

B S R & Co. LLP

Chartered Accountants

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Independent Auditor's Report

To the Members of Jubilant Biosys Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Jubilant Biosys Limited (the "Company"), which comprise the balance sheet as at 31 March 2022, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the 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 obtained by us is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibilities for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 in preparation of financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - a) The Company has disclosed the impact of pending litigations as at 31 March 2022 on its financial position in its financial statements - Refer Note XX to the financial statements.
 - b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company
 - d) (i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities,



including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(ii) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

(iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material mis-statement.

e) The Company has neither declared nor paid any dividend during the year.

(C) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For B S R & Co. LLP

Chartered Accountants

ICAI Firm's Registration No.101248W/W-100022



Manish Gupta

Partner

Membership No. 095037

UDIN: 22095037AJRNMT6960

Place: Delhi

Date: 26 May 2022

Annexure A to the Independent Auditor's Report on Financial Statements of Jubilant Biosys Limited

(Referred to in our report of even date)

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (a) (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified every year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. As informed to us, no material discrepancies were noticed.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company does not own any immovable property. Accordingly, clause 3(i)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable, and procedures and coverage as followed by management were appropriate. According to information and explanations given to us, there were no stocks lying with third parties at the year end. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.
- (iii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided any guarantee or security, granted any advances in the nature of loans, secured or unsecured, to firms, limited liability partnership or any other parties during the year. The Company has made investment in one Company during the year. Further, the Company has renewed and provided additional loan to one Company and has given loans to other parties (employees) during the year,



details of the loans are stated in sub-clause (B) as below. The Company has not provided any loans, secured or unsecured, to firms and limited liability partnership during the year.

(a) A. Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has not granted any loan during the year to subsidiary. There is no joint venture of the Company and the Company does not have an associate.

(a) B. Based on the audit procedures carried on by us and as per the information and explanations given to us, the aggregate amount during the year, and balance outstanding at the balance sheet date with respect to a loan renewed and additional loan to the holding Company and loans granted to employees during the year is as below:

In INR lakhs

Particulars	Guarantees	Security	Loans	Advances in nature of loans
Aggregate amount during the year				
- Subsidiaries	-	-	-	-
- Joint ventures	-	-	-	-
- Associates	-	-	-	-
- Others	-	-	8,062.10	-
Balance outstanding as at balance sheet date				
- Subsidiaries	-	-	-	-
- Joint ventures	-	-	-	-
- Associates	-	-	-	-
- Others	-	-	7948.84	-

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that the terms and conditions of the loans given are, prima facie, not prejudicial to the interest of the Company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given (including loan renewed) during the year, in our opinion the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular. Further, the Company has not given any advance in the nature of loan to any party during the year.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion following instances of loans falling due during the year were renewed or extended or settled by fresh loans:

In INR lakhs

Name of the parties	Aggregate amount dues renewed or extended or settled by fresh loans	Percentage of the aggregate to the total loans or advances in the nature of loans granted during the year
Jubilant Biosys Limited	7300.00	90.6%

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

- (iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any guarantee or security as specified under Section 185 and 186 of the Companies Act, 2013 ("the Act"). In respect of loans granted and the investments made by the Company, in our opinion the provisions of Section 185 and 186 of the Act, as applicable, have been complied with.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the activities carried out by the Company. Accordingly, clause 3(vi) of the Order is not applicable.
- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues have been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues have been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no dues relating to Goods and Service Tax,

Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute, except as mentioned below:

Name of the Statute	Nature of the Dues	Amount involved*	Amount paid under protest	Financial year	Forum where dispute is pending
		(Rs. in lakhs)	(Rs. in lakhs)	to which the amount relates	
Income Tax Act, 1961	Income Tax	3,781.66	Nil	2010-11	Allahabad High Court
Income Tax Act, 1961	Income Tax	8,219.92	Nil	2012-13	Allahabad High Court
Income Tax Act, 1961	Income Tax	7,690.86	Nil	2013-14	Allahabad High Court
Income Tax Act, 1961	Income Tax	5,932.80	Nil	2011-12	Allahabad High Court
Income Tax Act, 1961	Income Tax	4,182.28	Nil	2012-13	Allahabad High Court
Income Tax Act, 1961	Income Tax	212.57	Nil	2013-14	CIT (A), Noida

* Includes interest and penalties wherever quantified

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Act.

- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries (as defined under the Act).
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) The requirements as stipulated by the provisions of Section 177 of the Act are not applicable to the Company. In our opinion and according to the information and explanations given to us and on the basis of our examination of records of the Company, transactions with the related parties are in compliance with Section 188 of the Act, where applicable, and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.



- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) Based on the information and explanations provided by the management of the Company, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any Core Investment Company. For reporting on this clause / sub clause, while we have performed the audit procedures, we have relied on and not been able to independently validate the information provided to us by the management of the Company with respect to entities outside the consolidated Group but covered in the Core Investment Companies (Reserve Bank) Directions, 2016.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **B S R & Co. LLP**

Chartered Accountants

ICAI Firm's Registration No.101248W/W-100022

Manish Gupta

Partner

Membership No. 095037

UDIN: 22095037AJRNMT6960

Place: Delhi

Date: 26 May 2022

Annexure B to the Independent Auditors' report on the financial statements of Jubilant Biosys Limited for the year ended 31 March 2022.

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date

Opinion

We have audited the internal financial controls with reference to financial statements of Jubilant Biosys Limited ("the Company") as of 31 March 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").


Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.



B S R & Co. LLP

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For B S R & Co. LLP

Chartered Accountants

ICAI Firm's Registration No.101248W/W-100022

Manish Gupta

Partner

Place: Delhi

Date: 26 May 2022

Membership No. 095037

UDIN: 22095037AJRNMT6960

Jubilant Biosys Limited
Balance Sheet as at 31 March 2022

		(INR in Lakhs)	
	Notes	As at 31 March 2022	As at 31 March 2021
ASSETS			
Non-current assets			
Property, plant and equipment	3	23,845.74	6,555.77
Capital work-in-progress	3	897.92	8,882.28
Other intangible assets	4	225.94	87.49
Right of use assets	36	4,708.88	5,490.01
Financial assets			
i. Investments	5	4,277.06	2,805.93
ii. Loans	6	7,900.00	-
iii. Other financial assets	7	354.94	342.04
Deferred tax assets (net)	8	450.76	790.74
Income tax asset (net)		443.65	442.76
Other non-current assets	9	112.65	350.74
Total non-current assets		43,217.54	25,747.76
Current assets			
Inventories	10	624.73	184.95
Financial assets			
i. Trade receivables	11	8,026.10	6,118.57
ii. Cash and cash equivalents	12(a)	2,707.43	2,028.06
iii. Other bank balances	12(b)	1.36	51.69
iv. Loans	6	48.84	7,329.45
v. Other financial assets	7	388.29	312.53
Other current assets	13	3,977.93	2,457.08
Total current assets		15,774.68	18,482.33
Total assets		58,992.22	44,230.09

Jubilant Biosys Limited
Balance Sheet as at 31 March 2022

		(INR in Lakhs)	
	Notes	As at 31 March 2022	As at 31 March 2021
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	25,214.05	25,214.05
Other equity		15,965.93	5,840.80
Total equity		41,179.98	31,054.85
LIABILITIES			
Non-current liabilities			
Financial Liabilities			
i. Borrowings	15	7,031.25	2,077.83
ii. Lease Liabilities	36	1,958.71	2,776.50
Provisions	16	1,327.37	1,358.02
Total non-current liabilities		10,317.33	6,212.35
Current liabilities			
Financial liabilities			
i. Borrowings	15A	468.75	-
ii. Lease Liabilities	36	863.32	724.10
iii. Trade payables	17		
Total outstanding dues to micro enterprises and small enterprises		344.29	224.30
Total outstanding dues to creditors other than micro enterprises and small enterprises		2,703.98	1,887.88
iv. Other financial liabilities	18	1,439.28	2,565.64
Other current liabilities	19	1,004.73	722.46
Provisions	16	209.08	195.95
Current tax liabilities		461.48	642.56
Total current liabilities		7,494.91	6,962.89
Total liabilities		17,812.24	13,175.24
Total equity and liabilities		58,992.22	44,230.09

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

For B S R & Co. LLP

Chartered Accountants

Firm registration number : 101248W/W-100022

**For and on behalf of Board of Directors of
Jubilant Biosys Limited**

Manish Gupta

Partner

Membership No: 095037

Place: Delhi

Date: 26 May 2022

Giuliano Perfetti

*Chief Executive Officer and
Managing Director*

DIN: 09357368

Place: Verona, Italy

Date: 26 May 2022

Prasant Kumar Deb

Whole Time Director

DIN: 09187850

Place: Noida

Date: 26 May 2022

Irfan Ali

Company Secretary

Place: Noida

Date: 26 May 2022

Benny Thomas

Chief Financial Officer

Place: Bangalore

Date: 26 May 2022

Jubilant Biosys Limited
Statement of Profit and Loss for the year ended 31 March 2022

		(INR in Lakhs)	
	Notes	For the year ended 31 March 2022	For the year ended 31 March 2021
Revenue from operations	20	48,004.40	31,667.66
Other income	21	705.43	477.21
Total income		48,709.83	32,144.87
Expenses			
Changes in inventories of work-in-progress and finished goods	22	(399.81)	136.10
Employee benefits expense	23	11,453.23	8,403.14
Finance costs	24	644.04	435.08
Depreciation and amortisation expense	25	2,778.88	1,930.49
Other expenses	26	20,574.61	12,857.89
Total expenses		35,050.95	23,762.70
Profit before tax		13,658.88	8,382.17
Tax expense	27		
- Current tax		3,162.67	2,297.11
- Taxes pertaining to earlier years			-
- Deferred tax expense/ (credit)		347.81	(137.44)
Total tax expense		3,510.48	2,159.67
Profit for the year		10,148.40	6,222.50
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement of defined benefit obligations		(31.10)	(17.66)
Income tax relating to these items		7.83	4.44
Other comprehensive loss for the year, net of tax		(23.27)	(13.22)
Total comprehensive income for the year		10,125.13	6,209.28
Earnings per equity share of INR 10 each	37		
Basic earnings per share		4.02	2.47
Diluted earnings per share		4.02	2.47

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

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

Manish Gupta
Partner
Membership No: 095037

Place: Delhi
Date: 26 May 2022

**For and on behalf of Board of Directors of
Jubilant Biosys Limited**

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Chief Executive Officer and
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Company Secretary
Place : Noida
Date: 26 May 2022

Benny Thomas
Chief Financial Officer
Place: Bangalore
Date: 26 May 2022

Jubilant Biosys Limited

Statement of changes in Equity for the year ended 31 March 2022

		(INR in Lakhs)
a) Equity share capital	Note	Amount
Balance as at 1 April 2020	14	18,706.13
Equity shares issued during the year		5,282.40
Conversion of 10% compulsory convertible preference shares (CCPS) into equity shares		1,225.52
Balance as at 31 March 2021	14	25,214.05
Balance as at 1 April 2021	14	25,214.05
Equity shares issued during the year		-
Balance as at 31 March 2022	14	25,214.05

b) Other Equity

	Reserves and surplus					(INR in Lakhs)
	Capital reserve	Amalgamation Adjustment Deficit Account	Securities premium	Capital redemption reserve	Retained earnings	Total
Balance as at 1 April 2020	2,637.36	(6,162.22)	1,448.44	3,885.00	(2,651.33)	(842.75)
Conversion of CCPS into equity shares	-	-	474.27	-	-	474.27
Profit for the year	-	-	-	-	6,222.50	6,222.50
Other comprehensive loss	-	-	-	-	(13.22)	(13.22)
Balance as at 31 March 2021	2,637.36	(6,162.22)	1,922.71	3,885.00	3,557.95	5,840.80
Profit for the year	-	-	-	-	10,148.40	10,148.40
Other comprehensive loss	-	-	-	-	(23.27)	(23.27)
Balance as at 31 March 2022	2,637.36	(6,162.22)	1,922.71	3,885.00	13,683.08	15,965.93

Refer note 14.2 for nature and purpose of equity.

