

# B S R & Co. LLP

Chartered Accountants

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## Review Report to the Board of Directors of Jubilant Life Sciences Limited

1. We have reviewed the accompanying Statement of Consolidated Unaudited Results (“the consolidated financial results”) of Jubilant Life Sciences Limited (“the Company”) and its subsidiaries (collectively referred to as “the Group”) for the quarter and half year ended 30 September 2017, attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 and Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. These consolidated financial results are the responsibility of the Company’s management and have been approved by the Board of Directors on 28 October 2017. Our responsibility is to issue a report on these consolidated financial results based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”, issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the consolidated financial results are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying consolidated financial results, prepared in accordance with applicable Indian Accounting Standards (“Ind AS”) prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies, has not disclosed the information required to be disclosed in terms of Regulation 33 and Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular dated 5 July 2016 including the manner in which it is to be disclosed, or that it contains any material misstatement.

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



**Pravin Tulsyan**  
*Partner*  
Membership No.: 108044

Place: Noida  
Date: 28 October 2017

Jubilant Life Sciences Limited

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Statement of Consolidated Unaudited Results for the Quarter and Half year ended 30 September 2017

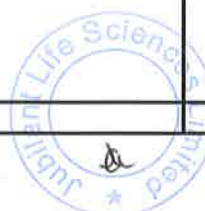
Sr. No.	Particulars	Quarter Ended			Half Year Ended		(₹ in Lakhs)
		30 September	30 June	30 September	30 September	30 September	31 March
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
		2017	2017	2016	2017	2016	2017
1	<b>Revenue from operations</b>						
	a) Sales/Income from operations (Refer note 3 below)	162138	157813	139354	319951	282890	591016
	b) Other operating income	2066	1792	2580	3858	4436	9616
	<b>Total revenue from operations</b>	<b>164204</b>	<b>159605</b>	<b>141934</b>	<b>323809</b>	<b>287326</b>	<b>600632</b>
2	Other income	709	681	492	1390	921	2486
3	<b>Total Income (1+2)</b>	<b>164913</b>	<b>160286</b>	<b>142426</b>	<b>325199</b>	<b>288247</b>	<b>603118</b>
4	<b>Expenses</b>						
	a) Cost of materials consumed	56473	54938	41245	111411	85868	192936
	b) Purchases of stock-in-trade	5174	3822	4510	8996	8182	18536
	c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	(887)	(405)	(224)	(1292)	(2105)	(11522)
	d) Excise duty on sales	22	3975	3384	3997	6823	14489
	e) Employee benefits expense	36880	31032	30141	67912	59731	123093
	f) Finance costs (Refer note 6 below)	6601	6873	7996	13474	16273	34111
	g) Depreciation and amortization expense	7901	7248	7201	15149	14353	29140
	h) Other expenses:						
	- Power and fuel expense	10289	9046	7724	19335	15788	33366
	- Others	25647	23436	21121	49083	42190	95205
	<b>Total expenses</b>	<b>148100</b>	<b>139965</b>	<b>123096</b>	<b>288065</b>	<b>247103</b>	<b>529354</b>
5	<b>Profit before exceptional items and tax (3-4)</b>	<b>16813</b>	<b>20321</b>	<b>19328</b>	<b>37134</b>	<b>41144</b>	<b>73764</b>
6	Exceptional items	-	-	-	-	-	-
7	<b>Profit before tax (5-6)</b>	<b>16813</b>	<b>20321</b>	<b>19328</b>	<b>37134</b>	<b>41144</b>	<b>73764</b>
8	Tax expense	4266	5950	4972	10216	10396	16302
9	<b>Net Profit for the period (7-8)</b>	<b>12547</b>	<b>14371</b>	<b>14356</b>	<b>26918</b>	<b>30748</b>	<b>57462</b>
10	<b>Other Comprehensive Income (OCI)</b>						
	i) a) Items that will not be reclassified to profit or loss	(200)	(264)	(7)	(464)	(20)	416
	b) Income tax relating to items that will not be reclassified to profit or loss	38	33	10	71	18	141
	ii) a) Items that will be reclassified to profit or loss	8178	4178	(4655)	12356	(1147)	(6327)
	b) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-	-
11	<b>Total Comprehensive Income for the period (9+10)</b>	<b>20563</b>	<b>18318</b>	<b>9704</b>	<b>38881</b>	<b>29599</b>	<b>51692</b>
	<b>Net Profit attributable to:</b>						
	Owners of the Company	12826	14714	14462	27540	30612	57565
	Non-controlling Interest	(279)	(943)	(106)	(622)	136	(103)
	<b>Other Comprehensive Income attributable to:</b>						
	Owners of the Company	8016	3949	(4652)	11965	(1149)	(5757)
	Non-controlling Interest	-	(2)	-	(2)	-	(13)
	<b>Total Comprehensive Income attributable to:</b>						
	Owners of the Company	20842	18663	9810	39505	29463	51808
	Non-controlling Interest	(279)	(345)	(106)	(624)	136	(116)
12	Earnings per share of ₹ 1 each (not annualized)						
	Basic (₹)	8.23	9.44	9.29	17.67	19.68	36.93
	Diluted (₹)	8.23	9.44	9.28	17.67	19.66	36.91
13	Paid-up equity share capital (Face value per share ₹ 1)	1557	1557	1555	1557	1555	1557
14	Paid-up debt capital#				245340	**	244050
15	Reserves excluding Revaluation Reserves				376087	**	342047
16	Capital Redemption Reserve				3984	**	3984
17	Debenture Redemption Reserve				3746	**	3746
18	Net Worth				373091	**	339675
19	Debt Equity Ratio#				0.99	**	1.07
20	Debt Service Coverage Ratio#				4.43	**	2.33
21	Interest Service Coverage Ratio#				4.88	**	4.02
	# refer note 4 for definitions						
	** Not applicable						
	See accompanying notes to the Consolidated Unaudited Results						



