B S R & Co. LLP

Chartered Accountants

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INDEPENDENT AUDITORS' REPORT

To the Members of Jubilant LSI Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Jubilant LSI Limited ("the Company"), which comprise the Balance sheet as at 31 March 2020, and the Statement of Profit and Loss (including Other Comprehensive (loss)), Statement of Changes in Equity and Statement of Cash Flows for the period 23 October 2019 to 31 March 2020, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

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 2020, and loss and other comprehensive (loss), changes in equity and its cash flows for the period 23 October 2019 to 31 March 2020.

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 we have obtained 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' Responsibility 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, loss and other comprehensive (loss), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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.

Auditors' 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 in the financial statements made by the Management and Board of Directors.

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. (A) As required by Section 143(3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books

   c) The balance sheet, the statement of profit and loss (including other comprehensive (loss)), 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 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 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 Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigations which would impact its financial position

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the period ended 31 March 2020.

(C) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, the Company has not paid any remuneration to its directors during the current period and accordingly the requirement as stipulated under section 197(16) of the Act are not applicable to the Company.

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

Manish Gupta
Partner
Membership No: 095037
UDIN: 20095037AAAABE7865

Place: New Delhi
Date: 27 May 2020

Annexure A referred to in our Independent Auditors' Report to the members of Jubilant LSI Limited on the Financial Statements for the period 23 October 2019 to 31 March 2020

(i) According to the information and explanations given to us, the Company does not hold any fixed assets. Accordingly, paragraph 3 (i) of the Order is not applicable

(ii) According to the information and explanations given to us, the Company does not hold any inventories. Accordingly, paragraph 3 (ii) of the Order is not applicable

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, paragraph 3 (iii) of the Order is not applicable.

(iv) According to the information and explanations given to us, the Company has not granted any loans, made any investments and provided any guarantees and securities covered under Sections 185 and 186 of the Companies Act, 2013. Accordingly, paragraph 3(iv) of the Order is not applicable.

(v) According to information and explanations given to us, the Company has not accepted any deposits from the public. Accordingly, the directives issued by the Reserve Bank of India and the provision of Sections 73 to 76 or any other relevant provisions of the Act and rules framed thereunder, are not applicable.

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Act for activities carried out by the Company. Accordingly, paragraph 3(vi) of the Order is not applicable to the Company.

(vii) (a) 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 amounts that were required to be deducted/ accrued in the books of account in respect of statutory dues. Accordingly, paragraph 3(vii)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, there are no dues in respect income-tax, sales-tax, service tax, duty of custom, duty of excise, goods and services tax and value added tax which have not been deposited with the appropriate authorities on account of any dispute.

(viii) According to the information and explanations given to us, the Company does not have any loans or borrowings from bankers, financial institutions, government or dues to debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.

(ix) According to the information and explanations given to us, the Company has no term loans. Further, the company has not raised any money by way of initial public offer / further public offer (including debts instruments) during the period. Accordingly, paragraph 3(ix) of the Order is not applicable.

(x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period.

(xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not paid/provided for managerial remuneration. Accordingly, paragraph 3(xi) of the Order is not applicable to the Company

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the 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. Further, according to the information and explanations given to us and based on our examination of the records of the Company, provision of Section 177 of the Act are not applicable to the Company.

(xiv) According to the information and explanation given to us and based on 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 period. Accordingly, paragraph 3(xiv) of the Order is not applicable.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

(xvi) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

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

Manish Gupta
Partner
Membership No: 095037
UDIN: 20095037AAAABE7865

Place: New Delhi
Date: 27 May 2020

Annexure B to the Independent Auditors' report on the financial statements of Jubilant LSI Limited for the period 23 October 2019 to 31 March 2020.

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 LSI Limited ("the Company") as of 31 March 2020 in conjunction with our audit of the financial statements of the Company for the period 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 2020, 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.

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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial 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
Firm Registration No.: 101248W/W-100022

Manish Gupta
Partner
Membership No: 095037
UDIN: 20095037AAAABE7865

Place: New Delhi
Date: 27 May 2020

Jubilant LSI Limited

Ind AS financial statements

March 2020

Jubilant LSI Limited

Balance Sheet as at 31 March 2020

	Notes	(₹ in thousands) As at 31 March 2020
ASSETS		
Current assets		
Financial assets		
i. Cash and cash equivalents	3	500
Total current assets		**500**
Total assets		**500**
EQUITY AND LIABILITIES		
Equity	4	
Equity share capital		500
Other equity		(1,657)
Total equity		**(1,157)**
Liabilities		
Current liabilities		
Financial liabilities		
i. Trade payables	6	
Total outstanding dues to micro enterprises and small enterprises		-
Total outstanding dues of creditors other than micro enterprises and small enterprises		1,657
Total current liabilities		**1,657**
Total liabilities		**1,657**
Total equity and liabilities		**500**