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

Firm registration number : 101248W/W-100022

For and on behalf of Board of Directors of Jubilant Biosys Limited

Manish Gupta

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Benny Thomas

Chief Financial Officer

Place: Bangalore

Date: 26 May 2022

Jubilant Biosys Limited

Statement of cash flows for the year ended 31 March 2022

	(INR in Lakhs)	
	For the year ended 31 March 2022	For the year ended 31 March 2021
A. Cash flows from operating activities		
Net profit before tax	13,658.88	8,382.17
Adjustments :		
Depreciation and amortisation expense	2,778.88	1,930.49
Loss on sale/ disposal/ discard of property, plant and equipment (net)	67.19	8.18
Finance costs	644.04	435.08
Provision/ write off bad debts (net)	-	56.60
Written off Balance (net)	(6.38)	(3.34)
Unrealised foreign exchange (gain)/ loss	(11.40)	(21.67)
Interest income	(478.70)	(464.75)
Cash flows from operating activities before changes in following assets and liabilities	16,652.51	10,322.76
Changes in assts and liabilities:		
(Increase) / decrease in trade receivables, other financial assets and other assets	(3,500.01)	(2,769.72)
Decrease in inventories	(439.78)	123.06
Increase in trade payables, provisions and other liabilities	1,512.53	324.75
Cash generated from operations	14,225.25	8,000.85
Income tax paid (net of refund)	(3,457.91)	(1,747.34)
Net cash generated from operating activities (A)	10,767.34	6,253.51
B. Cash flow from investing activities		
Purchase of property, plant and equipment, other intangible assets including capital work-in-progress	(12,680.68)	(8,197.50)
Proceeds from sale of property, plant and equipment	3.49	1.66
Movement in other bank balances	50.33	(50.34)
Interest received	477.41	464.01
Purchase of investment in subsidiary	(1,471.13)	(2,395.14)
Loan given to related party	(600.00)	-
Net cash used in investing activities (B)	(14,220.58)	(10,177.31)
C. Cash flow arising from financing activities*		
Proceeds from long term borrowings	5,422.17	2,077.83
Principal payments under finance lease	(690.01)	(356.31)
Finance costs paid	(599.55)	(361.40)
Net cash from financing activities (C)	4,132.61	1,360.12
Net (decrease)/increase in cash and cash equivalents (A+B+C)	679.37	(2,563.68)
Add: cash and cash equivalents at the beginning of year	2,028.06	4,591.74
Cash and cash equivalents at the end of the year (Refer Note 12(a))	2,707.43	2,028.06

*Refer note 15 for changes in liabilities arising from financing activities

Notes:

- Statement of Cash flow has been prepared under the indirect method as set out in the Ind AS 7-"Statement of Cash flows"
- During the year, the Company paid in cash INR 109.31 lakhs (31 March 2021: INR 84.75 lakhs) towards corporate social responsibility (CSR) expenditure (included in donation-**Refer note 39**).

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

Firm registration number : 101248W/W-100022

Manish Gupta

Partner

Membership No: 095037

Place: Delhi

Date: 26 May 2022

For and on behalf of Board of Directors of

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Company Secretary

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Date: 26 May 2022

Benny Thomas

Chief Financial Officer

Place: Bangalore

Date: 26 May 2022

Jubilant Biosys Limited
Notes to the financial statements for the year ended 31 March 2022

Note 1 Corporate Information

Jubilant Biosys Limited (“the Company”) is a public limited company domiciled in India and incorporated under the provisions of Companies Act, 1956. The Company is an integrated discovery collaborator to major pharmaceutical and biotech companies, accelerating global discovery and development efforts across multiple therapeutic areas. The Company engages in a range of functional discovery services shared risk collaborations and scaling up from mg to kg in kilo lab and pilot plant with multiple global partners. Effective from 1 April 2019 Jubilant Chemsys Limited amalgamated into Jubilant Biosys Limited and the business of discovery and development of novel small molecules for the treatment of cancer has been demerged from the Company to Jubilant Therapeutics India Limited, vide Hon’ble National Company Law Tribunal, Allahabad (NCLT) Order dated 29 June 2020.

Note 2 Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. The accounting policies adopted are consistent with those of the previous financial year. The Company has not early adopted any standards or amendment that has been issued but is not yet effective.

(a) Basis of preparation

(i) Statement of compliance

The Ind AS financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013 (“the Act”) and other relevant provisions of the Act and other accounting principles generally accepted in India.

All the amounts included in the financial statements are reported in lakhs of Indian Rupees (‘INR’) and are rounded to the nearest lakhs, except per share data and unless stated otherwise.

The financial statements have been authorized for issue by the Company’s Board of Directors on 26 May 2022.

(ii) Historical cost convention

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

(b) Current versus non-current classification

The Company presents assets and liabilities in the Balance Sheet based on current/ non-current classification. An asset is treated as current when:

- (i) It is expected to be realised or intended to be sold or consumed in normal operating cycle;
- (ii) It is held primarily for the purpose of trading;
- (iii) It is expected to be realised within twelve months after the reporting period; or
- (iv) 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:

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

Jubilant Biosys Limited
Notes to the financial statements for the year ended 31 March 2022

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 a period less than twelve months as its operating cycle for the purpose of current and non-current classification of assets and liabilities.

(c) Property, plant and equipment (PPE) and intangible assets

(i) Property, plant and equipment

All items of property, plant and equipment are stated at cost, which includes capitalized finance costs, less accumulated depreciation and any accumulated impairment loss. Cost includes expenditure that is directly attributable to the acquisition of the items. The cost of an item of a PPE comprises its purchase price including import duty, and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition of its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Expenditure incurred on startup and commissioning of the project and/or substantial expansion, including the expenditure incurred on trial runs up to the date of commencement of commercial production are capitalised. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

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

(ii) Intangible assets

Intangible assets that are acquired (including implementation of software system) are measured initially at cost.

After initial recognition, an intangible asset is carried at its cost less accumulated amortisation and any accumulated impairment loss. Subsequent expenditure is capitalised only when it increases the future economic benefits from the specific asset to which it relates.

(iii) Depreciation and amortization methods, estimated useful lives and residual value

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

Category of assets	Management estimate of useful life	Useful life as per Schedule II
Computer servers and networks (included in office equipment)	5 years	6 years
Lease hold improvements	Useful life or leased period whichever is less	Useful life or leased period whichever is less

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

Software systems are being amortised over a period of five years being their useful life.

Jubilant Biosys Limited
Notes to the financial statements for the year ended 31 March 2022

Depreciation and amortization on property, plant and equipment and intangible assets added/disposed off during the year has been provided on pro-rata basis with reference to the date of addition/disposal. Depreciation and amortization methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

(iv) Derecognition

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

(d) Impairment of non-financial assets

The Company's non-financial assets other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

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

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

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

(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:

- (i) Debt instruments at amortized cost
- (ii) Debt instruments at fair value through other comprehensive income (FVOCI)

Jubilant Biosys Limited
Notes to the financial statements for the year ended 31 March 2022

- (iii) Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVPL)
- (iv) 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:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) 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:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified to the Statement of Profit and Loss. Interest earned whilst holding FVOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVPL

FVPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVOCI, is classified as at FVPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortised cost or FVOCI criteria, as at FVPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

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

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

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

Jubilant Biosys Limited

Notes to the financial statements for the year ended 31 March 2022

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 ECLs (or reversal) that is required to adjust the loss allowance at the reporting date to the amount is required to be recognised as an impairment gain or loss in the Statement of Profit and Loss.

Derecognition of financial assets

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

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

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

Financial liabilities

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

Derecognition of financial liabilities

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

Offsetting

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

Jubilant Biosys Limited
Notes to the financial statements for the year ended 31 March 2022

(f) Business Combinations

Business combinations (other than business combinations between common control entities) are accounted for using the purchase (acquisition) method. The cost of an acquisition is measured as the fair value of the consideration transferred, equity instruments issued and liabilities incurred or assumed at the date of exchange. The consideration transferred does not include amounts relate to the settlement of pre-existing relationships, such amounts are generally recognised in the statement of profit or loss and other comprehensive income. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at fair value at the date of acquisition. Transaction cost incurred in connection with a business combination are expensed as incurred. The excess of the consideration transferred over the fair value of the net identifiable asset acquired is recorded as goodwill. If those amounts are less than the fair value of the fair value of the net identifiable asset of the business acquired, the different is recognised in other comprehensive income and accumulated as equity in capital reserve provided there is a clear evidence of the underlying reason for classifying the business combination as a bargain purchase.

Business combinations arising from transfer of interests in entities that are in the control of shareholder that controls the company are accounted for as if the acquisition has occurred at the beginning of the earliest comparative period presented or, if later, at the date the common control was established, for this purpose comparatives are revised. The assets and liabilities acquired are recognised at their carrying amounts. The identity of the reserves is preserved and they appear in the 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.

(g) Inventories

Inventories are valued at lower of cost or net realisable value except scrap, which is valued at net estimated realisable value. The Company uses weighted average method to determine cost of lab chemical and consumables. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition inclusive of non-refundable (adjustable) taxes wherever applicable.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products. Raw materials and other supplies held for use in the production of finished products are not written down below cost, except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value. The comparison of cost and net realisable value is made on an item-by-item basis.

