

Jubilant Pharma Holdings Inc.

Standalone Financial Statements
For the financial year ended
31 March 2023 and 2022

Jubilant Pharma Holdings Inc.
Standalone Balance Sheet as at 31 March 2023

	Notes	2023 USD	2022 USD
ASSETS			
Non-current assets			
Property, plant and equipment	3	1,446,272	1,671,763
Capital work-in-progress	3	86,155	86,155
Intangible assets under development		436,208	436,208
Right of use assets	30	4,974,563	5,633,793
Financial assets			
i. Investments	4	338,300,131	338,115,131
ii. Loans	5	339,627,701	51,307,701
Deferred tax assets(net)	24	121,480	111,665
Total non-current assets		684,992,510	397,362,416
Current assets			
Inventories	6	170,905	694,148
Financial assets			
i. Trade receivables	7	3,091,673	10,070,903
ii. Cash and cash equivalents	8 (a)	18,836,997	18,497,030
iii. Bank balances others	8 (b)	-	-
iv. Loans	5	-	1,096,000
v. Other financial assets	9	29,551,814	25,453,450
Other current assets	10	2,203,029	188,424
Total current assets		53,854,418	55,999,955
Total assets		738,846,928	453,362,371

Jubilant Pharma Holdings Inc.
Standalone Balance Sheet as at 31 March 2023

	Notes	2023 USD	2022 USD
EQUITY AND LIABILITIES			
Equity			
Equity share capital	11(a)	254,089,087	254,089,087
Other equity	11(b)	102,514,980	85,155,194
Equity attributable to owners of the Company		356,604,067	339,244,281
Liabilities			
Non-current liabilities			
Financial liabilities			
i. Borrowings	12	360,772,028	95,510,211
ii. Lease liabilities		4,945,565	5,622,213
Other non-current liabilities	15	-	-
Total non-current liabilities		365,717,593	101,132,424
Current liabilities			
Financial liabilities			
i. Trade payables	13	12,469,129	9,257,737
ii. Lease liabilities		622,216	467,110
iii. Other financial liabilities	14	2,962,230	2,639,400
Other current liabilities	15	118,264	207,378
Provisions	16	263,651	412,084
Current tax liabilities (net)		89,778	1,957
Total current liabilities		16,525,268	12,985,666
Total liabilities		382,242,861	114,118,090
Total equity and liabilities		738,846,928	453,362,371
Significant accounting policies	2		

The notes referred to above form an integral part of the standalone financial statements

Jubilant Pharma Holdings Inc.
Standalone Statement of Profit and Loss for the year ended 31 March 2023

	Notes	2023 USD	2022 USD
Revenue from operations	17	19,262,005	19,737,488
Other income	18	36,762,766	24,753,144
Total income		56,024,771	44,490,632
Purchases of stock-in-trade		17,818,806	19,027,611
Change in inventories of stock-in-trade	19	523,243	(8,573)
Finance costs	20	15,547,112	4,154,438
Depreciation and amortization expense	21	-	-
Other expenses	22	1,276,449	109,830,583
Total expenses		35,165,610	133,004,059
(Loss)/profit before tax		20,859,161	(88,513,427)
Tax expense/(benefit)	25		
- Current tax		87,821	1,957
- Deferred tax credit		(1,713,062)	(44,741)
Total tax benefit		(1,625,241)	(42,784)
(Loss)/profit for the year		22,484,402	(88,470,643)
Other comprehensive income		-	-
Total comprehensive (loss)/income for the year		22,484,402	(88,470,643)
Earnings/(loss) per equity share			
- Basic and diluted	32	17,190	(67,638)

The notes referred to above form an integral part of the standalone financial statements

Jubilant Pharma Holdings Inc.
Standalone Statement of Changes in Equity for the year ended 31 March 2023

A. Equity share capital

USD

Balance as at 1 April 2021	254,089,087
Addition during the year	-
Balance as at 1 April 2022	254,089,087
Addition during the year	-
Balance as at 31 March 2023	254,089,087

B. Other equity

	Reserves and surplus*		Total attributable to owners of the Company
	Capital reserve (refer note 23)	Retained earnings	
	USD	USD	USD
Balance as at 1 April 2021	97,662,454	75,320,660	172,983,114
Profit for the year	-	(88,470,643)	(88,470,643)
Other comprehensive income	-	-	-
Total comprehensive loss for the year	97,662,454	(13,149,983)	84,512,471
Additions/adjustments during the year	642,723	-	642,723
Balance as at 31 March 2022	98,305,177	(13,149,983)	85,155,194
Profit for the year	-	22,484,402	22,484,402
Other comprehensive income	-	-	-
Total comprehensive loss for the year	98,305,177	9,334,419	107,639,596
Additions/adjustments during the year	(5,124,616)	-	(5,124,616)
Balance as at 31 March 2023	93,180,561	9,334,419	102,514,980

* refer note 11(b) for nature and purpose of other equity.

The notes referred to above form an integral part of the standalone financial statements

Jubilant Pharma Holdings Inc.
Standalone Statement of Cash Flows for the year ended 31 March 2023

