

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

	As at 30 June 2020	As at 31 March 2020
ASSETS		
Non-current assets		
Property, plant and equipment	274,949,482	275,146,402
Goodwill	163,162,002	160,044,663
Other intangible assets	106,498,068	102,771,955
Right-of-use assets	22,681,224	22,000,198
Other financial assets	44,261,036	44,064,915
Income tax assets	1,304,851	1,225,622
Deferred tax assets (net)	31,597,675	29,291,555
Other non-current assets	7,471,466	5,018,310
Total non-current assets	651,925,804	639,563,620
Current assets		
Inventories	159,995,502	147,182,493
Trade receivables	78,229,078	116,049,995
Other financial assets	36,283,510	9,843,341
Income tax assets	-	12,827
Other current assets	26,837,199	25,134,245
Cash and cash equivalents	140,527,746	138,325,966
Total current assets	441,873,035	436,548,867
Total assets	1,093,798,839	1,076,112,487
EQUITY AND LIABILITIES		
Equity		
Equity share capital	326,758,994	326,758,994
Merger reserve	(80,838,832)	(80,838,832)
Retained earnings	285,853,162	281,607,162
Foreign currency translation reserve	(76,025,798)	(86,074,016)
Other components of equity	(11,932,226)	(11,889,928)
Total equity attributable to owners of the Company	443,815,300	429,563,380
LIABILITIES		
Loans and borrowings	396,984,933	396,686,285
Lease liabilities	15,777,728	14,845,110
Employee benefits	4,341,594	4,055,982
Deferred tax liabilities (net)	29,869,975	28,946,524
Provisions	5,289,188	5,034,380
Other non-current liabilities	1,118,357	1,095,657
Total non-current liabilities	453,381,775	450,663,938
Current liabilities		
Loans and borrowings	56,190,649	44,208,228
Lease liabilities	5,676,405	5,769,408
Employee benefits	30,052,692	26,380,106
Trade payables	64,532,122	68,695,898
Other financial liabilities	9,799,235	24,848,675
Income tax liabilities	14,473,098	12,114,819
Provisions	4,064,972	4,567,674
Other current liabilities	11,812,591	9,300,361
Total current liabilities	196,601,764	195,885,169
Total liabilities	649,983,539	646,549,107
Total equity and liabilities	1,093,798,839	1,076,112,487

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 2020	Quarter ended 30 June 2019
Revenue from operations	144,581,697	190,040,223
Other income	8,580	15,586
Total income	144,590,277	190,055,809
Cost of materials consumed	(32,243,185)	(52,175,121)
Purchases of stock-in-trade	(4,384,805)	(2,679,903)
Changes in inventories of finished goods, stock-in-trade and work-in-progress	4,725,289	9,407,181
Employee benefits expense	(58,069,778)	(57,884,673)
Depreciation, amortisation and impairment	(10,726,303)	(11,240,228)
Other expenses	(32,834,236)	(40,968,596)
Finance income	1,025,355	1,900,334
Finance costs	(6,300,962)	(7,413,614)
Profit before tax	5,781,652	29,001,189
Income tax expense	(1,535,652)	(9,105,496)
Profit for the period	4,246,000	19,895,693
Other comprehensive income/(loss)		
<i>Items that will be reclassified to profit or loss</i>		
Exchange differences on translation of foreign operations	9,076,655	6,952,811
Income tax relating to items that will be reclassified to profit or loss	971,563	197,100
<i>Items that will not be reclassified to profit or loss</i>		
Remeasurements of defined benefit obligations	(65,018)	21,501
Income tax relating to items that will not be reclassified to profit or loss	22,720	(7,513)
Other comprehensive income for the period, net of tax	10,005,920	7,163,899
Total comprehensive income for the period	14,251,920	27,059,592