(h) Cash and cash equivalents

Cash and cash equivalent comprise cash at banks and on hand (including imprest) and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

(i) Provisions and contingencies

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Jubilant Biosys Limited
Notes to the financial statements for the year ended 31 March 2022

Contingent liability

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

(j) Revenue recognition

Service income is recognised as and when the underlying services are performed. Revenue from projects taken up as per the specification of the customer is recognised on the approval of / delivery to the customer.

Revenues are measured based on the transaction price, which is the consideration, net of tax collected from customers and remitted to government authorities such as Goods and services tax (GST) and applicable discounts and allowances.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms. Contract liabilities are recognised when there are billings in excess of revenues. Contract liabilities relate to the advance received from customers and deferred revenue against which revenue is recognised when or as the performance obligation is satisfied.

Revenue from projects taken up as per the specification of the customers is recognized on the shipment of compounds to the customer

(k) Employee benefits

(i) Short-term employee benefits:

All employee benefits falling due within twelve months of the end of the period in which the employees render the related services are classified as short-term employee benefits, which include benefits like salaries, wages, short term compensated absences, performance incentives, etc. and are recognised as expenses in the period in which the employee renders the related service and measured accordingly.

(ii) Post-employment benefits: Post employment benefit plans are classified into defined benefits plans and defined contribution plans as under:

a) Gratuity

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount based on the respective employee's salary and the tenure of employment. The liability in respect of gratuity is recognised in the books of accounts based on actuarial valuation by an independent actuary.

b) Provident fund

The Company makes contribution to the recognised provident fund of its employees in India, provident fund is deposited with Regional Provident Fund Commissioner. This is treated as defined contribution plan. The Company's contribution to the provident fund is charged to Statement of Profit and Loss.

(iii) Other long-term employee benefits (Compensated absences):

As per the Company's policy, eligible leaves can be accumulated by the employees and carried forward to future periods to either be utilised during the service, or encashed. Encashment can be made during service, on early retirement, on withdrawal of scheme, at resignation and upon death of the employee. Accumulated compensated absences are treated as other long-term employee benefits.

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Notes to the financial statements for the year ended 31 March 2022

(iv) *Termination benefits:*

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

(v) *Actuarial valuation:*

The liability in respect of all defined benefit plans and other long term benefits is accrued in the books of account on the basis of actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the Balance Sheet date, having maturity periods approximating to the terms of related obligations.

Remeasurement gains and losses in respect of other long term benefits are recognized in the statement of Profit and Loss in the year in which they arise. Remeasurement gains and losses in respect of all defined benefit plans arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in other equity in the Statement of Changes in Equity and in the Balance Sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs.

Past service cost is recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits are already vested immediately following the introduction of, or changes to, a defined benefit plan, the past service cost is recognised immediately in the Statement of Profit and Loss. Past service cost may be either positive (where benefits are introduced or improved) or negative (where existing benefits are reduced)

(l) Finance costs

Finance costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Finance cost also includes exchange differences to the extent regarded as an adjustment to the finance costs. Finance costs that are directly attributable to the construction or production or development of a qualifying asset are capitalized as part of the cost of that asset. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. All other finance costs are expensed in the period in which they occur.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the finance costs eligible for capitalization. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the effective interest method. Ancillary costs incurred in connection with the arrangement of borrowings are amortised over the period of such borrowings.

(m) Income tax

Income tax expense comprises current and deferred tax. It is recognised in Statement of Profit and Loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

- ***Current tax:***

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received after considering uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

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Notes to the financial statements for the year ended 31 March 2022

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 recognized for

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to freehold land and investments in subsidiaries, to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill

Deferred tax assets (DTA) include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used. Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

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

(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. The Company's lease asset classes primarily consist of leases for Land, buildings and vehicles which typically run for a period of 3 to 99 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 Statements of Profit or Loss and Other Comprehensive Income.

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

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Notes to the financial statements for the year ended 31 March 2022

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

Functional and presentation currency

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

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at Balance Sheet date exchange rates are generally recognised in Statement of Profit and Loss.

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

(p) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing:

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

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) Measurement of fair values

A number of the accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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Notes to the financial statements for the year ended 31 March 2022

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company has an established framework with respect to measurement of fair values. This includes a finance team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values.

The finance team regularly reviews significant unobservable inputs and valuation adjustments. If third party information is used to measure fair values, then the finance team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values used in preparing these financial statements is included in the respective notes.

(r) Critical estimates and judgements

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

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

- Recognition and estimation of tax expense including deferred tax – Note 8 & 2(m)
- Estimated impairment of financial assets and non-financial assets – Note 2(d) & (e)
- Assessment of useful life of property, plant and equipment and intangible asset – Note 2(c)
- Estimation of assets and obligations relating to employee benefits – Note 28 & 2(k)
- Valuation of Inventories – Note 2(g)
- Recognition and measurement of contingency: Key assumption about the likelihood and magnitude of an outflow of resources – Note 34
- Lease classification – Note 36 & 2(n)
- Fair value measurement – Note 2(q) and Note 29
- Revenue recognition – Note 2(j)

The global pandemic COVID-19 has impacted the business activities of the Company to some extent. On account of this, Company has prepared cash flow projections and also assessed the recoverability of carrying amounts of receivables, inventories, property, plant and equipment. In developing the assumptions relating to the possible future uncertainties in the global economic conditions, the Company, as at the date of approval of these financial statements has used internal and external sources of information 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 closely monitor any material changes to the future economic conditions.

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Notes to the financial statements for the year ended 31 March 2022

(s) Recent accounting pronouncements

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 23 March 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from 1 April 2022, as below:

Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the ‘10 percent’ test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 116 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

Jubilant Biosys Limited
Notes to the financial statements for the year ended 31 March 2022

Note 3: Property, plant and equipment and capital work in progress

						(INR in Lakhs)
Description	Lab equipment	Furniture and fixtures	Leasehold Improvements	Office equipment	Total (A)	Capital work- in-progress
Gross carrying value						
As at 1 April 2020	8,722.72	319.83	541.32	830.26	10,414.13	254.62
Additions	1,000.83	5.21	-	193.86	1,199.90	9,833.49
Deductions/transfers	(186.06)	-	-	(0.69)	(186.75)	(1,205.83)
Gross carrying value as at 31 March 2021	9,537.49	325.04	541.32	1,023.43	11,427.28	8,882.28
Accumulated depreciation as at 1 April 2020	3,243.15	211.33	233.06	295.71	3,983.25	-
Depreciation charge for the year	813.77	17.42	38.36	195.61	1,065.16	-
Deductions	(176.67)	-	-	(0.23)	(176.90)	-
Accumulated depreciation as at 31 March 2021	3,880.25	228.75	271.42	491.09	4,871.51	-
Net carrying amount as at 31 March 2021	5,657.24	96.29	269.90	532.34	6,555.77	8,882.28

						(INR in Lakhs)
Description	Lab equipment	Furniture and fixtures	Leasehold Improvements	Office equipment	Total (A)	Capital work- in-progress
Gross carrying value						
As at 1 April 2021	9,537.49	325.04	541.32	1,023.43	11,427.28	8,882.28
Additions	13,030.62	174.88	4,898.26	1,206.99	19,310.75	11,326.39
Deductions/transfers	(1,166.21)	(3.82)	-	(54.77)	(1,224.80)	(19,310.75)
Gross carrying value as at 31 March 2022	21,401.90	496.10	5,439.58	2,175.65	29,513.23	897.92
Accumulated depreciation as at 1 April 2021	3,880.25	228.75	271.42	491.09	4,871.51	-
Depreciation charge for the year	1,330.80	22.20	311.75	285.35	1,950.10	-
Deductions	(1,099.69)	(3.63)	-	(50.80)	(1,154.12)	-
Accumulated depreciation as at 31 March 2022	4,111.36	247.32	583.17	725.64	5,667.49	-
Net carrying amount as at 31 March 2022	17,290.54	248.78	4,856.41	1,450.01	23,845.74	897.92

Jubilant Biosys Limited
Notes to the financial statements for the year ended 31 March 2022

Capital work-in-progress ageing schedule:

Ageing for capital work-in-progress as at 31 March 2022 is as follows:

	(INR in Lakhs)				
	Amount in capital work-in-progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	617.45	217.81	62.66	-	897.92
Projects temporarily suspended	-	-	-	-	-
Total capital work-in-progress	617.45	217.81	62.66	-	897.92

Ageing for capital work-in-progress as at 31 March 2021 is as follows:

	(INR in Lakhs)				
	Amount in capital work-in-progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	8,775.87	106.41	-	-	8,882.28
Projects temporarily suspended	-	-	-	-	-
Total capital work-in-progress	8,775.87	106.41	-	-	8,882.28

Project execution plans are modulated basis capacity requirement assessment on an annual basis and all the projects are executed as per rolling annual plan.

Jubilant Biosys Limited
Notes to the financial statements for the year ended 31 March 2022

Note 4: Other intangible assets

			(INR in Lakhs)
Description	Software	Total	Intangible assets under development
Gross carrying amount			
As at 1 April 2020	247.84	247.84	-
Additions	5.70	5.70	-
Deductions	-	-	-
Gross carrying value as at 31 March 2021	253.54	253.54	-
Accumulated amortisation as at 1 April 2020	154.27	154.27	-
Amortisation for the year	11.78	11.78	-
Deductions/adjustments	-	-	-
Accumulated amortisation as at 31 March 2021	166.05	166.05	-
Net Carrying amount as at 31 March 2021	87.49	87.49	-

Description	Software		
Gross carrying amount			
As at 1 April 2021	253.54	253.54	
Additions	172.44	172.44	172.44
Deductions	-	-	(172.44)
Gross carrying value as at 31 March 2022	425.98	425.98	-
Accumulated amortisation as at 1 April 2021	166.05	166.05	-
Amortisation for the year	33.99	33.99	-
Deductions/adjustments	-	-	-
Accumulated amortisation as at 31 March 2022	200.04	200.04	-
Net Carrying amount as at 31 March 2022	225.94	225.94	-

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Notes to the financial statements for the year ended 31 March 2022

Note 5: Investments

	(INR in Lakhs)	
	As at 31 March 2022	As at 31 March 2021
Investment in equity shares (at cost)		
Unquoted investments in subsidiary company, (fully paid up)		
1,999,766 (31 March 2021: 1,999,766) equity shares of INR 10 each		
Jubilant Clinsys Limited	410.79	410.79
5,316,000 (31 March 2021: 3,300,000) equity shares with no par value		
Jubilant Biosys Innovative Research Services Pte Limited	3,866.27	2,395.14
Total non-current investments	4,277.06	2,805.93

Note: 6 Loans

	(INR in Lakhs)			
	As at 31 March 2022		As at 31 March 2021	
	Current	Non- current	Current	Non- current
Unsecured, considered good				
Loan to related parties (refer note 33)	-	7,900.00	7,300.00	-
Loan to employees	48.84	-	29.45	-
Total loans	48.84	7,900.00	7,329.45	-

Note: 7 Other financial assets

	(INR in Lakhs)			
	As at 31 March 2022		As at 31 March 2021	
	Current	Non- current	Current	Non- current
Security deposits	-	344.94	-	332.04
Deposits with maturity after 12 months from the reporting date*	-	10.00	-	10.00
Unbilled revenue	349.33	-	141.47	-
Interest receivable	3.36	-	2.08	-
Short term deposit	1.10	-	1.10	-
Other recoverable from related party (Refer note 33)	34.50	-	167.88	-
Total other financial assets	388.29	354.94	312.53	342.04

*The deposits have restricted use.