	2023 USD	2022 USD
A. Cash flow from operating activities		
Net (loss)/profit before tax	20,859,161	(88,513,427)
Adjustments:		
Depreciation and amortisation expense #	884,721	885,934
Finance costs #	15,702,919	4,319,436
Diminution in value of investment	911,000	109,705,000
Dividend income	(27,400,000)	(22,000,000)
Interest income	(8,411,086)	(1,442,042)
	(18,312,446)	91,468,328
Operating cash flow before working capital changes	2,546,715	2,954,901
(Increase)/decrease in trade accounts receivable	6,979,230	(6,186,620)
Increase in inventories	523,243	(8,573)
Decrease/(increase) in loans, other financial assets and other assets	714,990	23,242,645
Decrease in trade payables	3,211,392	2,138,881
(Decrease)/increase in other financial liabilities and provisions	(681,612)	(666,287)
Cash (used in)/generated from operations	13,293,958	21,474,947
Income tax paid, net	(11,100,438)	(10,588,347)
Net cash (used in)/generated from operating activities	2,193,520	10,886,600
B. Cash flow from investing activities		
Purchase of property, plant and equipment and capital work in progress	-	(9,955)
Sale of property, plant and equipment	-	-
Purchase of investments	-	(2,162,000)
Long-term loans given to related parties	(297,760,000)	(34,900,000)
Long-term loans received back from related parties	9,440,000	9,004,230
Movement in other bank balances (net)	-	22,000,000
Dividend received	27,400,000	22,000,000
Interest received	9,290,157	1,717,687
Net cash generated from investing activities	(251,629,843)	17,649,962
C. Cash flow arising from financing activities		
Proceeds from long term borrowings	345,441,222	-
Proceeds from long-term borrowings from related parties	10,000,000	2,300,000
Repayments of long term borrowings to related parties	(91,010,211)	(19,575,603)
Repayments of finance lease obligations	(521,542)	(305,514)
Finance costs paid	(14,133,179)	(8,839,934)
Net cash used in from financing activities	249,776,290	(26,421,051)
Net (decrease)/increase in cash and cash equivalents (A+B+C)	339,967	2,115,511
Add: cash and cash equivalents at the beginning of year	18,497,030	16,381,519
Cash and cash equivalents at the end of the year (refer note 8)	18,836,997	18,497,030

Includes recovery from subsidiaries

The notes referred to above form an integral part of the standalone financial statements

1. Corporate information

Jubilant Pharma Holdings Inc. (“the Company”) was incorporated in United States of America under the local laws of Delaware in October 2005. The Company is a subsidiary of Jubilant Pharma Limited, Singapore, which holds 84.71% stake in the Company and the balance stake of 15.29% is held by Jubilant Generics Limited, India. The primary activity of the Company is trading of active pharmaceutical ingredients.

2. Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these Standalone Financial Statements (“standalone financial statements”).

A. Basis of preparation

(i) Statement of compliance

These standalone financial statements have been prepared solely for the purpose of submission of Annual Performance Report to the Reserve Bank of India, in accordance with Indian Accounting Standards (Ind AS) issued by the Institute of Chartered Accountants of India (ICAI). These standalone financial statements are presented in United States Dollar (USD).

(ii) Historical cost convention

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

B. Current versus non-current classification

The Company presents assets and liabilities in the Balance Sheet based on current/ non-current classification.

An asset is treated as current when:

- It is expected to be realised or intended to be sold or consumed in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is expected to be realised within twelve months after the reporting period; or
- It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Company classifies all other assets as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities; respectively.

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)

(i) Property, plant and equipment

All Items of property, plant and equipment are stated at cost 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 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.

Advances paid towards acquisition of property, plant and equipment outstanding at each Balance Sheet date, are shown under other non-current assets and cost of assets not ready for intended use before the year end, are shown as capital work-in-progress.

(ii) Depreciation methods, estimated useful lives and residual value

The Company depreciates property, plant and equipment over the estimated useful life using the straight-line method. Upon retirement or disposal of assets, the cost and accumulated depreciation are eliminated from the accounts and the resulting gain or loss is credited or charged to Statement of Profit and Loss.

The estimated useful lives of property, plant and equipment are as follows:

Furniture and fixtures	10 years
Office equipment	5-10 years

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

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

(iii) Derecognition

A property, plant and equipment 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 an 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. 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 an asset or CGU is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment loss recognized in respect of a CGU is allocated first to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a *pro rata* basis.

An impairment loss in respect of assets for which impairment loss has been recognized in prior periods, the Company reviews at reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

E. 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 both the following conditions are met:

- (i) the asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- (ii) contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables.

Debt instrument at FVOCI

A 'debt instrument' is classified as at the FVOCI if both of the following criteria are met:

- (i) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- (ii) The asset's contractual cash flows represent SPPI on the principal amount outstanding.

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.

Jubilant Pharma Holdings Inc.**Notes to the standalone financial statements for the year ended 31 March 2023***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'). The Company has not designated any debt instrument as at FVPL.

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

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 derecognized (i.e., removed from the Company's balance sheet) when:

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

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVPL. A financial liability is classified as at FVPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVPL are measured at fair value and net gains and losses, including any interest expense, are recognised in Statement of Profit and Loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in Statement of Profit and Loss. Any gain or loss on derecognition is also recognised in Statement of Profit and Loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Offsetting

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

F. 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 inventories except for goods in transit which is valued at specifically identified purchase cost. Cost includes all costs of purchase and other costs incurred in bringing the inventories to their present location and condition inclusive of non-refundable (adjustable) taxes wherever applicable.

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

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

G. 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.

H. 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 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.

Jubilant Pharma Holdings Inc.**Notes to the standalone financial statements for the year ended 31 March 2023**

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.

I. Revenue recognition

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.

Revenues are measured based on the transaction price, which is the consideration, net of tax collected from customers and remitted to government authorities 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.

J. Other income

Interest income is recognized using the time-proportion method, based on interest rates implicit in the transaction.

Company has entered into cost sharing agreement with its subsidiary/fellow subsidiary companies in respect of the costs being incurred by the Company for providing business and organisational strategy, financial, management and advisory services to these companies. The costs are allocated based on the budgeted expenses and recovered from the respective company. The costs recovered are reduced from the respective expense head in the books of account of the Company. Any excess recovery over actual expense incurred by the Company is recorded as other non-operating income.

K. Employee benefits*Short-term employee benefits*

All employee benefits falling due within twelve months of the end of the period in which the employees render the related services are classified as short-term employee benefits, which include benefits like salaries, 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.

Post-employment benefits

The Company makes 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 Statement of Profit and Loss on accrual basis in the year in which liability to pay arise.

L. Finance costs

Finance costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Finance costs are expensed in the period in which they occur.

