Jubilant Pharma Limited
Condensed Consolidated Statement of Financial Position
(All amounts in USD, unless otherwise stated)

	As at 30 June 2019	As at 31 March 2019
ASSETS		
Non-current assets		
Property, plant and equipment	285,028,196	284,219,860
Goodwill	166,441,053	164,512,897
Other intangible assets	112,632,788	111,523,883
Right-of-use assets	19,635,704	-
Other financial assets	48,139,950	48,053,224
Income tax assets	1,757,634	1,340,901
Deferred tax assets (net)	23,287,355	22,841,583
Other non-current assets	6,001,350	2,880,355
Total non-current assets	**662,924,030**	**635,372,703**
Current assets		
Inventories	140,992,766	124,367,552
Trade receivables	102,852,265	116,797,767
Other financial assets	60,127,419	59,415,406
Income tax assets	965,499	2,044
Other current assets	26,475,334	26,646,565
Cash and cash equivalents	127,207,129	90,289,248
Total current assets	**458,620,412**	**417,518,582**
Total assets	**1,121,544,442**	**1,052,891,285**
EQUITY AND LIABILITIES		
Equity		
Equity share capital	326,758,994	326,758,994
Merger reserve	(68,787,724)	(68,787,724)
Retained earnings	230,989,082	211,093,389
Foreign currency translation reserve	(42,080,810)	(49,230,721)
Other components of equity	(11,812,534)	(11,826,522)
Total equity	**435,067,008**	**408,007,416**
LIABILITIES		
Loans and borrowings	509,002,324	495,850,697
Employee benefits	3,740,071	3,592,780
Deferred tax liabilities (net)	23,892,661	20,467,528
Provisions	2,191,519	2,186,758
Other non-current liabilities	1,340,067	1,404,724
Total non-current liabilities	**540,166,642**	**523,502,487**
Current liabilities		
Loans and borrowings	19,343,557	9,954,511
Employee benefits	23,062,051	19,482,273
Trade payables	79,857,295	66,370,963
Other financial liabilities	11,227,382	11,571,525
Income tax liabilities	858,658	3,049,000
Provisions	3,343,547	3,074,887
Other current liabilities	8,618,302	7,878,223
Total current liabilities	**146,310,792**	**121,381,382**
Total liabilities	**686,477,434**	**644,883,869**
Total equity and liabilities	**1,121,544,442**	**1,052,891,285**

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

Jubilant Pharma Limited
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
(All amounts in USD, unless otherwise stated)

	Quarter ended 30 June 2019	**Quarter ended 30 June 2018**
Revenue from operations	190,040,223	176,472,199
Other income	15,586	2,514,588
Total income	**190,055,809**	**178,986,787**
Cost of materials consumed	(52,175,121)	(51,983,496)
Purchases of stock-in-trade	(2,679,903)	(3,259,731)
Changes in inventories of finished goods, stock-in-trade and work-in-progress	9,407,181	11,756,953
Employee benefits expense	(57,884,673)	(52,676,635)
Depreciation, amortisation and impairment	(11,240,228)	(9,853,712)
Other expenses	(40,968,596)	(31,974,853)
Finance income	1,900,334	1,127,606
Finance costs	(7,413,614)	(4,063,838)
Change in fair value of debt instrument at FVPL	-	(3,270,000)
Profit before tax	**29,001,189**	**34,789,081**
Income tax expense	(9,105,496)	(11,019,348)
Profit for the period	**19,895,693**	**23,769,733**
Other comprehensive income/(loss)		
Items that will be reclassified to profit or loss		
Exchange differences on translation of foreign operations	6,952,811	(20,537,986)
Income tax relating to items that will be reclassified to profit or loss	197,100	-
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit obligations	21,501	114,286
Income tax relating to items that will not be reclassified to profit or loss	(7,513)	(39,936)
Other comprehensive income for the period, net of tax	**7,163,899**	**(20,463,636)**
Total comprehensive income for the period	**27,059,592**	**3,306,097**

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

Jubilant Pharma Limited
Condensed Consolidated Statement of Changes in Equity
(All amounts in USD, unless otherwise stated)