Note 8: Deferred tax

Deferred income tax reflect the net tax effect of temporary difference between carrying amount of assets and liabilities for financial reprotng purpose and the amount used for income tax purpose. Significant component of the Company's net deferred income tax are as follows:

Deferred tax assets:

	(INR in Lakhs)	
	As at 31 March 2022	As at 31 March 2021
Provision for compensated absences and gratuity	386.69	391.10
Expenditure allowed on actual payment basis	123.83	39.26
Accelerated depreciation for tax purposes	-	182.70
Lease liability	184.44	165.47
Others	14.05	12.21
	709.01	790.74

Deferred tax Liabilities:

	(INR in Lakhs)	
	As at 31 March 2022	As at 31 March 2021
Accelerated depreciation for tax purposes	258.25	-
	258.25	-

Jubilant Biosys Limited**Notes to the financial statements for the year ended 31 March 2022**

Reflected in the balance sheet as follows:

(INR in Lakhs)

	As at 31 March 2022	As at 31 March 2021
Deferred tax assets	709.01	790.74
Deferred tax liabilities	258.25	-
Deferred tax assets, net	450.76	790.74

Reconciliation of Deferred tax Assets (net):

(INR in Lakhs)

	As at 31 March 2022	As at 31 March 2021
Balance at the commencement of the year	790.74	648.86
Expense during the period recognised in statement of profit or loss	(347.81)	137.44
Credit during the period recognised in OCI	7.83	4.44
Balance at the end of the year	450.76	790.74

Note 9: Other non-current assets

(INR in Lakhs)

	As at 31 March 2022	As at 31 March 2021
Unsecured, considered good		
Capital advances	112.65	350.74
Total other non-current assets	112.65	350.74

Note 10: Inventories

(INR in Lakhs)

	As at 31 March 2022	As at 31 March 2021
Valued at lower of cost and net realisable value		
Project-in-progress	536.91	137.10
Stores and spares	87.82	47.85
Total inventories	624.73	184.95

Note 11: Trade receivables

(INR in Lakhs)

	As at 31 March 2022	As at 31 March 2021
Trade receivables, Unsecured		
Trade receivables, considered good	7,037.23	4,421.67
Receivables from related parties (Refer note 33)	988.87	1,696.90
Trade receivables - which have significant increase in credit risk	22.54	22.54
Less: Expected credit loss allowance (Refer note 30)	(22.54)	(22.54)
Total trade receivables	8,026.10	6,118.57

Notes to the financial statements for the year ended 31 March 2022

(INR in Lakhs)

Trade receivables ageing schedule as at 31 March 2021:

[illegible]

Jubilant Biosys Limited
Notes to the financial statements for the year ended 31 March 2022

Note: 12 (a) Cash and cash equivalents

	(INR in Lakhs)	
	As at 31 March 2022	As at 31 March 2021
Balances with banks		
- in current accounts	1,714.12	1,836.81
- deposit accounts with original maturity up to three months	750.00	-
Cash on hand	1.07	0.62
Others		
Funds in transit	242.24	190.63
Total cash and cash equivalents	2,707.43	2,028.06

Note: 12 (b) Other bank balances

	(INR in Lakhs)	
	As at 31 March 2022	As at 31 March 2021
Deposits accounts with maturity up to twelve months from the reporting date- held as margin money*	1.36	51.69
Total other bank balance	1.36	51.69

*The amount of other bank balances have restricted use.

Note 13: Other current assets

	(INR in Lakhs)	
	As at 31 March 2022	As at 31 March 2021
Prepaid expenses	492.13	308.41
Balances with government authorities	3,346.97	2,082.52
Advance to employees	27.45	5.99
Advance for supply of goods and services	111.38	34.34
Advance paid for corporate social responsibility	-	25.82
Total other current assets	3,977.93	2,457.08

Jubilant Biosys Limited
Notes to the financial statements for the year ended 31 March 2022

Note 14: Equity share capital

	(INR in Lakhs)	
	As at 31 March 2022	As at 31 March 2021
Authorised		
258,000,000 equity shares of INR 10 each (31 March 21: 258,000,000 equity shares of INR 10 each)	25,800.00	25,800.00
	25,800.00	25,800.00
Issued, subscribed and paid up		
252,140,534 equity shares of INR 10 each (31 March 21: 252,140,534 equity shares of INR 10 each)	25,214.05	25,214.05
	25,214.05	25,214.05

a) Reconciliation of shares outstanding at the beginning and at the end of the reporting period

Particulars	31 March 2022		31 March 2021	
	Number of shares	INR in Lakhs	Number of shares	INR in Lakhs
Equity shares				
At the commencement of the year	252,140,534	25,214.05	187,061,300	18,706.13
Add: Issued during the year	-	-	52,824,000	5,282.40
Add: Conversion of 10% CCPS into equity shares	-	-	12,255,234	1,225.52
At the end of the year	252,140,534	25,214.05	252,140,534	25,214.05

b) Rights, preferences and restriction attached to equity shares:-

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividends as declared from time to time. The voting rights of equity shareholders on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Company. Voting rights can not be exercised in respect of shares on which any call or other sums presently payable have not been paid.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, the distribution will be in proportion to the number of equity shares held by the shareholders.

c) As per the terms, 10% compulsory convertible preference shares (CCPS) were convertible into fully paid up equity shares of INR 10 each. Each CCPS Holder may, whether in one or more tranches, convert the CCPS held by such CCPS Holder into equity shares at any time before the expiry of 20 (twenty) years from the date of issuance of such CCPS, in accordance with Applicable Laws and these terms and conditions. In case the conversion option is not exercised by a CCPS Holder in respect of all or any of the CCPS held by such CCPS Holder before end of 20 years from the date of issuance of the relevant CCPS, then such CCPS shall be automatically converted into equity shares at the end of 20 years from date of issue of such CCPS. In previous year, these CCPS was converted into 12,255,234 equity shares of INR 10 each. Accordingly, the difference between conversion amount and the carrying value of the instrument was recognised in securities premium.

Jubilant Biosys Limited

Notes to the financial statements for the year ended 31 March 2022

d) Details of shareholders holding more than 5% shares in the company

Particulars	As at 31 March 2022		As at 31 March 2021	
	Number of shares	% holding	Number of shares	% holding
Equity shares of INR 10 each fully paid up held by Jubilant Pharmova Limited, holding company * (including 6 shares held by Jubilant Pharmova Limited jointly with 6 different individuals)	252,140,534	100.00%	252,140,534	100.00%

e) Equity shares held by holding company/ultimate holding company is set out below:

	As at 31 March 2022	As at 31 March 2021
Jubilant Pharmova Limited*	252,140,534	252,140,534

*previously known as Jubilant Life Sciences Limited

f) During the five years immediately preceeding the financial year 31 March 2022, the Company has not issued any bonus shares and shares for consideration other than cash. The Company has also not bought back any shares.

14.2) Nature and purpose of other Equity

Capital reserve

Accumulated capital surplus not available for distribution of dividend and expected to remain invested permanently. It includes share based payment transaction cost as charged by the holding company.

Capital redemption reserve

Capital redemption reserve represents the unutilized accumulated amount set aside at the time of redemption of shares. This reserve is utilized in accordance with the provisions of the Act.

Remeasurement of defined benefit obligation

Remeasurement of defined benefit obligation comprises actuarial gains and losses.

Securities Premium

The unutilized accumulated excess of issue price over face value on issue of shares. This reserve is utilised in accordance with the provisions of the act.

Amalgamation Adjustment Deficit Account

In financial year 2019-20, pursuant to the Hon'ble National Company Law Tribunal, Allahabad (NCLT) Order, the difference between the book value of the assets, liabilities and reserves as reduced by the face value of the equity shares and compulsorily convertible preference shares to be issued by the transferee company, has been accounted to amalgamation adjustment deficit account of INR 6,162.22 Lakhs.

Retained Earnings

Retained earnings represent the amount of accumulated earnings of the Company and re-measurement differences on defined benefit plans.

Note 15: Non-current borrowings

	(INR in Lakhs)	
	As at 31 March 2022	As at 31 March 2021
Term loan from bank		
Indian rupee loans (secured)	7,031.25	2,077.83
Total non-current borrowings	7,031.25	2,077.83

Note 15 (A): Current borrowings

	(INR in Lakhs)	
	As at 31 March 2022	As at 31 March 2021
Current maturities of non-current borrowings		
Indian rupee loans (secured)	468.75	-
	468.75	-

Jubilant Biosys Limited
Notes to the financial statements for the year ended 31 March 2022

Nature of security and other terms of repayment of borrowings as on 31 March 2022

Indian rupee term loans amounting to INR 7,500 Lakhs (31 March 2021: 2,077.83 Lakhs) from The Hongkong and Shanghai Banking Corporation Limited are secured by a first pari-passu charge on all movable assets of the company, both present and future. The Indian rupee term loan is repayable in 16 equal quarterly installments from March 2023. Further, the sanction limit of the loan is also INR 7,500 Lakhs.

The Indian rupee term loans carry floating interest rate calculated in accordance with the terms of the arrangement which is a specified benchmark rate (reset at periodic intervals), adjusted for agreed spread. During the year ended 31 March 2022, the interest rate on Indian currency loans ranging from 6.23% to 7.10% per annum.

The Company has availed working capital facility of INR 2,500 Lakhs (Previous year INR 2,500 Lakhs) from The Hongkong and Shanghai Banking Corporation Ltd. The facility is secured by way of hypothecation of the company's entire stock of raw materials, semi-finished and finished goods, consumable stores and spares and such other movables current assets including book-debts, receivables, both present and future, on a first charge basis ranking pari passu.