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
ICAI Firm registration number: 101248W/W-100022

For and on behalf of the Board of Directors of **Jubilant LSI Limited**

Manish Gupta
Partner
Membership No: 095037

Rajesh Kumar Srivastava
Director
DIN: 02215055

Arun Kumar Sharma
Director
DIN: 06991435

Place : New Delhi
Date : 27 May 2020

Place: Noida
Date: 27 May 2020

Jubilant LSI Limited

Statement of Profit and Loss for the period 23 October 2019 to 31 March 2020

(₹ in thousands)

	Notes	For the period 23 October 2019 to 31 March 2020
Income		
Revenue from operations		-
Other income		-
Total income		**-**
Expenses		
Other expenses	7	1,657
Total expenses		**1,657**
Profit/(loss) before tax		**(1,657)**
Tax expense		-
Profit/(loss) after tax		**(1,657)**
Other comprehensive (loss)		**-**
Total comprehensive income/(loss) for the period		**(1,657)**
Loss per equity share of ₹ 1 each	12	
Basic (₹)		(3.31)
Diluted (₹)		(3.31)

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
ICAI Firm registration number: 101248W/W-100022

For and on behalf of the Board of Directors of **Jubilant LSI Limited**

Manish Gupta
Partner
Membership No: 095037

Rajesh Kumar Srivastava
Director
DIN: 02215055

Arun Kumar Sharma
Director
DIN: 06991435

Place : New Delhi
Date : 27 May 2020

Place: Noida
Date: 27 May 2020

Jubilant LSI Limited

Statement of changes in equity for the period 23 October 2019 to 31 March 2020

A) Equity share capital	**(₹ in thousands)**
Issued during the period	500
Balance as at 31 March 2020	**500**

B) Other equity	**(₹ in thousands)**
Retained earnings	
Loss for the period	(1,657)
Balance as at 31 March 2020	**(1,657)**

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
ICAI Firm registration number: 101248W/W-100022

For and on behalf of the Board of Directors of **Jubilant LSI Limited**

Manish Gupta
Partner
Membership No: 095037

Rajesh Kumar Srivastava
Director
DIN: 02215055

Arun Kumar Sharma
Director
DIN: 06991435

Place : New Delhi
Date : 27 May 2020

Place: Noida
Date: 27 May 2020

Jubilant LSI Limited

Statement of Cash Flows for the period 23 October 2019 to 31 March 2020

(₹ in thousands)

	For the period 23 October 2019 to 31 March 2020
A. Cash flow from operating activities	
(Loss) before tax	(1,657)
Increase in trade payables	1,657
Net cash generated from operating activities	**-**
B. Cash flow from investing activities	**-**
C. Cash flow from financing activities	
Proceeds from issue of share capital	500
Net cash generated from financing activities	**500**
Net increase in cash and cash equivalents (A+B+C)	**500**
Add: cash and cash equivalents at the beginning of period	-
Cash and cash equivalents at the end of the year	**500**
Components of cash and cash equivalents	
Balances with banks:	
- On current accounts	**500**

Notes:

Statement of Cash Flows has been prepared under the indirect method as set out in the Ind AS 7 "Statement of Cash Flows".

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

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

For and on behalf of the Board of Directors of **Jubilant LSI Limited**

Manish Gupta
Partner
Membership No: 095037

Rajesh Kumar Srivastava
Director
DIN: 02215055

Arun Kumar Sharma
Director
DIN: 06991435

Place : New Delhi
Date : 27 May 2020

Place: Noida
Date: 27 May 2020

Jubilant LSI Limited
Notes to the financial statements for the period 23 October 2019 to 31 March 2020

Note 1. Corporate Information

Jubilant LSI Limited ("the Company") is a public limited company domiciled in India and incorporated under the provisions of Companies Act, 2013. The registered office of the Company is situated at Bhartiagram, Gajraula, District Amroha, Uttar Pradesh – 244223. The Company was incorporated on 23 October 2019 to undertake the business of life science ingredients. Also refer note no. 11.

Note 2. Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. The Company has adopted Ind AS 116 "Leases" and Appendix C, "Uncertainty over Income Tax Treatments", to Ind AS 12, Income which did not have any impact on the financial position or performance of the Company.