M. Income tax

Income tax expense comprises current and deferred tax. It is recognised in the 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 Company operates and generates taxable income.

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis 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 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 the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Also refer note 24.

N. Leases

Leases – Company as a lessee

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (1) the contract involves the use of an identified asset; (2) the Company has substantially all of the economic benefits from use of the asset through the period of the lease; and (3) the Company has the right to direct the use of the asset.

Jubilant Pharma Holdings Inc.**Notes to the standalone financial statements for the year ended 31 March 2023**

The Company's lease asset classes primarily consist of leases for office premises which typically run for a period of 10 years, with an option to renew the lease after that date. For certain leases, the Company is restricted from entering into any sub-lease arrangements. At the date of commencement of the lease, the Company recognises a right-of-use asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases). For these short-term leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Right-of-use assets and lease liabilities includes the options to extend or terminate the lease when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the Statement of Profit or Loss.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates based on information available as at the date of commencement of the lease. Lease liabilities are remeasured with a corresponding adjustment to the related right-of-use asset if the Company changes its assessment of whether it will exercise an extension or a termination option. Lease liability and right-of-use asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

O. Foreign currency translation*(i) Functional and presentation currency*

The functional currency of the Company is the U.S. Dollars ("USD"). The standalone financial statements are presented in USD.

(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.

P. Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

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

(ii) Diluted earnings per share

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

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

Q. Business combinations

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Company are accounted for as if the acquisition had occurred at the beginning of the earliest period presented in the standalone financial statements irrespective of the actual date of the combination. However, if business combination had occurred after that date, the prior period information shall be restated only from that date. The assets and liabilities acquired are recognized at their carrying amounts. The identity of the reserves is preserved and they appear in the standalone financial statements of the Company 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.

R. Critical estimates and judgments

The preparation of standalone 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 standalone financial statements is included in the following notes:

- Impairment of non-financial assets – Note 2(D)
- Assessment of useful life of property, plant and equipment – Note 2(C)
- Recognition and estimation of tax expense including deferred tax – Note 2(M)

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 statements, 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.

Jubilant Pharma Holdings Inc.

Notes to the standalone financial statements for the year ended 31 March 2023

3. Property, plant and equipment and capital work-in-progress

	Furniture and fixtures USD	Office equipment USD	Total USD	Capital work-in- progress USD
Gross carrying amount as at 1 April 2021	187,500	1,948,116	2,135,616	80,228
Additions	-	4,028	4,028	-
Deductions	-	-	-	-
Gross carrying amount as at 31 March 2022	187,500	1,952,144	2,139,644	80,228
Accumulated depreciation as at 1 April 2021	57,592	180,719	238,311	-
Depreciation charge for the year	18,786	210,784	229,570	-
Deductions	-	-	-	-
Accumulated depreciation as at 31 March 2022	76,378	391,503	467,881	-
Net carrying amount as at 31 March 2022	111,122	1,560,641	1,671,763	80,228
	Furniture and fixtures USD	Office equipment USD	Total USD	Capital work-in- progress USD
Gross carrying amount as at 1 April 2022	187,500	1,952,144	2,139,644	80,228
Additions	-	-	-	-
Deductions	-	-	-	-
Gross carrying amount as at 31 March 2023	187,500	1,952,144	2,139,644	80,228
Accumulated depreciation as at 1 April 2022	76,378	391,503	467,881	-
Depreciation charge for the year	18,786	206,705	225,491	-
Deductions	-	-	-	-
Accumulated depreciation as at 31 March 2023	95,164	598,208	693,372	-
Net carrying amount as at 31 March 2023	92,336	1,353,936	1,446,272	80,228

Jubilant Pharma Holdings Inc.**Notes to the standalone financial statements for the year ended 31 March 2023****4. Non-current investments**

	2023	2022
	USD	USD
Investment in equity shares (at cost)		
Unquoted Investments (fully paid up)		
Subsidiaries		
Jubilant Clinsys Inc.	-	-
40,562,584 (31 March 2022: 40,562,584) equity shares of no par value (refer note 32)		
Jubilant Draximage Radiopharmacies Inc. (refer note 32)	4,985,000	4,800,000
200 (31 March 2022: 200) equity shares of no par value		
Jubilant Cadista Pharmaceuticals Inc..	60,093,678	60,093,678
1 (31 March 2022: 1) equity share of USD 1 par value		
Jubilant HollisterStier LLC	123,633,007	123,633,007
1000 (31 March 2022: 1000) equity share of no par value		
Jubilant HollisterStier Inc.	145,856,846	145,856,846
1600 (31 March 2022: 1600) equity share of no par value		
Jubilant Draximage (USA) Inc.	3,731,600	3,731,600
939 (31 March 2022: 939) equity shares of USD 0.01 par value		
Total non-current investments	338,300,131	338,115,131

5. Loans

	2023	2022
	USD	USD
Non-Current		
Unsecured, considered good		
Security deposits	7,701	7,701
Loan to related parties (refer note 30)	339,620,000	51,300,000
Total non-current loans	339,627,701	51,307,701
Current		
Loan to related parties (refer note 30)	-	2,500,230
Total current loans	-	2,500,230
Total loans	339,627,701	26,507,931

6. Inventories

	2023	2022
	USD	USD
Stock-in-trade*	170,905	694,148
Total inventories	170,905	694,148
 * Goods-in-transit included in the above:		
Stock-in-trade	170,905	694,148
Total goods-in-transit	170,905	694,148

Jubilant Pharma Holdings Inc.**Notes to the standalone financial statements for the year ended 31 March 2023****7. Trade receivables**

	2023	2022
	USD	USD
Unsecured and current		
Trade receivables	3,223,383	10,070,903
Less: Loss allowance	131,710	-
Total trade receivables	3,091,673	10,070,903

The Company's exposure to credit and currency risk, and loss allowance related to trade receivables are disclosed in note 27.