Reconciliation of movement of liabilities to cash flow arising from financing activities

	(INR in Lakhs)	
	As at 31 March 2022	As at 31 March 2021
As at beginning of the year	5,578.43	3,932.03
Movement due to cash transactions as per the statement of cashflows	4,132.61	1,360.12
Movement due to non cash transactions:		
- Finance cost incurred	644.04	361.61
- Finance cost capitalised	78.85	-
- New car lease added	51.37	20.71
- Lease modification	(36.19)	(96.04)
- Finance cost pertaining to income tax	(113.28)	-
As at end of the year	10,335.84	5,578.43

Note 16: Provisions

	(INR in Lakhs)			
	As at 31 March 2022		As at 31 March 2021	
	Current	Non- current	Current	Non- current
Provision for employee benefits (refer note 28)	209.08	1,327.37	195.95	1,358.02
Total provisions	209.08	1,327.37	195.95	1,358.02

Note 17: Trade payables

	(INR in Lakhs)	
	As at 31 March 2022	As at 31 March 2021
Total outstanding due to Micro, small and medium enterprises	344.29	224.30
Total outstanding due to other than Micro, small and medium enterprises	2,703.98	1,887.88
Total trade payables	3,048.27	2,112.18
Amount payable to related parties included in above (refer note 33)	715.18	691.24

Jubilant Biosys Limited**Notes to the financial statements for the year ended 31 March 2022****Trade payables ageing schedule as at 31 March 2022:**

	(INR in Lakhs)						
	Unbilled	Not due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Micro enterprises and small enterprises	-	344.29	-	-	-	-	344.29
Other than micro enterprises and small enterprises	391.32	2,063.45	243.50	1.48	4.20	0.03	2,703.98
Disputed dues - micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues - other than micro enterprises and small enterprises	-	-	-	-	-	-	-
Total trade payables	391.32	2,407.74	243.50	1.48	4.20	0.03	3,048.27

Trade payables ageing schedule as at 31 March 2021:

	(INR in Lakhs)						
	Unbilled	Not due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Micro enterprises and small enterprises	-	224.30	-	-	-	-	224.30
Other than micro enterprises and small enterprises	278.21	614.88	982.97	4.69	3.04	4.09	1,887.88
Disputed dues - micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues - other than micro enterprises and small enterprises	-	-	-	-	-	-	-
Total trade payables	278.21	839.18	982.97	4.69	3.04	4.09	2,112.18

Jubilant Biosys Limited**Notes to the financial statements for the year ended 31 March 2022****Micro, Small and Medium Enterprises**

There are no micro, small and medium enterprises, to whom the company owes dues, which are outstanding for more than 45 days/credit period as at the end of year. The information as required to be disclosed in relation to micro, small and medium enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

(INR in Lakhs)

	As at 31 March 2022	As at 31 March 2021
The principal amount remaining unpaid to any supplier as at the end of the year	344.29	224.30
The interest due on principal amount remaining unpaid to any supplier as at the end of the year	-	-
The amount of interest paid by the Company in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	-	-
The amount of interest accrued and remaining unpaid at the end of the year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under the MSMED Act	-	-

Note 18: Other current financial liabilities**(INR in Lakhs)**

	As at 31 March 2022	As at 31 March 2021
Interest accrued	13.81	3.90
Capital creditors	766.96	2,265.74
Employee benefits payable	658.51	296.00
Total other current financial liabilities	1,439.28	2,565.64

Note 19: Other current liabilities**(INR in Lakhs)**

	As at 31 March 2022	As at 31 March 2021
Advance from customers	599.31	456.90
Statutory dues payables	320.74	252.45
Income Received In Advance/Unearned Income	84.68	13.11
Total other current liabilities	1,004.73	722.46

Jubilant Biosys Limited
Notes to the financial statements for the year ended 31 March 2022

Note 20: Revenue from operations

	(INR in Lakhs)	
	For the year ended 31 March 2022	For the year ended 31 March 2021
Sale of services*	47,791.01	31,589.48
Other operating revenue		
- Scrap Sales	74.89	55.67
- Others	138.50	22.51
Total revenue from operations	48,004.40	31,667.66

* Includes sale of products delivered as a part of service contract Rs. 3,105.11 lakhs (31 March 2021: Rs. 2,204.02 lakhs)

In the following table, revenue from sale of services is disaggregated by primary geographical market

	(INR in Lakhs)	
Primary geographical markets	For the year ended 31 March 2022	For the year ended 31 March 2021
America	36,623.64	24,861.79
India	257.95	164.48
Europe	5,159.97	3,343.29
Rest of the world	5,749.45	3,219.92
Total Sale of services	47,791.01	31,589.48
Major service lines		
Full time equivalent (FTE)	35,934.28	24,487.97
Fee for service (FFS)	11,856.74	7,101.51
	47,791.01	31,589.48

Contract Balances

	(INR in Lakhs)	
Particulars	As at 31 March 2022	As at 31 March 2021
Trade receivables	8,026.10	6,118.57
Unbilled revenue	349.33	141.47
Contract liabilities	683.99	470.01

The unbilled revenue primarily relate to the Company's right to consideration for work completed but not billed on reporting date. The unbilled revenue are transferred to receivables when company issues an invoice to the customer. The contract liabilities primarily relate to the advance received from customers and income received in advance/unearned income, revenue is recognised against the same as or when the performance obligation is satisfied.

Out of amount of INR 470.01 Lakhs and INR 469.67 Lakhs recognised in contract liabilities at the beginning of the year, INR 396.07 Lakhs and INR 465.82 Lakhs has been recognised as revenue for the year ended 31 March 2022 and 31 March 2021, respectively.

Jubilant Biosys Limited**Notes to the financial statements for the year ended 31 March 2022****Note 21: Other income**

	(INR in Lakhs)	
	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest income	478.70	464.75
Other non-operating income	45.00	8.95
Miscellaneous provisions written back	2.29	3.51
Liabilities written back	4.08	-
Net foreign exchange gain	175.36	-
Total other income	705.43	477.21

Note 22: Changes in inventories of work-in-progress and finished goods

	(INR in Lakhs)	
	For the year ended 31 March 2022	For the year ended 31 March 2021
Opening balance		
Work-in progress	137.10	273.20
Opening balance	137.10	273.20
Closing balance		
Project-in-progress	536.91	137.10
Closing balance	536.91	137.10
Decrease in inventory	(399.81)	136.10

Note 23: Employee benefit expense

	(INR in Lakhs)	
	For the year ended 31 March 2022	For the year ended 31 March 2021
Salaries, wages, bonus, gratuity and allowances	10,106.46	7,524.90
Contribution to provident fund, superannuation and other funds	509.78	386.59
Staff welfare expenses	836.99	491.65
Total employee benefit expense	11,453.23	8,403.14

Note 24: Finance costs

	(INR in Lakhs)	
	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest Expense	530.76	435.07
Interest on tax	113.28	88.59
Total finance cost	644.04	435.07

Note 25: Depreciation and amortisation expense

	(INR in Lakhs)	
	For the year ended 31 March 2022	For the year ended 31 March 2021
Depreciation of property, plant and equipment	1,950.10	1,065.15
Amortisation of intangible assets	33.99	11.78
Depreciation of right of use assets	794.79	853.56
Total depreciation and amortisation expense	2,778.88	1,930.49

Jubilant Biosys Limited
Notes to the financial statements for the year ended 31 March 2022

Note 26: Other expenses

	(INR in Lakhs)	
	For the year ended 31 March 2022	For the year ended 31 March 2021
Consumption of stores and spares and packing materials	11,308.07	6,270.53
Processing charges	777.97	166.12
Rent	280.71	52.78
Rates and taxes	427.96	391.51
Insurance	38.21	39.34
Advertisement and sales promotion	1,469.79	1,794.75
Travelling and conveyance	572.49	363.28
Repairs and maintenance		
Plant and machinery	753.76	685.86
Buildings	161.31	57.12
Others	244.07	178.55
Office expenses	1,141.44	415.12
Power and fuel	666.07	637.10
Vehicle running and maintenance	17.48	17.94
Printing and stationery	48.32	27.32
Telephone and communication charges	43.09	41.13
Staff recruitment and training	481.98	109.52
Donation (refer note no. 39)	130.02	58.93
Payments to auditors (refer note (i) below)	6.25	11.15
Legal and professional fees	1,236.14	811.43
Freight and forwarding	471.65	338.63
Subscription	206.30	164.42
Bank charges	22.99	19.46
Write off old Balances	-	0.17
Loss on sale/ write off of property, plant and equipment (net)	67.19	8.18
Provision/write off bad debts (net)	-	56.60
Net foreign exchange loss	-	139.11
Discounts and claims to customers and other selling expenses	0.10	0.33
Miscellaneous expenses	1.25	1.51
Total other expenses	20,574.61	12,857.90

(i) Payments to auditors (excluding goods and service tax)

	(INR in Lakhs)	
	For the year ended 31 March 2022	For the year ended 31 March 2021
As auditor:		
Statutory audit	3.55	8.55
In other capacities		
Certification fees	2.70	2.60
Total payments to auditors	6.25	11.15

Jubilant Biosys Limited**Notes to the financial statements for the year ended 31 March 2022****Note 27: Income tax**

The major components of income tax expense for the years ended 31 March 2022 and 31 March 2021 are:

Statement of Profit and Loss:**Profit or loss section**

	(INR in Lakhs)	
	For the year ended 31 March 2022	For the year ended 31 March 2021
Current income tax:		
Current income tax charge for the year	3,181.32	2,329.15
Adjustments in respect of current income tax of previous year	(18.65)	(32.04)
	3,162.67	2,297.11
Deferred tax:		
Relating to origination and reversal of temporary differences	323.87	(175.45)
Adjustments in respect of deferred tax of previous year	23.94	38.01
	347.81	(137.44)
Income tax expense reported in the statement of profit or loss	3,510.48	2,159.67
OCI section		
Tax related to items that will not be reclassified to Profit & Loss:	(7.83)	(4.44)
Income tax charged to OCI	(7.83)	(4.44)

Reconciliation between average effective tax rate and applicable tax rate for 31 March 2022 and 31 March 2021:

	(INR in Lakhs)	
	For the year ended 31 March 2022	For the year ended 31 March 2021
Accounting profit before income tax	13,658.88	8,382.17
At India's statutory income tax rate of 25.17% (31 March 2021: 25.17%)	3,437.67	2,109.63
- Effect of non-deductible expenses	67.53	44.07
- Taxes of earlier years (True ups)	5.29	5.97
Income tax expense reported in the statement of profit and loss	3,510.48	2,159.67

Jubilant Biosys Limited
Notes to the financial statements for the year ended 31 March 2022

Note 28 Employee Benefits in respect of the Company have been calculated as under:

(a) Defined Contribution Plans

The Company contributes to the following defined contribution plan

(i) Provident Fund*

During the year the Company has contributed following amount to:

*The Company contributes share of provident fund liability and deposit it with PF Commissioner.