**Jubilant Life Sciences Limited**  
**Statement of Consolidated Unaudited Asset and Liabilities**

(₹ in Lakhs)

Sr. No.	Particulars	As at	As at
		30 September	31 March
		(Unaudited)	(Audited)
		2017	2017
<b>A</b>	<b>ASSETS</b>		
<b>1.</b>	<b>Non-current assets</b>		
	Property, plant and equipment	316038	310404
	Capital work-in-progress	33513	21065
	Goodwill	188433	176223
	Other intangible assets	30685	24046
	Intangible assets under development	45557	47313
	<b>Financial assets:</b>		
	Investments	9675	10271
	Loans	1741	1193
	Other financial assets	99	99
	Deferred tax assets (net)	14759	14190
	Income tax assets (net)	912	2573
	Other non-current assets	1778	1876
	<b>Total non-current assets</b>	<b>643190</b>	<b>609253</b>
<b>2.</b>	<b>Current assets</b>		
	Inventories	128356	122040
	<b>Financial assets:</b>		
	Trade receivables	93570	100531
	Cash and cash equivalents	32617	45644
	Other bank balances	539	319
	Loans	627	724
	Other financial assets	8041	3081
	Income tax assets (net)	-	435
	Other current assets	33382	22038
	<b>Total current assets</b>	<b>297132</b>	<b>294812</b>
	<b>Total assets</b>	<b>940322</b>	<b>904065</b>
<b>B</b>	<b>EQUITY AND LIABILITIES</b>		
<b>1.</b>	<b>Equity</b>		
	Equity share capital	1557	1557
	Other equity	376087	342047
	<b>Total equity attributable to equity holders</b>	<b>377644</b>	<b>343604</b>
<b>2.</b>	<b>Non-controlling interest</b>	(4553)	(3929)
	<b>Total equity</b>	<b>373091</b>	<b>339675</b>
<b>3.</b>	<b>Liabilities</b>		
	<b>Non-current liabilities</b>		
	<b>Financial liabilities</b>		
	Borrowings	318479	350503
	Other financial liabilities	21151	18612
	Provisions	9699	8069
	Deferred tax liabilities (net)	16803	18640
	Other non-current liabilities	956	972
	<b>Total non-current liabilities</b>	<b>367088</b>	<b>396796</b>
	<b>Current liabilities</b>		
	<b>Financial liabilities</b>		
	Borrowings	40978	25560
	Trade payables	83411	74949
	Other financial liabilities	59760	48435
	Other current liabilities	7888	8835
	Provisions	3637	3579
	Current tax liabilities (net)	4469	6236
	<b>Total current liabilities</b>	<b>200143</b>	<b>167594</b>
	<b>Total equity and liabilities</b>	<b>940322</b>	<b>904065</b>



**Jubilant Life Sciences Limited**

**Note:1: Consolidated Unaudited Segment wise Revenue, Results, Assets, Liabilities and Capital Employed for the Quarter and Half year ended 30 September 2017**