8. (a) Cash and cash equivalents

	2023	2022
	USD	USD
Balances with banks		
- on current accounts	17,785,234	18,148,530
- on dividend accounts	1,051,763	-
Cheques in hand	-	348,500
Total cash and cash equivalents	18,836,997	18,497,030

9. Other financial assets

	2023	2022
	USD	USD
Current		
Advances recoverable from related parties (refer note 30)	29,503,814	24,533,879
Interest receivable	-	871,571
Others	48,000	48,000
Total other current financial assets	29,551,814	25,453,450

10. Other assets

	2023	2022
	USD	USD
Current		
Prepaid expenses	56,274	177,655
Advance for supply of goods & services (refer note 30)	2,146,755	-
Advance to employees	-	10,769
Total other current assets	2,203,029	188,424
Total other assets	2,203,029	188,424

Jubilant Pharma Holdings Inc.
Notes to the standalone financial statements for the year ended 31 March 2023

11. (a) Equity share capital

	2023	2022
	USD	USD
Authorised		
3,000 common stock having no par value	—	—
	—	—
Issued and subscribed		
200 shares of class A common stock and 1108 shares of class B common stock	254,089,087	254,089,087
	254,089,087	254,089,087

Movements in equity share capital:

	2023		2022	
	No. of shares	USD	No. of shares	USD
At the commencement of the year	1,308	254,089,087	1,308	254,089,087
Additions during the year	—	—	—	—
At the end of the year	1,308	254,089,087	1,308	254,089,087

Terms and rights attached to equity shares:

The Company has two classes of stock, Class A common stock and Class B common stock. The total number of shares of all classes of stock which the Company is authorized to issue is 3,000 shares of zero par value. Of the total authorized shares, 1,500 shares shall be authorized to be issued as Class A common stock, at zero par value and 1,500 shares shall be authorized to be issued as Class B common stock, at zero par value.

The voting powers for the shareholder shall be vested equally in the holders of Class A common stock and Class B common stock, with each share of stock entitled to one vote. No rights to class voting shall exist for either class of common stock.

The holder of Class A common stock shall have all rights and preferences with respect to dividend declared by the Company, except to the extent that the Board of Directors makes a special dividend declaration to the holders of Class B common stock.

Except for the foregoing dividend preference rights, Class A common stock and Class B common stock shall have equal rights with respect to (i) voting; (ii) liquidating distributions made to the shareholders; (iii) any distribution of the Company assets to its shareholders; and (iv) any other shareholder rights and privileges.

In the event of liquidation of the Company, the holders of equity shares shall be entitled to receive all of the remaining assets of the Company, after distribution of all preferential amounts, if any. Such amounts will be in proportion to the number of equity shares held by the stockholders.

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

	2023		2022	
	No. of shares	% holding	No. of shares	% holding
Jubilant Pharma Limited, Singapore - the holding company	1,108	84.71%	1,108	84.71%
Class B common stock at zero par value				
Jubilant Generics Limited, India - subsidiary of the holding company	200	15.29%	200	15.29%
Class A common stock at zero par value				

(b) 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 shareholders.
- **Share 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.
- **Retained earnings**
Retained earnings represent the amount of accumulated earnings/(loss) of the Company.

12. Borrowings

	2023	2022
	USD	USD
Non-current		
From Banks (unsecured)	346,272,028	-
From related parties (unsecured) (refer note 30)	14,500,000	95,510,211
Total borrowings	360,772,028	95,510,211

Nature of security and other terms of repayment of borrowings as at 31 March 2023

- 12.1 Unsecured term loans amounting to USD 350.00 million, carrying interest rate of SOFR+1.98%, is repayable in 3 half yearly installments from July 2026. The interest rate varies basis compliance with contractually agreed sustainability linked conditions.

12(a) Reconciliation of movements of liabilities to cash flows arising from financing activities

	As at 31 March 2022	Financing cash flows (net)	Non-cash changes			As at 31 March 2023
	USD	USD	Finance costs expensed	Amortization of debt initiation cost	Finance cost recovered from subsidiaries	USD
			USD	USD	USD	
Loans from related parties	95,510,211	(81,010,211)	-	-	-	14,500,000
Loans from Banks	-	345,441,222	-	830,806	-	346,272,028
Interest accrued	336,448	(14,133,179)	15,547,112	(830,806)	155,807	1,075,382
Total	95,846,659	250,297,831	15,547,112	-	155,807	361,847,409

	As at 31 March 2021	Financing cash flows (net)	Non-cash changes		As at 31 March 2022
	USD	USD	Finance costs expensed	Finance cost recovered from subsidiaries	USD
			USD	USD	
Loans from related parties	112,785,814	(17,275,603)	-	-	95,510,211
Interest accrued	4,856,947	(8,839,935)	4,154,438	164,998	336,448
Total	117,642,761	(26,115,538)	4,154,438	164,998	95,846,659

Jubilant Pharma Holdings Inc.
Notes to the standalone financial statements for the year ended 31 March 2023
13. Trade payable

	2023	2022
	USD	USD
Current		
Trade payables	2,398,329	2,065,083
Payables to related parties (refer note 30)	10,070,800	7,192,654
Total trade payables	12,469,129	9,257,737

14. Other financial liabilities

	2023	2022
	USD	USD
Current		
Interest accrued (refer note 30)	1,075,382	336,448
Employee benefits payable	1,879,348	2,302,952
Creditors for capital supplies & services	7,500	-
Total other financial liabilities	2,962,230	2,639,400

15. Other liabilities

	2023	2022
	USD	USD
Non-current		
Statutory dues payables	-	-
Total other non-current liabilities	-	-
Current		
Advance from customers	33,740	34,692
Income received in advance/unearned income	-	88,820
Statutory dues payables	84,524	83,866
Total other current liabilities	118,264	207,378
Total other liabilities	118,264	207,378

16. Provision

	2023	2022
	USD	USD
Current		
Provision for employee benefits	263,651	412,084
Total current provisions	263,651	412,084