(INR in Lakhs)		
Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Employers contribution to provident fund	468.29	356.82

(ii) State Plans

During the year the Company has contributed following amount to:

(INR in Lakhs)		
Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Employers contribution to employee state insurance	15.25	10.86

(b) Defined Benefit Plans

(i) Gratuity

As per Ind AS-19, Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each balance sheet date using the projected unit credit method. The discount rate assumed is 7.20% p.a. (31 March 2021: 6.80% p.a.) which is determined by reference to market yield at the Balance Sheet date on Government bonds. The retirement age has been considered at 58 years (31 March 2021: 58 years) and mortality table is as per IALM (2012-14) (31 March 2021: IALM (2012-14))

The estimates of future salary increases, considered in actuarial valuation is 10% p.a. for first three years and 6% p.a. thereafter (31 March 2021: 10% p.a. for first three years and 6% p.a. thereafter), taking into account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Jubilant Biosys Limited**Notes to the financial statements for the year ended 31 March 2022****Reconciliation of opening and closing balances of the present value of the defined benefit obligation:**

	(INR in Lakhs)	
Particulars	31-Mar-22	31-Mar-21
Present value of obligation at the beginning of the year	844.56	747.8
Acquisition adjustment	-	-
Current service cost	155.01	123.37
Interest cost	57.43	52.72
Actuarial loss	31.10	17.66
Benefits paid	(116.54)	(96.99)
Present value of obligation at the end of the year	971.57	844.56

Reconciliation of the present value of defined benefit obligation and the fair value of the plan assets:

	(INR in Lakhs)	
Particulars	31-Mar-22	31-Mar-21
Present value of obligation at the end of the year	971.57	844.56
Fair value of plan assets at the end of the year	-	-
Net liabilities recognised in the Balance Sheet	971.57	844.56

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

	(INR in Lakhs)	
Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Current service cost	155.01	123.37
Interest cost	57.43	52.72
Expense recognised in the statement of profit and loss	212.44	176.08

Amount recognised in the statement of other comprehensive income:

	(INR in Lakhs)	
Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Actuarial (gain)/loss due to Demographic assumption change	(0.18)	0.5
Actuarial Loss due to Financial assumption change	(23.33)	-
Actuarial Loss due to experience adjustment	54.62	17.16
Amount recognised in other comprehensive income	31.10	17.66

Company's best estimate of contribution during next year is INR 268.96 Lakhs (31 March 2021: INR 202.55 Lakhs)

Jubilant Biosys Limited**Notes to the financial statements for the year ended 31 March 2022****Sensitivity analysis****Discount Rate**

(INR in Lakhs)				
Particulars	31 March 2022		31 March 2021	
Sensitivity level	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Impact on defined benefit	(28.66)	30.30	(25.42)	26.91

Future salary increase

Particulars	31 March 2022		31 March 2021	
Sensitivity level	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Impact on defined benefit	30.37	(28.99)	26.87	(25.62)

The Sensitivity analysis above has been determined based on reasonable possible changes of the respective assumptions occurring at the end of the year and may not be representative of the actual change. It is based on the change in the key assumption while holding all other assumption constant.

Other Long Term Benefits (compensatory absences and sick leave)

(INR in Lakhs)		
Particulars	As at 31 March 2022	As at 31 March 2021
Present Value at the end of the year	564.88	709.41

Maturity profile of defined benefit obligation

(INR in Lakhs)		
Particulars	As at 31 March 2022	As at 31 March 2021
Within one year	122.83	107.40
Between one to three years	187.82	159.48
Between three to five years	148.27	125.33
Later than five years	512.65	452.35
Total	971.57	844.56

Jubilant Biosys Limited
Notes to the financial statements for the year ended 31 March 2022

Note 29 Fair value measurements

(INR in Lakhs)

			31-Mar-22			31-Mar-21		
	Note	Level of hierarchy	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial assets								
Investments*	(b)	-	-	-	4,277.06	-	-	2805.93
Loans	(a,b)	-	-	-	7,948.84	-	-	7,329.45
Other financial assets	(a,b)	-	-	-	743.24	-	-	654.57
Trade receivables	(a)	-	-	-	8,026.10	-	-	6,118.57
Cash and cash equivalents	(a)	-	-	-	2,707.43	-	-	2,028.06
Other bank balance	(a)	-	-	-	1.36	-	-	51.69
Total financial assets		-	-	-	23,704.03	-	-	18,988.28

* Includes investments held at cost

(INR in Lakhs)

(in Rupees Lakhs)								
			31-Mar-22			31-Mar-21		
	Note	Level of hierarchy	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial liabilities								
Borrowings	(b)	-	-	-	7,500.00	-	-	2077.83
Lease Liabilities	(a)	-	-	-	2,822.03	-	-	3,500.60
Trade payables	(a)	-	-	-	2,656.95	-	-	2,112.18
Other financial liabilities	(b)	-	-	-	1,830.60	-	-	2,565.64
Total financial liabilities		-	-	-	14,809.58	-	-	10,256.25

a. Fair valuation of financial assets and liabilities with short term maturities is considered as approximate to respective carrying amount due to the short term maturities of these instruments.

b. Fair value of non-current financial assets and non-current financial liabilities have not been disclosed as there is no significant difference between carrying value and fair value

c. There are no transfer between Level 1, level 2 and level 3 during the year ended 31 March 2022 and 31 March 2021.

Note 30: Financial risk management

(a) Financial risk management

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The risk management framework is intended to ensure that risks are taken care with due diligence.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through three layers of defense namely policies and procedures, review mechanism and assurance aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

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

- credit risk (see (i));
- liquidity risk (see (ii)); and
- market risk (see (iii)).

Jubilant Biosys Limited

Notes to the financial statements for the year ended 31 March 2022

(i) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and from its financing activities, including deposit with banks, investments, foreign exchange transactions and other financial instruments.

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, 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.

The Company limits its exposure to credit risk from trade receivables by establishing a maximum payment period of three months for external customers.

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.

Expected credit loss for trade receivables:

The Company based on internal assessment which is driven by the historical experience/ current facts available in relation to default and delays in collection thereof, the credit risk for trade receivables is considered low. The Company estimates its allowance for trade receivable using lifetime expected credit loss. The balance past due for more than 6 months (net of expected credit loss allowance), excluding receivable from group companies is Nil (31 March 2021: Nil)

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

	(INR in Lakhs)	
	As at 31 March 2022	As at 31 March 2021
Opening balance as of 1 April	22.54	21.47
Add: Provided for the year (net of reversal)	-	56.60
Less: Amount written off	-	(55.53)
Balance as at end of the year	<u>22.54</u>	<u>22.54</u>

Expected credit loss on financial assets other than trade receivables:

With regards to all financial assets with contractual cash flows other than trade receivable, management believes these to be high quality assets with negligible credit risk. The management believes that the parties from which these financial assets are recoverable, have strong capacity to meet the obligations and where the risk of default is negligible or nil and accordingly no provision for excepted credit loss has been provided on these financial assets. Break up of financial assets other than trade receivables have been disclosed on balance sheet.

(ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to

Jubilant Biosys Limited**Notes to the financial statements for the year ended 31 March 2022**

ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

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

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and does not include contractual interest payments.

31-Mar-22	Contractual Cash flows			
	Carrying Amount	Total	Within 1 year	More than 1 year
Non-derivative financial liabilities				
Borrowings	7,500.00	7,500.00	468.75	7,031.25
Lease Liabilities	2,822.02	2,822.02	863.32	1,958.71
Trade payables	2,656.95	2,656.95	2,656.95	-
Other financial liabilities	1,830.60	1,830.60	1,830.60	-

31-Mar-21	Contractual Cash flows			
	Carrying Amount	Total	Within 1 year	More than 1 year
Non-derivative financial liabilities				
Borrowings	2,077.83	2,077.83	-	2,077.83
Lease Liabilities	3,500.60	3,500.60	724.10	2,776.50
Trade payables	1,833.97	1,833.97	1,833.97	-
Other financial liabilities	2,843.85	2,843.85	2,843.85	-

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 respective functional currencies of Company companies. The currency in which the Company is exposed to risk are USD, EUR, GBP & others.

Exposure to currency risk

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

	(INR in Lakhs)							
	As at 31 March 2022				As at 31 March 2021			
	USD	EUR	GBP	Others	USD	EUR	GBP	Others
Trade receivables	7,827.65	81.80	-	-	5,968.24	61.92	-	-
Cash and cash equivalents	1,541.17	8.76	-	-	1,062.22	4.32	-	-
Trade payables	(1,015.04)	(49.77)	(8.60)	(14.47)	(1,200.82)	(79.14)	(29.73)	(270.00)
Net statement of financial position exposure	8,353.78	40.79	(8.60)	(14.47)	5,829.64	(12.90)	(29.73)	(270.00)

Jubilant Biosys Limited
Notes to the financial statements for the year ended 31 March 2022

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Euro, US Dollar or GBP against all other currencies at 31 March 2022 & 31 March 2021 would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

(INR in Lakhs)

	Profit or loss (before tax)	
	Strengthening	Weakening
As at 31 March 2022		
EUR (1% movement)	0.41	(0.41)
USD (1% movement)	83.54	(83.54)
GBP (1% movement)	(0.09)	0.09
Other(1% movement)	(0.14)	0.14
As at 31 March 2021		
EUR (1% movement)	(0.13)	0.13
USD (1% movement)	58.30	(58.30)
GBP (1% movement)	(0.30)	0.30
Other (1% movement)	(2.70)	2.70

Note 31 Capital management

(a) Risk management

The Company's objectives when managing capital are to:

- Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Company monitors capital on the basis of the following gearing ratio: Net debt (total borrowings (excluding finance lease) net of cash and cash equivalents) divided by total 'equity' (as shown in the balance sheet).

Note 32 Segment information

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

Based on the guiding principles given in the Ind AS 108 on "operating segments", as the Company's business activities fall within a single primary segment, the disclosure requirements of the said Ind AS 108 in this regard are not applicable.

