

B S R & Co. LLP

Chartered Accountants

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Independent Auditors' Report

To the Board of Directors of Jubilant Pharmova Limited

Report on the audit of the Standalone Annual Financial Results

Opinion

We have audited the accompanying standalone annual financial results of Jubilant Pharmova Limited (hereinafter referred to as the "Company") for the year ended 31 March 2021, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone annual financial results:

- a. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- b. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India, of the net profit and other comprehensive loss and other financial information for the year ended 31 March 2021.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Annual Financial Results* 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 financial statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our opinion on the standalone annual financial results.

Emphasis of Matter

We draw attention to Note 3 and 6(b) to the standalone financial results which describes the impact of demerger of Life Sciences Ingredients business (the primary revenue generating business of the Company) into the resulting company, pursuant to the Composite Scheme of Arrangement ("Scheme"). The Scheme has been approved by the National Company Law Tribunal during the year vide its order dated 23 December 2020 and is effective from the date of filing with the Registrar of Companies. A certified copy of the order has been filed by the Company with the Registrar of Companies, Kanpur, on 01 February 2021. Our opinion is not modified in respect of this matter.

Principal Office:

Management's and Board of Directors' Responsibilities for the Standalone Annual Financial Results

These standalone annual financial results have been prepared on the basis of the standalone annual financial statements.

The Company's Management and the Board of Directors are responsible for the preparation and presentation of these standalone annual financial results that give a true and fair view of the profit/loss and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. 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 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 standalone annual financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Annual Financial Results

Our objectives are to obtain reasonable assurance about whether the standalone annual financial results 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 annual financial results.

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 annual financial results, 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 through a separate report on the complete set of financial statements 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 in the standalone financial results made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 standalone annual financial results 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 annual financial results, including the disclosures, and whether the standalone annual financial results 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.

Other Matters

The standalone annual financial results include the results for the quarter ended 31 March 2021 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No. 101248W/W-100022

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Manish Gupta
Partner

Membership Number: 095037
ICAI UDIN No.: 21095037AAAABP4725

Place: Delhi
Date: 4 June 2021

Jubilant Pharmova Limited

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Statement of Standalone Audited Results for the Quarter and Year ended 31 March 2021

(₹ in Lakhs)

Sr. No.	Particulars	Quarter Ended			Year Ended	
		31 March	31 December	31 March	31 March	31 March
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
		2021	2020	2020	2021	2020
1	Revenue from operations					
	a) Sales/Income from operations	36480	82592	77844	268807	309502
	b) Other operating income	106	302	1292	2143	4488
	Total revenue from operations	36586	82894	79136	270950	313990
2	Other income	1380	1221	8269	4788	17323
3	Total income (1+2)	37966	84115	87405	275738	331313
4	Expenses					
	a) Cost of materials consumed	17732	40242	42728	132892	168329
	b) Purchases of stock-in-trade	741	2073	3114	6623	10946
	c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	931	3241	(4777)	5521	(10832)
	d) Employee benefits expense	3478	6485	6743	22067	26490
	e) Finance costs	1210	2277	3617	10180	13620
	f) Depreciation and amortization expense	1100	2985	2980	9997	10740
	g) Other expenses:					
	- Power and fuel expense	2950	8622	8913	28040	36920
	- Others	5237	10091	13051	33101	45046
	Total expenses	33379	76016	76369	248421	301259
5	Profit before exceptional items and tax (3-4)	4587	8099	11036	27317	30054
6	Exceptional items	-	-	-	-	170
7	Profit before tax (5-6)	4587	8099	11036	27317	29884
8	Tax expense	1071	1634	(82)	5869	(2230)
9	Net Profit for the period (7-8)	3516	6465	11118	21448	32114
10	Other Comprehensive Income (OCI)					
	i) a) Items that will not be reclassified to profit or loss	14	(76)	(153)	(213)	(294)
	b) Income tax relating to items that will not be reclassified to profit or loss	(41)	26	56	38	106
	ii) a) Items that will be reclassified to profit or loss	-	-	-	-	-
	b) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-
11	Total Comprehensive Income for the period (9+10)	3489	6415	11021	21273	31926
12	Earnings per share of ₹ 1 each (not annualized)					
	Basic (₹)	2.21	4.06	6.98	13.47	20.16
	Diluted (₹)	2.21	4.06	6.98	13.47	20.16
13	Paid-up equity share capital (Face value per share ₹ 1)	1593	1593	1593	1593	1593
14	Reserves excluding Revaluation Reserves (other equity)				126652	259137
	See accompanying notes to the Standalone Audited Results					

Jubilant Pharmova Limited

Statement of Standalone Audited Assets and Liabilities

(₹ in Lakhs)

