed during the year	-	-	(7,165)	214.03
Exercised during the year	(22,588)	211.46	(31,804)	220.90
Outstanding at the end of the year	9,628	218.04	32,216	213.43
Exercisable at the end of the year	9,628	218.04	32,216	213.43

Notes to the financial statements for the year ended 31 March 2019 (Continued)

The weighted average share price for share options exercised during the year ended 31 March 2019 is ₹ 765.19 (31 March 2018: ₹ 804.21).

The Company has granted following stock options to certain senior executives of its subsidiaries/step down subsidiaries under these stock option schemes:

Under Plan 2011, options outstanding at the end of the year:

	As at 31 March 2019		As at 31 March 2018	
	Number of options	Weighted average exercise price (₹)	Number of options	Weighted average exercise price (₹)
Jubilant Generics Limited*	785	220.90	7,366	213.83
Drug Discovery and Development Solutions Limited	1,319	200.05	1,319	200.05

* Represents options outstanding out of options granted to employees of the Company which were transferred to Jubilant Generics Limited on account of sale of businesses.

Fair value of option granted

The weighted average fair value of options granted for Plan 2005 and Plan 2011 were ₹ 94.18 per option and ₹ 84.90 per option respectively. 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 two plans:

	Plan 2005	Plan 2011
Expected volatility	29.73% - 41.76%	38.36% - 45.95%
Risk free interest rate	7.52% - 9.44%	7.74% - 8.81%
Exercise price (₹)	198.55 - 359.25	170.20 - 220.90
Expected dividend yield	0.51% - 0.90%	0.63% - 1.10%
Life of options (years)	4.25	3.65

Expected volatility has been 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.

Share options outstanding at the end of the year:

Options	Options outstanding as at		Remaining contractual life as at (in years)		Exercise Price as at	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Option Plan 2011	9,628	32,216	-	-	218.04	213.43
Total	**9,628**	**32,216**	**-**	**-**		

47. During the year ended 31 March 2018, the National Company Law Tribunal Allahabad Branch has approved a capital reduction scheme in respect of Jubilant Clinsys Limited (JCL), an indirect wholly owned subsidiary of the Company, resulting in realisation of investment amounting to ₹ 270.50 million made by the Company in 6,200,000 8% convertible non-cumulative redeemable preference shares of ₹ 10 each and 20,850,000 6% convertible non-cumulative redeemable preference shares of ₹ 10 each amounting to ₹ 62.00 million and ₹ 208.50 million, respectively of JCL.

48. On 31 January 2019, 6,200,000 8% convertible non-cumulative redeemable preference shares of ₹ 10 each of Jubilant Chemsys Limited held by the Company have been converted into 6,200,000 equity shares of ₹ 10 each.

Notes to the financial statements for the year ended 31 March 2019 (Continued)

49. On 31 January 2019, 186,620,000 12% convertible non-cumulative redeemable preference shares of ₹ 10 each of Jubilant Biosys Limited have been converted into 186,620,000 equity shares of ₹ 10 each.

50. Earnings per share

		For the year ended	
		31 March 2019	**31 March 2018**
Profit for basic and diluted earnings per share of ₹ 1 each	**₹ in million**	**1,476.30**	**2,634.42**
Weighted average number of equity shares used in computing earnings per share			
For basic earnings per share	Nos.	**159,281,139**	**159,281,139**
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.	-	-
No. of shares for diluted earnings per share	Nos.	**159,281,139**	**159,281,139**
Earnings per share (face value of ₹ 1 each)			
Basic	₹	9.27	16.54
Diluted	₹	9.27	16.54

51. 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 Life Sciences Limited**

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

Pravin Tulsyan
Partner
Membership No.: 108044

Shyam S. Bhartia
Chairman
DIN:00010484

Place: Noida
Date: 17 May 2019

Rajiv Shah
Company Secretary

Sankaraiah Rajagopal
Executive Director-Finance

Hari S. Bhartia
Co-Chairman and Managing Director
DIN:00010499

Independent Auditors' Report

To the Members of Jubilant Life Sciences Limited

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Jubilant Life Sciences Limited (hereinafter referred to as the 'Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2019, 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 as at 31 March 2019, 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 in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Act. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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.

Accounting for Research and Development ("Product related Intangible") and impairment testing of these intangibles and Goodwill **See note 4 and 42 to the consolidated financial statements**	
The key audit matter	**How the matter was addressed in our audit**
The Group is carrying product related intangible included under "Other intangible assets" and "Intangible assets under development" aggregating to ₹ 2,502.16 million and ₹ 4,098.24 million, respectively, representing 5.76% of the Group's total assets. Further, as at 31 March 2019, the Group has Goodwill of ₹ 19,589.36 million which represents 17.08% of the Group's total assets which has been allocated to different cash generating units (CGUs). The assessment and timing of whether assets meet the capitalisation criteria set out in relevant accounting standards requires judgment. In addition to capitalization criteria, management's assessment involve significant judgement in estimating the recoverable amount and the costs to complete the development. Management's assessment of recoverable amount primarily involves significant judgement in estimating the revenue growth, expected market share and discount rate.	Our audit procedures in these areas included, among others: • assessing the design, implementation and testing the operating effectiveness of controls over the application of the policy to expenditure incurred on projects within the Group's capital programme during the year, determining the carrying amount and the recoverable amount of the cash generating unit to which the goodwill is allocated and management's review of impairment assessment. This also includes consideration of the allocation of costs between capital and operating expenditure based on the project; • performing sample tests of projects started including an examination of management's assessment as to whether the project spend met the recognition criteria set forth in relevant accounting standards;

Accounting for Research and Development ("Product related Intangible") and impairment testing of these intangibles and Goodwill See note 4 and 42 to the consolidated financial statements	
The key audit matter	**How the matter was addressed in our audit**
Further, management's assessment process is complex in determining the appropriate allocation of the goodwill to cash generating unit and assumptions to be used to estimate the recoverable amount as it involves significant judgement. The recoverable amount of the CGUs has been derived from discounted forecast cash flow models. These models use several key assumptions, including estimates of future sales volumes, and prices, operating costs, terminal value growth rates and the discount rate.	• for a sample of capital projects, inspecting capital project authorisation, and agreeing a sample of project costs to appropriate evidence; • involving valuation specialists to assist in evaluating the assumptions and methodologies used by the Group on assessment of goodwill are reasonable, in particular the appropriateness of the discount rates applied, which included comparing the weighted average cost of capital; • evaluating the appropriateness of the assumptions applied to key inputs such as revenue projections, operating costs, inflation and long-term growth rates for goodwill and product related Intangible, which included assessments based on our knowledge of the Group and the industry; • interviewing key research & development personnel and commercial personnel to corroborate the assumptions used; • examining the causes of differences between past cash flow projections and actual cash flows in respect of product related intangibles and goodwill; • performing sensitivity analysis, which included assessing the effect of reasonably possible variations in certain key inputs on the currently estimated headroom for various CGUs; and • evaluating and assessing the adequacy of related disclosures in consolidated financial statements on the assumptions underlying the impairment assessment performed by management.

Income taxes See note 8 and 29 to the consolidated financial statements	
The key audit matter	**How the matter was addressed in our audit**
The Group operates across a number of different tax jurisdictions (primarily US, Canada and India) giving rise to a high level of cross-border transactions and complex taxation arrangements being subject to various country specific tax laws. During the normal course of business local tax authorities may review various tax position of the Group. While, the Group has recognized provisions against uncertain tax positions, judgement is required in the estimation of taxation assets and liabilities.	Our audit approach included assessing the design, implementation and testing the operating effectiveness of controls over the taxes and the use of local tax specialists in all material jurisdictions to evaluate accounting for taxes and potential exposures for the year ended 31 March 2019. We obtained explanations from management regarding the known uncertain tax positions. We evaluated the assumptions and material judgements made by management in accounting for taxes but not limited to tax provision, pending litigation and realisability of deferred tax assets. Our evaluation was based on understanding of relevant law, historical experience, expected taxable profit in foreseeable future and explanation provided by the management.

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.

Responsibilities of Management and Those Charged with Governance 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 and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group 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 Board of Directors of the companies included in the Group 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 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 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 management 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 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 whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting 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 (company and subsidiaries) 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 to express an opinion on the consolidated financial statements, of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of financial information of such entities.

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.

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 and the reports of the other auditors.

   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.

   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 2019 taken on record by the Board of Directors of the Holding Company and audit reports of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls 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".

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 2019 on the consolidated financial position of the Group. Refer Note 37 to the consolidated financial statements.

   ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2019.

   iii. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies incorporated in India during the year ended 31 March 2019.

   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 financial statements since they do not pertain to the financial year ended 31 March 2019

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 during the current year by the Holding Company and its subsidiary companies incorporated in India to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and 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.

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.: 101248W/W-100022

Pravin Tulsyan
Partner
Membership No.: 108044

Place: Noida
Date: 17 May 2019

Annexure A to the Independent Auditor's Report of even date on consolidated financial statements of Jubilant Life Sciences Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act (referred to in paragraph 1(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

In conjunction with out audit of Consolidated financial statements of Jubilant Life Sciences Limited ("the Holding Company") as of and for the year ended 31 March 2019, we have audited the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies incorporated in India, as of the date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Holding Company and its subsidiary companies incorporated in India considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Holding Company's and its subsidiary companies incorporated in India internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the 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 Holding Company's and its subsidiary companies incorporated in India, internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to 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 Financial Statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its subsidiary companies incorporated in India have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2019, based on the internal control with reference to financial statements criteria established by the Holding Company and its subsidiary companies considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

Pravin Tulsyan
Partner
Membership No.: 108044

Place: Noida
Date: 17 May 2019

Consolidated Balance Sheet as at 31 March 2019

(₹ in million)

	Notes	As at 31 March 2019	As at 31 March 2018
ASSETS			
Non-current assets			
Property, plant and equipment	3	33,962.14	31,925.20
Capital work-in-progress	3	4,916.02	3,000.90
Goodwill	4	19,589.36	18,876.98
Other intangible assets	4	2,932.28	3,203.35
Intangible assets under development	4	4,098.24	3,708.84
Financial assets			
i. Investments	5	1,151.06	1,235.22
ii. Loans	6	155.57	144.92
iii. Other financial assets	7	6.34	5.33
Deferred tax assets (net)	8	1,495.47	1,604.46
Income tax assets (net)		313.49	205.82
Other non-current assets	9	217.09	367.59
Total non-current assets		**68,837.06**	**64,278.61**
Current assets			
Inventories	10	14,173.94	13,913.88
Financial assets			
i. Trade receivables	11	12,715.49	11,307.64
ii. Cash and cash equivalents	12(a)	10,053.97	2,441.76
iii. Other bank balances	12(b)	3,650.13	46.18
iv. Loans	6	36.79	45.98
v. Other financial assets	7	1,069.11	882.71
Income tax assets (net)		11.70	47.71
Other current assets	13	4,136.86	3,211.71
Total current assets		**45,847.99**	**31,897.57**
Total assets		**114,685.05**	**96,176.18**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	159.29	155.79
Other equity		47,929.88	40,709.51
Equity attributable to owners of the Company		**48,089.17**	**40,865.30**
Non-controlling interest		0.99	(515.22)
Total equity		**48,090.16**	**40,350.08**
Liabilities			
Non-current liabilities			
Financial liabilities			
i. Borrowings	16(a)	42,428.90	30,478.08
ii. Other financial liabilities	19	4.54	2,522.08
Provisions	17	1,143.47	1,070.78
Deferred tax liabilities (net)	8	2,023.54	1,630.63
Other non-current liabilities	20	97.15	77.59
Total non-current liabilities		**45,697.60**	**35,779.16**
Current liabilities			
Financial liabilities			
i. Borrowings	16(b)	4,997.13	2,448.52
ii. Trade payables	18		
Total outstanding dues of micro enterprises and small enterprises		105.78	36.62
Total outstanding dues of creditors other than micro enterprises and small enterprises		10,095.49	11,324.99
iii. Other financial liabilities	19	3,954.01	4,217.50
Other current liabilities	20	781.74	841.18
Provisions	17	687.39	417.04
Current tax liabilities (net)		275.75	761.09
Total current liabilities		**20,897.29**	**20,046.94**
Total liabilities		**66,594.89**	**55,826.10**
Total equity and liabilities		**114,685.05**	**96,176.18**

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 Life Sciences Limited**

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

Pravin Tulsyan
Partner
Membership No.: 108044

Shyam S. Bhartia
Chairman
DIN:00010484

Place: Noida
Date: 17 May 2019

Rajiv Shah
Company Secretary

Sankaraiah Rajagopal
Executive Director-Finance

Hari S. Bhartia
Co-Chairman and Managing Director
DIN:00010499

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

(₹ in million)

	Notes	For the year ended	
		31 March 2019	31 March 2018
Revenue from operations	21	91,108.17	75,578.08
Other income	22	357.40	400.33
Total income		**91,465.57**	**75,978.41**
Expenses			
Cost of materials consumed	23	32,828.00	26,781.45
Purchases of stock-in-trade		2,409.11	2,428.15
Changes in inventories of finished goods, stock-in-trade and work-in-progress	24	(18.71)	(521.98)
Excise duty on sales		-	399.73
Employee benefits expense	25	19,259.59	15,558.78
Finance costs	26	2,198.08	2,842.83
Depreciation, amortisation and impairment expense	27	3,708.96	4,150.49
Other expenses	28	19,240.13	15,748.14
Total expenses		**79,625.16**	**67,387.59**
Profit before exceptional items and tax		**11,840.41**	**8,590.82**
Exceptional items	43	2,802.30	-
Profit before tax		**9,038.11**	**8,590.82**
Tax expense	29		
- Current tax		2,821.51	2,990.58
- Deferred tax charge/(credit)		446.52	(743.94)
Total tax expense		**3,268.03**	**2,246.64**
Profit for the year		**5,770.08**	**6,344.18**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Changes in fair value of equity investments which are classified at fair value through OCI		(64.13)	8.99
Remeasurement of defined benefit obligations		(15.38)	(44.76)
Income tax relating to items that will not be reclassified to profit or loss	29	5.12	15.75
		(74.39)	**(20.02)**
Items that will be reclassified to profit or loss			
Exchange differences on translation of foreign operations		(63.44)	673.94
Income tax relating to items that will be reclassified to profit or loss		-	-
		(63.44)	**673.94**
Other comprehensive (loss)/income for the year, net of tax		**(137.83)**	**653.92**
Total comprehensive income for the year		**5,632.25**	**6,998.10**
Profit is attributable to:			
Owners of the Company		5,744.56	6,428.06
Non-controlling interests		25.52	(83.88)
		5,770.08	**6,344.18**
Other comprehensive (loss)/income is attributable to:			
Owners of the Company		(137.69)	654.00
Non-controlling interests		(0.14)	(0.08)
		(137.83)	**653.92**
Total comprehensive income is attributable to:			
Owners of the Company		5,606.87	7,082.06
Non-controlling interests		25.38	(83.96)
		5,632.25	**6,998.10**
Earnings per equity share of ₹ 1 each	47		
Basic (₹)		36.86	41.25
Diluted (₹)		36.86	41.25

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 Life Sciences Limited**

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

Pravin Tulsyan
Partner
Membership No.: 108044

Shyam S. Bhartia
Chairman
DIN:00010484

Place: Noida
Date: 17 May 2019

Rajiv Shah
Company Secretary

Sankaraiah Rajagopal
Executive Director-Finance

Hari S. Bhartia
Co-Chairman and Managing Director
DIN:00010499

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

A. Equity share capital

	(₹ in million)
Balance as at 1 April 2017	**155.75**
Shares transferred by ESOP trust to employees on exercise of stock options	0.04
Balance as at 31 March 2018	**155.79**
Shares sold by ESOP trust (3)	3.48
Shares transferred by ESOP trust to employees on exercise of stock options	0.02
Balance as at 31 March 2019	**159.29**

B. Other equity

(₹ in million)

	Attributable to owners of the Company													Attributable to Non-controlling interest	Total
	Reserves and surplus (2)										Items of Other Comprehensive Income (2)		Total attributable to owners of the Company		
	Capital reserve	Securities premium	Capital redemption reserve	Amalgamation reserve	General reserve	Legal reserve	Debenture redemption reserve	Share based payment reserve (3)	Foreign currency monetary item translation difference account (FCMITDA)	Retained earnings	Equity instruments through OCI	Foreign currency translation reserve			
Balance as at 1 April 2017	**329.01**	**5,436.29**	**398.36**	**13.21**	**6,068.38**	**31.31**	**374.60**	**4.86**	**(19.67)**	**20,939.22**	**557.75**	**71.36**	**34,204.68**	**(473.88)**	**33,730.80**
Profit/(loss) for the year	-	-	-	-	-	-	-	-	-	6,428.06	-	-	6,428.06	(83.88)	6,344.18
Other comprehensive income/(loss)	-	-	-	-	-	-	-	-	-	(28.82)	8.99	673.83	654.00	(0.08)	653.92
Total comprehensive income/(loss) for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**6,399.24**	**8.99**	**673.83**	**7,082.06**	**(83.96)**	**6,998.10**
Employee stock option exercised/forfeited/lapsed	-	-	-	-	3.20	-	-	(3.20)	-	-	-	-	-	-	-
Dividend	-	-	-	-	-	-	-	-	-	(477.84)	-	-	(477.84)	-	(477.84)
Tax on dividend (1)	-	-	-	-	-	-	-	-	-	(97.28)	-	-	(97.28)	-	(97.28)
Transfer to debenture redemption reserve	-	-	-	-	-	-	374.60	-	-	(374.60)	-	-	-	-	-
Transfer to legal reserve	-	-	-	-	-	2.45	-	-	-	(2.45)	-	-	-	-	-
Exchange gain during year on long term foreign currency term loan	-	-	-	-	-	-	-	-	44.92	-	-	-	44.92	-	44.92
Amortised during the year	-	-	-	-	-	-	-	-	(25.25)	-	-	-	(25.25)	-	(25.25)
Transaction with non-controlling interest (4)	(42.62)	-	-	-	-	-	-	-	-	-	-	-	(42.62)	42.62	-
Adjustment on account of consolidation of ESOP Trust	5.47	4.74	-	-	-	-	-	-	-	10.63	-	-	20.84	-	20.84
Balance as at 31 March 2018	**291.86**	**5,441.03**	**398.36**	**13.21**	**6,071.58**	**33.76**	**749.20**	**1.66**	**-**	**26,396.92**	**566.74**	**745.19**	**40,709.51**	**(515.22)**	**40,194.29**
Profit/(loss) for the year	-	-	-	-	-	-	-	-	-	5,744.56	-	-	5,744.56	25.52	5,770.08
Other comprehensive income/(loss)	-	-	-	-	-	-	-	-	-	(10.12)	(64.13)	(63.44)	(137.69)	(0.14)	(137.83)
Total comprehensive income/(loss) for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**5,734.44**	**(64.13)**	**(63.44)**	**5,606.87**	**25.38**	**5,632.25**
Employee stock option exercised/forfeited/lapsed	-	-	-	-	1.16	-	-	(1.16)	-	-	-	-	-	-	-
Dividend	-	-	-	-	-	-	-	-	-	(477.84)	-	-	(477.84)	-	(477.84)
Tax on dividend (1)	-	-	-	-	-	-	-	-	-	(83.49)	-	-	(83.49)	-	(83.49)
Transfer to debenture redemption reserve	-	-	-	-	-	-	551.63	-	-	(551.63)	-	-	-	-	-
Transfer to legal reserve	-	-	-	-	-	2.49	-	-	-	(2.49)	-	-	-	-	-
Transaction with non-controlling interest (4)	(490.83)	-	-	-	-	-	-	-	-	-	-	-	(490.83)	490.83	-
Adjustment on account of consolidation of ESOP Trust (3)	2,224.71	430.45	-	-	-	-	-	-	-	10.50	-	-	2,665.66	-	2,665.66
Balance as at 31 March 2019	**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**

Consolidated Statement of Changes in Equity for the year ended 31 March 2019 (Continued)

Notes:

(1) During the year ended 31 March 2019 and 31 March 2018, the Company has paid dividend to its shareholders that result in payment of dividend distribution tax in terms of Section 115O 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.