Jubilant Biosys Limited**Notes to the financial statements for the year ended 31 March 2022****Note 33 Related Party Disclosures**

Related parties where control exists

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Holding company	Jubilant Pharmova Limited*	Jubilant Pharmova Limited*
Subsidiary Company	Jubilant Biosys Innovative Research Services Pte Limited, Jubilant Clinsys Limited	Jubilant Biosys Innovative Research Services Pte Limited, Jubilant Clinsys Limited
Fellow Subsidiaries	Trialstat Solutions Inc., Jubilant Clinsys Limited, Jubilant Clinsys Inc., Jubilant HollisterStier LLC, Jubilant DraxImage Inc, Canada, Jubilant Generics Limited, Jubilant Discovery Services LLC., Drug Discovery & Development Solutions Limited,, Jubilant Pharma Holding Inc. Jubilant Epicore LLC, Jubilant Epipad LLC, Jubilant Episcribe LLC, Jubilant Prodel LLC, Jubilant Therapeutics India Ltd, Jubilant Therapeutics Inc., Jubilant Life Sciences NV, Jubilant Drug Development Pte. Ltd, Jubilant Ingrevia Limited	Vanthys Pharmaceuticals Development Pvt. Ltd., Trialstat Solutions Inc., Jubilant Clinsys Inc., Jubilant Innovation India Limited, Jubilant HollisterStier LLC, Jubilant DraxImage Inc, Canada, Jubilant Generics Limited, Jubilant Discovery Services LLC., Drug Discovery & Development Solutions Limited,, Jubilant Pharma Holding Inc. Jubilant Epicore LLC, Jubilant Epipad LLC, Jubilant Episcribe LLC, Jubilant Prodel LLC, Jubilant Therapeutics India Ltd, Jubilant Therapeutics Inc., Jubilant Life Sciences NV, Jubilant Drug Development Pte. Ltd, Jubilant Ingrevia Limited
Key Management personnel	Vikas Shreekrishna Shirsath – Managing Director (till 26 March 2021) Inder Mohan Verma-Director (ceased to be Director on 31 March 2022) Irfan Ali-Company Secretary Prasant Kumar Deb – Managing Director (appointed on 3 June 2021 and ceased to be Managing Director on 27 January 2022) Prasant Kumar Deb – Whole Time Director (with effect from 27 January 2022) Giuliano Perfetti – Chief Executive Officer and Managing Director (with effect from 27 January 2022) Saravanakumar Dhakshinamoorthy – Whole Time Director (with effect from 27 January 2022) Benny Thomas – Chief Financial Officer	Benny Thomas – Chief Financial Officer Vikas Shreekrishna Shirsath – Managing Director (till 26 March 2021) Inder Mohan Verma-Director Irfan Ali-Company Secretary
Others	Jubilant Bhartia Foundation	Jubilant Bhartia Foundation

*name of Jubilant Life Sciences Limited (holding company) was changed with effect from 1 February 2021.

Jubilant Biosys Limited**Notes to the financial statements for the year ended 31 March 2022****31 March 2022**

(INR in Lakhs)

Sr. No	Particulars	Holding / Subsidiary / fellow subsidiaries	Key management personnel	Total
Description of Transactions:				
1.	Sale of Services:			
	Jubilant Generics Limited	201.96	-	201.96
	Jubilant Ingrevia Limited	2.08	-	2.08
	Jubilant Epicore LLC	252.80	-	252.80
	Jubilant Epipad LLC	587.36	-	587.36
	Jubilant Episcribe LLC	700.11	-	700.11
	Jubilant Prodel LLC	536.32	-	536.32
	Jubilant Therapeutics Inc.,	945.85	-	945.85
2.	Purchase of goods and services			
	Jubilant Ingrevia Limited	58.35	-	58.35
3.	Expenses recharged for facilities provided:			
	Jubilant Clinsys Ltd	2.41	-	2.41
	Jubilant Discovery Services LLC	9.71	-	9.71
	Jubilant Pharmova Limited*	1,659.75	-	1,659.75
	Jubilant Ingrevia Limited	0.74	-	0.74
	Jubilant Therapeutics India Limited	127.43	-	127.43
	Jubilant Therapeutics Inc.	59.70	-	59.70
4.	Expenses recharged for Cost Sharing:			
	Jubilant Pharmova Limited*	558.97	-	558.97
	Jubilant Ingrevia Limited	1156.11	-	1156.11
5.	Expenses Charged by Fellow Subsidiaries			
	Jubilant Generics Limited	116.78	-	116.78
	Jubilant Life Sciences NV	8.87	-	8.87
	Drug Discovery and Development Solutions Limited	346.30	-	346.30
	Jubilant Discovery Services LLC	816.97	-	816.97
6.	Remuneration and related Expenses:			
	Saravanakumar Dhakshinamoorthy	-	11.50	11.50
	Prasant Deb	-	57.73	57.73
	Giuliano Perfetti	-	58.21	58.21
	Benny Thomas	-	75.21	75.21
7.	Interest on Inter Corporate Deposit			
	Jubilant Pharmova Limited*	472.63	-	472.63
8	Expenses Charged by group company:			
	Jubilant Foodworks Limited	19.37	-	19.37
9	Inter Corporate deposit taken:			
	Jubilant Pharmova Limited*	600	-	600
10.	Donations:			
	Jubilant Bhartia Foundation	130.02	-	130.02

Jubilant Biosys Limited
Notes to the financial statements for the year ended 31 March 2022

Amount Outstanding				
11.	Trade & Other Payables			
	Jubilant Discovery Services LLC	149.67	-	149.67
	Jubilant Pharmova Limited*	326.54	-	326.54
	Jubilant Ingrevia Limited	135.36	-	135.36
	Jubilant Generics Limited	101.18	-	101.18
	Jubilant Life Sciences NV	2.44	-	2.44
12.	Inter Corporate Deposit receivable			
	Jubilant Pharmova Limited*	7,900	-	7,900
13.	Trade Receivables:			
	Jubilant Therapeutics Inc.,	351.48	-	351.48
	Jubilant Epicore LLC	73.23	-	73.23
	Jubilant Epipad LLC	150.31	-	150.31
	Jubilant Episcribe LLC	234.36	-	234.36
	Jubilant Generics Limited	59.81	-	59.81
	Jubilant Prodel LLC	119.68	-	119.68
14.	Other Recoverable:			
	Drug Discovery & Development Solutions Ltd	-	-	-
	Jubilant Discovery Services LLC	3.15	-	3.15
	Jubilant Pharmova Limited*	4.59	-	4.59
	Jubilant Clinsys Limited	0.18	-	0.18
	Jubilant Therapeutics India Limited	11.42	-	11.42
	Jubilant Ingrevia Limited	-	-	-
	Jubilant Therapeutics Inc	15.16	-	15.16

*name of Jubilant Life Sciences Limited (holding company) was changed with effect from 1 February 2021.

31 March 2021

(INR in Lakhs)

Sr. No	Particulars	Holding / Subsidiary / fellow subsidiaries	Key management personnel	Total
Description of Transactions:				
1.	Sale of Services:			
	Jubilant Discovery Services LLC.	5.97	-	5.97
	Jubilant Generics Limited	19.67	-	19.67
	Jubilant Ingrevia Limited	0.67	-	0.67
	Jubilant Pharmova Limited*	1.03	-	1.03
	Jubilant Epicore LLC	592.06	-	592.06
	Jubilant Epipad LLC	495.11	-	495.11
	Jubilant Episcribe LLC	103.48	-	103.48
	Jubilant Prodel LLC	152.93	-	152.93
	Jubilant Therapeutics Inc.,	543.76	-	543.76
2.	Purchase of goods and services			
	Jubilant Pharmova Limited*	79.54	-	79.54
	Jubilant Ingrevia Limited	30.05	-	30.05
3.	Expenses recharged for facilities provided:			
	Jubilant Clinsys Ltd	1.64	-	1.64
	Jubilant Innovation India Limited	0.06	-	0.06

Jubilant Biosys Limited
Notes to the financial statements for the year ended 31 March 2022

	Jubilant Discovery Services LLC	0.33	-	0.33
	Vanthys Pharmaceutical Development Pvt. Ltd	0.06	-	0.06
	Drug Discovery & Development Solutions Ltd	7.36	-	7.36
	Jubilant Pharmova Limited*	0.69	-	0.69
	Jubilant Ingrevia Limited	0.12	-	0.12
	Jubilant Generics Limited	8.33	-	8.33
	Jubilant Therapeutics India Limited	455.45	-	455.45
	Jubilant Therapeutics Inc.	112.93	-	112.93
	Jubilant Pharma Holding Inc.	7.35	-	7.35
	Jubilant Bhartia Foundation	6.41	-	6.41
4.	Expenses recharged for Cost Sharing:			
	Jubilant Pharmova Limited*	1,525.15	-	1,525.15
	Jubilant Ingrevia Limited	220.45	-	220.45
5.	Expenses Charged by Fellow Subsidiaries			
	Jubilant Generics Limited	234.33	-	234.33
	Jubilant Pharmova Limited*	95.99	-	95.99
	Jubilant Life Sciences NV	8.76	-	8.76
	Drug Discovery and Development Solutions Limited	911.93	-	911.93
	Jubilant Discovery Services LLC	552.61	-	552.61
6.	Remuneration and related Expenses:			
	Dr. Vikas Shreekrishna Shirsath	-	103.36	103.36
	Mr. Benny Thomas	-	62.77	62.77
7.	Interest on Inter Corporate Deposit			
	Jubilant Pharmova Limited*	401.40	-	401.40
8.	Expenses transferred to fellow subsidiary on account of demerger:			
	Jubilant Therapeutics India Limited	70.76	-	70.76
9.	Income transferred to fellow subsidiary on account of demerger:			
	Jubilant Therapeutics India Limited	105.37	-	105.37
10.	Donations:			
	Jubilant Bhartia Foundation	14.88	-	14.88
Amount Outstanding				
11.	Trade & Other Payables			
	Jubilant Therapeutics India Limited	34.61	-	34.61
	Jubilant Pharmova Limited*	17.69	-	17.69
	Jubilant Ingrevia Limited	240.42	-	240.42
	Jubilant Generics Limited	51.26	-	51.26
	Jubilant Life Sciences NV	1.80	-	1.80
	Drug Discovery & Development Solutions Ltd	281.47	-	281.47
	Jubilant Discovery Services LLC	63.99	-	63.99
12.	Capital Creditor			
	Jubilant Bhartia Foundation	0.37	-	0.37
13.	Inter Corporate Deposit receivable			
	Jubilant Pharmova Limited*	7,300.00	-	7,300.00
14.	Trade Receivables:			
	Jubilant Ingrevia Limited	0.55	-	0.55
	Jubilant Therapeutics Inc.,	452.25	-	452.25

Jubilant Biosys Limited**Notes to the financial statements for the year ended 31 March 2022**

	Jubilant Epicore LLC	544.96	-	544.96
	Jubilant Epipad LLC	436.52	-	436.52
	Jubilant Episcribe LLC	103.01	-	103.01
	Jubilant Generics Limited	8.51	-	8.51
	Jubilant Prodel LLC	151.09	-	151.09
15.	Other Recoverable:			
	Drug Discovery & Development Solutions Ltd	51.06	-	51.06
	Jubilant Pharmova Limited*	47.23	-	47.23
	Jubilant Clinsys Limited	0.52	-	0.52
	Jubilant Therapeutics India Limited	61.64	-	61.64
	Jubilant Ingrevia Limited	0.12	-	0.12
	Jubilant Therapeutics Inc	7.31	-	7.31

*name of Jubilant Life Sciences Limited (holding company) was changed with effect from 1 February 2021.