(a) Basis of preparation

(i) *Statement of compliance*

These Financial Statements ("financial statements") have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013, ("the Act"), relevant provisions of the Act and other accounting principles generally accepted in India. All the amounts included in the financial statements are reported in thousands of Indian Rupees ('Rupees' or '₹') and are rounded to the nearest thousands, except per share data and unless stated otherwise.

The financial statements have been authorised for issue by the Company's Board of Directors on 27 May 2020

(ii) *Historical convention*

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

(b) Current versus non-current classification

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

An asset is treated as current when:

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

The Company classifies all other assets as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle for the purpose of current-non-current classification of assets and liabilities.

(c) Financial instrument

A Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVPL)
- Equity instruments measured at fair value through other comprehensive income (FVOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if the asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

Debt instrument at FVOCI

A 'debt instrument' is classified as at the FVOCI if the objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and the asset's contractual cash flows represent SPPI.

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

Debt instrument at FVPL

FVPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVOCI, is classified as at FVPL. In addition, at initial recognition, the Company may irrevocably elect to designate a debt instrument, which otherwise meets amortised cost or FVOCI criteria, as at FVPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

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

Equity investments

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

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

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

Investments in subsidiaries

Equity investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

Impairment of financial assets

The Company recognizes loss allowance using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all financial assets with contractual cash flows other than trade receivable, ECLs are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of ECL (or reversal) that is required to adjust the loss allowance at the reporting date is recognised as an impairment gain or loss in the Statement of Profit and Loss.

Derecognition of financial assets

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

- The rights to receive cash flows from the asset have expired, or

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

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

Financial liabilities

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

Derecognition of financial liabilities

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

Derivative financial instruments

The Company uses various types of derivative financial instruments to hedge its currency and interest risk etc. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Offsetting

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

(d) 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.

(e) 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.

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.

(f) Income tax

Income tax expense comprises current and deferred tax. It is recognized in profit or loss except to the extent that it relates to a business combination, or items recognized 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 that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

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

- **Deferred tax:**

  Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for

  - temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;

  - temporary differences related to 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

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

  Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

  Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at 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 relies the asset and settle the liability on a net basis or simultaneously.

Effective 1 April 2019, the Company has adopted Appendix C of IND AS 12, "Uncertainty over Income Tax treatments" which clarifies how the recognition and measurement requirements of IND AS 12 "Income taxes", are applied where there is uncertainty over income tax treatments. There is no significant impact on account of adoption of this amendment.

(g) Earnings per share

(i) *Basic earnings per share*

Basic earnings per share is calculated by dividing:

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

(ii) *Diluted earnings per share*

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

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

(h) Measurement of fair values

A number of the accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

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

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

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

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

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

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. Further information about the assumptions made in measuring fair values used in preparing these financial statements is included in the respective notes.

Note 3: Cash and cash equivalents

(₹ in thousands)

	As at 31 March 2020
Balances with banks	
- in current account	500
Total cash and cash equivalents	**500**

Note 4: Equity share capital

(₹ in thousands)

(a) Equity share capital	As at 31 March 2020
Authorised	
200,000,000 equity shares of ₹ 1 each	200,000
Issued, subscribed and fully paid up	
500,000 equity shares of ₹ 1 each	500

(b) Reconciliation of the number of shares outstanding as at beginning and at end of reporting period

	As at 31 March 2020	
	Number of shares held	(₹ in thousands)
Shares issued during the period	500,000	500
Number of shares at the end of the period	**500,000**	**500**

(c) Term/Rights attached to equity shares

The Company has only one class of shares referred to as equity shares having par value of ₹ 1 each. Holder of each equity share is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(d) Equity shares held by holding company is set out below

	As at 31 March 2020 Number of shares held
Jubilant Life Sciences Limited	500,000 *

* All the shares are held by Jubilant Life Sciences Limited (the holding company) singly, except 6 shares, each of which is held jointly with one Individual as second named shareholder.

(e) Details of shareholders holding more than 5% shares in the Company

	As at 31 March 2020	
Equity shares of ₹ 1 each fully paid-up held by	**Number of shares held**	**% of total shares**
Jubilant Life Sciences Limited	500,000 *	100%

* All the shares are held by Jubilant Life Sciences Limited (the holding company) singly, except 6 shares, each of which is held jointly with one Individual as second named shareholder.