(3) Refer note 45.

(4) Refer note 2(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 Life Sciences Limited**

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

Pravin Tulsyan
Partner
Membership No.: 108044

Shyam S. Bhartia
Chairman
DIN:00010484

Place: Noida
Date: 17 May 2019

Rajiv Shah
Company Secretary

Sankaraiah Rajagopal
Executive Director-Finance

Hari S. Bhartia
Co-Chairman and Managing Director
DIN:00010499

Consolidated Statement of Cash Flows for the year ended 31 March 2019

(₹ in million)

		For the year ended	
		31 March 2019	31 March 2018
A.	**Cash flow from operating activities**	**9,038.11**	**8,590.82**
	Net profit before tax		
	Adjustments:		
	Depreciation, amortisation and impairment expense	3,708.96	4,150.49
	Loss on sale/ disposal/ discard of property, plant and equipment (net)	46.33	41.10
	Finance costs	2,198.08	2,842.83
	Exceptional items	2,802.30	-
	Amortisation of foreign currency monetary item translation difference	-	(25.25)
	Unrealised foreign exchange gain	(123.75)	(3.74)
	Interest income	(109.68)	(51.30)
	Loss / (gain) on investments at fair value through P&L	93.09	(75.88)
	Dividend on investments	-	(0.14)
		8,615.33	**6,878.11**
	Operating cash flow before working capital changes	**17,653.44**	**15,468.93**
	Increase in trade receivables, loans, other financial assets and other assets	(2,048.18)	(1,404.10)
	Decrease / (increase) in inventories	166.87	(1,348.78)
	(Decrease) / increase in trade payables, other financial liabilities, other liabilities and provisions	(1,123.96)	2,894.35
	Cash generated from operations	**14,648.17**	**15,610.40**
	Income tax paid (net of refund)	(3,433.06)	(2,578.40)
	Net cash generated from operating activities	**11,215.11**	**13,032.00**
B.	**Cash flow from investing activities**		
	Purchase of property, plant and equipment, other intangible assets (including capital work-in-progress and intangible assets under development)	(6,559.28)	(4,890.85)
	Proceeds from sale of property, plant and equipment	78.09	53.51
	Purchase of investments	(0.04)	(195.72)
	Proceeds from sale of investments	-	79.45
	Payment for acquisition of business (Refer Note 41)	(101.69)	(1,305.12)
	Movement in other bank balances*	(3,623.95)	(9.79)
	Interest received	88.52	91.42
	Dividend received	-	0.14
	Net cash used in investing activities	**(10,118.35)**	**(6,176.96)**
C.	**Cash flow arising from financing activities #**		
	Proceeds from sale of shares by ESOP Trust / on exercise of stock options	2,658.65	10.23
	Proceeds from long term borrowings	17,194.14	-
	Repayment of long term borrowings**	(13,126.07)	(6,143.82)
	Proceeds from/(repayment of) short term borrowings (net)	2,548.12	(134.63)
	Dividend paid (including dividend distribution tax)	(545.86)	(560.30)
	Finance costs paid	(2,154.70)	(2,182.83)
	Net cash generated from/(used in) financing activities	**6,574.28**	**(9,011.35)**

Consolidated Statement of Cash Flows for the year ended 31 March 2019 (Contd.)

(₹ in million)

		For the year ended	
		31 March 2019	31 March 2018
D.	**Effect of exchange rate changes**	**(58.83)**	**33.63**
	Net increase/(decrease) in cash and cash equivalents (A+B+C+D)	**7,612.21**	**(2,122.68)**
	Add: cash and cash equivalents at the beginning of year *	2,441.76	4,564.44
	Cash and cash equivalents at the end of the year (Refer note 12 (a)) *	**10,053.97**	**2,441.76**

* ₹ 2,807.70 million (31 March 2018: ₹ 87.45 million) has restricted use.

** Revolver facility of Jubilant HollisterStier LLC is presented on net basis.

Refer note 16 (c) for changes in liabilities arising from financing activities.

Note:

Consolidated Statement of Cash Flows has been prepared under the indirect method as set out in the Ind AS 7 "Statement of Cash Flows".

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

Pravin Tulsyan
Partner
Membership No.: 108044

Place: Noida
Date: 17 May 2019

For and on behalf of the Board of Directors of **Jubilant Life Sciences Limited**

Shyam S. Bhartia
Chairman
DIN:00010484

Rajiv Shah
Company Secretary

Sankaraiah Rajagopal
Executive Director-Finance

Hari S. Bhartia
Co-Chairman and Managing Director
DIN:00010499

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

1. Corporate Information

Jubilant Life Sciences 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 as at and for the year ended on 31 March 2019 comprise the financial statements of Company and its subsidiaries (together referred to as "the Group"). The Group is an integrated global pharmaceutical and life sciences company engaged in pharmaceuticals, life science ingredients and other businesses including drug discovery and development solutions and India Branded Pharmaceutical. The pharmaceuticals segment, through its 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 radio-pharmacies in the US. The life science ingredients segment is engaged in specialty intermediates, nutritional products and life science chemicals through 5 manufacturing facilities in India. The drug discovery and development solutions business provides proprietary in-house innovation & collaborative research and partnership for out-licensing through 2 world class research centers in India. The Group is well recognized as a 'Partner of Choice' by leading pharmaceuticals and life sciences companies globally.

2. Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. The accounting policies adopted are consistent with those of the previous financial year except for Ind AS 115 "Revenue from Contracts with Customers" and Appendix B, "Foreign currency transactions and advance consideration" to Ind AS 21, "the effects of changes in foreign exchange rates" which did not have any significant impact on the financial position or performance of the Group. Also refer to respective accounting policies for further details.

(a) Basis of preparation

(i) Statement of compliance

The consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013 ("the Act") and other relevant provisions of the Act. 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 consolidated financial statements have been authorized for issue by the Company's Board of Directors on 17 May 2019.

(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 statements 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:

(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

Notes to the consolidated financial statements for the year ended 31 March 2019 (Continued)

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
1	Jubilant Pharma Limited (1)	Singapore	Jubilant Life Sciences Limited	100%
2	Draximage Limited, Cyprus (1)	Cyprus	Jubilant Pharma Limited	100%
3	Draximage Limited, Ireland (1)	Ireland	Jubilant Pharma Limited	100%
4	Jubilant DraxImage (USA) Inc. (1)	USA	Jubilant Pharma Limited	100%
5	Jubilant DraxImage Inc. (1)	Canada	Jubilant Pharma Limited	100%
6	6963196 Canada Inc. (Merged into 6981364 Canada Inc. w.e.f. 1 April 2018) (1)	Canada	Jubilant DraxImage Inc.	100%
7	6981364 Canada Inc. (1)	Canada	Jubilant DraxImage Inc.	100%
8	DAHI Animal Health (UK) Limited (liquidated w.e.f. 19 December 2017) (1)	UK	Jubilant DraxImage Inc.	100%
9	Draximage (UK) Limited (1)	UK	Jubilant DraxImage Inc.	100%
10	Jubilant Pharma Holdings Inc. (1)	USA	Jubilant Pharma Limited	84.48%
			Jubilant Generics Limited	15.52%
11	Jubilant Clinsys Inc. (1)	USA	Jubilant Pharma Holdings Inc.	100%
12	Cadista Holdings Inc. (1)	USA	Jubilant Pharma Holdings Inc.	100%
13	Jubilant Cadista Pharmaceuticals Inc. (1)	USA	Cadista Holdings Inc.	100%
14	Jubilant Life Sciences International Pte. Limited (2)	Singapore	Jubilant Life Sciences Limited	100%
15	HSL Holdings Inc. (1)	USA	Jubilant Pharma Holdings Inc.	100%
16	Jubilant HollisterStier LLC (1)	USA	HSL Holdings Inc.	100%
17	Jubilant Life Sciences (Shanghai) Limited (2)	China	Jubilant Life Sciences International Pte. Limited	100%
18	Jubilant Pharma NV (1)	Belgium	Jubilant Generics Limited	77.65%
			Jubilant Pharma Limited	22.35%
19	Jubilant Pharmaceuticals NV (1)	Belgium	Jubilant Pharma NV	99.81%
			Jubilant Pharma Limited	0.19%
20	PSI Supply NV (1)	Belgium	Jubilant Pharma NV	99.50%
			Jubilant Pharma Limited	0.50%
21	Jubilant Life Sciences (USA) Inc. (2)	USA	Jubilant Life Sciences Limited	100%
22	Jubilant Life Sciences (BVI) Limited (3)	BVI	Drug Discovery and Development Solutions Limited	100%
23	Jubilant Biosys (BVI) Limited (3)	BVI	Jubilant Life Sciences (BVI) Limited	100%
24	Jubilant Biosys (Singapore) Pte. Limited (3)	Singapore	Jubilant Biosys (BVI) Limited	100%

Notes to the consolidated financial statements for the year ended 31 March 2019 (Continued)

Sr. No.	Name	Country of Incorporation	Name of Parent	Percentage of ownership
25	Jubilant Biosys Limited (3) @	India	Jubilant Biosys (Singapore) Pte. Limited	0.16%
			Jubilant Life Sciences Limited	99.76%
26	Jubilant Discovery Services LLC^ (3)	USA	Jubilant Innovation (USA) Inc. (w.e.f. 4 December 2017) Drug Discovery and Development Solutions Limited (From 21 November 2017 till 3 December 2017) Jubilant Biosys Limited (upto 20 November 2017)	100%
27	Jubilant Drug Development Pte. Limited (3)	Singapore	Jubilant Life Sciences (BVI) Limited	100%
28	Jubilant Chemsys Limited (3) **	India	Jubilant Drug Development Pte. Limited	24.39%
			Jubilant Life Sciences Limited	75.61%
29	Jubilant Clinsys Limited* (3)	India	Jubilant Chemsys Limited (w.e.f 31 August 2017) Jubilant Drug Development Pte. Limited (upto 30 August 2017)	100%
30	Jubilant Infrastructure Limited (2)	India	Jubilant Life Sciences Limited	100%
31	Jubilant First Trust Healthcare Limited (3)	India	Jubilant Life Sciences Limited	100%
32	Jubilant Pharma Trading Inc. (Merged into Jubilant Pharma Holdings Inc. w.e.f. 14 December 2018) (1)	USA	Jubilant Pharma Holdings Inc.	100%
33	Jubilant Innovation (BVI) Limited (liquidated w.e.f. 12 January 2018) (3)	BVI	Drug Discovery and Development Solutions Limited	100%
34	Jubilant Innovation Pte. Limited* (3)	Singapore	Drug Discovery and Development Solutions Limited (w.e.f. 22 November 2017) Jubilant Innovation (BVI) Limited (Upto 21 November 2017)	100%
35	Jubilant DraxImage Limited (1)	India	Jubilant Pharma Limited	100%
36	Jubilant Innovation (India) Limited* (3)	India	Drug Discovery and Development Solutions Limited (w.e.f. 17 November 2017) Jubilant Innovation (BVI) Limited (Upto 16 November 2017)	100%
37	Jubilant Innovation (USA) Inc.* (3)	USA	Drug Discovery and Development Solutions Limited (w.e.f. 17 November 2017) Jubilant Innovation (BVI) Limited (Upto 16 November 2017)	100%
38	Jubilant HollisterStier Inc. (1)	USA	HSL Holdings Inc.	100%
39	Draxis Pharma LLC (1)	USA	Jubilant HollisterStier Inc.	100%
40	Jubilant Life Sciences (Switzerland) AG (liquidated w.e.f. 8 November 2017) (2)	Switzerland	Jubilant Life Sciences International Pte. Limited	100%
41	Drug Discovery and Development Solutions Limited (3)	Singapore	Jubilant Life Sciences Limited	100%

Notes to the consolidated financial statements for the year ended 31 March 2019 (Continued)

Sr. No.	Name	Country of Incorporation	Name of Parent	Percentage of ownership
42	TrialStat Solutions Inc. (Formerly Jubilant Drug Discovery & Development Services Inc.)* (3)	Canada	Drug Discovery and Development Solutions Limited (w.e.f. 19 September 2017) Jubilant Innovation Pte. Limited (upto 18 September 2017)	100%
43	Jubilant HollisterStier General Partnership # (1)	Canada	Jubilant HollisterStier Inc.	99.99%
			Draxis Pharma LLC	0.01%
44	Draximage General Partnership # (1)	Canada	Jubilant DraxImage Inc	90%
			6981364 Canada Inc.	10%
45	Vanthys Pharmaceutical Development Private Limited (3)	India	Jubilant Innovation Pte. Limited	100%
46	Jubilant Generics Limited (1)	India	Jubilant Pharma Limited	100%
47	Jubilant Life Sciences NV (2)	Belgium	Jubilant Life Sciences Limited (One share, representing 0.001% holding is held by Jubilant Infrastructure Limited)	100%
48	Jubilant Pharma Australia Pty Limited (1)	Australia	Jubilant Pharma Limited	100%
49	Jubilant Draximage Radiopharmacies Inc. (1)	USA	Jubilant Pharma Holdings Inc.	100%
50	Jubilant Pharma SA (Pty) Limited (Incorporated on 14 February 2019) (1)	South Africa	Jubilant Pharma Limited	100%
51	Jubilant Therapeutics India Limited (Incorporated on 20 March 2019) (3)	India	Jubilant Life Sciences Limited	100%
52	Jubilant Therapeutics Inc. (Incorporated on 19 February 2019) (3)	USA	Jubilant Therapeutics India Limited	100%
53	Jubilant Business Services Limited (Incorporated on 28 March 2019) (1)	India	Jubilant Life Sciences Limited	100%
54	Jubilant Episcribe LLC (Incorporated on 28 March 2019) (3)	USA	Jubilant Therapeutics Inc.	100%
55	Jubilant Epicore LLC (Incorporated on 28 March 2019) (3)	USA	Jubilant Therapeutics Inc.	100%
56	Jubilant Prodel LLC (Incorporated on 28 March 2019) (3)	USA	Jubilant Therapeutics Inc.	100%
57	Jubilant Epipad LLC (Incorporated on 28 March 2019) (3)	USA	Jubilant Therapeutics Inc.	100%
58	Jubilant Employee Welfare Trust	India	Jubilant Life Sciences Limited	-

* Transferred between two subsidiaries of the Company as transactions between entities under common control.

Partnership firms, in which two subsidiaries of the Parent Company are partners.

^ During the previous year, on transfer of shares from Jubilant Biosys Limited to Drug Discovery and Development Solutions Limited, it became wholly owned subsidiary of the Company and the said transaction has been recorded as transaction with non-controlling interest. Further on 4 December 2017, Jubilant Discovery Services Inc. has been converted into limited liability company named as Jubilant Discovery Services LLC.

@ During the year ended 31 March 2019, on conversion of preference share capital of Jubilant Biosys Limited held by the Company, the shareholding of the Group has increased from 66.32% to 99.92% and the said transaction has been recorded as transaction with non-controlling interest.

** During the year ended 31 March 2019, on conversion of preference share capital of Jubilant Chemsys Limited held by the Company, the equity shareholding in the company has changed, earlier it was wholly owned subsidiary of Jubilant Drug Development Pte. Limited.

(1) Represents entities engaged in Pharmaceuticals business.

(2) Represents entities engaged in Life Sciences Ingredients business.

(3) Represents entities engaged in Drug Discovery and Development Solutions business and other businesses.

(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.

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) 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.

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.

(e) 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 Statements of Profit or 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 provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase.

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established; for this purpose comparatives are revised. The assets and liabilities acquired are recognized at their carrying amounts. The identity of the reserves is preserved and they appear in the consolidated financial statements of the Group in the same form in which they appeared in the financial statement of the acquired entity. The differences, if any, between the consideration and the amount of share capital of the acquired entity is transferred to capital reserve.

(f) Property, plant and equipment (PPE) and intangible assets

(i) Property, plant and equipment

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

Expenditure incurred on 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 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

Notes to the consolidated financial statements for the year ended 31 March 2019 (Continued)

future economic benefits from the specific asset to which it relates.

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

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

Category of assets	Management estimate of useful life	Useful life as per Schedule II
Motor vehicles (Vehicles – Owned)	5 years	8 years
Motor vehicles under finance lease (Vehicles – Leased)	Tenure of lease or 5 years whichever is shorter	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 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 land which qualifies as finance lease is amortised over the lease period on straight line basis.

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	5 to 10 years
Acquired patents	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 amortization 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.

(g) 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 Consolidated Statement of Profit and Loss. Once classified as held-for sale, property, plant and equipment and intangible assets are no longer depreciated or amortised.

(h) Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. The Group's 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

Notes to the consolidated financial statements for the year ended 31 March 2019 (Continued)

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 a CGU is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment loss recognized in respect of a CGU is allocated first to reduce the carrying 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 recognized in prior periods, the Group reviews at reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(i) Financial instrument

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

Financial assets

Initial recognition and measurement

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

Notes to the consolidated financial statements for the year ended 31 March 2019 (Continued)

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 recognizes loss allowance using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all financial assets with contractual cash flows other than trade receivable, ECLs are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of 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 derecognized (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.

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

Notes to the consolidated financial statements for the year ended 31 March 2019 (Continued)

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.

Derivative financial instruments

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

Offsetting

Financial assets and financial liabilities are 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.

(j) Inventories

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

The Group uses weighted average method to determine cost for all categories of inventories except for goods in transit which is valued at specifically identified purchase cost. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition inclusive of non-refundable (adjustable) taxes wherever applicable. The cost of work in progress and manufactured finished goods include an appropriate share of variable and fixed production overheads. Fixed production overheads are included based on normal capacity of production facilities.

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.

(k) 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.

(l) Provisions and contingencies

A provision is recognized 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 recognized as a finance cost.

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

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.

Decommissioning provisions

In accordance with the applicable regulatory requirements, a decommissioning provision in respect of estimated costs of dismantling 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.

(m) Revenue recognition

Effective 1 April 2018, the Group adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method, applied to contracts that were not completed as at 1 April 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. There is no material effect on adoption of Ind AS 115 on the consolidated financial statements.

Revenue from sale of products is recognised 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 as and when the underlying services are performed. The Group exercises judgement 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.

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 Organization (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, which is the consideration, net of tax collected from customers and remitted to government authorities such as Goods and services tax (GST), sales tax, excise duty, value added tax 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.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are 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.

(n) 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 ('the Plan'), a defined contribution plan. Contribution made by the Parent Company to the plan during the year is charged to Consolidated Statement of Profit and Loss.

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.

Notes to the consolidated financial statements for the year ended 31 March 2019 (Continued)

- 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 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).

(o) Share based payments

The grant date fair value of options granted (net of estimated forfeiture) to employees of the Group is recognized as an employee expense, 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 recognized in connection with share based payment transaction is presented as a separate component in equity under "share based payment reserve". The amount recognized as an expense is adjusted to reflect the actual number of stock options that vest. For the option awards, grant date fair value is determined under the option-pricing model (Black-Scholes-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 recognized in capital reserve.

Notes to the consolidated financial statements for the year ended 31 March 2019 (Continued)

(p) Finance costs

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

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the finance costs eligible for capitalization. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the 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.

(q) 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 Group.

(r) Income tax

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

- ***Current tax:***

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

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

  Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used. Deferred tax is measured at the tax rates that are expected to be 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

Notes to the consolidated financial statements for the year ended 31 March 2019 (Continued)

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.

(s) Leases

At inception of an arrangement, it is determined whether the arrangement is or contains a lease. If it is a lease arrangement, it is classified as either a finance lease or an operating lease, based on the substance of the lease arrangement.

