

B S R & Co. LLP

Chartered Accountants

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Independent Auditor's Report

To the Board of Directors of Jubilant Life Sciences Limited

Report on the audit of the Standalone Annual Financial Results

Opinion

We have audited the accompanying standalone annual financial results of Jubilant Life Sciences Limited (hereinafter referred to as the "Company") for the year ended 31 March 2020, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone annual financial results:

- a. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- b. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India, of the net profit and other comprehensive income and other financial information for the year ended 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 Companies Act, 2013 ("the Act"). Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Annual Financial Results* 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 Standalone annual financial results.

Emphasis of Matter

We draw attention to note 4 of the standalone annual financial results which describes the accounting policy followed by the Company related to the transfer of India Branded Pharmaceuticals Business to its subsidiary. Our opinion is not modified in respect of aforesaid matter.

Management's and Board of Directors' Responsibilities for the Standalone Annual Financial Results

These standalone annual financial results have been prepared on the basis of the standalone annual financial statements.

The Company's Management and the Board of Directors are responsible for the preparation and presentation of these standalone annual financial results that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. 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 the 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 standalone annual financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone annual financial results, the Management and the 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 responsible for overseeing the Company's financial reporting process

Auditor's Responsibilities for the Audit of the Standalone Annual Financial Results

Our objectives are to obtain reasonable assurance about whether the standalone annual financial results 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 standalone annual financial results.

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 standalone annual financial results, 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 through a separate report on the complete set of financial statements 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 standalone financial results made by the Management and Board of Directors.

B S R & Co. LLP

- 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 appropriateness of this assumption. 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 standalone annual financial results 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 standalone annual financial results, including the disclosures, and whether the standalone annual financial results 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.

Other Matters

The standalone annual financial results include the results for the quarter ended 31 March 2020 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

For B S R & Co. LLP

Chartered Accountants

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

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Manish Gupta

Partner

Membership Number: 095037

ICAI UDIN No.20095037AAAABH2668

Place: Delhi
Date: 29 May 2020

Jubilant Life Sciences Limited

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Statement of Standalone Audited Results for the Quarter and Year ended 31 March 2020

(₹ in Lakhs)

Sr. No.	Particulars	Quarter Ended			Year Ended	
		31 March	31 December	31 March	31 March	31 March
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
		2020	2019	2019	2020	2019
1	Revenue from operations					
	a) Sales/Income from operations	77844	78887	85144	309502	339338
	b) Other operating income	1292	1231	1368	4488	4523
	Total revenue from operations	79136	80118	86512	313990	343861
2	Other income (refer note 10 below)	8269	552	483	17323	7800
3	Total income (1+2)	87405	80670	86995	331313	351661
4	Expenses					
	a) Cost of materials consumed	42728	44013	42827	168329	187460
	b) Purchases of stock-in-trade	3114	1936	2070	10946	13147
	c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	(4777)	(3380)	8064	(10832)	4674
	e) Employee benefits expense	6743	6976	6384	26490	26571
	f) Finance costs	3617	3479	3233	13620	12896
	g) Depreciation and amortization expense	2980	2849	2210	10740	8648
	h) Other expenses:					
	- Power and fuel expense	8913	9744	8640	36920	35828
	- Others	13051	11387	12928	45046	44094
	Total expenses	76369	77004	86356	301259	333318
5	Profit before exceptional items and tax (3-4)	11036	3666	639	30054	18343
6	Exceptional items (refer note 6 below)	-	170	-	170	-
7	Profit before tax (5-6)	11036	3496	639	29884	18343
8	Tax expense (refer note 8 below)	(82)	33	(105)	(2230)	3580
9	Net Profit for the period (7-8)	11118	3463	744	32114	14763
10	Other Comprehensive Income (OCI)					
	i) a) Items that will not be reclassified to profit or loss	(153)	(47)	62	(294)	(116)
	b) Income tax relating to items that will not be reclassified to profit or loss	56	17	(3)	106	59
	ii) a) Items that will be reclassified to profit or loss	-	-	-	-	-
	b) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-
11	Total Comprehensive Income for the period (9+10)	11021	3433	803	31926	14706
12	Earnings per share of ₹ 1 each (not annualized)					
	Basic (₹)	6.98	2.17	0.47	20.16	9.27
	Diluted (₹)	6.98	2.17	0.47	20.16	9.27
13	Paid-up equity share capital (Face value per share ₹ 1)	1593	1593	1593	1593	1593
14	Reserves excluding Revaluation Reserves (other equity)				259137	232438
15	Paid-up debt capital#					74500
16	Capital Redemption Reserve					99
17	Debenture Redemption Reserve					13008
18	Net Worth					234031
19	Debt Equity Ratio#					0.71
20	Debt Service Coverage Ratio#					3.09
21	Interest Service Coverage Ratio#					3.09
	# refer note 5 for definitions					
	See accompanying notes to the Standalone Audited Results					