Note 5: Nature and purpose of other equity

Retained earnings
Retained earnings represent the amount of accumulated earnings of the Company

Other equity

Retained earnings	**(₹ in thousands)**
Loss for the period	(1,657)
Balance as at 31 March 2020	**(1,657)**

Note 6: Trade payables

	(₹ in thousands) **As at 31 March 2020**
Total outstanding dues of micro enterprises and small enterprises	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,657
Total trade payables	**1,657**
Amount payable to related party included in the above (refer note no.8)	1,657

Note 7: Other expenses

(₹ in thousands)

	For the period 23 October 2019 to 31 March 2020
Rates and taxes	1,632
Payments to statutory auditors (refer note 7(a) below)	25
Total other expenses	**1,657**

Note 7(a): Details of payments to statutory auditors (excluding applicable taxed and out of pocket expenses)

(₹ in thousands)

	For the period 23 October 2019 to 31 March 2020
As auditor:	
For statutory audit	25
Total payments to statutory auditors	**25**

Note 8: Related Party Disclosures

1. **Related parties where control exists or with whom transactions have taken place.**

1. Name of the Related Parties

Particulars	**As at 31 March 2020**
Holding Company	Jubilant Life Sciences Limited
Key Managerial Persons	Mr. Rajesh Kumar Srivastava
	Mr. Anant Pande
	Mr. Arun Kumar Sharma

2. Transaction with Related Party **(₹ in thousands)**

Particulars	**Holding Company**	**Total**
Expenses Reimbursement : Jubilant Life Sciences Limited	1,657	1,657
Issue of equity share capital Jubilant Life Sciences Limited	500*	500*

*includes 1 share each issued to Key Managerial Personnel Mr. Anant Pande and Mr. Arun Kumar Sharma which are held by them jointly with Jubilant Life Sciences Limited (the holding company)

3. Outstanding balances with Related Party **(₹ in thousands)**

Particulars	Holding Company	Total
Trade Payable: Jubilant Life Sciences Limited	1,657	1,657
Share Capital: Jubilant Life Sciences Limited	500*	500*

*includes 1 share each held with Key Managerial Person i.e. Mr. Rajesh Kumar Srivastava (Also refer # below) and Mr. Arun Kumar Sharma which are held by them jointly with Jubilant Life Sciences Limited (the holding company) as on 31 March 2020.

During the period, 1 share held originally issued to Key Managerial Personnel i.e. Mr. Anant Pande was transferred to Mr. Rajesh Kumar Srivastava

Note 9: Fair value measurements

(₹ in thousands)

	Note	31 March 2020		
		FVPL	**FVOCI**	**Amortised cost**
Financial assets				
Cash and cash equivalents	(a)	-	-	500
Total financial assets		**-**	**-**	**500**
Financial liabilities				
Trade payables	(a)	-	-	1,657
Total financial liabilities		**-**	**-**	**1,657**

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.

Note 10: Segment Reporting

Based on the guiding principles given in the Ind AS 108 on “Operating Segments”, the Company is of opinion that its primary business segment is Life Sciences Ingredients. As the Company’s business activity falls within a single primary segment, the disclosure requirements of the said of Ind AS 108 in this regard are not applicable.

Note 11. During the period ended 31 March 2020, the Holding Company Jubilant Life Sciences Limited has filed with BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) the Composite Scheme of Arrangement for amalgamation of certain promoter controlled entities into the Holding Company and Demerger of the Life Science Ingredients business into the Company which shall be listed on both the stock exchanges with a mirror shareholding. Upon receipt of no objection letters from BSE and NSE, in January 2020 the Holding Company has filed application for approval of the composite scheme of arrangement with National Company Law Tribunal, Allahabad Bench. Pending approvals and other compliances, the financial statements of the company does not contain any impact of the composite scheme.

Note 12. Earnings per share

(₹ in thousands)

		For the period 23 October 2019 to 31 March 2020
(Loss) for basic and diluted earnings per share of ₹ 1 each	**₹ in thousands**	**(1,657)**
Weighted average number of equity shares used in computing loss per share:		
No. of shares for basic earnings per share	Nos.	500,000
No. of shares for diluted earnings per share	Nos.	500,000
Loss per share (face value of ₹ 1 each)		
Basic		(3.31)
Diluted		(3.31)

Note 13 This being the first year of operations of the Company, previous year figures are not applicable.

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
ICAI Firm registration number: 101248W/W-100022

For and on behalf of the Board of Directors of **Jubilant LSI Limited**

Manish Gupta
Partner
Membership No: 095037

Rajesh Kumar Srivastava
Director
DIN: 02215055

Arun Kumar Sharma
Director
DIN: 06991435

Place : New Delhi
Date : 27 May 2020

Place: Noida
Date: 27 May 2020