Finance leases

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

Operating leases

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

(t) 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 is responsible for allocating resources and assessing performance of the operating segments and accordingly identified as the chief operating decision maker. Revenues, expenses, assets and liabilities, which are common to the enterprise as a whole and are not allocable to segments on a reasonable basis, have been treated as "unallocated revenues/ expenses/ assets/ liabilities", as the case may be.

(u) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Indian rupee (INR), which is also the Parent Company's functional currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at balance sheet date exchange 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:

- 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, 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.

(v) Government grants

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

(w) 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

(x) 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 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.

(y) Critical estimates and judgements

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 recognized in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation uncertainty and critical

Notes to the consolidated financial statements for the year ended 31 March 2019 (Continued)

judgments in applying accounting policies that have the most significant effect on the amounts recognized 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(f)
- Valuation of inventories – Note 2(j)
- Recognition of revenue and related accruals– Note 2(m)
- Fair value measurements – Note 2(x)
- Estimation of assets and obligations relating to employee benefits – Note 31
- Recognition and estimation of tax expense including deferred tax – Note 8 and 29
- Estimated impairment of financial assets and non-financial assets – Note 2(h), 2(i) and 4(a)
- Recognition and measurement of contingency: Key assumption about the likelihood and magnitude of an outflow of resources – Note 37
- Lease classification – Note 38(b)
- Purchase price allocation (PPA) on business combination – Note 41.

(z) Recent accounting pronouncements

Applicable standards issued but not yet effective

The Group has not early adopted the following new standards or amendments to standards in preparing these consolidated financial statements.

Ind AS 116, Leases

MCA vide its notification dated 30 March 2019, notified Ind AS 116 "Leases". The standard is effective from 1 April 2019. Ind AS 116 will replace the existing leases standard, Ind AS 17 "Leases" and sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises present value of the lease payment (discounted using incremental borrowing rate or interest rate implicit in the lease) as right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments and lease rent expense will be replaced with the amortization of right-of use-asset and interest accrued on lease liability. The standard also contains enhanced disclosure requirements for lessees and will have consequential impact on cash flows categories as well. The new standard substantially carries forward the lessor accounting requirements in Ind AS 17.

The Group will adopt Ind AS 116 effective annual reporting period beginning 1 April 2019 using the modified retrospective approach. Therefore, the cumulative effect of adopting new standard will be recognized as an adjustment to the opening balance of retained earnings at 1 April 2019, with no restatement of comparative information.

The Group has completed an initial assessment of the potential impact on its financial statements but has not yet completed its detailed assessment. The quantitative impact of adoption of Ind AS 116 on the consolidated financial statements in the period of initial application is not reasonably estimable as at present.

Ind AS 19, Employee Benefits

MCA vide its notification dated 30 March 2019, notified amendments to Ind AS 19 – "Employee Benefits" regarding plan amendments, curtailments and settlements. The amendments are as follows:

- If a plan amendment, curtailment or settlement occurs, it is now mandatory that the current service cost and the net interest for the period after the remeasurement are determined using the assumptions used for the remeasurement;
- In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding asset ceiling.

The above amendments are effective from 1 April 2019. The Group is currently in the process of evaluating the impact of this change on its consolidated financial statements.

Appendix C, "Uncertainty over Income Tax Treatments", to Ind AS 12, Income Taxes

MCA vide its notification dated 30 March 2019, notified Appendix C, "Uncertainty over Income Tax Treatments", to Ind AS 12, which clarifies how the recognition and measurement requirements of Ind AS 12 "Income taxes", are applied where there is uncertainty over income tax treatments. This appendix explains how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. An uncertain tax treatment is any tax treatment applied by an entity where there is uncertainty over whether that treatment will be accepted by the applicable tax authority. For example, a decision to claim a deduction for a specific expense or not to include a specific item of income in a tax return is an uncertain tax treatment if its acceptability is uncertain under applicable tax law.

The appendix provides specific guidance in several areas where previously Ind AS 12 was silent. Appendix applies to all aspects of income tax accounting where there is an uncertainty regarding the treatment of an item, including taxable profit or loss, the tax bases of assets and liabilities, tax losses and credits and tax rates. The Appendix is effective from 1 April 2019. The Group is currently in the process of evaluating the impact of this change on its consolidated financial statements.

Notes to the consolidated financial statements for the year ended 31 March 2019 (Continued)

(₹ in million)

	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
3. Property, plant and equipment and capital work-in-progress												
Gross carrying amount as at 1 April 2017	**630.54**	**610.60**	**6,040.92**	**2,065.53**	**24,740.05**	**399.25**	**37.13**	**66.40**	**645.09**	**108.43**	**35,343.94**	**2,106.50**
Additions/adjustments	7.43	1.39	263.39	44.52	2,174.62	71.91	1.92	62.51	144.50	-	**2,772.19**	3,545.38
Acquisition through business combination (refer note 41)	-	-	-	-	128.43	170.76	-	187.33	21.99	-	**508.51**	34.59
Deductions/adjustments	(36.55)	-	(0.06)	-	(115.73)	(6.03)	(0.19)	(18.27)	(10.54)	-	**(187.37)**	(2,698.94)
Foreign currency translation adjustment	6.25	-	44.48	(0.23)	118.30	4.86	(0.12)	2.63	1.87	-	**178.04**	13.37
Gross carrying amount as at 31 March 2018	**607.67**	**611.99**	**6,348.73**	**2,109.82**	**27,045.67**	**640.75**	**38.74**	**300.60**	**802.91**	**108.43**	**38,615.31**	**3,000.90**
Accumulated depreciation as at 1 April 2017	**-**	**14.95**	**469.17**	**131.91**	**3,243.44**	**131.21**	**15.83**	**18.79**	**256.09**	**22.16**	**4,303.55**	-
Depreciation charge for the year	-	7.15	252.34	73.93	1,744.52	97.56	7.06	93.71	125.96	11.08	**2,413.31**	-
Deductions/adjustments	-	-	(0.02)	-	(31.52)	(3.56)	(0.17)	(10.07)	(6.47)	-	**(51.81)**	-
Foreign currency translation adjustment	-	-	6.25	(0.14)	17.53	0.84	(0.13)	0.85	(0.14)	-	**25.06**	-
Accumulated depreciation as at 31 March 2018	**-**	**22.10**	**727.74**	**205.70**	**4,973.97**	**226.05**	**22.59**	**103.28**	**375.44**	**33.24**	**6,690.11**	**-**
Net carrying amount as at 31 March 2018	**607.67**	**589.89**	**5,620.99**	**1,904.12**	**22,071.70**	**414.70**	**16.15**	**197.32**	**427.47**	**75.19**	**31,925.20**	**3,000.90**

(₹ in million)

	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
Gross carrying amount as at 1 April 2018	**607.67**	**611.99**	**6,348.73**	**2,109.82**	**27,045.67**	**640.75**	**38.74**	**300.60**	**802.91**	**108.43**	**38,615.31**	**3,000.90**
Additions/adjustments	-	-	401.59	193.28	3,165.77	180.33	9.57	180.05	285.72	-	**4,416.31**	6,080.40
Deductions/adjustments	(13.95)	-	(0.31)	-	(153.79)	(7.99)	(4.29)	(33.42)	(8.46)	-	**(222.21)**	(4,226.69)
Foreign currency translation adjustment	10.12	-	224.56	-	313.28	16.84	-	16.37	11.94	-	**593.11**	61.41
Gross carrying amount as at 31 March 2019	**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**
Accumulated depreciation as at 1 April 2018	**-**	**22.10**	**727.74**	**205.70**	**4,973.97**	**226.05**	**22.59**	**103.28**	**375.44**	**33.24**	**6,690.11**	-
Depreciation charge for the year	-	7.15	278.62	81.67	1,912.12	130.57	5.55	171.16	136.50	11.08	**2,734.42**	-
Deductions/adjustments	-	-	(0.05)	-	(49.36)	(5.07)	(3.88)	(17.92)	(4.62)	-	**(80.90)**	-
Foreign currency translation adjustment	-	-	23.83	-	60.50	4.31	-	3.32	4.79	-	**96.75**	-
Accumulated depreciation as at 31 March 2019	**-**	**29.25**	**1,030.14**	**287.37**	**6,897.23**	**355.86**	**24.26**	**259.84**	**512.11**	**44.32**	**9,440.38**	**-**
Net carrying amount as at 31 March 2019	**603.84**	**582.74**	**5,944.43**	**2,015.73**	**23,473.70**	**474.07**	**19.76**	**203.76**	**580.00**	**64.11**	**33,962.14**	**4,916.02**

Notes:

(1) Refer note 16.3 for information on property, plant and equipment provided as security by the Group.

(2) Refer note 38(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 40(b) for finance costs capitalised.

(5) Addition to fixed assets (including movement in CWIP) includes exchange gain of ₹ Nil (31 March 2018: ₹ 4.94 million) (Refer note 44).

Notes to the consolidated financial statements for the year ended 31 March 2019 (Continued)

(₹ in million)

	Goodwill	Other Intangible assets					Intangible assets under development
		Internally generated product registration/ market authorisation	Acquired patents, trademarks/ trade names and customer contracts	Rights	Softwares	Total	
4. Goodwill, other intangible assets and intangible assets under development							
Gross carrying amount as at 1 April 2017	**17,622.27**	**2,787.32**	**220.82**	**99.51**	**649.95**	**3,757.60**	**4,731.33**
Additions/adjustments	-	1,360.49	-	-	131.81	**1,492.30**	1,316.18
Acquisition through business combination (refer note 41)	726.79	0.47	83.05	0.05	15.28	**98.85**	4.31
Deductions/adjustments (2)	-	-	-	-	-	**-**	(2,402.52)
Foreign currency translation adjustment	527.92	32.70	11.63	(0.06)	3.33	**47.60**	59.54
Gross carrying amount as at 31 March 2018	**18,876.98**	**4,180.98**	**315.50**	**99.50**	**800.37**	**5,396.35**	**3,708.84**
Accumulated amortisation as at 1 April 2017	**-**	**882.20**	**162.46**	**24.27**	**284.08**	**1,353.01**	**-**
Amortisation for the year	-	594.36	73.58	5.94	153.08	**826.96**	-
Foreign currency translation adjustment	-	4.48	6.73	(0.04)	1.86	**13.03**	-
Accumulated amortisation as at 31 March 2018	**-**	**1,481.04**	**242.77**	**30.17**	**439.02**	**2,193.00**	**-**
Net carrying amount as at 31 March 2018	**18,876.98**	**2,699.94**	**72.73**	**69.33**	**361.35**	**3,203.35**	**3,708.84**

(₹ in million)

	Goodwill	Other Intangible assets					Intangible assets under development
		Internally generated product registration/ market authorisation	Acquired patents, trademarks/ trade names and customer contracts	Rights	Softwares	Total	
Gross carrying amount as at 1 April 2018	**18,876.98**	**4,180.98**	**315.50**	**99.50**	**800.37**	**5,396.35**	**3,708.84**
Additions/adjustments	-	536.63	-	-	47.29	**583.92**	1,041.14
Deductions/adjustments (2)	-	-	-	-	-	**-**	(651.85)
Foreign currency translation adjustment	712.38	48.46	9.44	-	24.94	**82.84**	0.11
Gross carrying amount as at 31 March 2019	**19,589.36**	**4,766.07**	**324.94**	**99.50**	**872.60**	**6,063.11**	**4,098.24**
Accumulated amortisation as at 1 April 2018	**-**	**1,481.04**	**242.77**	**30.17**	**439.02**	**2,193.00**	**-**
Amortisation for the year	-	773.26	19.01	0.99	113.35	**906.61**	-
Foreign currency translation adjustment	-	9.61	4.84	-	16.77	**31.22**	-
Accumulated amortisation as at 31 March 2019	**-**	**2,263.91**	**266.62**	**31.16**	**569.14**	**3,130.83**	**-**
Net carrying amount as at 31 March 2019	**19,589.36**	**2,502.16**	**58.32**	**68.34**	**303.46**	**2,932.28**	**4,098.24**

Notes:

(1) Refer note 40(b) for finance costs capitalised.

(2) Refer note 42.

(3) Refer note 38(a) for disclosure of contractual commitments for the acquisition of intangible assets.

Notes to the consolidated financial statements for the year ended 31 March 2019 (Continued)

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:

(₹ in million)

	As at	
	31 March 2019	**31 March 2018**
Allergy Therapy	1,406.04	1,324.92
Radiopharmaceutical	8,659.68	8,476.06
Generics	2,249.44	2,219.63
Contract Manufacturing Operation	7,274.20	6,856.37
Total	**19,589.36**	**18,876.98**

The recoverable amount of the above 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 and an analysis of the calculation's sensitivity towards change in key assumptions did not identify any probable scenarios where the CGU recoverable amount would fall below their carrying amount.

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 ranges from 1% to 5% (31 March 2018: 2% to 5%) representing management view on the future long-term growth rate.

iii. Discount rate ranging from 8% to 12% (31 March 2018: 7% to 10%) was applied in all the periods presented in determining the recoverable amount of the CGUs. The discount rate was estimated based on past experience and industry's weighted average cost of capital.

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.

(₹ in million)

		As at	
		31 March 2019	**31 March 2018**
5.	**Non-current investments**		
	I. Investment in equity instruments (at fair value through other comprehensive income)		
	Quoted		
	220,364 (31 March 2018: 220,364) equity shares of ₹ 10 each		
	Jubilant Industries Limited	27.56	37.29
	Unquoted		
	7,487,251 (31 March 2018: 7,487,251) equity shares of ₹ 10 each		
	Forum I Aviation Limited	91.57	85.43
	540,463 (31 March 2018: 540,463) common stock of USD 0.01 each		
	Safe Foods Corporation USA	692.25	708.31
	II. Investment in equity instruments (at fair value through profit or loss)		
	Unquoted		
	Investment in 10% of total capital of the fund		
	Healthcare Ventures IX L.P.	119.50	209.32
	30,000 (31 March 2018: 30,000) shares of USD 0.001 each		
	Ilya Fund Ltd.	206.53	194.87

Notes to the consolidated financial statements for the year ended 31 March 2019 (Continued)

(₹ in million)

		As at	
		31 March 2019	31 March 2018
	534,194 (31 March 2018: Nil) common stock of USD 0.001 each		
	IniPharm Inc.	0.04	-
III.	**Investment in debt instruments (at fair value through profit or loss)**		
	Unquoted		
	106,845 (31 March 2018: Nil) warrants		
	Leap Therapeutics Inc.	13.61	-
	Total non-current investments	**1,151.06**	**1,235.22**
	Aggregate amount of quoted investments and market value thereof	27.56	37.29
	Aggregate amount of unquoted investments	1,123.50	1,197.93
	Aggregate amount of impairment in the value of investments	-	-

(₹ in million)

		As at			
		31 March 2019		31 March 2018	
		Current	Non- current	Current	Non- current
6.	**Loans**				
	Unsecured, considered good				
	Security deposits	26.06	143.94	37.97	134.70
	Loan to employees	10.73	11.63	8.01	10.22
	Total loans	**36.79**	**155.57**	**45.98**	**144.92**

(₹ in million)

		As at			
		31 March 2019		31 March 2018	
		Current	Non- current	Current	Non- current
7.	**Other financial assets**				
	Other bank balances:				
	Deposits with maturity after 12 months from the reporting date (1)	-	6.34	-	5.33
	Recoverable from related parties (2) (Refer note 36)	48.71	-	35.24	-
	Notes receivable	125.83	-	120.21	-
	Unbilled receivables	586.36	-	474.93	-
	Interest receivable	21.19	-	3.95	-
	Others	287.02	-	248.38	-
	Total other financial assets	**1,069.11**	**6.34**	**882.71**	**5.33**

Notes:

(1) These deposits have restricted use.

(2) Including due by directors and private companies having common director aggregating to ₹ 5.17 million (31 March 2018: ₹ 3.43 million).

Notes to the consolidated financial statements for the year ended 31 March 2019 (Continued)

8. Deferred tax

Deferred income tax reflect 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	Accrued expenses and other temporary differences	Total
As at 1 April 2017	**299.28**	**41.89**	**1,920.04**	**2,949.50**	**1,856.56**	**7,067.27**
(Charged)/credited						
- to Consolidated Statement of Profit and Loss	77.49	679.54	337.01	(50.48)	(1,048.51)	(4.95)
- to other comprehensive income	15.75	-	-	-	-	15.75
Reclassification to income tax assets	-	-	(294.69)	(19.43)	-	(314.12)
Foreign currency translation adjustment	0.22	4.30	11.84	-	0.63	16.99
As at 31 March 2018	**392.74**	**725.73**	**1,974.20**	**2,879.59**	**808.68**	**6,780.94**
(Charged)/credited						
- to Consolidated Statement of Profit and Loss	69.67	(76.87)	57.25	570.02	(183.58)	436.49
- to other comprehensive income	5.12	-	-	-	-	5.12
Foreign currency translation adjustment	2.35	39.23	12.19	-	9.05	62.82
As at 31 March 2019	**469.88**	**688.09**	**2,043.64**	**3,449.61**	**634.15**	**7,285.37**

Deferred tax liabilities:

(₹ in million)

	Depreciation and amortization	Others	Total
As at 1 April 2017	**7,393.19**	**119.05**	**7,512.24**
Charged/(credited)			
- to Consolidated Statement of Profit and Loss	(689.77)	(59.12)	(748.89)
Foreign currency translation adjustment	43.36	0.40	43.76
As at 31 March 2018	**6,746.78**	**60.33**	**6,807.11**
Charged/(credited)			
- to Consolidated Statement of Profit and Loss	844.91	38.10	883.01
Foreign currency translation adjustment	124.53	(1.21)	123.32
As at 31 March 2019	**7,716.22**	**97.22**	**7,813.44**

Net deferred tax liabilities:

(₹ in million)

	As at	
	31 March 2019	31 March 2018
Deferred tax assets	7,285.37	6,780.94
Deferred tax liabilities	7,813.44	6,807.11
Deferred tax liabilities (net)	**528.07**	**26.17**

Reflected in the Balance Sheet as follows:

(₹ in million)

	As at	
	31 March 2019	31 March 2018
Deferred tax assets	1,495.47	1,604.46
Deferred tax liabilities	2,023.54	1,630.63
Deferred tax liabilities (net)	**528.07**	**26.17**

Notes to the consolidated financial statements for the year ended 31 March 2019 (Continued)

Reconciliation of deferred tax liabilities (net):

(₹ in million)

	For the year ended	
	31 March 2019	**31 March 2018**
Balance as at the commencement of the year	26.17	444.97
Charge/(credit) during the year recognised in profit or loss (including MAT)	446.52	(743.94)
Credit during the year recognised in OCI	(5.12)	(15.75)
Foreign currency translation adjustment	60.50	26.77
Reclassification of deferred tax asset to income tax assets	-	314.12
Balance as at the end of the year	**528.07**	**26.17**

Deferred tax assets not recognised in respect of certain subsidiaries is as below:

(₹ in million)

	Amount as at			
	31 March 2019		**31 March 2018**	
	Temporary differences	**Deferred tax on temporary differences**	**Temporary differences**	**Deferred tax on temporary differences**
Deductible temporary differences	605.07	131.97	1,461.33	420.44
Taxable temporary differences	-	-	-	-
Net unrecognized temporary differences	**605.07**	**131.97**	**1,461.33**	**420.44**

The Group has determined that below undistributed profits of certain subsidiaries will not be distributed in the foreseeable future:

(₹ in million)

	As at	
	31 March 2019	**31 March 2018**
Undistributed earnings of subsidiaries	31,165.13	21,579.20