17. Revenue from operations

	2023	2022
	USD	USD
Revenue from:		
- Sale of products	19,262,005	19,737,488
Total revenue from operations	19,262,005	19,737,488

Contract balances

	2023	2022
	USD	USD
Trade receivables	3,091,673	10,070,903

Reconciliation of revenue recognised with the contract price

	2023	2022
	USD	USD
Contracted price	19,262,005	19,737,488
Revenue recognised	19,262,005	19,737,488

Jubilant Pharma Holdings Inc.**Notes to the standalone financial statements for the year ended 31 March 2023****18. Other income**

	2023 USD	2022 USD
Interest income	8,411,086	1,442,042
Dividend income	27,400,000	22,000,000
Other	951,680	1,311,102
Total other income	36,762,766	24,753,144

19. Change in inventories of stock-in-trade

	2023 USD	2022 USD
Opening balance		
Stock-in-trade	694,148	685,575
Closing balance		
Stock-in-trade	170,905	694,148
Total change in inventories of stock-in-trade	523,243	(8,573)

20. Finance costs

	2023 USD	2022 USD
Interest expense (refer note 30 and note 31)	14,701,306	4,154,438
Other borrowings cost	845,806	-
Total finance costs	15,547,112	4,154,438

21. Depreciation and amortization expense

	2023 USD	2022 USD
Depreciation of property, plant and equipment	884,721	885,934
Less: recovered from subsidiary companies	(884,721)	(885,934)
Total depreciation expense	-	-

22. Other expenses

	2023 USD	2022 USD
Insurance	12,515	7,133
Repairs and maintenance others	2,183	-
Bank charges	2,792	3,150
Impairment loss on trade receivables	131,710	-
Impairment loss on financial assets (refer note 32)	911,000	109,705,000
Discounts and other selling expenses	48,396	35,434
Freight & forwarding (including ocean freight)	167,853	79,866
Total other expenses	1,276,449	109,830,583

Jubilant Pharma Holdings Inc.**Notes to the standalone financial statements for the year ended 31 March 2023**

23. The Company being a holding company for various United States of America (USA) based direct/ indirect subsidiaries / majority owned entities and therefore files federal tax return and state tax return (as applicable) on a consolidated basis. Current and deferred income taxes are recognised by each entity within the group, regardless of which entity has the legal liability for settlement or recovery of the tax. Current and deferred tax amounts for each entity within the tax group are determined and recognised under a systematic, rational and consistent method.

The Company has tax sharing arrangement with fellow subsidiaries i.e. Jubilant Cadista Pharmaceuticals Inc, Jubilant Hollister Stier LLC and Jubilant Draximage (USA) Inc. The Agreement sets forth, among other things, each of the Company's and fellow subsidiaries obligations in connection with filing consolidated federal, state and foreign tax returns. The agreement provides that current income tax (benefit) is computed on a separate return basis and fellow subsidiaries shall make payments (or receive reimbursement) to or from the Company to the extent its income (losses and other credits) contribute to (reduce) the consolidated income tax expense. Further, unitary state tax paid by Company on behalf of other subsidiaries & group entities are recovered on actual payment basis.

In view of the tax sharing agreement, the Company reimbursed 8,821,549 to Jubilant Cadista Pharmaceuticals Inc., recovered 16,244,600 from Jubilant HollisterStier LLC and 244,640 from Jubilant Draximage (USA) Inc. as current federal & unitary state income tax as computed on a separate return basis for financial year 2022-23 which is recorded through capital reserve. Also refer note 30.

The amount of reduced tax computed on consolidated tax return basis (federal and state) as added by the amount paid under aforesaid tax sharing arrangement over the tax computed for the Company assuming as if it was filing a separate tax return instead of a consolidated tax return has been recognized as debit/ credit to capital reserve.

In assessing reasonable certainty for the realisability of deferred tax asset, the assessment is performed on consolidated group basis and the corresponding adjustment is also recorded through capital reserve.

24. Deferred tax assets and liabilities are attributable to the following items:

	Year ended	
	31 March 2023	31 March 2022
Deferred tax assets		
Accrued expenses	485,802	585,692
Lease liability	1,297,504	1,386,295
Tax losses carried forward	3,921,630	2,624,821
Acquired goodwill	-	2,760
Others	-	295
	5,704,936	4,599,864
Deferred tax liabilities		
Depreciation on PPE	1,341,377	1,410,902
Others	11,343	8,244
	1,352,720	1,419,146
Net Deferred tax asset	4,352,216	3,180,718
Less: Allocated to capital reserve	4,230,736	3,069,053
Deferred tax asset (net)	121,480	111,665

25. Income tax

Reconciliation between average effective tax rate and applicable tax rate for the year ended 31 March 2023:

Particulars	For the year ended	
	31 March 2023	31 March 2022
Accounting profit before income tax	20,674,160	(88,513,427)
Statutory tax rate @ 21%	4,380,424	(18,587,820)
- Effect of state taxes (including state deferred tax)	(499,649)	84,344
- Effect of true up adjustment	56,029	42,642
- Effect of permanent difference	(5,562,045)	18,418,050
Total tax expense	(16,25,241)	(42,784)

26. Employee benefit plan

The Company has a 401(k) Plan, where in the employees are eligible to participate in the defined contribution plan after completion of one month of continuous service. Participants may voluntarily contribute eligible pre-tax and post-tax compensation in 0.5% increments of up to 90% of their annual compensation in accordance with the annual limits as determined by the Internal Revenue Service. Eligible employees receive a 50% match of their contributions up to 6% of their eligible compensation. Employees above the age of 50 years may choose to contribute “catch-up” contributions in accordance with the Internal Revenue Service limits and are matched the same up to the maximum Group contribution of 3% of eligible compensation. The Company’s matching contributions vest 100% after three years of service. The Company has contributed USD 191,968 and USD 202,927 for the year ended 31 March 2023 and 31 March 2022 respectively to 401(k), which has been recovered from other group companies (refer note 2(K)).