Sr. No.	Particulars	As at	As at
		31 March	31 March
		(Audited)	(Audited)
		2021	2020
A	ASSETS		
1.	Non-current assets		
	Property, plant and equipment	10006	175895
	Capital work-in-progress	33	5841
	Other intangible assets	-	518
	Intangible assets under development	-	68
	Right-of-use assets	2702	10059
	Financial assets:		
	Investments	164598	176403
	Loans	173	434
	Other financial assets	-	739
	Income tax assets (net)	323	998
	Other non-current assets	-	171
	Total non-current assets	177835	371126
2.	Current assets		
	Inventories	-	65638
	Financial assets:		
	Trade receivables	-	42545
	Cash and cash equivalents	4033	9670
	Other bank balances	-	16103
	Loans	-	666
	Other financial assets	2582	18302
	Other current assets	10	19289
	Total current assets	6625	172213
	Total assets	184460	543339
B	EQUITY AND LIABILITIES		
1.	Equity		
	Equity share capital	1593	1593
	Other equity	126652	259137
	Total equity	128245	260730
2.	Liabilities		
	Non-current liabilities		
	Financial liabilities:		
	Borrowings	42000	132791
	Lease liabilities	781	4479
	Provisions	533	6685
	Deferred tax liabilities (net)	886	1131
	Total non-current liabilities	44200	145086
	Current liabilities		
	Financial liabilities:		
	Borrowings	7300	62297
	Lease liabilities	291	362
	Trade payables		
	Total outstanding dues of micro enterprises and small enterprises	44	969
	Total outstanding dues of creditors other than micro enterprises and small enterprises	1546	60888
	Other financial liabilities	1532	8048
	Other current liabilities	172	2056
	Provisions	796	2173
	Current tax liabilities (net)	334	730
	Total current liabilities	12015	137523
	Total equity and liabilities	184460	543339

Jubilant Pharmova Limited

Note 1: Statement of Standalone Audited Cash Flows

(₹ in Lakhs)

Particulars	Year ended	
	31 March	31 March
	(Audited)	(Audited)
	2021	2020
A. Cash flow from operating activities		
Net profit before tax	27317	29884
Adjustments:		
Depreciation and amortisation expense	9997	10740
Loss on sale/ disposal/ discard of property, plant and equipment (net)	24	369
Finance costs	10180	13620
Exceptional items	-	170
Unrealised foreign exchange loss	14	863
Interest income	(570)	(267)
Dividend income	-	(15194)
	19645	10301
Operating cash flow before working capital changes	46962	40185
Decrease in trade receivables, loans, other financial assets and other assets	771	8712
Decrease/(Increase) in inventories	15343	(16717)
Increase in trade payables, other financial liabilities, other liabilities and provisions	2022	1499
Cash generated from operations	65098	33679
Income tax paid (net of refund)	(4260)	(2003)
Net cash generated from operating activities	60838	31676
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)	(9280)	(19756)
Proceeds from sale of property, plant and equipment	45	76
Investment in subsidiaries	(1578)	(5)
Loans (given to)/ repaid by subsidiaries (net)	365	(359)
Proceeds from sale of businesses	12850	-
Movement in other bank balances	14866	(15188)
Interest received	528	267
Dividend received	-	15194
Net cash generated/(used) in investing activities	17796	(19771)
C. Cash flow from financing activities		
Proceeds from long term borrowings	9886	74204
Repayments of long term borrowings	(23500)	(90250)
Payment of lease liabilities	(418)	(343)
(Repayments of)/proceeds from short term borrowings (net)	(54997)	11136
Loans taken from subsidiaries	11174	26225
Repayments of loans taken from subsidiaries	(9974)	-
Proceeds from short term borrowings taken from subsidiaries (net)	-	4890
Dividend paid (including dividend distribution tax)	(148)	(15282)
Finance costs paid	(10187)	(14685)
Net cash used in financing activities	(78164)	(4105)
Net increase in cash and cash equivalents (A+B+C)	470	7800
Add: cash and cash equivalents at the beginning of year	9670	1870
Less: cash and cash equivalents transferred pursuant to the Composite Scheme (Refer note 3)	(6107)	-
Cash and cash equivalents at the end of the year	4033	9670

Jubilant Pharmova Limited

Note 2: Standalone Audited Segment wise Revenue, Results, Assets and Liabilities for the Quarter and Year ended 31 March 2021

(₹ in Lakhs)

Sr. No.	Particulars	Quarter Ended			Year Ended	
		31 March	31 December	31 March	31 March	31 March
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
		2021	2020	2020	2021	2020
1	Segment revenue					
	a. Life Science Ingredients	36586	82894	78546	270950	311098
	b. Pharmaceuticals	-	-	590	-	2892
	Total	36586	82894	79136	270950	313990
	Less : Inter segment revenue	-	-	-	-	-
	Total revenue from operations	36586	82894	79136	270950	313990
	a. Life Science Ingredients	36586	82894	78546	270950	311098
	b. Pharmaceuticals	-	-	590	-	2892
	Total	36586	82894	79136	270950	313990
2	Segment results (profit+)/loss(-) before tax, exceptional items and interest from each segment)					
	a. Life Science Ingredients	7044	10263	8835	38150	31616
	b. Pharmaceuticals	-	-	(288)	-	(982)
	Total	7044	10263	8547	38150	30634
	Less : i. Interest (Finance costs)	1210	2277	3617	10180	13620
	ii. Exceptional item and un-allocable expenditure (net of un-allocable income)	1247	(113)	(6106)	653	(12870)
	Profit before tax	4587	8099	11036	27317	29884
3	Segment assets					
	a. Life Science Ingredients	-	295182	317803	-	317803
	b. Pharmaceuticals	-	-	-	-	-
	c. Unallocable corporate assets	184460	203958	225536	184460	225536
	Total Segment assets	184460	499140	543339	184460	543339
4	Segment liabilities					
	a. Life Science Ingredients	-	69840	73891	-	73891
	b. Pharmaceuticals	-	-	-	-	-
	c. Unallocable corporate liabilities	56215	150787	208718	56215	208718
	Total Segment liabilities	56215	220627	282609	56215	282609