DTA has not been recognized on temporary differences in relation to indexation benefit of investment in subsidiaries and freehold land amounting to ₹ 4,363.24 million (31 March 2018: ₹ 4,097.94) and ₹ 105.79 million (31 March 2018: ₹ 97.16 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 :-

(₹ in million)

Tax jurisdictions	As at			
	31 March 2019		**31 March 2018**	
	Unused tax losses	**Period of expiry**	**Unused tax losses**	**Period of expiry**
India - tax losses	52.65	2020-2027	564.71	2019-2026
India - unabsorbed depreciation	-	-	706.44	Indefinite period
United States	35.78	Indefinite period	-	-
Canada	0.89	2029 to 2039	0.82	2028-2038
Belgium	17.39	Indefinite period	17.11	Indefinite period
Australia	3.08	Indefinite period	2.46	Indefinite period

Notes to the consolidated financial statements for the year ended 31 March 2019 (Continued)

(₹ in million)

		As at	
		31 March 2019	31 March 2018
9.	**Other non-current assets**		
	Capital advances	216.81	367.13
	Prepaid expenses	0.28	0.46
	Total other non-current assets	**217.09**	**367.59**

(₹ in million)

		As at	
		31 March 2019	31 March 2018
10.	**Inventories**		
	Raw materials *	5,274.21	5,255.19
	Work-in-progress	3,348.20	3,065.33
	Finished goods *	3,775.70	3,848.38
	Stock-in-trade *	200.92	151.56
	Stores and spares *	1,134.74	1,004.05
	Others- process chemicals and fuels *	440.17	589.37
	Total inventories	**14,173.94**	**13,913.88**
	* Goods in transit included in the above		
	Raw materials	536.48	726.09
	Finished goods	397.43	133.86
	Stock-in-trade	16.15	-
	Stores and spares	9.90	19.05
	Others- process chemicals and fuels	18.46	97.96
	Total goods in transit	**978.42**	**976.96**
	Total write down of inventories recognised during the year	**942.12**	**394.60**

(₹ in million)

		As at	
		31 March 2019	31 March 2018
11.	**Trade receivables**		
	Unsecured and current		
	Trade receivables - considered good	12,631.12	11,242.94
	Receivables from related parties (Refer note 36)	84.37	64.70
	Trade receivables - which have significant increase in credit risk	177.11	124.73
	Less: Expected credit loss allowance (Refer note 33)	(177.11)	(124.73)
	Total trade receivables	**12,715.49**	**11,307.64**

(₹ in million)

		As at	
		31 March 2019	31 March 2018
12(a).	**Cash and cash equivalents**		
	Balances with banks		
	- on current accounts	7,172.65	2,224.37
	- on dividend accounts	54.73	49.76
	- on deposit accounts with original maturity up to three months	2,772.90	5.20
	Cash on hand	1.58	1.37

Notes to the consolidated financial statements for the year ended 31 March 2019 (Continued)

(₹ in million)

	As at	
	31 March 2019	31 March 2018
Cheques/drafts on hand	-	14.86
Others		
- Funds in transit	51.95	146.14
- Imprest	0.16	0.06
Total cash and cash equivalents (1)	**10,053.97**	**2,441.76**

Note:

(1) ₹ 2,634.55 million (31 March 2018: ₹ 49.76 million) has restricted use.

(₹ in million)

	As at	
	31 March 2019	31 March 2018
12(b). Other bank balances		
Deposits accounts with maturity up to twelve months from the reporting date	3,650.13	46.18
Total other bank balances (1)	**3,650.13**	**46.18**

Note:

(1) ₹ 166.81 million (31 March 2018: 32.36 million) has restricted use.

(₹ in million)

	As at	
	31 March 2019	31 March 2018
13. Other current assets		
Prepaid expenses	685.01	559.55
Recoverable from/balance with government authorities (Refer note 40 (a))	2,984.93	2,197.88
Advance to employees	31.97	31.44
Advance for supply of goods and services	317.59	332.39
Assets held for sale (1)	75.45	72.43
Others	41.91	18.02
Total other current assets	**4,136.86**	**3,211.71**

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.

(₹ in million)

	As at	
	31 March 2019	31 March 2018
14. Equity share capital		
Authorised		
655,000,000 (31 March 2018 : 655,000,000) equity shares of ₹ 1 each	655.00	655.00
	655.00	**655.00**
Issued and subscribed		
159,313,139 (31 March 2018 : 159,313,139) equity shares of ₹ 1 each	159.31	159.31
	159.31	**159.31**
Paid up capital		
159,281,139 (31 March 2018 : 159,281,139) equity shares of ₹ 1 each	159.28	159.28
Add: Equity shares forfeited (paid up)	0.02	0.02
	159.30	**159.30**
Less: Shares held in trust for employees under ESOP scheme (Refer note 45)	(0.01)	(3.51)
	159.29	**155.79**

Notes to the consolidated financial statements for the year ended 31 March 2019 (Continued)

Movement in equity share capital:

	As at 31 March 2019		As at 31 March 2018	
	Number	₹ in million	Number	₹ in million
At the commencement and at the end of the year	159,281,139	159.28	159,281,139	159.28

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 2019		As at 31 March 2018	
	Number	% of total shares	Number	% of total shares
Jubilant Stock Holding Private Limited	22,521,992	14.14%	21,871,992	13.73%
SSB Consultants & Management Services Private Limited	21,007,665	13.19%	21,007,665	13.19%
HSB Corporate Consultants Private Limited	18,698,979	11.74%	18,698,979	11.74%

Others:

a) 114,835 (31 March 2018: 114,835) equity shares of ₹ 1 each allotted on exercise of the vested stock options in accordance with the terms of exercise under the "Jubilant Employees Stock Option Plan, 2005". (Refer note 45).

b) Under the Jubilant Employees Stock Option 2011 Plan as at 31 March 2019 – 9,628 (31 March 2018: 32,216) outstanding options are convertible into 9,628 (31 March 2018: 32,216) shares. (Refer note 45).

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 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.

Notes to the consolidated financial statements for the year ended 31 March 2019 (Continued)

- *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.

- *Foreign Currency Monetary Item Translation Difference Account (FCMITDA)*

  This represent accumulated Monetary Item Translation Difference of long-term foreign currency monetary items to be amortised over the period in which long-term foreign currency monetary items is payable.

- *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 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.

(₹ in million)

	As at	
	31 March 2019	**31 March 2018**
16(a). Non-current borrowings		
Secured debentures		
Secured rated listed non-convertible debentures	6,435.66	3,938.56
Bonds		
4.875% senior notes (unsecured)	20,638.40	19,386.36
6% senior notes (unsecured)	13,674.02	-
Term loans		
From banks		
Indian rupee loans (secured)	1,569.95	2,168.32
From other parties		
Indian rupee loans (secured)	-	1,118.53
Other foreign currency loans (unsecured)	-	3,792.89
Long term maturity of finance lease obligations (secured)	110.87	73.42
Total non-current borrowings	**42,428.90**	**30,478.08**
Add: Current maturities of non-current borrowings (Refer note 19)	884.53	1,666.98
Add: Current maturities of financial lease obligations (Refer note 19)	93.72	95.31
Total non-current borrowings (including current maturities)	**43,407.15**	**32,240.37**

Notes to the consolidated financial statements for the year ended 31 March 2019 (Continued)

(₹ in million)

	As at	
	31 March 2019	**31 March 2018**
16(b). Current borrowings		
Loans repayable on demand		
From banks		
Secured	2,358.51	401.36
Unsecured	2,638.62	2,047.16
Total current borrowings	**4,997.13**	**2,448.52**

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

Parent Company

16.1.1 Indian rupee term loans amounting to ₹ 1,575.00 million (31 March 2018: ₹ 2,177.90 million) from Axis Bank Limited, RBL Bank Limited and Non-Convertible Debentures amounting to ₹ 7,450.00 million (31 March 2018: ₹ 4,950.00 million) are secured by a first pari-passu charge created amongst the lenders by way of:

1) Mortgage on the immovable fixed assets, both present and future, situated at Bhartiagram, Tehsil Dhanora, District Amroha, Uttar Pradesh, India, save and except the following immovable fixed assets from mortgage:

(a) 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, being under common title deeds with other Group companies;

(b) 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

(c) 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, being under common lease deed with other Group companies;

2) Hypothecation on the entire movable fixed assets, both present and future of the Company.

16.1.2 Non-convertible debentures amounting to ₹ 3,950.00 million (31 March 2018: ₹ 4,950.00 million repayable in four yearly installments) is repayable in three yearly installments as given below:

(a) 8.47% Non-convertible debentures of ₹1,000 million repayable on 27 January 2020.

(b) 8.65% Non-convertible debentures of ₹ 1,500 million repayable on 27 January 2021.

(c) 8.88% Non-convertible debentures of ₹ 1,450 million repayable on 27 January 2022.

8.20% Non-convertible debentures of ₹ 1,000 million has been fully repaid during the year.

16.1.3 Non-convertible debentures amounting to ₹ 3,500.00 million (31 March 2018: ₹ Nil) is repayable in three yearly installments as given below:

(a) 8.95% Non-convertible debentures of ₹ 1,000 million repayable on 5 September 2020.

(b) 9.10% Non-convertible debentures of ₹ 1,000 million repayable on 5 September 2021.

(c) 9.26% Non-convertible debentures of ₹ 1,500 million repayable on 5 September 2022.

16.1.4 Indian rupee term loan amounting to ₹ 1,575.00 million (31 March 2018: ₹ 1,575.00 million repayable in three half yearly installments from March 2021) from Axis Bank Limited is repayable in three half yearly installments from March 2021.

16.1.5 Indian rupee term loan amounting to ₹ Nil (31 March 2018: ₹ 602.90 million repayable in eight quarterly installments from March 2020) from RBL Bank Limited has been fully repaid during the year.

Notes to the consolidated financial statements for the year ended 31 March 2019 (Continued)

16.1.6 Indian rupee term loan amounting to ₹ Nil (31 March 2018: ₹ 1,875.00 million repayable in five equal half yearly installments from September 2018) from Housing Development Finance Corporation Limited has been fully repaid during the year.

Other entities

16.1.7 Unsecured 4.875% senior notes amounting to USD 300.00 million (₹ 20,748.00 million) (31 March 2018: USD 300.00 million (₹ 19,551.00 million) repayable in single installment in October 2021) issued by Jubilant Pharma limited are repayable in single installment in October 2021.

16.1.8 Unsecured 6.00% senior notes amounting to USD 200.00 million (₹ 13,832 million) (31 March 2018: Nil) issued by Jubilant Pharma limited are repayable in single installment in March 2024.

16.1.9 Unsecured term loan of USD Nil under Facility C to Jubilant Pharma Limited from International Finance Corporation (31 March 2018: USD 58.20 million (₹ 3,792.89 million) has been fully repaid during the year. (Refer note 43).

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

The Indian rupee term loans carry interest rate ranging from 8.00 % to 10.09% (31 March 2018: 7.90% to 9.75%) per annum and term loans denominated in currency other than Indian rupee carry interest rate of benchmark interest rate (Libor, CAD dealer offered rate, Euro libor and swap offer rates) plus spread ranging from NA (31 March 2018: 310 to 325) basis points. The benchmark rates are 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.

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

Parent company

16.2.1 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 the Company wherever the same may be or be held. Working capital loans are repayable as per terms of agreement within one year.

Other entities

16.2.2 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.

Indian rupee loans carry interest rate ranging from 6.08 % to 10.60% (31 March 2018: 5.95% to 12.50%) per annum and other currencies loans carry interest rate of benchmark interest rate (Libor and CAD Prime) plus spread ranging from 0 to 270 (31 March 2018: 0 to 150) basis points. The benchmark interest rates are 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 2019	**31 March 2018**
Property, plant and equipment	12,459.92	19,832.98
Inventory	8,038.00	10,758.67
Other financial assets	7,331.05	8,481.28
	27,828.97	**39,072.93**

Notes to the consolidated financial statements for the year ended 31 March 2019 (Continued)

(₹ in million)

		31 March 2019	31 March 2018
16 (c)	**Analysis of movement in borrowings**		
	Borrowings at the beginning of the year	**34,688.89**	**40,452.85**
	Movement due to cash transactions as shown in statement of cash flows	6,616.19	(6,278.45)
	Movement due to non-cash transactions		
	- Acquisition pursuant to business combination (refer note 41)	-	191.94
	- Accrued cost on stock settled debt instrument (refer note 43)	5,324.38	-
	- Foreign exchange movement	1,510.55	138.17
	- Effective interest rate accounting	99.68	168.90
	- Liability for assets taken on lease	164.59	15.48
	Borrowings at the end of the year	**48,404.28**	**34,688.89**

(₹ in million)

		As at			
		31 March 2019		31 March 2018	
		Current	Non-current	Current	Non-current
17.	**Provisions**				
	Unsecured, considered good				
	Provision for employee benefits (Refer note 31)	474.73	992.23	402.56	929.43
	Decommissioning provisions	-	151.24	-	141.35
	Provision for sales return	212.66		-	-
	Other provisions	-	-	14.48	-
	Total provisions	**687.39**	**1,143.47**	**417.04**	**1,070.78**

The following table presents the movement in the decommissioning provisions during the year:-

(₹ in million)

	For the year ended	
	31 March 2019	31 March 2018
Balance as at the beginning of the year	**141.35**	**-**
Acquired during the year (refer note 41)	-	137.95
Unwinding of discount	1.25	0.64
Foreign currency translation adjustment	8.64	2.76
Closing balance	**151.24**	**141.35**

During the year ended 31 March 2018, pursuant to business combination (refer note 41), the Group acquired decommissioning provisions aggregating to ₹ 137.95 million arising from regulatory requirements to perform certain asset disposal activities at the time that certain machinery and equipment is disposed off and an unwinding of the discount of ₹ 1.25 million and ₹ 0.64 million has been recognised during the year ended 31 March 2019 and 31 March 2018, respectively.

(₹ in million)

		As at	
		31 March 2019	31 March 2018
18.	**Trade payables**		
	Current		
	Total outstanding dues of micro enterprises and small enterprises (Refer note 30)	105.78	36.62
	Total outstanding dues of creditors other than micro enterprises and small enterprises	10,095.49	11,324.99
	Total trade payables	**10,201.27**	**11,361.61**
	Amount payable to related parties included in the above (Refer note 36)	18.76	41.66

Notes to the consolidated financial statements for the year ended 31 March 2019 (Continued)

(₹ in million)

		As at	
		31 March 2019	31 March 2018
19.	**Other financial liabilities**		
	Non-current		
	Accrued cost for stock settled debt instrument (Refer note 43)	-	2,522.08
	Employee benefits payable	4.54	-
	Total other non-current financial liabilities	**4.54**	**2,522.08**
	Current		
	Current maturities of non-current borrowings (Refer note 16(a))	884.53	1,666.98
	Current maturities of finance lease obligations (Refer note 16(a))	93.72	95.31
	Interest accrued but not due on borrowings	652.84	554.43
	Unpaid dividend	54.73	49.76
	Security deposit	29.81	26.09
	Capital creditors *	632.19	407.03
	Employee benefits payable	1,509.59	1,257.99
	Other payables	96.60	159.91
	Total other current financial liabilities	**3,954.01**	**4,217.50**

* Includes outstanding dues of micro enterprises and small enterprises of ₹ 69.67 million (31 March 2018: ₹ 7.69 million)

(₹ in million)

		As at	
		31 March 2019	31 March 2018
20.	**Other liabilities**		
	Non-current		
	Contract liabilities	44.75	64.37
	Deferred income - government grant	52.40	13.22
	Total other non-current liabilities	**97.15**	**77.59**
	Current		
	Contract liabilities	400.21	474.97
	Deferred income - government grant	2.43	1.38
	Statutory dues payables	379.10	364.83
	Total other current liabilities	**781.74**	**841.18**

(₹ in million)

		For the year ended	
		31 March 2019	31 March 2018
21.	**Revenue from operations**		
	Sale of products (including excise duty)		
	- Finished goods	77,421.79	63,754.05
	- Traded goods	2,472.18	2,634.66
	Sale of services	10,076.91	8,258.78
	Other operating revenue (Refer note 40(a))	1,137.29	930.59
	Total revenue from operations	**91,108.17**	**75,578.08**

Note:

Revenue from operations for the current year is not comparable with previous year since the revenue is net of Goods and Services Tax (GST) w.e.f. 1 July 2017 in respect of Parent and its Indian subsidiaries, whereas revenue includes excise duty upto 30 June 2017 and also refer note 41.

Notes to the consolidated financial statements for the year ended 31 March 2019 (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.

(₹ in million)

	For the year ended 31 March 2019				For the year ended 31 March 2018			
	Pharmaceuticals	Life Science Ingredients	Others	Total	Pharmaceuticals	Life Science Ingredients	Others	Total
Primary geographical markets								
India	852.86	22,438.43	275.69	23,566.98	867.03	19,536.60	210.38	20,614.01
Americas and Europe	49,080.22	8,326.71	2,038.16	59,445.09	36,556.18	8,550.43	1,659.89	46,766.50
China	11.19	1,384.77	-	1,395.96	29.65	1,988.36	-	2,018.01
Rest of the world	2,616.74	2,849.70	96.41	5,562.85	2,060.00	3,120.09	68.88	5,248.97
Total	**52,561.01**	**34,999.61**	**2,410.26**	**89,970.88**	**39,512.86**	**33,195.48**	**1,939.15**	**74,647.49**
Major products/service lines								
Radiopharmaceuticals	24,465.40	-	-	24,465.40	16,985.91	-	-	16,985.91
Contract manufacturing operations	7,787.90	-	-	7,787.90	6,471.80	-	-	6,471.80
Allergy therapy products	3,623.05	-	-	3,623.05	2,812.41	-	-	2,812.41
Solid dosage formulations	10,068.21	-	-	10,068.21	7,885.53	-	-	7,885.53
Active pharmaceutical ingredients	6,616.45	-	-	6,616.45	5,357.21	-	-	5,357.21
Speciality intermediates	-	9,879.15	-	9,879.15	-	9,574.56	-	9,574.56
Life science chemicals	-	21,100.94	-	21,100.94	-	18,110.10	-	18,110.10
Nutritional products	-	4,019.52	-	4,019.52	-	5,510.82	-	5,510.82
Drug discovery and development solutions	-	-	2,162.78	2,162.78	-	-	1,760.13	1,760.13
India branded pharmaceuticals	-	-	247.48	247.48	-	-	179.02	179.02
Total	**52,561.01**	**34,999.61**	**2,410.26**	**89,970.88**	**39,512.86**	**33,195.48**	**1,939.15**	**74,647.49**

Reconciliation of the disaggregated revenue with the Group's reportable segments (refer note 35)

(₹ in million)

	For the year ended 31 March 2019				For the year ended 31 March 2018			
	Pharmaceuticals	Life Science Ingredients	Others	Total	Pharmaceuticals	Life Science Ingredients	Others	Total
Revenue from sale of products and services	52,561.01	34,999.61	2,410.26	89,970.88	39,512.86	33,195.48	1,939.15	74,647.49
Other operating revenue	679.13	452.64	5.52	1,137.29	474.19	453.43	2.97	930.59
Total	**53,240.14**	**35,452.25**	**2,415.78**	**91,108.17**	**39,987.05**	**33,648.91**	**1,942.12**	**75,578.08**

Contract Balances

(₹ in million)

	As at	
	31 March 2019	1 April 2018
Trade receivables	12,715.49	11,307.64
Unbilled receivables	586.36	474.93
Contract liabilities	444.96	539.34

The amount of ₹ 369.25 million recognised in contract liabilities at the beginning of the period has been recognised as revenue for the year ended 31 March 2019.

Reconciliation of revenue recognized with the contracted price is as follows:

(₹ in million)

	For the year ended 31 March 2019
Contracted price	100,796.12
Reductions towards variable consideration components	(10,825.24)
Revenue recognised	**89,970.88**

Notes to the consolidated financial statements for the year ended 31 March 2019 (Continued)

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 ₹ 789.69 million majority of which is expected to be recognised as revenue in the next two years.