Sr. No.	Particulars	Quarter Ended						Half Year Ended		Year Ended
		30 September	30 June	30 September	30 September	30 September	30 September	30 September	31 March	
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	
		2017	2017	2016	2017	2016	2017	2016	2017	
1	Segment revenue									
	a. Pharmaceuticals	86033	81799	76893	167832	152356	167832	152356	311665	
	b. Life Sciences Ingredients	73852	73832	61435	147684	126464	147684	126464	271432	
	c. Drug Discovery Solutions	4426	4118	3775	8544	8742	8544	8742	18241	
	<b>Total</b>	<b>164311</b>	<b>159749</b>	<b>142103</b>	<b>324060</b>	<b>287562</b>	<b>324060</b>	<b>287562</b>	<b>601338</b>	
	Less: Inter segment revenue	107	144	169	251	236	251	236	706	
	<b>Total revenue from operations</b>	<b>164204</b>	<b>159605</b>	<b>141934</b>	<b>323809</b>	<b>287326</b>	<b>323809</b>	<b>287326</b>	<b>600632</b>	
	a. Pharmaceuticals	86015	81799	76893	167814	152356	167814	152356	311665	
	b. Life Sciences Ingredients	73805	73688	61266	147493	126233	147493	126233	270762	
	c. Drug Discovery Solutions	4384	4118	3775	8502	8737	8502	8737	18205	
<b>Total</b>	<b>164204</b>	<b>159605</b>	<b>141934</b>	<b>323809</b>	<b>287326</b>	<b>323809</b>	<b>287326</b>	<b>600632</b>		
2	Segment results (profit+/-) before tax, exceptional items and interest from each segment									
	a. Pharmaceuticals	13821	20487	20919	34308	41903	34308	41903	78536	
	b. Life Sciences Ingredients	10955	8765	8189	19720	17863	19720	17863	35170	
	c. Drug Discovery Solutions	211	(265)	(478)	(54)	769	(54)	769	1263	
	<b>Total</b>	<b>24987</b>	<b>28987</b>	<b>28630</b>	<b>53974</b>	<b>60535</b>	<b>53974</b>	<b>60535</b>	<b>114969</b>	
	Less: i. Interest (Finance costs)	6601	6873	7996	13474	16273	13474	16273	34111	
	ii. Exceptional items and un-allocable expenditure (net of un-allocable income)	1573	1793	1306	3366	3118	3366	3118	7094	
	<b>Profit before tax</b>	<b>16813</b>	<b>20321</b>	<b>19328</b>	<b>37134</b>	<b>41144</b>	<b>37134</b>	<b>41144</b>	<b>73764</b>	
	Segment assets									
	a. Pharmaceuticals	621547	590318	574788	621547	574788	621547	574788	586963	
b. Life Sciences Ingredients	268457	262755	252542	268457	252542	268457	252542	260353		
c. Drug Discovery Solutions	16776	17977	16263	16776	16263	16776	16263	18007		
d. Unallocable corporate assets (excluding deferred tax assets)	18783	25809	22983	18783	22983	18783	22983	24552		
<b>Total Segment assets</b>	<b>925563</b>	<b>896859</b>	<b>866576</b>	<b>925563</b>	<b>866576</b>	<b>925563</b>	<b>866576</b>	<b>889875</b>		
Segment liabilities										
a. Pharmaceuticals	60452	49029	48506	60452	48506	60452	48506	44878		
b. Life Sciences Ingredients	55836	63579	53038	55836	53038	55836	53038	60289		
c. Drug Discovery Solutions	3009	3119	3056	3009	3056	3009	3056	3018		
d. Unallocable corporate liabilities (excluding borrowings and deferred tax liabilities)	33701	31481	18723	33701	18723	33701	18723	33036		
<b>Total Segment liabilities</b>	<b>152998</b>	<b>147208</b>	<b>123323</b>	<b>152998</b>	<b>123323</b>	<b>152998</b>	<b>123323</b>	<b>141221</b>		
Capital employed (Segment assets less Segment liabilities)										
a. Pharmaceuticals	561095	541289	526282	561095	526282	561095	526282	542085		
b. Life Sciences Ingredients	212621	199176	199504	212621	199504	212621	199504	200064		
c. Drug Discovery Solutions	13767	14858	13207	13767	13207	13767	13207	14989		
d. Unallocable corporate assets less liabilities	(14918)	(5672)	4260	(14918)	4260	(14918)	4260	(8484)		
<b>Total Capital employed</b>	<b>772565</b>	<b>749551</b>	<b>743253</b>	<b>772565</b>	<b>743253</b>	<b>772565</b>	<b>743253</b>	<b>748654</b>		



2. The Company has opted to publish consolidated unaudited results for the year ending 31 March 2018. The standalone unaudited results are available under Investor Relations section of our website at [www.jubl.com](http://www.jubl.com) and under Financial Results at Corporates section of [www.nseindia.com](http://www.nseindia.com) and [www.bseindia.com](http://www.bseindia.com). Key standalone financial information of the Company is as under:

Particulars	Quarter Ended			Half Year Ended		Year Ended
	30 September	30 June	30 September	30 September	30 September	31 March
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	2017	2017	2016	2017	2016	2017
Total revenue from operations	73448	71027	60640	144475	122504	262298
Profit before tax	7827	2741	3503	10568	6718	11452
Net profit after tax	5688	2229	2412	7917	4510	7919

3. Sales/Income from operations for the current period is not comparable with previous periods since the same is net of Goods and Services Tax (GST) whereas excise duty formed part of expenses in previous periods.