Refer note 3

3. During the quarter ended 31 March 2021, the Composite Scheme of Arrangement ("Composite Scheme") for amalgamation of certain promoter controlled entities into the Company and Demerger of the Life Science Ingredients ("LSI") business into Jubilant Ingrevia Limited, the Resulting entity, was approved by Honourable National Company Law Tribunal ("NCLT"), Allahabad Bench vide its order dated 23 December 2020, formal order received on 6 January 2021. The said NCLT order was filed with the Registrar of Companies by Company and Jubilant Ingrevia Limited on 1 February 2021 thereby making the Composite Scheme effective. Accordingly, all assets and liabilities of the LSI business stands transferred and vested into Jubilant Ingrevia Limited effective 1 February 2021, being the Appointed date as per the Scheme for demerger of the LSI business. Effective that date, the name of the Company has changed to Jubilant Pharmova Limited from Jubilant Life Sciences Limited. The standalone financial results of the Company which comprise solely the LSI business upto 31 January 2021, stands demerged to Jubilant Ingrevia Limited.

4. The Board of Directors has recommended a dividend of ₹ 5 per equity share of ₹ 1 each, fully paid up amounting to ₹ 7964 lakhs, subject to approval in the Annual General Meeting.

5. The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, inventories, property, plant and equipment and intangible assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions, the Company has, as at the date of approval of these standalone financial results, used internal and external sources of information, including economic forecasts and estimates from market sources, on the expected future performance of the Company. On the basis of evaluation and current indicators of future economic conditions, the Company expects to recover the carrying amounts of these assets and does not anticipate any impairment to these financial and non-financial assets. However, the impact assessment of COVID-19 is a continuing process, given the uncertainties associated with its nature and duration. The Company will continue to monitor any material changes to future economic conditions.

6 (a). The figures for the current quarter and year are not comparable with previous periods since the LSI business has demerged with effect from 1 February 2021. A summary of key financial information in respect of the LSI business in the respective periods is given below:

(₹ in Lakhs)

Particulars	Quarter Ended			Year Ended	
	31 March	31 December	31 March	31 March	31 March
	2021	2020	2020	2021	2020
	(1 month)	(3 months)	(3 months)	(10 months)	(12 months)
i) Total revenue from operations	36586	82894	78546	270950	311098
ii) Other Income	109	1221	493	3517	2129
iii) Total income	36695	84115	79039	274467	313227
iv) Total Expenses	31620	76016	75493	246662	297385
v) Profit before exceptional items and tax	5075	8099	3546	27805	15842
vi) Exceptional Items	-	-	-	-	170
vii) Profit before tax	5075	8099	3546	27805	15672
viii) Tax expenses	1354	1634	(82)	6153	(2230)
ix) Net Profit for the period	3721	6465	3628	21652	17902

6(b). The assets and liabilities demerged pursuant to the Composite Scheme as at 31 January 2021 are as under:

	Amount (₹ in Lakhs)
Non-current assets	193497
Current assets	123079
Total assets (A)	316576
Non-current liabilities	81343
Current liabilities	81474
Total liabilities (B)	162817
Net assets transferred (A) - (B)	153759

Utilisation of reserves for transfer of net assets pursuant to the Composite Scheme

Securities premium	58784
General reserve	73757
Retained earnings	21218
	153759

7. The figures for the quarter ended 31 March 2021 and the corresponding quarter ended in the previous year, as reported in these standalone financial results, are the balancing figures between audited figures in respect of the full financial year and the published year to date figures until the end of third quarter of the relevant financial year. Also, the figures until the end of the third quarter had only been reviewed and not subjected to audit. Further, previous period figures have been regrouped / reclassified to conform to the current period's classification.

8. The above standalone audited results were reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 4 June 2021. The audit report of the Statutory Auditors is being filed with the BSE Limited and The National Stock Exchange of India Limited. For more details on standalone audited results, visit Investors section of our website at www.jubilantpharmova.com and Financial Results at Corporates section of www.nseindia.com and www.bseindia.com.

For Jubilant Pharmova Limited

HARI SHANKER BHARTIA
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Date: 2021.06.04
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Place : Noida
Date : 4 June 2021

Hari S. Bhartia
Co-Chairman & Managing Director