(₹ in million)

		For the year ended	
		31 March 2019	**31 March 2018**
22.	**Other income**		
	Interest income	109.68	51.30
	Gain on investments at fair value through P&L	-	75.88
	Dividend on investments	-	0.14
	Amortisation of foreign currency monetary item translation difference	-	25.25
	Net foreign exchange income	122.24	20.88
	Other non-operating income	125.48	226.88
	Total other income	**357.40**	**400.33**

(₹ in million)

		For the year ended	
		31 March 2019	**31 March 2018**
23.	**Cost of materials consumed**		
	Raw materials consumed	32,828.00	26,781.45
	Total cost of materials consumed	**32,828.00**	**26,781.45**

(₹ in million)

		For the year ended	
		31 March 2019	**31 March 2018**
24.	**Changes in inventories of finished goods, stock-in-trade and work-in-progress**		
	Opening balance		
	Work-in progress	3,065.33	2,916.45
	Finished goods	3,848.38	3,632.69
	Stock-in-trade	151.56	156.45
	Total opening balance	**7,065.27**	**6,705.59**
	Closing balance		
	Work-in progress	3,348.20	3,065.33
	Finished goods	3,775.70	3,848.38
	Stock-in-trade	200.92	151.56
	Total closing balance	**7,324.82**	**7,065.27**
	Increase in inventories of finished goods, stock-in-trade and work-in-progress	(259.55)	(359.68)
	Foreign currency translation adjustment	240.84	(162.30)
	Total changes in inventories of finished goods, stock-in-trade and work-in-progress	**(18.71)**	**(521.98)**

Notes to the consolidated financial statements for the year ended 31 March 2019 (Continued)

(₹ in million)

		For the year ended	
		31 March 2019	31 March 2018
25.	**Employee benefits expense**		
	Salaries, wages, bonus, gratuity and allowances	16,204.83	13,210.48
	Contribution to provident fund, superannuation and other funds	1,137.77	925.14
	Staff welfare expenses	1,916.99	1,423.16
	Total employee benefits expense	**19,259.59**	**15,558.78**

(₹ in million)

		For the year ended	
		31 March 2019	31 March 2018
26.	**Finance costs**		
	Interest expense	2,060.24	2,643.13
	Other finance costs	125.78	191.31
	Exchange differences to the extent considered as an adjustment to finance costs	12.06	8.39
	Total finance costs	**2,198.08**	**2,842.83**

Note:

(1) Refer note 40(b) for finance costs capitalised.

(₹ in million)

		For the year ended	
		31 March 2019	31 March 2018
27.	**Depreciation, amortisation and impairment expense**		
	Depreciation of property, plant and equipment	2,734.42	2,413.31
	Amortisation and impairment of intangible assets (Refer note 42)	974.54	1,737.18
	Total depreciation, amortisation and impairment expense	**3,708.96**	**4,150.49**

(₹ in million)

		For the year ended	
		31 March 2019	31 March 2018
28.	**Other expenses**		
	Power and fuel	4,663.83	4,249.15
	Consumption of stores and spares and packing materials	2,994.15	2,810.12
	Processing charges	354.67	259.20
	Excise duty related to decrease in inventory of finished goods	-	(62.55)
	Rental charges	510.68	345.51
	Rates and taxes	723.97	551.32
	Insurance	216.19	165.41
	Advertisement, publicity and sales promotion	315.74	274.14
	Travel and conveyance	819.58	639.97
	Repairs and maintenance:		
	i. Plant and machinery	1,350.47	1,118.79
	ii. Buildings	349.76	298.11
	iii. Others	412.90	315.37

Notes to the consolidated financial statements for the year ended 31 March 2019 (Continued)

(₹ in million)

	For the year ended	
	31 March 2019	31 March 2018
Office expenses	341.17	312.24
Vehicle running and maintenance	60.64	58.19
Printing and stationery	66.72	58.06
Telephone and communication charges	281.93	200.87
Staff recruitment and training	269.46	179.41
Donation [including corporate social responsibility expenditure (Refer note 39)]	161.00	91.26
Payments to statutory auditors	11.11	10.82
Legal and professional fees	2,166.68	1,082.02
Freight and forwarding (including ocean freight)	1,397.75	1,364.87
Subscription	120.22	109.81
Claims and other selling expenses	500.20	520.56
Commission on sales	463.31	318.94
Loss on sale/disposal/discard of property, plant and equipment (net)	46.33	41.10
Provision/write off of bad debts/irrecoverable advances (net)	4.49	43.16
Loss on investments at fair value through P&L	93.09	-
Miscellaneous expenses	544.09	392.29
Total other expenses	**19,240.13**	**15,748.14**

29. Income tax

The major components of income tax expense for the years ended 31 March 2019 and 31 March 2018 are:

(₹ in million)

	For the year ended	
	31 March 2019	31 March 2018
Profit or loss section		
Current income tax:		
Current income tax charge for the year	2,906.95	2,849.86
Adjustments in respect of current income tax of previous years	(85.44)	140.72
	2,821.51	**2,990.58**
Deferred tax:		
Deferred tax on profits for the year	897.90	(592.46)
Adjustments in respect of deferred tax of previous years	(451.38)	(151.48)
	446.52	**(743.94)**
Income tax expense reported in the Consolidated Statement of Profit and Loss	**3,268.03**	**2,246.64**
OCI section		
Tax related to items that will not be reclassified to profit or loss	5.12	15.75
Income tax charged to OCI	**5.12**	**15.75**

Notes to the consolidated financial statements for the year ended 31 March 2019 (Continued)

Reconciliation between average effective tax rate and applicable tax rate for 31 March 2019 and 31 March 2018:

(₹ in million)

	For the year ended	
	31 March 2019	31 March 2018
Accounting profit before tax	**9,038.11**	**8,590.82**
At India's statutory income tax rate 34.944% (31 March 2018: 34.608%)	3,158.27	2,973.11
- Effect of non-deductible expenses and exempt income	565.03	284.03
- Incremental allowance for research and development and other capital expenditure	(206.10)	(212.21)
- Effect of prior year taxes	(536.83)	(10.76)
- Unrecognised deferred tax (including MAT credit)	5.53	(21.25)
- Differences in other countries tax rates	105.58	(216.91)
- Change in country's statutory tax rates *	9.93	(540.00)
- Others	166.62	(9.37)
Income tax expense reported in the Consolidated Statement of Profit and Loss	**3,268.03**	**2,246.64**

* Includes ₹ 612.10 million relating to deferred tax benefit during the year ended 31 March 2018 consequent to reduction in US federal tax rates from 35% to 21% effective 1 January 2018 pursuant to US tax reforms.

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 2019	31 March 2018
The principal amount remaining unpaid to any supplier as at the end of the year	175.45	44.31
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	-	-

31. 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:

Notes to the consolidated financial statements for the year ended 31 March 2019 (Continued)

(₹ in million)

	For the year ended	
	31 March 2019	31 March 2018
Employer's contribution to provident fund (1)	47.30	30.25
Employer's contribution to employee's pension scheme	68.95	66.57
Employer's contribution to superannuation fund	7.21	6.98
Employer's contribution to employee state insurance	7.09	8.93

(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's entities located in United States of America have a 401(k) Plan, where in the regular, full-time and part-time employees are eligible to participate in the defined contribution plan. Participants may voluntarily contribute eligible pre-tax and post-tax compensation in 0.5% increments (1% up to December 2015) of up to 90% of their annual compensation in accordance with the annual limits as determined by the Internal Revenue Service. Eligible employees in one of the States receive a 100% match of their contributions up to 3% of their eligible compensation and 50% match of their contributions from 3%-5% of their eligible compensation. Such employees above the age of 50 years may choose to contribute "catch-up" contributions in accordance with the Internal Revenue Service limits and are matched the same up to the maximum entity's contribution of 100 % of first 3% of eligible compensation and 50% of the next 2% of contribution. The entity's matching contributions vest 100% at all time for such employees. Eligible employees in other States receive a 50% match of their contributions up to 6% of their eligible compensation. Employees above the age of 50 years may choose to contribute "catch-up" contributions in accordance with the Internal Revenue Service limits and are matched the same up to the maximum Group contribution of 3% of eligible compensation. The Group's matching contributions vest 100% after three years of service. The Group has contributed ₹ 215.51 million (31 March 2018: ₹ 126.80 million) to 401(k) for the year.

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 5.40% and 5.40% of the employees' base salary for the year ended 31 March 2019 and 2018 respectively.

   During the year the Group has contributed following amounts:

(₹ in million)

Plan under which contributions made	For the year ended	
	31 March 2019	31 March 2018
Registered retirement savings plan (RRSP)	68.46	61.42
Quebec pension plan (QPP)	88.27	81.08

c. Further, the entities of the Group located in Belgium contribute to social security fund named as Rijks Sociale Zekerheid (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 ₹ 5.65 million (31 March 2018: ₹ 5.84 million) to RSZ for the year.

(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 7.65% p.a. (31 March 2018: 7.70% p.a.) which is determined by reference to market yield at the Balance Sheet date on Government bonds. The retirement age has been considered at 58 years (31 March 2018: 58 years) and mortality table is as per IALM (2006-08) (31 March 2018: IALM (2006-08)).

Notes to the consolidated financial statements for the year ended 31 March 2019 (Continued)

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 2018: 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 7.65% p.a. (31 March 2018: 7.70% p.a.).

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

(₹ in million)

	31 March 2019	31 March 2018
Present value of obligation at the beginning of the year	773.24	650.23
Current service cost	87.74	83.23
Interest cost	59.51	48.77
Actuarial loss	15.06	45.36
Benefits paid	(81.14)	(54.35)
Present value of obligation at the end of the year	**854.41**	**773.24**

Fair value of plan assets:**

(₹ in million)

	31 March 2019	31 March 2018
Plan assets at the beginning of the year	32.43	27.05
Expected return on plan assets	2.50	2.03
Contribution by employer	7.32	5.86
Actual benefits paid	(5.14)	(3.11)
Actuarial (loss)/gain	(0.32)	0.60
Plan assets at the end of the year	**36.79**	**32.43**

** 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 2019	31 March 2018
Present value of obligation at the end of the year	854.41	773.24
Fair value of plan assets at the end of the year	(36.79)	(32.43)
Net liabilities recognised in the Balance Sheet	**817.62**	**740.81**

Group's best estimate of contribution during next year is ₹ 157.98 million (31 March 2018: ₹ 147.35 million).

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

(₹ in million)

	For the year ended	
	31 March 2019	31 March 2018
Current service cost	87.74	83.23
Interest cost	57.01	46.74
Expense recognised in the Consolidated Statement of Profit and Loss	**144.75**	**129.97**

Notes to the consolidated financial statements for the year ended 31 March 2019 (Continued)

Amount recognised in the other comprehensive income:

(₹ in million)

	For the year ended	
	31 March 2019	31 March 2018
Actuarial gain due to demographic assumption change	(1.05)	(1.75)
Actuarial loss/(gain) due to financial assumption change	2.45	(5.03)
Actuarial loss due to experience adjustment	13.66	52.14
Actuarial loss/(gain) on plan assets	0.32	(0.60)
Amount recognised in the other comprehensive income	**15.38**	**44.76**

Sensitivity analysis:

Discount rate (₹ in million)

	31 March 2019		31 March 2018	
Sensitivity level	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Impact on defined benefit	(20.87)	19.06	(18.86)	19.88

Future salary increase (₹ in million)

	31 March 2019		31 March 2018	
Sensitivity level	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Impact on defined benefit	19.16	(21.17)	19.99	(19.15)

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 2019	31 March 2018
Within one year	193.19	167.74
Between one to three years	125.79	97.26
Between three to five years	126.54	100.12
Later than five years	408.89	408.12
	854.41	**773.24**

(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 2018: ₹ 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 2019. Accordingly, liability of ₹ Nil (31 March 2018: ₹ Nil) has been allocated to Group and ₹ Nil (31 March 2018: ₹ Nil) has been charged to Consolidated 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 2019	31 March 2018
Discount rate	7.65%	7.70%
Guaranteed rate of return	8.65%	8.55%

The Group has contributed ₹ 149.50 million to provident fund (31 March 2018: ₹ 138.03 million) for the year.

Notes to the consolidated financial statements for the year ended 31 March 2019 (Continued)

(C) Other long term benefits (compensated absences):

(₹ in million)

	For the year ended	
	31 March 2019	31 March 2018
Present value of obligation at the end of the year	649.34	591.18

32. Fair value measurements

(₹ in million)

	Note	Level of hierarchy	Carrying Value as at		Fair Value as at	
			31 March 2019	31 March 2018	31 March 2019	31 March 2018
Financial assets						
FVTOCI						
Investments in quoted equity instruments	(c)	1	27.56	37.29	27.56	37.29
Investments in other equity instruments	(d)	3	783.82	793.74	783.82	793.74
FVTPL						
Investments in Equity instruments	(d)	3	326.07	404.19	326.07	404.19
Investments in Debt instruments	(d)	3	13.61	-	13.61	-
Amortised Cost						
Trade receivables	(a)		12,715.49	11,307.64	12,715.49	11,307.64
Loans	(a, b)		192.36	190.90	192.36	190.90
Cash and cash equivalents	(a)		10,053.97	2,441.76	10,053.97	2,441.76
Other bank balances	(a)		3,650.13	46.18	3,650.13	46.18
Other financial assets	(a, b)		1,075.45	888.04	1,075.45	888.04
Total financial assets			**28,838.46**	**16,109.74**	**28,838.46**	**16,109.74**
Financial liabilities						
Amortised Cost						
Secured rated listed non-convertible debentures	(c)	1	7,424.05	4,930.33	7,423.16	4,843.57
4.875% senior notes	(c)	1	20,573.28	19,325.59	20,722.07	19,208.86
6% senior notes	(c)	1	13,639.56	-	14,024.96	-
Other borrowings	(a, c)	3	6,767.39	10,432.97	6,789.33	10,469.26
Trade payables	(a)		10,201.27	11,361.61	10,201.27	11,361.61
Other financial liabilities	(a)		2,980.30	4,977.29	2,980.30	4,977.29
Total financial liabilities			**61,585.85**	**51,027.79**	**62,141.09**	**50,860.59**

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.

(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) Fair value of quoted financial instruments (including listed debentures and bonds) is based on quoted market price at the reporting date. The fair value of other 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.

Notes to the consolidated financial statements for the year ended 31 March 2019 (Continued)

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

Reconciliation of Level 3 fair value measurement:

(₹ in million)

	For the year ended	
	31 March 2019	31 March 2018
Opening balance	1,197.93	958.08
Additional investment	0.04	195.33
Loss recognized in statement of P&L	(93.09)	(1.31)
(Loss) / gain recognized in other comprehensive income	(54.40)	40.76
Foreign currency translation adjustment	73.02	5.07
Closing balance	**1,123.50**	**1,197.93**

33. 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 2019 and 31 March 2018, 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 month (net of expected credit loss allowance) is ₹ 91.40 million (31 March 2018: ₹ 71.18 million).

Notes to the consolidated financial statements for the year ended 31 March 2019 (Continued)

Movement in the expected credit loss allowance of trade receivables are as follows:

(₹ in million)

	As at	
	31 March 2019	**31 March 2018**
Balance at the beginning of the year	124.73	158.73
Add: Provided during the year (net of reversal)	76.94	30.48
Less: Amount written off */ translation adjustment	(24.56)	(64.48)
Balance at the end of the year	**177.11**	**124.73**

*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 excepted 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 and exclude the impact of netting agreements.

(₹ in million)

As at 31 March 2019	Carrying Amount	Contractual Cash flows (2)		
		Total	Within 1 year	More than 1 year
Non-derivative financial liabilities				
Borrowings (1)	48,404.28	48,806.73	6,090.86	42,715.87
Trade payables	10,201.27	10,201.27	10,201.27	-
Other financial liabilities	2,980.30	2,980.30	2,975.76	4.54

(₹ in million)

As at 31 March 2018	Carrying Amount	Contractual Cash flows (2)		
		Total	Within 1 year	More than 1 year
Non-derivative financial liabilities				
Borrowings (1)	34,688.89	34,964.05	4,293.84	30,670.21
Trade payables	11,361.61	11,361.61	11,361.61	-
Other financial liabilities	4,977.29	4,977.29	2,455.21	2,522.08

(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 2019 (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 2019				As at 31 March 2018			
	USD	EUR	CAD	OTHER	USD	EUR	CAD	OTHER
Cash and cash equivalents	3,839.72	2.33	-	16.29	768.54	0.48	41.68	26.66
Trade receivables	5,695.50	1,025.85	12.54	139.94	4,468.73	1,222.62	1.12	121.80
Other financial assets	5,905.03	7.88	50.80	32.78	3,406.11	8.12	32.40	10.61
Trade payables	(5,709.99)	(181.75)	(50.44)	(55.83)	(6,274.53)	(134.73)	(48.46)	(91.93)
Borrowings	(403.01)	-	-	-	(641.66)	-	-	-
Other financial liabilities	(34.52)	(1.91)	(36.83)	(44.18)	(30.85)	-	(34.58)	(36.51)
Net statement of financial position exposure	**9,292.73**	**852.40**	**(23.93)**	**89.00**	**1,696.34**	**1,096.49**	**(7.84)**	**30.63**

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)	
	Strengthening	Weakening
31 March 2019		
USD (1% movement)	92.93	(92.93)
EUR (1% movement)	8.52	(8.52)
CAD (1% movement)	(0.24)	0.24
Other (1% movement)	0.89	(0.89)
31 March 2018		
USD (1% movement)	16.96	(16.96)
EUR (1% movement)	10.96	(10.96)
CAD (1% movement)	(0.08)	0.08
Other (1% movement)	0.31	(0.31)

Notes to the consolidated financial statements for the year ended 31 March 2019 (Continued)

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.

Exposure to interest rate risk

The interest rate profile of the Group's interest bearing financial instruments (excluding loan C amounting to Nil (USD 58.40 million as of 31 March 2018) from International Finance Corporation, refer note 43 for the same), as reported to the management of the Group is as follows:

(₹ in million)

	As at	
	31 March 2019	**31 March 2018**
Fixed-rate borrowings	42,649.98	25,169.73
Floating rate borrowings	6,156.75	6,001.43

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 2019 would decrease / increase by ₹ 15.39 million (31 March 2018: ₹ 15.00 million). This is mainly attributable to the Group's exposure to interest rates on its floating rate borrowings.

34. 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 2019	**31 March 2018**
Net debt	34,700.18	32,200.95
Total equity	48,090.16	40,350.08
Net debt to equity ratio	**0.72**	**0.80**

b) Dividends

(₹ in million)

	31 March 2019	**31 March 2018**
Final dividend for the year ended 31 March 2018 of ₹ 3 per fully paid equity share (including tax on dividend)	561.33	575.12
(31 March 2017 of ₹ 3 per fully paid up equity share)		

In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of ₹ 4.5 per fully paid equity share. The same amounts to ₹ 864.10 million including dividend distribution tax. This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.

Notes to the consolidated financial statements for the year ended 31 March 2019 (Continued)

35. Segment information

Business Segments

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

a. **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.

b. **Life Sciences Ingredients**: i) Specialty Intermediates ii) Life Sciences Chemicals and iii) Nutritional Products; and

c. **Others:** i) Drug Discovery and Development Solutions: Proprietary in-house innovation and collaborative research and partnership for out-licensing ii) India Branded Pharmaceuticals.