Note 34 Contingent liabilities**Contingent liabilities to the extent not provided for:**

(a) Outstanding guarantees furnished by Banks on behalf of the Company are: INR 0.35 Lakhs (31 March 2021: INR 0.35 Lakhs).

(b) Claims against Company, disputed by the Company, not acknowledged as debt:

The Company had entered into a lease agreement in September 2008 with AB Mallikarjuna (Landlord) for expanding its operation. Before occupying the property, certain legal lapses were identified and communicated to the landlord for corrective actions. However, no action had been taken by the landlord in due time hence the Company communicated its unwillingness to take the possession of the building and requested to refund the advance of INR.62 Lakhs. As per clause 5 of the lease agreement the landlord's claimed lock in period rental for 36 months for INR.423.90 Lakhs, the Company contested against the same. Hence, under Section 34 of the Arbitration and Conciliation Act, 1996 the landlord decided for arbitration award. The arbitrator concluded the award in July 2011 demanding INR.158.95 Lakhs. The Company filed a cross objection in the Civil Court Bangalore in 2011 on the grounds of commercial occupancy certificate not provided by the landlord and the benefit received by the landlord during the impugned lock-in period as the premises had been occupied by another tenant during the period. The legal proceedings are in progress and management is of the view that the order will be given in favour of the Company.

(c) Other contingent liabilities:

- Interest on CENVAT credit wrongly availed and utilized by INR 17.13 Lakhs (Previous year INR 17.13 Lakhs) in FY 2020-21 based on the SCN No. 101/2019-20 dated 24/09/19 issued by the Deputy Commissioner, Central Tax, Audit

Name of the Statute	Nature of dues	As at 31 March 2022	As at 31 March 2021
Income Tax Act, 1961 (Nil (Previous year INR 156.25 lakhs) paid under protest)	Income Tax	30,881.76	30,881.76

The above does not include all other obligations resulting from claims, legal pronouncements having financial impact in respect of which the Company generally performs the assessment based on the external legal opinion and the amount of which cannot be reliably estimated.

Jubilant Biosys Limited
Notes to the financial statements for the year ended 31 March 2022

Note 35 Commitments at the end of the year

(a) Capital Commitments

Estimated amount of contracts remaining to be executed on capital account (Net of advances) is INR 2,170.03 Lakhs (31 March 2021: INR. 5,361.18 Lakhs).

(b) Other Commitment

The Company is a 100% Export Oriented Unit (EOU) therefore, the Company had to earn positive net foreign exchange over a period of 5 years in view of its recognition as 100% EOU under EOU Scheme 2015-20. However, the company has already achieved the positive net foreign exchange earnings.

Note 36 Leases

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

	(INR in Lakhs)			
	Depreciation charge for the year ended		Net carrying Amount as at	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Buildings	749.63	804.02	2,019.09	2,803.74
Land	27.17	27.17	2,619.71	2,646.88
Vehicles	17.99	22.37	70.08	39.39
Total	794.79	853.56	4,708.88	5,490.01

Additions to the right-of-use assets during the year ended 31 March 2022 were INR 6.21 Lakhs (31 March 2021: INR 20.71 lakhs).

Amount recognised in Statements of Profit or Loss:

	(INR in Lakhs)	
	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest on lease liabilities	298.03	346.49
Rental expense related to short-term lease	280.71	52.78
Total	578.74	399.26

Amount recognized in statement of cash flows:

	(INR in Lakhs)	
	For the year ended 31 March 2022	For the year ended 31 March 2021
Total cash outflow for leases	690.01	356.31
Total	690.01	356.31

Jubilant Biosys Limited**Notes to the financial statements for the year ended 31 March 2022**

The weighted average incremental borrowing rate applied to lease liabilities, as at 1 April 2019 is 9.16%.

The difference between the operating lease commitments disclosed applying Ind AS 17 as at 31 March 2019 (Restated) in the financial statements for the year then ended and the lease liabilities recognised as at 1 April 2019 in these financial statements is primarily on account of inclusion of extension and termination options reasonably certain to be exercised and exclusion of short-term leases for which the company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease, in measuring the lease liability in accordance with Ind AS 116.

(b) As a lessor:**Maturity analysis of lease payment**

Particulars	(INR in Lakhs)	
	For the year ended 31 March 2022	For the year ended 31 March 2021
Not later than one year	1.63	1.54
Later than one year, not later than two years	1.71	1.63
Later than two years, not later than three years	1.80	1.71
Later than three years, not later than four years	-	1.80
Later than four years, not later than five years	-	1.07
Later than five years	-	-

Jubilant Biosys Limited
Notes to the financial statements for the year ended 31 March 2022

Note 37 Earnings per share

The calculation of profit attributable to equity shareholders and weighted average no. of equity shares outstanding for the purpose of basic and diluted earnings per share calculations are as follows:

Particulars		Year ended 31 March 2022	Year ended 31 March 2021
Profit for the year for basic earnings per share		10,148.40	6,222.50
Profit for the year for diluted earnings per share		10,148.40	6,222.50
Face value of the equity shares		10	10
Weighted average number of equity shares used in computing earnings per share			
For basic earnings per share			
No. of shares outstanding for whole year	Nos.	252,140,534	239,885,300
Shares to be issued pursuant to merger	Nos.	-	-
Add: weighted average of 10% compulsory convertible non-cumulative redeemable preference shares converted into 12,255,234 equity shares of INR 10 each at par on 30 March 2021	Nos.	-	12,255,234
No. of shares for basic earnings per share	Nos.	252,140,534	252,140,534
For diluted earnings per share:			
No. of shares for basic earnings per share	Nos.	252,140,534	252,140,534
No. of shares for diluted earnings per share	Nos.	252,140,534	252,140,534
Earnings per share (face value of INR 10 each)			
Basic	INR	4.02	2.47
Diluted	INR	4.02	2.47

Any consequential share on conversion was considered as anti-dilutive in previous year.

Note 38: Disclosure pursuant to section 186(4) of the Companies Act, 2013 in respect of unsecured loans (refer note no. 33):

		(INR in Lakhs)	
	Purpose/ Term of loan	31 March 2022	31 March 2021
Jubilant Pharmova Limited*			
Outstanding as at beginning of the year	General business purpose	7,300.00	7,300.00
Given during the year	and interest rate @ 6.75%	600.00	-
Repaid during the year	(Previous year 5%)	-	-
Outstanding as at end of the year		7,900.00	7,300.00
Maximum balance outstanding		7,900.00	7,300.00

* name of Jubilant Life Sciences Limited (holding company) was changed with effect from 1 February 2021.

Jubilant Biosys Limited**Notes to the financial statements for the year ended 31 March 2022**

Note 39: Corporate Social Responsibility (CSR) expense

(INR in Lakhs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Amount required to be spent by the Company during the year	127.93	58.93
Details of CSR spent during the financial year*		
a) On construction / acquisition of any asset	-	-
b) On purposes other than (a) above	130.02	58.93
Shortfall at the end of the year		
Total of previous years shortfall		
Reason for shortfall		

*Included in Donation – Refer note 33

The Company's CSR activities primarily focus on programs relating to improving health indices through innovative services and promoting health seeking behavior, universalising elementary education and improving quality parameters for primary education through community involvement, enhancing employability through vocational training and supporting local infrastructure development.

Note 40: During the year, finance costs amounting to INR 78.85 Lakhs (31 March 2021: INR 18.46 Lakhs) has been capitalized in property, plant and equipment, calculated using capitalisation rate ranging of 6.23% - 7.04% (31 March 2021: 6.50%).

Jubilant Biosys Limited
Notes to the financial statements for the year ended 31 March 2022

Note 41: Ratios:

Ratio	Numerator	Denominator	31-Mar-22	31-Mar-21	% change	Reason for variance
Current ratio	Current Assets	Current Liabilities	2.10	2.65	-20.71%	Decrease in capital creditors
Debt-Equity ratio	Total Debt	Shareholder's Equity	0.18	0.07	172%	Increased in term loan during the year
Debt service coverage ratio	Earnings for debt service = Profit before tax + depreciation and amortisation expense + finance costs + exceptional items	Debt service = Finance costs + scheduled principal repayments (excluding prepayments) during the year for non-current borrowings (including current maturities) and lease liabilities	1.56	1.79	-12.52%	Increase in borrowings
Return on equity ratio	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	28.10%	25.44%	10.45%	Increase on net profit after taxes
Inventory turnover ratio	Revenue from operations	Average Inventory	118.58	128.48	-7.71%	Increase in revenue from operations and inventory
Trade receivable turnover ratio	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	6.76	5.87	15.16%	Increase in revenue and trade receivables
Trade payable turnover ratio	Net credit purchases = Gross credit purchases - purchase return + other expense (net of non-cash and donations)	Average Trade Payables	7.89	7.61	4%	Increase in purchases and other expenses
Net capital turnover ratio	Revenue from operations	Average working capital = Average (current assets – current liabilities)	11.54	5.48	110%	Increase in revenue from operations and working capital
Net profit ratio	Net Profit	Net sales = Total sales - sales return	21.23%	19.70%	7.80%	Increase in net profit after tax
Return on capital employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax liability - Deferred tax assets	29.66%	27.26%	8.78%	Increase in revenue and profitability in last two years
Return on investment	Net fair value gain/ (loss) + net gain/ (loss) on investment + dividend income	Average investments	-	-	-	Not applicable

Note 42: The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under sections 92-92F of the Income-tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company is in the process of updating the documentation for the specified domestic transactions entered into with the specified persons and the international transactions entered into with the associated enterprises during the financial year and expects such records to be in existence before the due date of filing of income tax return. The management is of the opinion that its specified domestic transactions and international transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

Jubilant Biosys Limited
Notes to the financial statements for the year ended 31 March 2022

Note 43: Additional information

- a. There are no funds which have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Company or
 - Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- b. There are no funds which have been received by the Company from any persons or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall:
- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Funding Party or
 - Provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

The accompanying notes form an integral part of the Financial Statements

As per report of even date attached

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

For and on Behalf of the Board of Directors of
Jubilant Biosys Limited

Manish Gupta
Partner
Membership No: 095037

Place : Delhi
Date : 26 May 2022

Giuliano Perfetti
*Chief Executive Officer and
Managing Director*
DIN: 09357368
Place: Noida
Date: 26 May 2022

Prasant Kumar Deb
Whole Time Director
DIN: 09187850
Place: Noida
Date: 26 May 2022

Irfan Ali
Company Secretary
Place: Noida
Date: 26 May 2022

Benny Thomas
Chief Financial Officer
Place: Bangalore
Date: 26 May 2022