	Attributable to owners of the Company						
	Equity share capital **	**Merger reserve #**	**Other capital reserve # #**	**Remeasurements of defined benefit obligations @@**	**Foreign currency translation reserve ^**	**Retained earnings**	**Total equity**
At 1 April 2018	**326,758,994**	**(68,787,724)**	**(11,441,561)**	**(444,282)**	**(22,222,177)**	**160,303,396**	**384,166,646**
Total comprehensive (loss)/income for the period							
Profit for the period	-	-	-	-	-	23,769,733	23,769,733
Other comprehensive (loss)/income for the period, net of tax	-	-	-	74,350	(20,537,986)	-	(20,463,636)
Total comprehensive (loss)/income for the period	**-**	**-**	**-**	**74,350**	**(20,537,986)**	**23,769,733**	**3,306,097**
At 30 June 2018	**326,758,994**	**(68,787,724)**	**(11,441,561)**	**(369,932)**	**(42,760,163)**	**184,073,129**	**387,472,743**
At 1 April 2019	**326,758,994**	**(68,787,724)**	**(11,441,561)**	**(384,961)**	**(49,230,721)**	**211,093,389**	**408,007,416**
Total comprehensive (loss)/income for the period							
Profit for the period	-	-	-	-	-	19,895,693	19,895,693
Other comprehensive (loss)/income for the period, net of tax	-	-	-	13,988	7,149,911	-	7,163,899
Total comprehensive (loss)/income for the period	**-**	**-**	**-**	**13,988**	**7,149,911**	**19,895,693**	**27,059,592**
At 30 June 2019	**326,758,994**	**(68,787,724)**	**(11,441,561)**	**(370,973)**	**(42,080,810)**	**230,989,082**	**435,067,008**

** No. of shares as at 30 June 2019 and 31 March 2019 is 326,758,994. There is no change in the number of shares during the current period. All issued ordinary shares are fully paid. There is no par value for these ordinary shares. The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at general meetings of the Company.

\# Represents difference between the consideration and carrying amount of net assets/liabilities for transactions among entities under common control to transfer out/in of any business or shares of entities under common control.

\#\# Primarily represents effect of transactions with shareholders (other than those accounted for in merger reserve).

@@ Remeasurement of defined benefit obligations comprises actuarial gains and losses and return on plan assets

^ Exchange differences arising on translation of foreign operations are recognised in other comprehensive income and accumulated in a separate reserve within the equity. The cumulative amount is reclassified to profit or loss when the Group dispose or partially dispose off its interest in a foreign operation through sale, liquidation, repayment of share capital or abandonment of all, or part of, that entity.

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

Jubilant Pharma Limited
Condensed Consolidated Statement of Cash Flows
(All amounts in USD, unless otherwise stated)

Particulars	Quarter ended 30 June 2019	Quarter ended 30 June 2018
A. Cash flow from operating activities		
Profit before tax	29,001,189	34,789,081
Adjustments for:		
Depreciation, amortization and impairment	11,240,228	9,853,712
Unrealised foreign exchange loss/(gain), net	568,380	(1,318,976)
Finance income	(1,900,334)	(1,127,606)
Finance costs	7,413,614	4,063,838
Change in fair value of debt instrument at FVPL	-	3,270,000
(Gain)/loss on disposal of property, plant and equipment (net)	(191)	15,671
Operating cash flow before working capital changes	**46,322,886**	**49,545,720**
Decrease in trade receivable	14,596,695	16,268,805
(Increase)/decrease in other assets including other financial assets	(51,377)	5,791,808
Increase in inventories	(16,141,003)	(11,855,994)
Increase/(decrease) in trade payables	12,842,234	(7,439,916)
Increase/(decrease) in other liabilities including other financial liabilities	4,724,158	(823,264)
Cash generated from operations	**62,293,593**	**51,487,159**
Income taxes paid (net of refund)	(9,766,122)	(14,594,358)
Net cash generated from operating activities	**52,527,471**	**36,892,801**
B. Cash flows from investing activities		
Acquisition of property, plant and equipment and other intangible assets	(14,078,760)	(13,013,698)
Proceeds from disposal of property, plant and equipment	257,442	64,215
Acquisition of business	-	(1,462,353)
Interest received	644,772	177,834
Net cash used in investing activities	**(13,176,546)**	**(14,234,002)**
C. Cash flow from financing activities		
Payment of lease liabilities	(1,331,023)	(475,727)
Proceeds from/(repayments of) short term loans repayable on demand, net	4,888,812	(2,628,758)
Repayments of short term loans to related parties, net	-	(1,045,869)
Finance costs paid	(7,934,273)	(7,610,163)
Net cash used in financing activities	**(4,376,484)**	**(11,760,517)**
Net increase in cash and cash equivalents (A+B+C)	**34,974,441**	**10,898,282**
Effect of exchange rate changes	1,943,440	(705,269)
Cash and cash equivalents at the beginning of the period	90,289,248	27,086,489
Cash and cash equivalents at the end of the period	**127,207,129**	**37,279,502**

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

Note 1. Corporate information

Jubilant Pharma Limited ("JPL, Singapore" or "the Company") is incorporated and domiciled in Singapore. The address of its registered office is 80 Robinson Road, #02-00 Singapore 068898. The address of its principal place of business is 6 Temasek Boulevard, #20-06 Suntec Tower Four, Singapore 038986. These condensed consolidated interim financial statements comprise the Company and its subsidiaries (including partnerships) (collectively hereinafter referred to as "the Group").