Effective 1 April 2018, the Company has realigned its segment to report its India Branded Pharmaceuticals and Drug Discovery and Development Solutions businesses as "Others". 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 2019			For the year ended 31 March 2018		
	Total segment revenue	Inter-segment revenue	Revenue from external customer	Total segment revenue	Inter-segment revenue	Revenue from external customer
Revenue						
Pharmaceuticals	53,240.14	-	53,240.14	39,988.86	1.81	39,987.05
Life Science Ingredients	35,533.05	80.80	35,452.25	33,723.93	75.02	33,648.91
Others	2,432.26	16.48	2,415.78	1,951.28	9.16	1,942.12
Total segment revenue	**91,205.45**	**97.28**	**91,108.17**	**75,664.07**	**85.99**	**75,578.08**

Notes to the consolidated financial statements for the year ended 31 March 2019 (Continued)

(₹ in million)

	For the year ended	
	31 March 2019	31 March 2018
Result		
Pharmaceuticals	11,169.60	6,893.39
Life Science Ingredients	3,556.43	5,481.41
Others	(38.40)	(196.40)
Total segment result	**14,687.63**	**12,178.40**
Un-allocated corporate expenses (net of un-allocated income)	3,561.12	796.05
Interest income	109.68	51.30
Finance costs	2,198.08	2,842.83
Profit before tax	**9,038.11**	**8,590.82**
Tax expense	3,268.03	2,246.64
Profit for the year	**5,770.08**	**6,344.18**

(₹ in million)

	Segment Assets		Segment Liabilities	
	As at			
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Pharmaceuticals	74,608.30	61,620.47	6,972.19	6,217.57
Life Science Ingredients	31,446.60	29,308.81	7,482.16	8,681.12
Others	2,358.40	1,681.70	429.70	422.95
Segment total	**108,413.30**	**92,610.98**	**14,884.05**	**15,321.64**
Un-allocated corporate assets/ liabilities	6,271.75	3,565.20	51,710.84	40,504.46
Total assets/ liabilities	**114,685.05**	**96,176.18**	**66,594.89**	**55,826.10**

Other information:

(₹ in million)

	Capital expenditure		Depreciation/Amortisation/ Impairment	
	For the year ended			
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Pharmaceuticals	3,759.59	3,260.95	2,688.57	3,147.83
Life Science Ingredients	3,401.99	1,528.30	894.45	840.14
Others	130.45	134.69	81.39	104.93
Un-allocated	15.94	7.40	44.55	57.59
Total	**7,307.97**	**4,931.34**	**3,708.96**	**4,150.49**

Information about Geographical segments:

(₹ in million)

	For the year ended	
	31 March 2019	31 March 2018
Revenue by geographical markets		
India	24,406.21	21,409.38
Americas and Europe	59,742.89	46,901.10
China	1,395.96	2,018.01
Rest of the world	5,563.11	5,249.59
Total	**91,108.17**	**75,578.08**

Notes to the consolidated financial statements for the year ended 31 March 2019 (Continued)

(₹ in million)

	As at	
	31 March 2019	31 March 2018
Non-current assets (by geographical location of assets)*		
Within India	31,674.65	28,323.66
Outside India	34,515.88	33,115.27
Total	**66,190.53**	**61,438.93**

*Non-current assets are excluding financial investments and deferred tax assets.

For the year ended 31 March 2019 and 31 March 2018, there is no major customer with respect to consolidated revenue of the Group.

36. 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. Sankaraiah Rajagopal, Mr. S Sridhar, Ms. Sudha Pillai, Dr. Ashok Misra, Mr. Pramod Yadav (from 1 April 2017 to 16 January 2018), Mr. Rajesh Kumar Srivastava (w.e.f. 17 January 2018), Mr. Sushil Kumar Roongta (w.e.f. 23 May 2017), Mr. Vivek Mehra (w.e.f. 23 May 2017), Mr. Arun Seth (w.e.f. 22 October 2018), Mr. Anant Pande (w.e.f. 22 October 2018), Mr. Rajiv Shah.

Jubilant Enpro Private Limited, JOGPL Private Limited, Jubilant FoodWorks Limited, B&M Hot Breads Private Limited, Jubilant Industries Limited, Jubilant Agri and Consumer Products Limited, Jubilant MotorWorks Private Limited, Jubilant Consumer Private Limited, Priority Vendor Technologies Private Limited (related to relatives of KMP), Jubilant Industries Inc., USA.

b) Others:

Vam Employees Provident Fund Trust, Jubilant Bhartia Foundation, Vam Officers Superannuation Fund.

2. Transactions with related parties

FY 2018-19 (₹ in million)

Sr. No.	Particulars	Enterprise in which certain key management personnel are interested	Key management personnel	Others	Total
	Description of transactions:				
1.	**Sales of goods and services:**				
	Jubilant Consumer Private Limited	0.15			0.15
	Jubilant FoodWorks Limited	0.54			0.54
	Jubilant Agri and Consumer Products Limited	149.78			149.78
		150.47			**150.47**
2.	**Rental and other income:**				
	Jubilant Enpro Private Limited	10.83			10.83
	JOGPL Private Limited	3.44			3.44
	Jubilant FoodWorks Limited	7.12			7.12
	Jubilant Industries Limited	0.18			0.18
	Jubilant Agri and Consumer Products Limited	53.67			53.67
	Jubilant Industries Inc., USA	1.67			1.67
	Jubilant Consumer Private Limited	2.85			2.85
		79.76			**79.76**
3.	**Purchase of goods and services:**				
	Priority Vendor Technologies Private Ltd	1.31			1.31
	Jubilant Agri and Consumer Products Limited	165.84			165.84
		167.15			**167.15**

Notes to the consolidated financial statements for the year ended 31 March 2019 (Continued)

FY 2018-19 (₹ in million)

Sr. No.	Particulars	Enterprise in which certain key management personnel are interested	Key management personnel	Others	Total
4.	**Purchase of property, plant, equipment**				
	Jubilant Agri and Consumer Products Limited	0.34			0.34
		0.34			**0.34**
5.	**Recovery of expenses:**				
	Jubilant Enpro Private Limited	0.28			0.28
	Jubilant Industries Inc., USA	0.80			0.80
	Jubilant Agri and Consumer Products Limited	13.23			13.23
		14.31			**14.31**
6.	**Reimbursement of expenses:**				
	Jubilant Industries Limited	1.99			1.99
	Jubilant Enpro Private Limited	2.37			2.37
		4.36			**4.36**
7.	**Remuneration (including perquisites)* :**				
	Mr. Shyam S. Bhartia		142.07		142.07
	Mr. Hari S. Bhartia		110.72		110.72
	Mr. Sankaraiah Rajagopal		70.30		70.30
	Mr. Anant Pande		7.92		7.92
	Mr. Rajesh Kumar Srivastava		45.68		45.68
	Mr. Rajiv Shah		8.43		8.43
			385.12		**385.12**
8.	**Sitting fees:**				
	Dr. Ashok Misra		0.49		0.49
	Mr. S Sridhar		0.53		0.53
	Ms. Sudha Pillai		0.61		0.61
	Mr. Sushil Kumar Roongta		0.48		0.48
	Mr. Vivek Mehra		0.53		0.53
	Mr. Arun Seth		0.10		0.10
			2.74		**2.74**
9.	**Commission:**				
	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		0.44		0.44
			5.44		**5.44**
10.	**Company's contribution to provident fund trust :**				
	Vam Employee Provident Fund Trust			149.50	149.50
				149.50	**149.50**
11.	**Company's contribution to superannuation fund:**				
	Vam Officers Superannuation Fund			7.21	7.21
				7.21	**7.21**

Notes to the consolidated financial statements for the year ended 31 March 2019 (Continued)

FY 2018-19 **(₹ in million)**

Sr. No.	Particulars	Enterprise in which certain key management personnel are interested	Key management personnel	Others	Total
12.	**Rent expenses:**				
	Jubilant Enpro Private Limited	25.20			25.20
		25.20			**25.20**
13.	**Donation:**				
	Jubilant Bhartia Foundation			68.87	68.87
				68.87	**68.87**
	Amount outstanding				
14.	**Commission payable #:**				
	Mr. Hari S. Bhartia		22.00		22.00
	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		0.44		0.44
			27.44		**27.44**
15.	**Trade payables:**				
	Priority Vendor Technologies Private Ltd	0.58			0.58
	Jubilant Industries Limited	3.70			3.70
	Jubilant Agri and Consumer Products Limited	13.56			13.56
	Jubilant Enpro Private Limited	0.92			0.92
		18.76			**18.76**
16.	**Other payables:**				
	JOGPL Private Limited	1.44			1.44
	Vam Employees Provident Fund Trust			35.70	35.70
	Vam Officers Superannuation Fund			1.81	1.81
		1.44		**37.51**	**38.95**
17.	**Trade receivables:**				
	Jubilant Consumer Private Limited	0.15			0.15
	Jubilant Industries Limited	0.32			0.32
	Jubilant Agri and Consumer Products Limited	83.90			83.90
		84.37			**84.37**
18.	**Deposits recoverable:**				
	Jubilant Enpro Private Limited	1.58			1.58
		1.58			**1.58**
19.	**Other recoverables:**				
	Jubilant Agri and Consumer Products Limited	42.95			42.95
	Jubilant FoodWorks Limited	0.52			0.52
	Jubilant Enpro Private Limited	0.87			0.87
	Jubilant Industries Inc., USA	0.07			0.07
	Jubilant Consumer Private Limited	4.30			4.30
		48.71			**48.71**

Notes to the consolidated financial statements for the year ended 31 March 2019 (Continued)

FY 2017-18 **(₹ in million)**

Sr. No.	Particulars	Enterprise in which certain key management personnel are interested	Key management personnel	Others	Total
	Description of transactions:				
1	**Sales of goods and services:**				
	Jubilant FoodWorks Limited	0.95			0.95
	Jubilant Agri and Consumer Products Limited	131.64			131.64
		132.59			**132.59**
2	**Rental and other income:**				
	Jubilant Enpro Private Limited	14.43			14.43
	JOGPL Private Limited	15.09			15.09
	Jubilant FoodWorks Limited	10.15			10.15
	Jubilant Industries Limited	0.18			0.18
	Jubilant Agri and Consumer Products Limited	49.31			49.31
	Jubilant MotorWorks Private Limited	0.64			0.64
	Jubilant Industries Inc., USA	1.55			1.55
	Jubilant Consumer Private Limited	1.87			1.87
		93.22			**93.22**
3	**Purchase of goods and services:**				
	Priority Vendor Technologies Private Ltd	0.84			0.84
	Jubilant Agri and Consumer Products Limited	142.49			142.49
		143.33			**143.33**
4	**Recovery of expenses:**				
	Jubilant Enpro Private Limited	0.21			0.21
	Jubilant Agri and Consumer Products Limited	27.18			27.18
	Jubilant Industries Inc., USA	0.41			0.41
	JOGPL Private Limited	0.65			0.65
		28.45			**28.45**
5	**Reimbursement of expenses:**				
	Jubilant Industries Limited	1.27			1.27
	Jubilant Agri and Consumer Products Limited	1.06			1.06
	Jubilant Enpro Private Limited	1.46			1.46
		3.79			**3.79**
6	**Remuneration (including perquisites)* :**				
	Mr. Shyam S. Bhartia		133.34		133.34
	Mr. Hari S. Bhartia		133.92		133.92
	Mr. Sankaraiah Rajagopal		62.91		62.91
	Mr. Pramod Yadav		28.73		28.73
	Mr. Rajesh Kumar Srivastava		6.06		6.06
	Mr. Rajiv Shah		8.16		8.16
			373.12		**373.12**
7	**Sitting fees:**				
	Dr. Ashok Misra		0.40		0.40
	Mr. S Sridhar		0.54		0.54
	Ms. Sudha Pillai		0.55		0.55
	Mr. Sushil Kumar Roongta		0.25		0.25
	Mr. Vivek Mehra		0.25		0.25
			1.99		**1.99**

Notes to the consolidated financial statements for the year ended 31 March 2019 (Continued)

FY 2017-18 **(₹ in million)**

Sr. No.	Particulars	Enterprise in which certain key management personnel are interested	Key management personnel	Others	Total
8	**Commission:**				
	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		0.86		0.86
	Mr. Vivek Mehra		0.86		0.86
			4.72		**4.72**
9	**Company's contribution to provident fund trust :**				
	Vam Employee Provident Fund Trust			138.03	138.03
				138.03	**138.03**
10	**Company's contribution to superannuation fund:**				
	Vam Officers Superannuation Fund			6.98	6.98
				6.98	**6.98**
11	**Rent expenses:**				
	Jubilant Enpro Private Limited	21.80			21.80
		21.80			**21.80**
12	**Donation:**				
	Jubilant Bhartia Foundation			36.91	36.91
				36.91	**36.91**
	Amount outstanding				
13	**Commission payable #:**				
	Mr. Hari S. Bhartia		45.00		45.00
	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		0.86		0.86
	Mr. Vivek Mehra		0.86		0.86
			49.72		**49.72**
14	**Trade payables:**				
	Jubilant Industries Limited	4.71			4.71
	Jubilant Agri and Consumer Products Limited	22.61			22.61
	Jubilant Enpro Private Limited	14.34			14.34
		41.66			**41.66**
15	**Other payables:**				
	JOGPL Private Limited	1.44			1.44
	B&M Hot Breads Private Limited	0.32			0.32
	Vam Employees Provident Fund Trust			27.81	27.81
	Vam Officers Superannuation Fund			0.58	0.58
		1.76		**28.39**	**30.15**
16	**Trade receivables:**				
	Jubilant FoodWorks Limited	0.95			0.95
	Jubilant Industries Limited	0.10			0.10
	Jubilant Agri and Consumer Products Limited	63.65			63.65
		64.70			**64.70**

Notes to the consolidated financial statements for the year ended 31 March 2019 (Continued)

FY 2017-18 (₹ in million)

Sr. No.	Particulars	Enterprise in which certain key management personnel are interested	Key management personnel	Others	Total
17	**Deposits recoverable:**				
	Jubilant Enpro Private Limited	1.57			1.57
		1.57			**1.57**
18	**Other recoverables:**				
	JOGPL Private Limited	1.16			1.16
	Jubilant Agri and Consumer Products Limited	20.52			20.52
	B&M Hot Breads Private Limited	0.32			0.32
	Jubilant FoodWorks Limited	9.84			9.84
	Jubilant MotorWorks Private Limited	0.26			0.26
	Jubilant Industries Inc., USA	1.45			1.45
	Jubilant Consumer Private Limited	1.69			1.69
		35.24			**35.24**

* 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 2019	**31 March 2018**
Short term employment benefits	377.24	366.14
Post employment benefits	7.88	6.98
	385.12	**373.12**

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.

37. 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 2019	**31 March 2018**
Central Excise	414.35	682.70
Customs	35.02	16.05
Sales Tax	76.99	68.14
Income Tax	4,036.86	5,367.44
Service Tax and GST	385.10	478.01
State Excise	655.51	600.91
Others	348.21	350.16

During the FY 2018-19, the Company had received favourable order dated 12 March 2019 from Hon'ble Income Tax Appellate Tribunal, Delhi pertaining to FY 1999-00 to FY 2007-08. The Hon'ble ITAT had vide its order allowed various grounds in favour of the Company. Further, the Tax Department may file appeal before the Hon'ble High Court against the aforesaid order passed by the Hon'ble ITAT, Delhi.

Notes to the consolidated financial statements for the year ended 31 March 2019 (Continued)

Excluding claims in respect of business transferred to Jubilant Industries Limited in accordance with the demerger scheme approved by the Hon'ble Allahabad High Court, though the litigations may be continuing in the name of the Parent Company.

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.

B. Other contingent liabilities as at 31 March 2019

(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 ₹ 161.82 million (31 March 2018: ₹ 168.34 million). JPNV has also filed a counter claim against this customer for damages amounting to Euro 2.38 million equivalent to ₹ 184.84 million (31 March 2018: ₹ 192.28 million) in the same dispute. During the year ended 31 March 2018, 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 ₹ 51.94 million (31 March 2018: ₹ 54.03 million) but the customer was restrained from using, either directly or indirectly, Jubilant Dossiers and also directed to return Jubilant Dossiers to JPNV. The customer filed a review of the Partial Award No. 2 which was rejected by the Sole Arbitrator on 9 October 2017. Further, Partial Award No. 3 dated 14 February 2018 was passed by the Arbitrator holding the customer liable to pay damages of Euro 5,000 (₹ 0.39 million) per day for any use, either directly or indirectly, of Jubilant Dossiers and Euro 1,000 (₹ 0.08 million) per day for non-return of Dossiers to JPNV before 16 March 2018. On 5 March 2018, the customer also challenged the Partial Awards before Court of Brussels, which has vide interim order at 24 August 2018 rejected the customer's request for the suspension of the Partial Award and the proceedings are ongoing. The customer has also filed a submission for the annulment of the Partial Awards in the proceedings before the Court of Brussels on 17 December 2018 on which Jubilant has filed its reply before the Brussels court of First Instance. No date of hearing has been fixed as yet by the Brussels Court. Additionally, on 7 March 2019, the customer filed another petition to the ICC alleging lack of impartiality and seeking replacement of the Sole Arbitrator. In view of the customer's petition the sole arbitrator has suspended, by order dated 21 March 2019, further proceedings until the challenge is decided by the ICC. On 30 March 2019, JPNV filed its reply/comments on the said challenge petition.

(ii) During the current year, 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 the Roorkee facility. The Group has submitted comprehensive responses to the USFDA and has engaged with 3rd 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 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 can not 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.

38. Commitments as at year end

a) Capital Commitments:

Estimated amount of contracts remaining to be executed on capital account (net of advances) is ₹ 1,632.04 million and ₹ 92.49 million (31 March 2018: ₹ 2,131.48 million and ₹ 65.94 million) for property, plant and equipment and intangible assets, respectively.

b) Leases:

i) The Group's significant operating lease arrangements are in respect of premises (residential, offices, godown etc.). These leasing arrangements, which are cancellable, range between 11 months and 10 years generally

Notes to the consolidated financial statements for the year ended 31 March 2019 (Continued)

and are usually renewable by mutual agreeable terms. The aggregate lease rentals payable are charged as expenses. Rental payments under such leases are ₹ 133.58 million (31 March 2018: ₹ 112.97 million) has been included under rent expense in note 28.

ii) The Group has operating lease arrangements in respect of vehicles which are cancellable, range between 2 years and 5 years. The aggregate lease rentals payable are charged as expenses. Rental expenses recognized under such leases amounting to ₹ 7.38 million (31 March 2018: ₹ 8.40 million) has been included under vehicle running and maintenance expense in note 28.

iii) The Group has significant operating lease arrangements which are non-cancellable for a period up to 5 years. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated.

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

(₹ in million)

	Minimum lease payments as at	
	31 March 2019	**31 March 2018**
Not later than one year	284.08	283.46
Later than one year but not later than five years	391.45	451.89
Later than five years	1.63	20.30

Rental expenses recognised under such leases during the year are ₹ 377.10 million (31 March 2018: ₹ 232.54 million).

iv) Assets acquired under finance lease:

(₹ in million)

	Minimum lease payments		Present value of minimum lease payments		Future interest	
	As at					
	31 March 2019	**31 March 2018**	**31 March 2019**	**31 March 2018**	**31 March 2019**	**31 March 2018**
Not later than one year	105.06	107.80	93.72	95.31	11.34	12.49
Later than one year but not later than five years	123.51	81.98	110.87	68.00	12.64	13.98
Later than five years	-	5.69	-	5.42	-	0.27

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

c) **Other Commitments:**

Export obligation 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 ₹ 313.39 million (31 March 2018: ₹ 147.29 million). Similarly, export obligation under Advance License Scheme on duty free import of specific raw materials, remaining outstanding is ₹ 2,851.70 million (31 March 2018: ₹ 2,607.82 million).

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

40. **(a)** Government grant recoverable ₹ 242.23 million (31 March 2018: ₹ 303.29 million) and Government grant recognized ₹ 595.98 million (31 March 2018: ₹ 618.38 million) in Consolidated Statement of Profit and Loss.