Jubilant Life Sciences Limited
Statement of Standalone Audited Assets and Liabilities

(₹ in Lakhs)

Sr. No.	Particulars	As at	As at
		31 March	31 March
		(Audited)	(Audited)
		2020	2019
A	ASSETS		
1.	Non-current assets		
	Property, plant and equipment	175895	148791
	Capital work-in-progress	5841	28382
	Other intangible assets	518	345
	Intangible assets under development	68	-
	Right of use assets	10059	-
	Financial assets:		
	Investments	176403	176389
	Loans	434	329
	Other financial assets	739	50
	Income tax assets (net)	998	1296
	Other non-current assets	171	2664
	Total non-current assets	371126	358246
2.	Current assets		
	Inventories	65638	49194
	Financial assets:		
	Trade receivables	42545	48052
	Cash and cash equivalents	9670	1870
	Other bank balances	16103	1604
	Loans	666	318
	Other financial assets	18302	5982
	Other current assets	19289	21097
	Total current assets	172213	128117
	Total assets	543339	486363
B	EQUITY AND LIABILITIES		
1.	Equity		
	Equity share capital	1593	1593
	Other equity	259137	232438
	Total equity	260730	234031
2.	Liabilities		
	Non-current liabilities		
	Financial liabilities:		
	Borrowings	132791	113957
	Lease liabilities	4479	-
	Provisions	6685	6196
	Deferred tax liabilities (net)	1131	2405
	Total non-current liabilities	145086	122558
	Current liabilities		
	Financial liabilities:		
	Borrowings	62297	46271
	Lease liabilities	362	-
	Trade payables		
	Total outstanding dues of micro enterprises and small enterprises	969	603
	Total outstanding dues of creditors other than micro enterprises and small enterprises	60888	59002
	Other financial liabilities	8048	19613
	Other current liabilities	2056	1815
	Provisions	2173	2078
	Current tax liabilities (net)	730	392
	Total current liabilities	137523	129774
	Total equity and liabilities	543339	486363

Jubilant Life Sciences Limited
Note 1: Statement of Standalone Audited Cash Flows

(₹ in Lakhs)