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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
As 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 income for the period							
Profit for the period	-	-	-	-	-	19,895,693	19,895,693
Other comprehensive income for the period, net of tax	-	-	-	13,988	7,149,911	-	7,163,899
Total comprehensive income for the period	-	-	-	13,988	7,149,911	19,895,693	27,059,592
As at 30 June 2019	326,758,994	(68,787,724)	(11,441,561)	(370,973)	(42,080,810)	230,989,082	435,067,008
As at 1 April 2020	326,758,994	(80,838,832)	(11,322,840)	(567,088)	(86,074,016)	281,607,162	429,563,380
Total comprehensive (loss)/income for the period							
Profit for the period	-	-	-	-	-	4,246,000	4,246,000
Other comprehensive (loss)/income for the period, net of tax	-	-	-	(42,298)	10,048,218	-	10,005,920
Total comprehensive (loss)/income for the period	-	-	-	(42,298)	10,048,218	4,246,000	14,251,920
As at 30 June 2020	326,758,994	(80,838,832)	(11,322,840)	(609,386)	(76,025,798)	285,853,162	443,815,300

** No. of shares as at 30 June 2020 and 31 March 2020 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.

^ Exchange differences arising on translation of foreign operations and exchange differences relating to intercompany balances forming part of net investment in 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 or any inter-company balances forming part of the net investment are settled.

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 2020	Quarter ended 30 June 2019
A. Cash flow from operating activities		
Profit before tax	5,781,652	29,001,189
Adjustments for:		
Depreciation, amortization and impairment	10,726,303	11,240,228
Unrealised foreign exchange loss, net	1,010,089	568,380
Finance income	(1,025,355)	(1,900,334)
Finance costs	6,300,962	7,413,614
Loss/(gain) on disposal of property, plant and equipment (net)	638,596	(191)
Operating cash flow before working capital changes	23,432,247	46,322,886
Decrease in trade receivable	36,827,633	14,596,695
Increase in other assets including other financial assets	(3,387,532)	(51,377)
Increase in inventories	(12,252,176)	(16,141,003)
(Decrease)/increase in trade payables	(4,319,941)	12,842,234
Increase in other liabilities including other financial liabilities	5,383,905	4,724,158
Cash generated from operations	45,684,136	62,293,593
Income taxes paid (net of refund)	(729,762)	(9,766,122)
Net cash generated from operating activities	44,954,374	52,527,471
B. Cash flows from investing activities		
Acquisition of property, plant and equipment and other intangible assets	(10,419,907)	(14,078,760)
Proceeds from disposal of property, plant and equipment	504,944	257,442
Acquisition of business *	(16,954,743)	-
Loan given to related party	(1,000,000)	-
Interest received	452,070	644,772
Change in bank deposits with original maturity of more than three months	(22,160,211)	-
Net cash used in investing activities	(49,577,847)	(13,176,546)
C. Cash flow from financing activities		
Proceeds from long term loans and borrowings **	3,997,104	-
Payment of lease liabilities	(1,595,245)	(1,331,023)
Repayments of short term loans repayable on demand, net	7,927,411	4,888,812
Finance costs paid	(5,777,018)	(7,934,273)
Net cash generated from/(used in) financing activities	4,552,252	(4,376,484)
Net (decrease)/increase in cash and cash equivalents (A+B+C)	(71,221)	34,974,441
Effect of exchange rate changes	2,273,001	1,943,440
Cash and cash equivalents at the beginning of the period	138,325,966	90,289,248
Cash and cash equivalents at the end of the period	140,527,746	127,207,129

* During the quarter ended 30 June 2020, the Group paid consideration for acquisition of IBP business from Jubilant Life Sciences Limited through a Business Transfer Agreement entered into during the previous year.

** Includes revolver credit facility of Jubilant HollisterStier LLC amounting to USD 3,997,104 and USD Nil presented on net basis during the quarters ended 30 June 2020 and 30 June 2019, respectively.

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

Jubilant Pharma Limited
Notes to the condensed consolidated interim financial statements
(All amounts in USD, unless otherwise stated)

Note 1. Corporate information

Jubilant Pharma Limited (“JPL, Singapore” or “the Company” or “the Parent 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.