(b) During the year, finance costs amounting to ₹ 124.90 million and ₹ 28.65 million (31 March 2018: ₹ 67.14 million and ₹ 86.07 million) has been capitalized in property, plant and equipment and intangible assets, respectively, calculated using capitalisation rate of 7.4% to 8.4% (31 March 2018: 2.1% to 8.0%).

41. Business combination

On 1 September 2017, subject to customary closing conditions, the Group, through Jubilant Draximage Radiopharmacies Inc. (a wholly owned step-down subsidiary), acquired through an Asset Purchase Agreement ("APA") substantially all

Notes to the consolidated financial statements for the year ended 31 March 2019 (Continued)

of the assets comprising the Radiopharmacy Business and assumed only certain specific, related liabilities, from Triad Isotopes, Inc. ("Triad") for a purchase consideration of USD 21.61 million (₹ 1,380.61 million) including an increase of USD 1.18 million (₹ 75.49 million) pursuant to final settlement of working capital during the current year. The acquisition cost of ₹ 161.33 million has been expensed as incurred and included as part of legal and professional expense within other expenses during the year ended 31 March 2018.

Triad operated the second largest radiopharmacy network in the US with more than 50 pharmacies under its fold. This acquisition is a strong strategic fit with our niche radio pharma business and will help us better directly serve healthcare providers and their patients with high quality radio pharma products.

The following table summarises the recognised amount of assets acquired and liabilities assumed at the date of acquisition:

(₹ in million)

	Fair value
Property, plant and equipment	543.10
Other intangible assets	103.16
Inventories	305.07
Trade receivables	1,060.36
Other financial assets	269.15
Other assets	62.50
Borrowings	(191.94)
Trade Payable	(1,125.68)
Provisions	(137.95)
Other financial liabilities	(211.95)
Other liabilities	(22.00)
Net assets acquired	**653.82**
Goodwill	726.79
Total consideration	**1,380.61**

Goodwill comprises value of acquired workforce and expected synergies arising from the acquisition. Goodwill is deductible for tax purpose.

During the current year, the Group completed the accounting for assets acquired and liabilities assumed on acquisition. Corresponding changes to the comparatives for the current year have not been made as the impact of the change on finalisation of purchase price allocation is not material to the Group's Consolidated Statement of Financial Position or Consolidated Statement of Profit or Loss and Other Comprehensive Income.

From the date of acquisition to 31 March, 2018, the acquired business contributed revenue of ₹ 7,701.02 million and loss before tax of ₹ 786.83 million to the Group's results. If acquisition had occurred on 1 April 2017, management estimates that the contribution to the Group in terms of revenue and loss before tax would have been ₹ 13,491.84 million and ₹ 1,172.33 million, respectively. In determining these amounts, management has assumed that the fair value adjustments that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 April 2017.

42. 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, ₹ 105.99 million (31 March 2018 ₹ 910.22 million) have been charged off and included under depreciation, amortisation and impairment expense in the Consolidated Statement of Profit and Loss.

43. During the year ended 31 March 2015, Jubilant Pharma Limited, Singapore (JPL) had obtained unsecured loan amounting to USD 60.00 million from International Finance Corporation (IFC), due for repayment along with the repayment premium in accordance with the terms of the contract in two equal installments on June 15, 2020, (at the end of First repayment date, 5 years from the date of disbursement) and June 15, 2021 (at the end of Final repayment date, 6 years from the date of disbursement) if on or prior to such First repayment date there has been (i) neither a Private Equity (PE) Investment nor a Qualifying IPO or (ii) a Private Equity (PE) Investment has occurred but IFC has not converted the entire loan into shares and there has been no Qualifying IPO. The term loan was carrying a differential return (in the form of discount in the event of conversion and premium in the event of redemption) to IFC under various scenarios based on the probabilities of occurrence of Private Equity (PE) Investment, Qualifying IPO and redemption. This instrument was being considered as stock settled debt as the characteristic of this instrument did not expose the counterparty to risk and rewards similar to those of an owner and, therefore, did not create a shareholder relationship. Accordingly, this instrument had been classified as debt instrument only.

Notes to the consolidated financial statements for the year ended 31 March 2019 (Continued)

During the year ended 31 March 2019, JPL has fully redeemed this loan on one time settlement of ₹ 9,336.6 million (USD 135 million) based on mutual agreement. Post such one-time settlement, any and all obligations of JPL to IFC under the aforesaid contract has been irrevocably and unconditionally extinguished and settled in full. The payment has been made from the proceeds of 5 year rated unsecured bonds of USD 200.00 million raised by JPL in international market in March 2019. Pursuant to such settlement, during the year ended 31 March 2019, JPL has recognised current year charge under exceptional items of ₹ 2,802.30 million (USD 39.90 million).

44. During year ended 31 March 2019, the Group has capitalised exchange gain amounting to ₹ Nil (31 March 2018: ₹ 4.94 million) to the cost of property, plant and equipment and exchange gain of ₹ Nil (31 March 2018: ₹ 44.92 million) to foreign currency monetary item translation difference account (FCMITDA). During the year ₹ Nil (31 March 2018: ₹ 25.25 million) has been amortised to the Consolidated Statement of Profit and Loss and balance of ₹ Nil (31 March 2018: ₹ Nil) is carried in Consolidated Balance Sheet as at 31 March 2019.

45. Employee Stock Option Scheme

The Parent Company has two stock option plans in place namely:

- Jubilant Employees Stock Option Plan, 2005 ("Plan 2005")
- 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 2005, as amended, and under Plan 2011, up to 1,100,000 Stock Options and up to 5,352,000 Stock Options, respectively, can be issued to eligible directors (other than promoter directors) and other specified categories of employees of the Company/ subsidiaries. Options are to be granted at market price. As per the SEBI guidelines, the market price is taken as the closing price on the day preceding the date of grant of options, on the stock exchange where the trading volume is the highest. Under Plan 2005, each option, upon vesting, shall entitle the holder to acquire five equity shares of ₹ 1 each. Options granted up to 28 August 2009 will vest entirely within two years from the grant date, with certain lock-in provisions. Options granted after 28 August 2009 will vest gradually over a period of 5 years from the grant date, without any lock-in provisions.

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.

<table>
<tr><th rowspan="3"></th><th colspan="6">PLAN 2005</th><th colspan="3">PLAN 2011</th></tr>
<tr><th colspan="3">Vesting schedule (With lock in)</th><th colspan="3">Vesting schedule (Without lock in)</th><th colspan="3" rowspan="2">Vesting schedule</th></tr>
<tr><th colspan="3">Applicable for grants made up to 28 August, 2009</th><th colspan="3">Applicable for grants made after 28 August, 2009</th></tr>
<tr><th>Sr. No</th><th>% of options scheduled to vest</th><th>Vesting date</th><th>Lock-in period</th><th>% of options scheduled to vest</th><th>Vesting date</th><th>Lock-in period</th><th>% of options scheduled to vest</th><th>Vesting date</th><th>Lock-in period</th></tr>
<tr><td>1</td><td>10</td><td>1 year from grant date</td><td>Nil</td><td>10</td><td>1 year from grant date</td><td>Nil</td><td>20</td><td>1 year from grant date</td><td>Nil</td></tr>
<tr><td>2</td><td>15</td><td>2 years from grant date</td><td>Nil</td><td>15</td><td>2 years from grant date</td><td>Nil</td><td>30</td><td>2 years from grant date</td><td>Nil</td></tr>
<tr><td>3</td><td>20</td><td>2 years from grant date</td><td>1 year from vesting date</td><td>20</td><td>3 years from grant date</td><td>Nil</td><td>50</td><td>3 years from grant date</td><td>Nil</td></tr>
<tr><td>4</td><td>25</td><td>2 years from grant date</td><td>2 years from vesting date</td><td>25</td><td>4 years from grant date</td><td>Nil</td><td></td><td></td><td></td></tr>
<tr><td>5</td><td>30</td><td>2 years from grant date</td><td>3 years from vesting date</td><td>30</td><td>5 years from grant date</td><td>Nil</td><td></td><td></td><td></td></tr>
</table>

There were no options granted during the year ended 31 March 2019 and 31 March 2018, 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.

Notes to the consolidated financial statements for the year ended 31 March 2019 (Continued)

In 2008-09, members approved constitution of Jubilant Employees Welfare Trust ('Trust') for the purpose of acquisition of equity shares of the Company from the secondary market or subscription of shares from the Company, to hold the shares and to allocate/transfer these shares to eligible employees of the Company/subsidiaries from time to time on the terms and conditions specified under respective Plans. The members authorised grant of loan(s) from time to time to the Trust in one or more tranches, up to ₹ 1,000 million either free of interest or at interest agreed between the Board and the Trust.

Up to 31 March 2019, the Trust has purchased 6,363,506 equity shares of the Parent Company from the open market, out of interest free loan provided by the Group, of which 2,879,277 (31 March 2018: 2,856,689) shares were transferred to the employees on exercise of Options. The Trust is also holding 170,364 (31 March 2018: 170,364) equity shares of Jubilant Industries Limited issued to it in accordance with the Scheme of Amalgamation and Demerger amongst the Company, Jubilant Industries Limited and others.

During the year ended 31 March 2019, in order to comply with SEBI (Share Based Employee Benefits) Regulations, 2014, Jubilant Employees Welfare Trust sold 3,474,601 equity shares of the Company representing shares which were not backed by stock option grants to employees. Consequently, the number of equity shares has increased to 159,271,511 and the resultant gains have been recognised in other equity.

The movement in the equity shares held by trust:

	Number of equity shares	
	31 March 2019	31 March 2018
At the commencement of the year	3,506,817	3,548,951
Sale of shares by trust	3,474,601	-
Transfer to employees on exercise of options	22,588	42,134
At the end of the year	9,628	3,506,817

The movement in the stock options under both the Plans, during the year, is set out below:

Under Plan 2005

	For the year ended			
	31 March 2019		31 March 2018	
	Number of options	Weighted average exercise price (₹)	Number of options	Weighted average exercise price (₹)
Outstanding at the beginning of the year	-	-	2,867	295.87
Forfeited/lapsed during the year	-	-	(801)	258.31
Exercised during the year	-	-	(2,066)	310.42
Outstanding at the end of the year	-	-	-	-
Exercisable at the end of the year	-	-	-	-

The Board has decided that no further grants will be made under Plan 2005.

Under Plan 2011

	For the year ended			
	31 March 2019		31 March 2018	
	Number of options	Weighted average exercise price (₹)	Number of options	Weighted average exercise price (₹)
Outstanding at the beginning of the year	32,216	213.43	71,185	216.83
Forfeited/lapsed during the year	-	-	(7,165)	214.03
Exercised during the year	(22,588)	211.46	(31,804)	220.90
Outstanding at the end of the year	9,628	218.04	32,216	213.43
Exercisable at the end of the year	9,628	218.04	32,216	213.43

The weighted average share price for share options exercised during the year ended 31 March 2019 is ₹ 765.19 (31 March 2018: ₹ 804.21).

Notes to the consolidated financial statements for the year ended 31 March 2019 (Continued)

Fair value of option granted

The weighted average fair value of options granted for Plan 2005 and Plan 2011 were ₹ 94.18 per option and ₹ 84.90 per option respectively. 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 and 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 two plans:

	Plan 2005	Plan 2011
Expected volatility	29.73% - 41.76%	38.36% - 45.95%
Risk free interest rate	7.52% - 9.44%	7.74% - 8.81%
Exercise price (₹)	198.55 - 359.25	170.20 - 220.90
Expected dividend yield	0.51% - 0.90%	0.63% - 1.10%
Life of options (years)	4.25	3.65

Expected volatility has been 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.

Share options outstanding at the end of the year:

Options	Options outstanding as at		Remaining contractual life as at (in years)		Exercise Price as at	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Option Plan 2011	9,628	32,216	-	-	218.04	213.43
Total	**9,628**	**32,216**	**-**	**-**		

Notes to the consolidated financial statements for the year ended 31 March 2019 (Continued)

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)
Parent									
Jubilant Life Sciences Limited		48.67%	23,403.10	25.59%	1,476.30	4.13%	(5.69)	26.11%	1,470.61
Subsidiaries									
Indian									
1	Jubilant Clinsys Limited	0.08%	40.22	(0.01%)	(0.44)	-	-	(0.01%)	(0.44)
2	Jubilant Chemsys Limited	1.78%	854.28	2.03%	116.87	0.44%	(0.60)	2.06%	116.27
3	Jubilant Biosys Limited	2.48%	1,190.94	11.06%	638.28	(0.46%)	0.63	11.34%	638.91
4	Jubilant Infrastructure Limited	3.38%	1,624.08	2.56%	147.70	3.30%	(4.55)	2.54%	143.14
5	Jubilant First Trust Healthcare Limited	0.08%	40.78	(0.02%)	(0.94)	-	-	(0.02%)	(0.94)
6	Jubilant Generics Limited	50.05%	24,069.39	24.86%	1,434.21	(2.82%)	3.89	25.53%	1,438.10
7	Jubilant Innovation (India) Limited	0.01%	3.22	-	0.05	-	-	-	0.05
8	Jubilant DraxImage Limited	(0.01%)	(6.77)	0.30%	17.03	-	-	0.30%	17.03
9	Vanthys Pharmaceutical Development Private Limited	0.08%	37.29	0.02%	1.11	-	-	0.02%	1.11
10	Jubilant Employee Welfare Trust	5.36%	2,578.06	38.74%	2,235.17	-	-	39.69%	2,235.17
11	Jubilant Therapeutics India Limited	1.17%	564.98	(0.09%)	(5.02)	-	-	(0.09%)	(5.02)
12	Jubilant Business Services Limited	-	(0.53)	(0.02%)	(1.03)	-	-	(0.02%)	(1.03)
Foreign									
1	Jubilant Life Sciences (USA) Inc.	0.32%	154.85	0.28%	16.05	(4.23%)	5.82	0.39%	21.87
2	Jubilant Life Sciences (Shanghai) Limited	0.49%	236.84	(0.18%)	(10.61)	1.57%	(2.16)	(0.23%)	(12.77)
3	Jubilant Pharma NV	2.90%	1,392.93	(0.02%)	(1.13)	40.70%	(56.10)	(1.02%)	(57.23)
4	Jubilant Pharmaceuticals NV	0.05%	25.01	(0.16%)	(9.23)	0.96%	(1.33)	(0.19%)	(10.55)
5	PSI Supply NV	0.14%	65.05	0.12%	6.84	2.60%	(3.59)	0.06%	3.25
6	Jubilant Pharma Holdings Inc.	37.12%	17,852.43	(0.75%)	(43.10)	(747.97%)	1,030.93	17.54%	987.84
7	Jubilant Clinsys Inc.	(0.16%)	(75.70)	0.10%	5.78	88.38%	(121.81)	(2.06%)	(116.03)
8	HSL Holdings Inc.	24.77%	11,911.16	2.10%	120.89	(481.18%)	663.21	13.92%	784.10
9	Jubilant HollisterStier LLC	16.34%	7,859.97	30.41%	1,754.66	(355.78%)	490.37	39.86%	2,245.03
10	Jubilant Pharma Limited	27.36%	13,155.32	(68.01%)	(3,924.44)	(784.21%)	1,080.87	(50.49%)	(2,843.57)
11	Cadista Holdings Inc.	(0.24%)	(113.23)	-	-	7.42%	(10.22)	(0.18%)	(10.22)
12	Jubilant Cadista Pharmaceuticals Inc.	15.96%	7,673.67	5.79%	333.97	(250.70%)	345.55	12.06%	679.52
13	Jubilant Biosys (BVI) Limited	0.19%	93.76	-	(0.25)	(3.94%)	5.43	0.09%	5.17
14	Jubilant Biosys (Singapore) Pte. Limited	(0.01%)	(4.13)	(0.02%)	(0.97)	0.12%	(0.17)	(0.02%)	(1.13)
15	Jubilant Discovery Services LLC	0.09%	41.89	0.07%	3.94	(1.65%)	2.28	0.11%	6.21

Notes to the consolidated financial statements for the year ended 31 March 2019 (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)
16	Jubilant Drug Development Pte. Limited	0.39%	186.47	0.01%	0.81	(7.77%)	10.71	0.20%	11.52
17	Jubilant Life Sciences (BVI) Limited	0.58%	277.08	-	(0.25)	(11.61%)	16.00	0.28%	15.75
18	Jubilant Life Sciences International Pte. Limited	1.70%	819.14	0.31%	18.05	7.33%	(10.10)	0.14%	7.95
19	Jubilant Innovation Pte. Limited	0.06%	28.23	(0.03%)	(1.68)	(1.27%)	1.75	-	0.07
20	Draximage Limited, Cyprus	(0.01%)	(2.67)	(0.06%)	(3.41)	2.50%	(3.45)	(0.12%)	(6.86)
21	Draximage Limited, Ireland	0.04%	21.54	(0.03%)	(1.84)	4.50%	(6.21)	(0.14%)	(8.05)
22	Jubilant Draximage (USA) Inc.	0.62%	298.90	0.61%	34.91	(10.90%)	15.03	0.89%	49.94
23	Jubilant DraxImage Inc.	42.88%	20,622.53	102.28%	5,901.86	2.47%	(3.40)	104.73%	5,898.46
24	6981364 Canada Inc.	-	(1.22)	-	(0.04)	0.05%	(0.07)	-	(0.12)
25	Draximage (UK) Limited	-	-	-	-	-	-	-	-
26	Jubilant Innovation (USA) Inc.	0.95%	456.04	(1.50%)	(86.40)	(28.66%)	39.50	(0.83%)	(46.90)
27	Draxis Pharma LLC	0.04%	17.05	-	(0.01)	(0.71%)	0.99	0.02%	0.98
28	Jubilant HollisterStier Inc.	0.21%	102.46	(0.26%)	(14.76)	(3.46%)	4.76	(0.18%)	(9.99)
29	TrialStat Solutions Inc. (formerly Jubilant Drug Discovery and Development Services Inc.)	-	(1.06)	0.08%	4.48	0.54%	(0.74)	0.07%	3.74
30	Drug Discovery and Development Solutions Limited	1.15%	550.67	(0.10%)	(6.05)	(23.29%)	32.10	0.46%	26.05
31	Jubilant Life Sciences NV	0.28%	136.62	0.88%	50.92	4.44%	(6.12)	0.80%	44.80
32	Jubilant Pharma Australia Pty Limited	-	(1.82)	-	0.08	(0.05%)	0.07	-	0.15
33	Jubilant Draximage Radiopharmacies Inc.	(4.23%)	(2,034.20)	(24.80%)	(1,431.21)	15.30%	(21.08)	(25.79%)	(1,452.29)
34	Jubilant Pharma SA (Pty) Limited	-	0.05	-	-	-	-	-	-
35	Jubilant Therapeutics Inc.	1.12%	538.40	(0.02%)	(1.07)	0.33%	(0.45)	(0.03%)	(1.52)
36	Jubilant Episcribe LLC	0.15%	72.86	-	(0.21)	0.04%	(0.06)	-	(0.27)
37	Jubilant Epicore LLC	0.26%	126.61	-	(0.21)	0.08%	(0.11)	(0.01%)	(0.31)
38	Jubilant Prodel LLC	0.43%	206.66	-	(0.22)	0.13%	(0.18)	(0.01%)	(0.40)
39	Jubilant Epipad LLC	0.24%	113.99	-	(0.21)	0.07%	(0.10)	(0.01%)	(0.30)
Partnership controlled through subsidiaries		6.24%	3,001.23	2.54%	146.57	(33.60%)	46.30	3.42%	192.87
Total eliminations *		(191.54%)	(92,114.26)	(54.62%)	(3,151.72)	2,666.87%	(3,675.75)	(121.22%)	(6827.46)
Total		**100.00%**	**48,090.16**	**100.00%**	**5,770.08**	**100.00%**	**(137.83)**	**100.00%**	**5,632.25**

* Minority Interests included in respective subsidiaries (Net assets: ₹ 0.99 million, share in profit/(loss) ₹ 25.52 million, share in other comprehensive income ₹ (0.14) million and share in total comprehensive income ₹ 25.38 million.