The comparative sales/income from operations of the Company is given below:

Particulars	Quarter Ended			Half Year Ended		Year Ended
	30 September	30 June	30 September	30 September	30 September	31 March
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	2017	2017	2016	2017	2016	2017
Sales/Income from operations (as reported)	162138	157813	139354	319951	282890	591016
Less: Excise duty on sales	22	3975	3384	3997	6823	14489
Sales/Income from operations (net of excise duty)	162116	153838	135970	315954	276067	576527

4. The Secured Rated Listed Redeemable Non-Convertible Debentures (NCDs) aggregating to ₹ 49500 lakhs outstanding as at 30 September 2017 and 31 March 2017 are secured by a first pari-passu charge by way of mortgage on certain immovable assets and entire movable fixed assets, both present and future, of the Company. On 22 September 2017, India Ratings and Research Private Limited affirmed the rating at "IND AA- / Stable" to the ₹ 49500 lakhs NCDs of the Company. The asset cover thereof based on agreed methodology exceeds 100% of the outstanding principal amount of the said NCDs.

Details of due dates for payment of interest and repayment of principal of NCDs are as follows:

Particulars	Previous Due Date		Next Due Date	
	Principal	Interest	Principal	Interest
1000 – 8.20% Non - Convertible Debentures of ₹ 10 lakhs each	-	27 July 2017	27 January 2019	27 January 2018
1000 – 8.47% Non - Convertible Debentures of ₹ 10 lakhs each	-	27 July 2017	27 January 2020	27 January 2018
1500 – 8.65% Non - Convertible Debentures of ₹ 10 lakhs each	-	27 July 2017	27 January 2021	27 January 2018
1450 – 8.88% Non - Convertible Debentures of ₹ 10 lakhs each	-	27 July 2017	27 January 2022	27 January 2018

Interest due on 27 July 2017 has been paid on the due date.

Definition for ratios:

a) Paid-up debt capital: Secured Rated Listed Redeemable Non-Convertible Debentures issued by the Company and unsecured high yield bonds issued by Jubilant Pharma Limited, Singapore, a wholly-owned subsidiary of the Company (Gross of debt initiation cost).

b) Debt Equity Ratio: Net debts/net worth

{Net debts: Long term borrowings (including current maturities and gross of debt initiation cost) + short term borrowings - cash and cash equivalents - investment in mutual funds}

{Net worth including non-controlling interest}

c) Debt Service Coverage Ratio: EBITDA/(Finance costs + scheduled principal repayments (net of refinance) during the period for long-term debts)

{EBITDA: Profit before tax + depreciation and amortization expense + finance costs}

d) Interest Service Coverage Ratio: EBITDA/Finance costs

5. During the quarter, a wholly owned subsidiary of the Company, Jubilant Pharma Limited ("JPL"), through one of its wholly owned subsidiaries has completed the acquisition of the US radiopharmacy business of Triad Isotopes, Inc. The acquisition has been funded through JPL's internal accruals. This being a business combination, basis preliminary purchase price allocation to various identifiable acquired assets and assumed liabilities, provisional goodwill of ₹ 4422 lakhs has been recognised. Results for the current quarter has been impacted by acquisition related one time cost of ₹ 811 lakhs and elimination of unrealised profit of ₹ 1108 lakhs on intra group inventory out of sales made after acquisition date which otherwise would have been considered as external sales.

6. Finance costs for the quarters ended 30 September 2017, 30 June 2017, 30 September 2016, half year ended 30 September 2017, 30 September 2016 and year ended 31 March 2017 include ₹986 lakhs, ₹ 1397 lakhs, ₹ 947 lakhs, ₹ 2383 lakhs, ₹ 1882 lakhs and ₹ 5434 lakhs, respectively, towards charge on zero coupon financing of US\$ 60 million from International Finance Corporation in JPL.

7. Previous period figures have been regrouped / reclassified to conform to the current period's classification.

8. The above consolidated unaudited results were, subjected to limited review by the Statutory Auditors of the Company, reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 28 October 2017. The review report of the Statutory Auditors is being filed with the BSE and National Stock Exchange. For more details on consolidated unaudited results, visit Investor Relations section of our website at [www.jubl.com](http://www.jubl.com) and Financial Results at Corporates section of [www.nseindia.com](http://www.nseindia.com) and [www.bseindia.com](http://www.bseindia.com).



For Jubilant Life Sciences Limited

Hari S. Bhartia  
Co-Chairman & Managing Director

Place : Noida  
Date : 28 October 2017