The Group 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 2020 (‘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.

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 2020.

The Group has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, inventories, property, plant and equipment, goodwill and intangible assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions, the Group has, as at the date of approval of these condensed consolidated interim financial statements, used internal and external sources of information, including economic forecasts and estimates from market sources, on the expected future performance of the Group. On the basis of evaluation and current indicators of future economic conditions, the Group 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 Group will continue to monitor any material changes to future economic conditions.

Jubilant Pharma Limited
Notes to the condensed consolidated interim financial statements
(All amounts in USD, unless otherwise stated)

Note 5. Recent accounting pronouncements

The Group has not applied the following new and revised IFRSs that have been issued but are not yet effective, other than the amendment to IFRS 16 for COVID-19-Related Rent Concessions where earlier application is permitted.

Amendments to IFRS 16	COVID-19-Related Rent Concessions
Amendments to IAS 1	Classification of Liabilities as Current or Non-Current
Amendments to IAS 16	Property, plant and equipment – Proceeds before intended use
Amendments to IAS 37	Onerous Contracts – Cost of Fulfilling a Contract
Amendments to IFRS 3	Reference to the Conceptual Framework
Annual Improvements to IFRS Standards 2018-2020	IFRS 9 and IFRS 16

IFRS 16 – COVID-19-Related Rent Concessions

In May 2020, International Accounting Standards Board (IASB) issued COVID-19-Related Rent Concessions, which provide lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification. It requires lessees that apply the exemption to account for COVID-19-related rent concessions as if they were not lease modifications. Lessees need to disclose that fact and need to apply the exemption retrospectively in accordance with IAS 8, but they do not require to restate prior period numbers. The practical expedient is available only for lease payments originally due upto June 2021. This amendment is effective for annual reporting period beginning on or after 1 June 2020, although early adoption is permitted. The Group has applied the amendment effective 1 April 2020 with no significant impact on the condensed consolidated interim financial statements.

IAS 1 – Classification of Liabilities as Current or Non-Current

In January 2020, IASB issued the final amendments in Classification of Liabilities as Current or Non-Current, which affect only the presentation of liabilities in the statement of financial position. They clarify that classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the "right" to defer settlement by at least twelve months. The classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability. They make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services. This amendment is effective for annual reporting period beginning on or after 1 January 2022, although early adoption is permitted. The Group does not expect the amendment to have any significant impact on its presentation of liabilities in its condensed consolidated interim financial statements.

IAS 16 – Property, plant and equipment - Proceeds before intended use

In May 2020, IASB amended IAS 16, which 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. This amendment is effective for annual reporting period beginning on or after 1 January 2022, although early adoption is permitted. The Group does not expect the amendment to have any significant impact on its recognition of its property, plant and equipment in its condensed consolidated interim financial statements.

IAS 37 – Onerous Contracts - Cost of Fulfilling a Contract

In May 2020, IASB issued Onerous Contracts - Cost of Fulfilling a Contract, which specify that 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. This amendment is effective for annual reporting period beginning on or after 1 January 2022, although early adoption is permitted. The Group does not expect the amendment to have any significant impact on its condensed consolidated interim financial statements.

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IFRS 3 – Reference to the Conceptual Framework

In May 2020, IASB published Reference to Conceptual Framework, that update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework; add to IFRS 3 a requirement that, for transactions and other events within the scope of IAS 37 or IFRIC 21, an acquirer applies IAS 37 or IFRIC 21 (instead of the Conceptual Framework) to identify the liabilities it has assumed in a business combination; and add to IFRS 3 an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination. These changes do not significantly change the requirements of IFRS 3. This amendment is effective for annual reporting period beginning on or after 1 January 2022, although early adoption is permitted. The Group does not expect the amendment to have any significant impact on its condensed consolidated interim financial statements.