Jubilant Life Sciences Limited ("Jubilant India") is the immediate and ultimate holding company of JPL, Singapore.

Jubilant Pharma Limited through its subsidiaries in United States, Canada, Europe, Asia and other geographies is engaged in manufacturing and marketing of various pharmaceutical products and services like active pharmaceutical ingredients, dosage forms (tablets and capsules), contract manufacturing of sterile injectables, allergy therapy products and radiopharmaceutical products in various markets spread over United States, Canada, Europe, Asia and other geographies identified on the basis of revenue earned.

Note 2. Basis of accounting

These condensed consolidated interim financial statements have been prepared in accordance with the recognition and measurement principles of IAS 34 *Interim Financial Reporting*, and should be read in conjunction with the Group's last annual consolidated financial statements as at and for the year ended 31 March 2019 ('last annual financial statements'). They do not include all of the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements.

Note 3. Significant accounting policies

The accounting policies applied in these condensed consolidated interim financial statements are same as those applied in the last annual financial statements, except for the adoption of newly issued accounting standard as set out below:

Leases

Group as a lessee

In January 2016, International Accounting Standards Board issued IFRS 16 "Leases", which is effective for annual reporting periods beginning on or after 1 January 2019. IFRS 16 replaces existing leases guidance, including IAS 17 *Leases*, IFRIC 4 *Determining whether an Arrangement contains a Lease*, SIC-15 *Operating Leases – Incentives* and SIC-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

The Group's lease asset classes primarily consist of leases for buildings and vehicles. The Group 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 Group assesses whether: (1) the contact involves the use of an identified asset; (2) the Group has substantially all of the economic benefits from use of the asset through the period of the lease; and (3) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group 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 Group 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.

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 Condensed Consolidated Statement of Profit and Loss.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates based on information available as at the date of commencement of the lease. Lease liabilities are remeasured with a corresponding adjustment to the related right-of-use asset if the Group 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 Condensed Consolidated Statement of Financial Position and lease payments have been classified as financing cash flows.

Transition

Effective 1 April 2019, the Group adopted IFRS16 “Leases” applied to all lease contracts existing on 1 April 2019 using the modified retrospective approach on the date of initial application. Consequently, the Group recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right-of-use asset an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position immediately before the date of initial application. Comparatives have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our last annual financial statements.

On transition, the adoption of new standard resulted in recognition of right-of-use assets of USD 17,347,615 and lease liabilities of USD 17,055,619 with no material impact on the equity. On application of IFRS 16, the nature of expenses has changed from lease rent in previous periods to depreciation expense for the right-to-use asset and finance cost for interest accrued on lease liability. The effect of this adoption is insignificant on the profit for the period. IFRS16 will result in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

For transition, the Group has elected not to apply the requirements of IFRS 16 to leases which are expiring within 12 months from the date of transition on a lease-by-lease basis. The Group also used practical expedient and therefore, did not reassess, under IFRS 16, whether a contracts is, or contains, a lease at the date of initial application. Further, as a practical expedient, on a lease-by-lease basis, the Group relied on its assessment as at 31 March 2019 as to whether leases are onerous applying IAS 37, Provisions, Contingent Liabilities and Contingent Assets, as an alternative to performing an impairment review. The Group has used a single discount rate to a portfolio of leases with similar characteristics. For leases that were classified as finance leases applying IAS 17, the carrying amount of the right-of-use asset and the lease liability at the date of initial application is the carrying amount of the lease asset and lease liability immediately before that date measured applying IAS 17. For those leases, the Group has accounted for the right-of-use asset and the lease liability applying IFRS 16 from the date of initial application.

IFRIC 23, Uncertainty over Income Tax treatments

Effective 1 April 2019, the Group has adopted IFRS interpretation IFRIC 23 “Uncertainty over Income Tax treatments” which clarifies how the recognition and measurement requirements of IAS 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.

Note 4. Use of judgments and estimates

In preparing these condensed consolidated interim financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgments made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 March 2019. Further, the adoption of IFRS 16 with effect from 1 April 2019 requires the management to make following judgments and estimates:

Leases - Group as a lessee

IFRS16 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 Group 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 Group 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 Group’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. Further, IFRS 16 requires the Group to make an assessment of the incremental borrowing rate if the interest rate implicit in the lease is not readily determinable.

Note 5. Recent accounting pronouncements

Standards issued but not adopted

IFRS 3, Business combinations

In October 2018, the IASB issued amendments to IFRS 3 – “Business Combinations” regarding the definition of a “Business”. The amendments:

- clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs;
- narrow the definitions of a business and of outputs by focusing on goods and services provided to customers and by removing the reference to an ability to reduce costs;
- add guidance and illustrative examples to help entities assess whether a substantive process has been acquired;
- remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs; and
- add an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business.