Particulars	Year ended	
	31 March	31 March
	(Audited)	(Audited)
	2020	2019
A. Cash flow from operating activities		
Net profit before tax	29884	18343
Adjustments:		
Depreciation and amortisation expense	10740	8648
Loss on sale/ disposal/ discard of property, plant and equipment (net)	369	555
Finance costs	13620	12896
Exceptional items	170	-
Unrealised foreign exchange loss/(gain)	863	(41)
Interest income	(267)	(203)
Dividend income	(15194)	(5929)
	10301	15926
Operating cash flow before working capital changes	40185	34269
Decrease/ (increase) in trade receivables, loans, other financial assets and other assets	8712	(6300)
(Increase)/ decrease in inventories	(16717)	9364
Increase/ (decrease) in trade payables, other financial liabilities, other liabilities and provisions	1499	(14267)
Cash generated from operations	33679	23066
Income tax paid (net of refund)	(2003)	(4892)
Net cash generated from operating activities	31676	18174
B. Cash flow from investing activities		
Purchase of property, plant and equipment, other intangible assets (including capital work-in-progress and intangible asset under development)	(19756)	(28257)
Proceeds from sale of property, plant and equipment	76	181
Investment in subsidiaries	(5)	(5700)
Loans (given to)/ repaid by subsidiaries (net)	(359)	700
Movement in other bank balances	(15188)	(1510)
Interest received	267	178
Dividend received	15194	5929
Net cash used in investing activities	(19771)	(28479)
C. Cash flow from financing activities		
Proceeds from long term borrowings	74204	34824
Repayment of long term borrowings	(90250)	(34779)
Payment of lease liabilities	(343)	-
Proceeds from short term borrowings (net)	11136	27302
Loans taken from subsidiaries	26225	500
Repayment of loans taken from subsidiaries	-	(250)
Proceeds from/ (repayment) of short term borrowings taken from subsidiaries (net)	4890	(100)
Dividend paid (including dividend distribution tax)	(15282)	(5564)
Finance costs paid	(14685)	(13405)
Net cash (used in)/ generated from financing activities	(4105)	8528
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	7800	(1777)
Add: cash and cash equivalents at the beginning of year	1870	3647
Cash and cash equivalents at the end of the year	9670	1870

Jubilant Life Sciences Limited

Note 2: Standalone Audited Segment wise Revenue, Results, Assets and Liabilities for the Quarter and Year ended 31 March 2020

(₹ in Lakhs)

Sr. No.	Particulars	Quarter Ended			Year Ended	
		31 March	31 December	31 March	31 March	31 March
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
		2020	2019	2019	2020	2019
1	Segment revenue					
	a. Life Sciences Ingredients	78546	79348	85899	311098	341386
	b. Pharmaceuticals	590	770	613	2892	2475
	Total	79136	80118	86512	313990	343861
	Less: Inter segment revenue	-	-	-	-	-
	Total revenue from operations	79136	80118	86512	313990	343861
	a. Life Sciences Ingredients	78546	79348	85899	311098	341386
	b. Pharmaceuticals	590	770	613	2892	2475
	Total	79136	80118	86512	313990	343861
2	Segment results (profit+)/loss(-) before tax, exceptional items and interest from each segment)					
	a. Life Sciences Ingredients	8835	7363	5186	31616	29549
	b. Pharmaceuticals	(288)	(222)	(192)	(982)	(1367)
	Total	8547	7141	4994	30634	28182
	Less: i. Interest (Finance costs)	3617	3479	3233	13620	12896
	ii. Exceptional item and un-allocable expenditure (net of un-allocable income)	(6106)	166	1122	(12870)	(3057)
	Profit before tax	11036	3496	639	29884	18343
3	Segment assets					
	a. Life Sciences Ingredients	317803	305665	287642	317803	287642
	b. Pharmaceuticals (refer note 4 below)	-	560	568	-	568
	c. Unallocable corporate assets	225536	199936	198153	225536	198153
	Total Segment assets	543339	506161	486363	543339	486363
4	Segment liabilities					
	a. Life Sciences Ingredients	73891	64494	73305	73891	73305
	b. Pharmaceuticals (refer note 4 below)	-	745	637	-	637
	c. Unallocable corporate liabilities	208718	194406	178390	208718	178390
	Total Segment liabilities	282609	259645	252332	282609	252332

3. During the year ended 31 March 2020, the Company 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 Company and Demerger of the Life Science Ingredients business into the Resulting entity 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 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 standalone financial results of the Company do not have any impact of the composite scheme.