Notes to the consolidated financial statements for the year ended 31 March 2019 (Continued)

47. Earnings per share

		For the year ended	
		31 March 2019	31 March 2018
Profit for basic and diluted earnings per share of ₹ 1 each	**₹ in million**	**5,744.56**	**6,428.06**
Weighted average number of equity shares used in computing earnings per share*			
For basic earnings per share	Nos.	**155,862,928**	**155,840,502**
For diluted earnings per share:			
No. of shares for basic earnings per share	Nos.	155,862,928	155,840,502
Add: Potential dilutive effects of stock options	Nos.	-	-
No. of shares for diluted earnings per share	Nos.	**155,862,928**	**155,840,502**
Earnings per share (face value of ₹ 1 each)			
Basic	₹	36.86	41.25
Diluted	₹	36.86	41.25

* The weighted average number of shares takes into account the weighted average effect of changes in treasury share transactions 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.

48. 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 Life Sciences Limited**

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

Pravin Tulsyan
Partner
Membership No.: 108044

Shyam S. Bhartia
Chairman
DIN:00010484

Place: Noida
Date: 17 May 2019

Rajiv Shah
Company Secretary

Sankaraiah Rajagopal
Executive Director-Finance

Hari S. Bhartia
Co-Chairman and Managing Director
DIN:00010499

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

(₹ in million)
Foreign Currencies in absolute terms

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	Profit/ (loss) before taxation	Provision for taxation	Profit/ (loss) after taxation	Proposed dividend	% of shareholding
1	Jubilant Clinsys Limited	21 September 2004	INR	20.00	20.23	40.35	0.13	-	2.31	(0.44)	-	(0.44)	Nil	100.00%
2	Jubilant Chemsys Limited	21 September 2004	INR	82.00	772.28	1,051.35	197.07	-	1,255.17	164.54	47.67	116.87	Nil	100.00%
3	Jubilant Biosys Limited	3 February 2004	INR	1,870.61	(679.67)	1,406.65	215.71	-	1,584.07	426.62	(211.66)	638.28	Nil	99.92%
4	Jubilant Infrastructure Limited	17 April 2006	INR	344.84	1,279.24	2,053.50	429.42	17.48	862.32	158.13	10.43	147.70	Nil	100.00%
5	Jubilant First Trust Healthcare Limited	23 May 2007	INR	20.50	20.28	40.96	0.18	-	-	(0.94)	-	(0.94)	Nil	100.00%
6	Jubilant Generics Limited	25 November 2013	INR	25.80	24,043.59	28,926.72	4,857.33	-	12,006.33	1,968.84	534.63	1,434.21	Nil	100.00%
7	Jubilant Life Sciences (USA) Inc.	4 March 1999	USD	375,000	1,864,016	8,436,628	6,197,612	-	20,436,783	288,744	90,223	198,522	Nil	100.00%
			INR	17.11	137.74	583.48	428.63	-	1,428.16	22.87	6.83	16.05	Nil	
8	Jubilant Life Sciences (Shanghai) Limited	25 March 2004	RMB	1,652,837	21,363,400	36,412,901	13,396,664	-	96,323,967	(1,373,757)	(343,439)	(1,030,317)	Nil	100.00%
			INR	8.80	228.03	374.69	137.85	-	1,002.74	(14.14)	(3.54)	(10.61)	Nil	
9	Jubilant Pharma NV	27 May 2004	EUR	16,180,000	1,753,403	17,961,400	27,997	-	-	(14,141)	-	(14,141)	Nil	100.00%
			INR	894.14	498.79	1,395.11	2.17	-	-	(1.13)	-	(1.13)	Nil	
10	Jubilant Pharmaceuticals NV	28 May 2004	EUR	1,050,300	(728,295)	2,098,599	1,776,594	-	218,902	34,337	152,503	(118,167)	Nil	100.00%
			INR	63.95	(38.94)	163.00	137.99	-	17.92	3.03	12.26	(9.23)	Nil	
11	PSI Supply NV	28 May 2004	EUR	665,000	172,479	3,247,571	2,410,092	-	6,432,937	123,910	51,306	72,604	Nil	100.00%
			INR	43.37	21.68	252.25	187.20	-	520.01	11.37	4.53	6.84	Nil	
12	Jubilant Pharma Holdings Inc. (6)	12 September 2005	USD	246,586,975	11,546,418	362,496,193	104,362,800	-	23,047,934	(605,207)	18,444	(623,651)	Nil	100.00%
			INR	11,610.64	6,241.79	25,070.13	7,217.70	-	1,615.24	(41.80)	1.30	(43.10)	Nil	
13	Jubilant Clinsys Inc.	4 October 2005	USD	37,629,630	(38,724,156)	486,133	1,580,659	-	671,235	77,150	5,082	72,068	Nil	100.00%
			INR	1,986.28	(2,061.98)	33.62	109.32	-	47.74	6.13	0.35	5.78	Nil	
14	HSL Holdings Inc.	16 May 2007	USD	18	172,226,099	280,393,305	108,167,188	-	2,904,768	2,192,303	458,006	1,734,297	Nil	100.00%
			INR	-	11,911.16	19,392.00	7,480.84	-	202.92	153.16	32.27	120.89	Nil	
15	Jubilant HollisterStier LLC	31 May 2007	USD	21,521,278	92,127,743	180,492,495	66,843,473	-	142,324,241	31,968,703	6,749,294	25,219,409	Nil	100.00%
			INR	876.78	6,983.19	12,482.86	4,622.89	-	9,970.36	2,230.06	475.40	1,754.66	Nil	
16	Jubilant Pharma Limited	19 May 2005	USD	326,758,994	(136,543,193)	694,761,805	504,546,004	-	8,505,540	(54,911,320)	1,029,469	(55,940,789)	Nil	100.00%
			INR	15,232.66	(2,077.34)	48,049.73	34,894.40	-	598.37	(3,851.68)	72.76	(3,924.44)	Nil	
17	Cadista Holdings Inc.	1 July 2005	USD	1,042,797	(2,680,017)	67,307	1,704,527	-	21	21	-	21	Nil	100.00%
			INR	69.37	(182.60)	4.65	117.89	-	-	-	-	-	Nil	
18	Jubilant Cadista Pharmaceuticals Inc.	1 July 2005	USD	1	110,955,297	126,288,124	15,332,826	-	110,357,098	6,775,314	2,022,152	4,753,162	Nil	100.00%
			INR	-	7,673.67	8,734.09	1,060.42	-	7,719.24	476.43	142.46	333.97	Nil	
19	Jubilant Biosys (BVI) Limited	20 August 2008	USD	1,397,501	(41,766)	1,374,557	18,821	-	-	(3,603)	-	(3,603)	Nil	100.00%
			INR	69.85	23.92	95.06	1.30	-	-	(0.25)	-	(0.25)	Nil	
20	Jubilant Biosys (Singapore) Pte. Limited	20 August 2008	USD	1,371,501	(1,431,248)	8,596	68,343	-	-	(13,736)	-	(13,736)	Nil	100.00%
			INR	68.56	(72.69)	0.59	4.73	-	-	(0.97)	-	(0.97)	Nil	
21	Jubilant Discovery Services LLC	17 June 2008	USD	3,485,000	(2,879,232)	760,587	154,819	-	1,164,152	58,228	-	58,228	Nil	100.00%
			INR	184.60	(142.71)	52.60	10.71	-	81.15	3.94	-	3.94	Nil	

FORM AOC-1 (Continued)

(₹ in million)
Foreign Currencies in absolute terms

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	Profit/ (loss) before taxation	Provision for taxation	Profit/ (loss) after taxation	Proposed dividend	% of shareholding
22	Jubilant Drug Development Pte. Limited	19 August 2008	USD	2,547,001	149,149	2,766,368	70,218	-	25,600	11,628	-	11,628	Nil	100.00%
			INR	127.33	59.13	191.32	4.86	-	1.79	0.81	-	0.81	Nil	
23	Jubilant Life Sciences (BVI) Limited	19 August 2008	USD	4,057,501	(51,163)	4,031,861	25,523	-	-	(3,616)	-	(3,616)	Nil	100.00%
			INR	203.05	74.03	278.84	1.77	-	-	(0.25)	-	(0.25)	Nil	
24	Jubilant Life Sciences International Pte. Limited	1 April 2008	USD	437,503	11,406,609	11,850,328	6,215	10,009,375	16,080,733	259,924	3,737	256,187	Nil	100.00%
			INR	19.99	799.15	819.57	0.43	692.25	1,108.68	18.27	0.22	18.05	Nil	
25	Jubilant Innovation Pte. Limited	20 March 2009	USD	2,922,301	(2,514,110)	496,283	88,091	-	-	(23,961)	-	(23,961)	Nil	100.00%
			INR	138.09	(109.86)	34.32	6.09	-	-	(1.68)	-	(1.68)	Nil	
26	Draximage Limited, Cyprus	12 September 2008	USD	3,400	(42,064)	-	38,664	-	-	(47,569)	-	(47,569)	Nil	100.00%
			INR	0.16	(2.83)	-	2.67	-	-	(3.41)	-	(3.41)	Nil	
27	Draximage Limited, Ireland	20 October 2008	USD	725,004	(413,547)	324,270	12,813	-	12,296	(26,330)	-	(26,330)	Nil	100.00%
			INR	35.05	(13.51)	22.43	0.89	-	0.87	(1.84)	-	(1.84)	Nil	
28	Jubilant Draximage (USA) Inc.	4 November 2008	USD	9	4,321,914	5,646,524	1,324,601	-	4,474,753	671,065	169,371	501,694	Nil	100.00%
			INR	-	298.90	390.51	91.61	-	312.39	46.71	11.80	34.91	Nil	
29	Jubilant DraxImage Inc.	28 May 2008	CAD	2,501,615	397,625,153	433,212,605	33,085,837	-	240,381,075	149,622,189	38,904,787	110,717,402	Nil	100.00%
			INR	101.25	20,521.28	22,327.78	1,705.24	-	12,806.34	7,975.02	2,073.15	5,901.86	Nil	
30	6981364 Canada Inc. (5)	28 May 2008	CAD	2,500	(26,116)	2,321	25,937	-	-	(828)	-	(828)	Nil	100.00%
			INR	0.11	(1.33)	0.12	1.34	-	-	(0.04)	-	(0.04)	Nil	
31	Draximage (UK) Limited	10 December 2002	GBP	1	-	1	-	-	-	-	-	-	Nil	100.00%
			INR	-	-	-	-	-	-	-	-	-	Nil	
32	Jubilant Innovation (USA) Inc.	14 July 2009	USD	2,975,000	3,619,003	7,110,046	516,043	1,938,652	83,643	(1,213,826)	-	(1,213,826)	Nil	100.00%
			INR	160.04	296.00	491.73	35.69	133.11	5.02	(86.40)	-	(86.40)	Nil	
33	Jubilant Innovation (India) Limited	31 December 2009	INR	0.50	2.72	3.28	0.06	-	0.20	0.07	0.02	0.05	Nil	100.00%
34	Jubilant DraxImage Limited	9 September 2009	INR	0.78	(7.55)	10.41	17.18	-	40.24	22.64	5.61	17.03	Nil	100.00%
35	Draxis Pharma LLC	1 October 2009	USD	250,100	(3,557)	247,743	1,200	-	219	(111)	-	(111)	Nil	100.00%
			INR	11.64	5.41	17.13	0.08	-	0.02	(0.01)	-	(0.01)	Nil	
36	Jubilant HollisterStier Inc.	1 October 2009	USD	42,325,600	(40,844,140)	100,879,170	99,397,711	-	2,195,265	(879,128)	(643,513)	(235,615)	Nil	100.00%
			INR	1,922.11	(1,819.65)	6,976.80	6,874.35	-	154.66	(60.09)	(45.34)	(14.76)	Nil	
37	TrialStat Solutions Inc. (formerly Jubilant Drug Discovery and Development Services Inc.)	18 October 2010	CAD	150,000	(170,628)	455,024	475,652	-	1,151,261	71,028	-	71,028	Nil	100.00%
			INR	7.36	(8.42)	23.45	24.52	-	62.05	4.48	-	4.48	Nil	
38	Vanthys Pharmaceutical Development Private Limited	11 May 2009	INR	225.00	(187.71)	37.35	0.06	-	2.33	1.52	0.41	1.11	Nil	100.00%
39	Drug Discovery and Development Solutions Limited	6 August 2013	USD	4,650,001	3,312,316	10,804,055	2,841,738	2,986,869	1,100,000	(87,717)	-	(87,717)	Nil	100.00%
			INR	301.67	249.01	747.21	196.53	206.57	77.64	(6.05)	-	(6.05)	Nil	
40	Jubilant Life Sciences NV	12 July 2013	EUR	100,000	1,658,948	12,415,900	10,656,952	-	45,928,480	895,791	273,294	622,497	Nil	100.00%
			INR	7.81	128.81	964.37	827.75	-	3,710.39	73.25	22.33	50.92	Nil	

FORM AOC-1 (Continued)

(₹ in million)
Foreign Currencies in absolute terms

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	Profit/ (loss) before taxation	Provision for taxation	Profit/ (loss) after taxation	Proposed dividend	% of shareholding
41	Jubilant Pharma Australia Pty Limited	11 August 2016	AUD	20,000	(57,073)	360,254	397,327	-	47,164	2,246	-	2,246	Nil	100.00%
			INR	1.00	(2.82)	17.66	19.48	-	2.37	0.08	-	0.08	Nil	
42	Jubilant Employee Welfare Trust	22 November 2008	INR	0.01	2,578.05	2,580.87	2.80	21.31	2,235.21	2,235.17	-	2,235.17	Nil	100.00%
43	Jubilant Draximage Radiopharmacies Inc.	8 March 2017	USD	-	(29,412,989)	61,504,694	90,917,683	-	207,101,129	(26,579,369)	(6,101,461)	(20,477,908)	Nil	100.00%
			INR	-	(2,034.20)	4,253.66	6,287.87	-	14,457.28	(1,861.05)	(429.85)	(1,431.21)	Nil	
44	Jubilant Pharma SA (Pty) Limited	14 February 2019	ZAR	10,000	(373)	10,627	1,000	-	-	(373)	-	(373)	Nil	100.00%
			INR	0.05	-	0.05	-	-	-	-	-	-	Nil	
45	Jubilant Therapeutics India Limited	20 March 2019	INR	570.00	(5.02)	569.85	4.86	-	-	(5.02)	-	(5.02)	Nil	100.00%
46	Jubilant Therapeutics Inc.	19 February 2019	USD	7,800,000	(15,212)	15,336,612	7,551,824	-	-	(15,212)	-	(15,212)	Nil	100.00%
			INR	539.92	(1.52)	1,060.68	522.28	-	-	(1.07)	-	(1.07)	Nil	
47	Jubilant Business Services Limited	28 March 2019	INR	0.50	(1.03)	0.50	1.03	-	-	(1.03)	-	(1.03)	Nil	100.00%
48	Jubilant Episcribe LLC	28 March 2019	USD	1,056,440	(2,960)	2,112,880	1,059,400	-	-	(2,960)	-	(2,960)	Nil	100.00%
			INR	73.13	(0.27)	146.13	73.27	-	-	(0.21)	-	(0.21)	Nil	
49	Jubilant Epicore LLC	28 March 2019	USD	1,833,575	(2,960)	3,667,150	1,836,535	-	-	(2,960)	-	(2,960)	Nil	100.00%
			INR	126.92	(0.31)	253.62	127.01	-	-	(0.21)	-	(0.21)	Nil	
50	Jubilant Prodel LLC	28 March 2019	USD	2,991,317	(3,187)	5,982,634	2,994,504	-	-	(3,187)	-	(3,187)	Nil	100.00%
			INR	207.06	(0.40)	413.76	207.10	-	-	(0.22)	-	(0.22)	Nil	
51	Jubilant Epipad LLC	28 March 2019	USD	1,651,230	(2,960)	3,302,460	1,654,190	-	-	(2,960)	-	(2,960)	Nil	100.00%
			INR	114.30	(0.30)	228.40	114.40	-	-	(0.21)	-	(0.21)	Nil	

Notes:

1) Reporting period of all the Subsidiary Companies is 1 April 2018 to 31 March 2019.

2) Converted into Indian Rupees at the exchange rate as on 31 March 2019 : 1EUR = INR 77.67, 1USD = INR 69.16, 1GBP = INR 90.53, 1RMB = INR 10.29, 1CAD = INR 51.54, 1CHF = INR 69.43, 1 AUD = INR 49.02,1 ZAR = 4.77 INR

3) The above statement excludes inter company eliminations.

4) Excludes investment in subsidiaries.

5) 6963196 Canada Inc. merged into 6981364 Canada Inc. w.e.f. 1 April 2018

6) Jubilant Pharma Trading Inc. merged into Jubilant Pharma Holdings Inc. w.e.f. 14 December 2018

Names of Subsidiaries which are yet to commence operations: -

Jubilant Business Services Limited

Names of Subsidiaries which have been liquidated during the year: - Nil

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

				Shares of Associate/Joint Ventures held by the company on the year end						Profit/Loss for the year	
Sr. No.	Name of Associates/Joint Ventures	Latest audited Balance Sheet date	Date on which Associate or Joint Venture was associated or acquired	No.	Amount of Investment in Associates/ Joint Venture (₹ in million)	Extend of Holding %	Description of how there is significant influence	Net worth attributable to shareholding as per latest audited Balance Sheet (₹ in million)	Reason why the associate/ joint venture is not consolidated	Considered in consolidation (₹ in million)	Not considered in consolidation (₹ in million)

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 Life Sciences Limited**

Shyam S. Bhartia
Chairman
DIN:00010484

Place: Noida
Date : 17 May 2019

Rajiv Shah
Company Secretary

Sankaraiah Rajagopal
Executive Director - Finance

Hari S. Bhartia
Co-Chairman & Managing Director
DIN:00010499

Corporate Information

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CIN: L24116UP1978PLC004624

Corporate Office
1A, Sector 16A, Noida - 201 301
Uttar Pradesh, India
Tel.: +91 120 4361000

Statutory Auditors
B S R & Co. LLP
Chartered Accountants
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Advant Navis Business Park
Sector-142, Noida Expressway
Noida – 201305, UP (India)

Cost Auditors
JK Kabra & Co.
Cost Accountants
552/1-B, Arjun Street
Main Vishwas Road
Vishwas Nagar
Delhi–110032, India

Internal Auditors
Ernst & Young LLP
Golf View Corporate Tower B
Sector Road, Sector 42
Gurgaon–122002
Haryana, India

Company Secretary
Rajiv Shah

Registrars & Transfer Agents
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Alankit Heights
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New Delhi- 110 055
Tel.: +91-11-4254 1234

Bankers
Axis Bank Limited
Corporation Bank
The Hong Kong & Shanghai Banking Corporation Limited
ICICI Bank Limited
Punjab National Bank
RBL Bank Limited
Yes Bank Limited
JPMorgan Chase Bank, N.A.
IndusInd Bank Limited
HDFC Bank Limited

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LEAP AHEAD

Sustainability Report 2018-19

Jubilant Life Sciences Limited publishes its Corporate Sustainability Report annually following GRI Guidelines. This year the report has been prepared in accordance with the 'GRI Standards: Comprehensive Option'. The Corporate Sustainability Report for FY 2018-19 is available at:
http://www.jubl.com/sustainability/sustainability-report

Jubilant Life Sciences Limited
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Corporate Office: 1A, Sector 16A, Noida - 201 301, Uttar Pradesh, India

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