27. Fair value measurements

(₹ in million)

	Notes	Level of hierarchy	Carrying Value as at		Fair Value as at	
			31 March 2023	31 March 2022	31 March 2023	31 March 2022
<i>Financial assets</i> *						
<u>Amortised Cost</u>						
Trade receivables	(a)		3,091,673	10,070,903	3,091,673	10,070,903
Loans	(b)		339,627,701	52,403,701	276,879,208	52,403,701
Cash and cash equivalents	(a)		18,836,997	18,497,030	18,836,997	18,497,030
Other bank balances	(a, b)		-	-	-	-
Other financial assets	(a, b)		29,551,814	25,453,450	29,551,814	25,453,450
Total financial assets			391,108,185	106,425,084	328,359,692	106,109,119

Jubilant Pharma Holdings Inc.**Notes to the standalone financial statements for the year ended 31 March 2023*****Financial liabilities*****Amortised Cost**

Borrowings	(a, b)	3	360,772,028	95,510,211	361,569,000	94,959,198
Lease liabilities	(a)		5,567,781	6,089,323	-	-
Trade payables	(a)		12,469,129	9,257,737	12,469,129	9,257,737
Other financial liabilities	(a)		2,962,230	2,639,400	2,962,230	2,639,400
Total financial liabilities			381,771,168	113,496,671	377,000,360	106,856,335

* Does not include investment in subsidiaries, which is carried at cost, less impairment, if any.

The following methods / assumptions were used to estimate the fair values:

- (a) Fair valuation of financial assets and liabilities with short term maturities is considered as approximate to respective carrying amount due to the short term maturities of these instruments. Further, the fair value disclosure of lease liabilities is not required.
- (b) The fair value of non-current financial assets and long-term borrowings is estimated by discounting future cash flows using adjusted discount rate of 6.85%-7.46% (31 March 2022: 4.4%-5.49%) (applicable to instruments with similar terms, currency, credit risk and remaining maturities) to discount the future payouts.

There are no transfers between Level 1, Level 2 and Level 3 during the year ended 31 March 2023 and 31 March 2022.

28. Capital 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) and divided by Total 'equity' (as shown in the Balance Sheet).

The gearing ratios were as follows:

Particulars	2023 USD	2022 USD
Net debt	341,935,031	77,013,181
Total equity	356,604,067	339,246,238
Net debt to equity ratio	0.96	0.23

29. Financial risk management

The Company has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk

Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company, through three layers of defence namely policies and procedures, review mechanism and assurance aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations. The Board with top management oversees the formulation and implementation of the Risk management policies. The risk and mitigation plan are identified, deliberated and reviewed at appropriate forums.

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, investments and other financial assets.

The carrying amount of financial assets represents the maximum credit exposure.

Trade receivables and other financial assets

The Company has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, standalone financial statements, credit agency information, industry information, and business intelligence. Sale limits are established for each customer and reviewed annually. Any sales exceeding those limits require approval from the appropriate authority as per policy.

In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or a legal entity, whether they are institutional, dealers or end user customer, their geographic location, industry, trade history with the Company and existence of previous financial difficulties.

The customers of the Company are spread across North America regions, and accordingly, trade accounts receivables are concentrated in these geographies. To reduce credit risk, the Company performs on going credit evaluation of customers. As at 31 March 2023 and 31 March 2022 three and two customers are having 10% or more share in total trade receivables of the Company, respectively.

Expected credit loss for trade receivables:

Based on internal assessment which is driven by the historical experience/ current facts available in relation to default and delays in collection thereof, the credit risk for trade receivables is low. The Company estimates its allowance for trade receivable using lifetime expected credit loss.

Jubilant Pharma Holdings Inc.**Notes to the standalone financial statements for the year ended 31 March 2023**

Movement in the expected credit loss allowance of trade receivables are as follows:

	As at	
	31 March 2023	31 March 2022
	USD	USD
Balance at the beginning of the year	-	-
Provided during the year (net of reversal)	131,710	-
Amount written off */ translation adjustment	-	-
Balance at the end of the year	131,710	-

*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.

The Company's exposure to credit risk for trade receivables using provision matrix is as follows:

	2023		
	Gross carrying amount	Allowance for credit losses	Net carrying amount
	USD	USD	USD
Not due	1,274,358	453	1,273,905
0-90 days	1,478,425	924	1,477,501
90-180 days	220,000	760	219,240
180-270 days	122,250	1,223	121,027
270-360 days	-	-	-
More than 360 days	128,350	128,350	-
	3,223,383	131,710	3,091,673

	2022		
	Gross carrying amount	Allowance for credit losses	Net carrying amount
	USD	USD	USD
Not due	3,191,880	-	3,191,880
0-90 days	5,671,169	-	5,671,169
90-180 days	1,198,504	-	1,198,504
180-270 days	-	-	-
270-360 days	-	-	-
More than 360 days	9,350	-	9,350
	10,070,903	-	10,070,903

Expected credit loss on financial assets other than trade receivables:

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 or nil and accordingly no provision for expected credit loss has been provided on these financial assets. Breakup of financial assets other than trade receivables have been disclosed in the Balance Sheet.

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.

Jubilant Pharma Holdings Inc.**Notes to the standalone financial statements for the year ended 31 March 2023**

The Company's treasury department is responsible for managing the short-term and long-term liquidity requirements. Short-term liquidity situation is reviewed daily by Treasury. Longer term liquidity position is reviewed on a regular basis by the Board of Directors and appropriate decisions are taken according to the situation.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date.