4. During the quarter and the year ended 31 March 2020, the Company has transferred its India Branded Pharmaceuticals Business to Jubilant Generics Limited, a wholly owned indirect subsidiary in India, against a consideration of ₹ 12850 lakhs. Accordingly, as per the generally accepted accounting practices, the Company has recognised the excess of consideration over book value of net assets/liabilities transferred, net of related tax, amounting to ₹ 10056 lakhs in Other Equity. This transaction does not have impact on the consolidated financial results.

5. The Board of Directors of the Company at its meeting held on 30 December 2019 approved the early redemption of Non-Convertible Debentures ("NCDs") of ₹ 74500 lakhs. The same have been pre-paid on 7 January 2020 and subsequently delisted. Accordingly, current year information have not been provided. The definitions for ratios for the year ended 31 March 2019 are as under:

a) Paid-up debt capital: Secured Rated Listed Redeemable Non-Convertible Debentures (Gross of debt initiation cost)

b) Debt Equity Ratio: Net debt/net worth

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

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

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

d) Interest Service Coverage Ratio: EBITDA/Finance costs

6. The exceptional items represent debt initiation costs of ₹ 170 lakhs on early redemption of NCDs.

7. India Branded Pharmaceuticals Business, earlier presented under "Others" segment has been reclassified under "Pharmaceuticals" segment.

8. During the year ended 31 March 2020, in accordance with Taxation Laws (Amendment) Act, 2019, the Company has evaluated the outstanding net deferred tax liability as at 31 March 2019, and, based on estimates, has written back an amount to the extent of ₹ 5001 lakhs to the Statement of Profit and Loss.

9. Effective from 1 April 2019, the Company has adopted Ind AS 116 - Leases, using the modified retrospective method. The adoption of the standard did not have any material impact on the standalone financial results of the Company.

10. Other income for the quarter ended 31 March 2020, year ended 31 March 2020 and year ended 31 March 2019 include ₹ 7777 lakhs, ₹ 15194 lakhs and ₹ 5929 lakhs respectively, dividend received from Jubilant Pharma Limited, a wholly owned subsidiary of the Company.

11. The Company is a "Large Corporate" as per criteria under SEBI Circular SEBI/HO/DDHS/CIR/P/2018/144 dated 26 November 2018. Necessary disclosure has been made to the stock exchanges, where securities of the Company are listed in this regard.

12. The Company has at its meeting held on 27 February 2020, approved payment of interim dividend (of ₹ 5 per share) for the Financial Year 2019-20. No final dividend was declared by the Company.

13. The Company 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 and intangible assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions, the Company has, as at the date of approval of these standalone financial results, used internal and external sources of information, including economic forecasts and estimates from market sources, on the expected future performance of the Company. On the basis of evaluation and current indicators of future economic conditions, the Company expects to recover the carrying amounts of these assets and does not anticipate any impairment to these financial and non-financial assets. However, the impact assessment of COVID-19 is a continuing process, given the uncertainties associated with its nature and duration. The Company will continue to monitor any material changes to future economic conditions.

14. The figures for the quarter ended 31 March 2020 and the corresponding quarter ended in the previous year, as reported in these standalone financial results, are the balancing figures between audited figures in respect of the full financial year and the published year to date figures until the end of third quarter of the relevant financial year. Also, the figures until the end of the third quarter had only been reviewed and not subjected to audit. Further, previous period figures have been regrouped / reclassified to conform to the current period's classification.

15. The above standalone audited results were reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 29 May 2020. The audit report of the Statutory Auditors is being filed with the BSE Limited and The National Stock Exchange of India Limited. For more details on standalone audited results, visit Investors section of our website at www.jubl.com and Financial Results at Corporates section of www.nseindia.com and www.bseindia.com.

For Jubilant Life Sciences Limited

Place : Noida
Date : 29 May 2020

HARI SHANKER BHARTIA
Digitally signed
by HARI SHANKER BHARTIA
Date: 2020.05.29
14:54:31 +05'30'
Hari S. Bhartia
Co-Chairman & Managing Director