IFRS 9 – Annual Improvements to IFRS Standards - 2018-2020

In May 2020, IASB amended IFRS 9 as part of its Annual Improvements to IFRS Standards 2018-2020. The amendment clarifies which fees an entity includes when it applies the ‘10 percent’ test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognise a financial liability. This amendment is effective for annual reporting period beginning on or after 1 January 2022, although early adoption is permitted. The Group does not expect the amendment to have any significant impact on its recognition of its condensed consolidated interim financial statements.

IFRS 16 – Annual Improvements to IFRS Standards - 2018-2020

In May 2020, IASB issued an amendment to Illustrative Example 13 accompanying IFRS 16, as part of its Annual Improvements to IFRS Standards - 2018-2020, which removes from the example 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 are illustrated in that example. The amendment is only as regards the Illustrated Example, therefore, no effective date is stated. The Group does not expect the amendment to have any significant impact on its recognition of its condensed consolidated interim financial statements.

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

	Face value	Carrying amount
Balance as at 1 April 2020		440,894,513
Additions		
- Long term loans and borrowings	3,997,104	3,997,104
- Short term loans repayable on demand, net	7,927,411	7,927,411
Others		
- Amortisation of transaction costs	-	298,648
- Foreign currency translation adjustment	-	57,906
Balance as at 30 June 2020		453,175,582

Jubilant Pharma Limited
Notes to the condensed consolidated interim financial statements
(All amounts in USD, unless otherwise stated)

Note 7. Fair value measurements

	Note	Level of hierarchy	As at 30 June 2020			As at 31 March 2020		
			FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial assets								
Trade receivables	(a)		-	-	78,229,078	-	-	116,049,995
Cash and cash equivalents	(a)		-	-	140,527,746	-	-	138,325,966
Other financial assets	(d),(e)	3	-	-	80,544,546	-	-	53,908,256
Total financial assets			-	-	299,301,370	-	-	308,284,217
Financial liabilities								
Loans and borrowings - Senior Notes	(c),(e)	1	-	-	396,984,933	-	-	396,686,285
Loans and borrowings - Others	(a),(b)		-	-	56,190,649	-	-	44,208,228
Lease liabilities	(a)		-	-	21,454,133	-	-	20,614,518
Trade payables	(a)		-	-	64,532,122	-	-	68,695,898
Employee benefits	(a),(b)		-	-	29,569,050	-	-	25,863,909
Other financial liabilities	(a)		-	-	9,799,235	-	-	24,848,675
Total financial liabilities			-	-	578,530,122	-	-	580,917,513

Valuation techniques and significant unobservable inputs

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)	<i>Discounted cash flows:</i> The valuation model considers the present value of expected receipts discounted using an adjusted discount rate	Adjusted discount rate 5.72% (31 March 2020: 7.12%)	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. Further, the fair value disclosure of lease liabilities is not required.
- (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 2020	As at 31 March 2020
Senior Notes 2021	1	195,750,000	186,250,000
Senior Notes 2024	1	196,358,000	188,826,000
		392,108,000	375,076,000

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

	Level of hierarchy	Fair value	
		As at 30 June 2020	As at 31 March 2020
Other financial assets #	3	80,963,704	53,520,600

The fair value of other non-current 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. The fair value of other current financial assets is considered as approximate to carrying amount due to the short term maturities of these instruments.

(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 2020	Quarter ended 30 June 2019
Profit from continuing operations before income tax expense	5,781,652	29,001,189
Weighted average applicable tax rate	19.31%	25.46%
Tax at weighted average applicable tax rate	1,116,224	7,384,787
Tax effect of amounts which are not deductible (taxable) in calculating taxable income		
Incremental allowance for research and development	(43,684)	185,148
Effect of state taxes	70,636	310,380
Change in tax rate	69,192	(2,196)
Unrecognised deferred tax on business loss	19,615	558
Non-deductible expenses	158,008	1,080,127
Others	145,661	146,692
	1,535,652	9,105,496