		2023		
		Contractual cash flows (2)		
	Carrying amount USD	Total USD	Within 1 year USD	More than 1 year USD
Non-derivative financial liabilities				
Borrowings (1)	360,772,028	364,500,000	–	364,500,000
Lease liabilities	5,567,781	5,567,781	622,216	4,945,565
Trade payables	12,469,129	12,469,129	12,469,129	–
Other financial liabilities	2,962,230	2,962,230	2,962,230	–
	381,771,168	381,771,168	16,053,575	365,717,593

		2022		
		Contractual cash flows (2)		
	Carrying amount USD	Total USD	Within 1 year USD	More than 1 year USD
Non-derivative financial liabilities				
Borrowings (1)	95,510,211	95,510,211	–	95,510,211
Lease liabilities	6,089,323	6,089,323	467,110	5,622,213
Trade payables	9,257,737	9,257,737	9,257,737	–
Other financial liabilities	2,639,400	2,639,400	2,639,400	–
	107,407,348	107,407,348	11,897,137	95,510,211

(1) The carrying amount presented as net of unamortised transaction costs.

(2) Contractual cash flows exclude interest payable.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, will affect the Company's 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 functional currency of the Company is USD. The currency in which these transactions are primarily denominated is USD.

Company's customers are based in North America. The Company sell products to customers in North America in USD and do not face translation and transaction risks related to fluctuations in the exchange rates of such currencies.

Jubilant Pharma Holdings Inc.**Notes to the standalone financial statements for the year ended 31 March 2023*****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 fixed interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings of the Company are principally denominated in US dollars with fixed rates of interest. The Company has exposure to interest rate risk, arising principally on changes in benchmark lending 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:

	Nominal amounts	
	2023	2022
	USD	USD
Fixed-rate borrowings	14,500,000	95,510,211
Floating-rate borrowings	350,000,000	—

30. Related party disclosures**i) Related Parties of the Company****Ultimate Holding Company**

Jubilant Pharmova Limited, India

Holding Company

Jubilant Pharma Limited, Singapore

Subsidiaries including Step-down subsidiaries

Jubilant HollisterStier LLC

Jubilant Clinsys Inc.

Jubilant Cadista Pharmaceuticals Inc.

Jubilant Draximage Radiopharmacies Inc.

Jubilant HollisterStier Inc.

Jubilant Draximage (USA) Inc.

Fellow subsidiary

Jubilant Draximage Inc.

Jubilant Generics Limited, India

Jubilant Innovation (USA) Inc.

Jubilant Business Services Limited

Jubilant Therapeutics Inc.

Jubilant Biosys Limited

Jubilant Discovery Services LLC

Jubilant Life Sciences (USA) Inc. (till 31 January 2021)

Other Entities

Jubilant HollisterStier General Partnership

Key Management Person (KMP) and related entities

Mr. Pramod Yadav, Mr. Christopher Krawtschuk (upto 4 October 2022) and Mr. Mitchell F Guss

Jubilant Life Sciences (USA) Inc.

Jubilant Ingrevia Limited

Jubilant Pharma Holdings Inc.**Notes to the standalone financial statements for the year ended 31 March 2023****ii) Transactions with related parties**

	2023 USD	2022 USD
Reimbursement of expenses incurred by:		
- Jubilant Cadista Pharmaceuticals Inc.	8,821,549	5,540,769
- Jubilant HollisterStier LLC	981,144	272,097
- Jubilant HollisterStier General Partnership	4,710	2,433
- Jubilant Life Sciences (USA) Inc.	1,879	5,638
- Jubilant Generics Limited	153,616	36,382
- Jubilant Draximage Inc.	160,574	171,760
- Jubilant Draximage (USA) Inc.	-	6,540
- Jubilant Ingrevia Limited	8,835	7,788
Reimbursement of expenses incurred for:		
- Jubilant Cadista Pharmaceuticals Inc.	3,327,289	2,983,502
- Jubilant HollisterStier LLC	25,165,500	22,945,794
- Jubilant HollisterStier Inc.	2,075	62,386
- Jubilant Draximage Radiopharmacies Inc.	7,747	782,833
- Jubilant Generics Limited	1,188,041	3,916,868
- Jubilant Draximage Inc.	9,062,725	6,345,885
- Jubilant HollisterStier General Partnership	1,052,564	806,828
- Jubilant Life Sciences (USA) Inc.	49,078	38,960
- Jubilant Innovation (USA) Inc.	3,047	718
- Jubilant Therapeutics Inc.	18,791	2,171
- Jubilant Discovery Services LLC	12,573	-
- Jubilant Draximage (USA) Inc.	513,703	147,727
- Jubilant Clinsys Inc.	1,556	1,556
- Jubilant Industries Inc.	3,537	50
Services rendered by:		
- Jubilant Pharma Limited	2,125,000	2,353,000
- Jubilant Generics Limited	1,876,398	931,807
Purchase of raw material / goods from:		
- Jubilant Generics Limited	17,780,362	18,998,870
Purchase of assets from:		
- Jubilant Cadista Pharmaceuticals Inc.	-	4,028
Borrowings taken from:		
- Jubilant DraxImage Radiopharmacies Inc.	-	2,300,000
- Jubilant HollisterStier General Partnership	10,000,000	-
Borrowings repaid:		
- Jubilant DraxImage Inc.	91,010,211	11,575,603
- Jubilant DraxImage Radiopharmacies Inc.	-	8,000,000
Interest expense:		
- Jubilant Draximage Inc.	1,231,850	3,959,784
- Jubilant HollisterStier General Partnership	277,396	-
- Jubilant DraxImage Radiopharmacies Inc.	193,498	194,655
Loans given:		
- Jubilant Cadista Pharmaceuticals Inc.	9,360,000	13,300,000
- Jubilant Pharma Limited	282,400,000	-
- Drug Discovery and Development Solutions Limited	6,000,000	21,600,000

Jubilant Pharma Holdings Inc.**Notes to the standalone financial statements for the year ended 31 March 2023****Loans received back:**

- Jubilant Draximage Radipharma Inc.	-	1,404,230
- Drug Discovery and Development Solutions Limited	9,280,000	3,600,000
- Jubilant Therapeutics Inc.	-	4,000,000
- Jubilant Cadista Pharmaceuticals Inc.	160,000	-