The above amendments are effective for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2020. The Group is currently in the process of evaluating the impact of this change on its condensed consolidated interim financial statements.

Note 6. Loans and borrowings (current and non-current)

	Face value	Carrying amount
Balance as at 1 April 2019		**505,805,208**
Additions		
- New leases	18,547,959	18,547,959
- Short term loans repayable on demand, net	4,888,812	4,888,812
Repayments		
- Lease obligations	(1,331,023)	(1,331,023)
Others		
- Amortisation of transaction costs	-	362,408
- Foreign currency translation adjustment	-	72,517
Balance as at 30 June 2019		**528,345,881**

Note 7. Fair value measurements

			As at 30 June 2019			As at 31 March 2019		
	Note	**Level of hierarchy**	**FVPL**	**FVOCI**	**Amortised cost**	**FVPL**	**FVOCI**	**Amortised cost**
Financial assets								
Trade receivables	(a)		-	-	102,852,265	-	-	116,797,767
Cash and cash equivalents	(a)		-	-	127,207,129	-	-	90,289,248
Other financial assets	(d),(e)	3	-	-	108,267,369	-	-	107,468,630
Total financial assets			**-**	**-**	**338,326,763**	**-**	**-**	**314,555,645**
Financial liabilities								
Loans and borrowings - Bonds	(c),(e)	1	-	-	495,053,539	-	-	494,691,131
Loans and borrowings - Others	(a),(b)		-	-	33,292,342	-	-	11,114,077
Trade payables	(a)		-	-	79,857,295	-	-	66,370,963
Employee benefits	(a),(b)		-	-	22,487,927	-	-	18,945,316
Other financial liabilities	(a)		-	-	11,227,382	-	-	11,571,525
Total financial liabilities			**-**	**-**	**641,918,485**	**-**	**-**	**602,693,012**

Valuation techniques and significant unobservable inputs

The following table shows the valuation techniques used in measuring Level 3 fair values of loans and borrowings, as well as the significant unobservable inputs used.

Financial instruments not measured at fair value

The following table shows the valuation techniques and the significant unobservable inputs used in determination of fair value of the Level 3 financial instruments not measured at fair value:

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Other financial assets (loan to related parties)	*Discounted cash flows:* The valuation model considers the present value of expected receipts discounted using an adjusted discount rate	Adjusted discount rate 9.16% (31 March 2019: 8.40%)	The estimated fair value would increase (decrease) if the adjusted discount rate was lower (higher)

Note:

(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 liabilities has not been disclosed as there is no significant difference between carrying value and fair value.

(c) Fair value of loans and borrowings is as below:

	Level of hierarchy	Fair value	
		As at 30 June 2019	As at 31 March 2019
Bonds	**1**	503,658,000	502,415,000

Reconciliation of convertible debt instrument measured at fair value using level 3 of fair value hierarchy is as below:

	30 June 2019	31 March 2019
Opening balance	-	96,900,000
Loss recognised in profit or loss	-	39,900,000
Repayment	-	(136,800,000)
Closing balance	-	-

(d) Fair value of other financial assets is as below:

	Level of hierarchy	Fair value	
		As at 30 June 2019	As at 31 March 2019
Other financial assets #	**3**	107,632,901	107,580,082

The fair value of other financial assets is based upon a discounted cash flow analysis that uses the aggregate cash flows from principal and finance income over the life of the asset and current market interest rates.

(e) There are no transfers between level 2 and level 3.

Note 8. Income tax expense

Income tax expense is recognised at an amount determined by multiplying the profit (loss) before tax for the interim reporting period by management's best estimate of the weighted-average annual income tax rate expected for the full financial year, adjusted for the tax effect of certain items recognised in full in the interim period. As such, the effective tax rate in the condensed consolidated interim financial statements may differ from management's estimate of the effective tax rate for the annual financial statements.

Reconciliation between average effective tax rate and average applicable tax rate:

	Quarter ended 30 June 2019	**Quarter ended 30 June 2018**
Profit from continuing operations before income tax expense	29,001,189	34,789,081
Average applicable tax rate	25.46%	31.54%
Tax at average applicable tax rate	7,384,787	10,971,818
Tax effect of amounts which are not deductible (taxable) in calculating taxable income		
Incremental allowance for research and development	185,148	(654,717)
Effect of state taxes	310,380	93,649
Change in tax rate	(2,196)	150,419
Unrecognised deferred tax on business loss	558	20,238
Non-deductible expenses	1,080,127	1,064,000
Others	146,692	(626,059)
	9,105,496	**11,019,348**

Note 9. Subsequent events

The board of directors of the Company at its meeting held on 22 July 2019 declared an interim dividend amounting to USD 10,456,286 to the shareholder of the Company.