Interest income:

- Jubilant Therapeutics Inc.	-	26,082
- Jubilant Pharma Limited	6,581,421	820,000
- Drug Discovery and Development Solutions Limited	788,556	461,195
- Jubilant Cadista Pharmaceuticals Inc.	932,207	51,571

Investment in subsidiary:

- Jubilant HollisterStier Inc.	-	2,162,000
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Long term debt converted into Investment:

- Jubilant Clinsys Inc.	1,096,000	-
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Financial guarantee income:

- Jubilant Pharma Limited	23,014	75,000
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Dividend Income received from:

- Jubilant Cadista Pharmaceuticals Inc.	-	-
- Jubilant HollisterStier LLC	25,000,000	22,000,000
- Jubilant Draximage Inc. (USA)	2,400,000	-

Remuneration and related expenses:

- Short-term employment benefits	2,884,335	2,787,653
- Post-employment benefits	61,255	52,510

The balances receivable from and payable to related parties are summarised as follows:

Due to related parties

	2023	2022
	USD	USD
Trade payables		
- Jubilant Generics Limited	1,001,354	4,340,649
- Jubilant Pharmova Limited	177,249	6,344
- Jubilant Pharma Limited	375,000	478,000
- Jubilant Draximage Inc.	382,703	511,825
- Jubilant Draximage (USA) Inc.	11,205	11,707
- Jubilant HollisterStier LLC	1,198,299	217,154
- Jubilant HollisterStier General Partnership	4,710	-
- Jubilant Cadista Pharmaceuticals Inc.	6,918,097	1,624,329
- Jubilant Ingrevia Limited	2,183	767
- Jubilant Life Sciences (USA) Inc.	-	1,879
	10,070,800	7,192,654

Advance to Suppliers

- Jubilant Pharmova Limited	2,146,755	-
	2,146,755	-

Jubilant Pharma Holdings Inc.**Notes to the standalone financial statements for the year ended 31 March 2023****Long-term borrowings**

- Jubilant Draximage Inc.	-	91,010,211
- Jubilant HollisterStier General Partnership	10,000,000	-
- Jubilant Draximage Radiopharmacies Inc.	5,029,947	4,500,000
	15,029,947	95,510,211

Interest payable

- Jubilant Draximage Radiopharmacies Inc.	529,947	336,448
	529,947	336,448

Advances recoverable

- Jubilant Cadista Pharmaceuticals Inc.	5,390,315	927,966
- Jubilant HollisterStier LLC	20,117,682	20,446,112
- Jubilant HollisterStier Inc.	83,964	81,889
- Jubilant HollisterStier General Partnership	(35,636)	91,247
- Jubilant Draximage Radiopharmacies Inc.	170,440	162,693
- Jubilant Draximage (USA) Inc.	486,607	148,229
- Jubilant Draximage Inc.	1,552,261	266,947
- Jubilant Generics Limited	1,386,313	1,968,938
- Jubilant Life Sciences (USA) Inc.	292,788	243,710
- Jubilant Clinsys Inc.	6,474	4,918
- Jubilant Pharma Limited	-	177,998
- Jubilant Pharmova Limited	1,476	-
- Jubilant Innovation (USA) Inc.	9,912	6,865
- Jubilant Discovery Services LLC	18,890	6,317
- Jubilant Therapeutics Inc.	18,791	-
- Jubilant Industries Inc.	3,537	50
	29,503,814	24,533,879

Long-term loans

- Jubilant Pharma Limited	302,400,000	20,000,000
- Jubilant Thereapeutics Inc.	-	-
- Drug Discovery and Development Solutions Limited	14,720,000	18,000,000
- Jubilant Cadista Pharmaceuticals Inc.	22,500,000	13,300,000
	339,620,000	51,300,000

Short-term loans

- Jubilant Clinsys Inc.	-	1,096,000
	-	1,096,000

Interest receivable

- Jubilant Pharma Limited	-	820,000
- Jubilant Cadista Pharmaceuticals Inc.	-	51,571
	-	871,571

Jubilant Pharma Holdings Inc.**Notes to the standalone financial statements for the year ended 31 March 2023****31. Leases:**

The details of the right-of-use assets held by the Company is as follows:

	Depreciation charge for the year ended		Net carrying amount as at	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
	USD		USD	
Buildings	659,230	656,364	4,974,563	5,633,793
	659,230	656,364	4,974,563	5,633,793

There were no additions to the right-of-use assets during the year ended 31 March 2023 and 31 March 2022.

Amount recognised in profit or loss:

	2023 USD	2022 USD
Interest on lease liabilities	155,807	164,998
Rental expense relating to short-term leases	-	-
	155,807	164,998

Amount recognised in statement of cash flows:

	2023 USD	2022 USD
Total cash outflow for leases	677,349	470,512

32. With respect to the investment in subsidiaries, during the year ended 31 March 2022 the Company carried out assessment of impairment of investment as per Ind AS 36: Impairment of assets, based on which the Company provided USD 109,705,000 for diminution of its investment in Jubilant Draximage Radiopharmacies Inc. as the carrying value exceeds the recoverable value as on 31 March 2022. As on 31 March 2023, the Company reviewed the impairment loss recognized and reversed the impairment loss of USD 185,000 based on the recoverable value of Investment in Jubilant Draximage Radiopharmacies Inc. as on 31 March 2023.

33. Board of Directors of the Company had 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 segment and to make decision about allocation of resources. Accordingly, the company has determined pharmaceutical as the only reportable segment.

34. Earnings per share (EPS)

	2023 USD	2022 USD
Profit for basic and diluted earnings per share	22,484,402	(88,470,643)
Weighted average number of equity shares used in computing basic and diluted earnings per share	1,308	1,308
Earnings per share (USD) - basic and diluted	17,190	(67,638)

35. Previous year figures have been regrouped/reclassified to conform to the current year's classification.